

## **DCMS COMMITTEE INQUIRY: IMPACT OF COVID-19 ON DCMS SECTORS WRITTEN EVIDENCE SUBMITTED BY UK SPORT**

05.06.20

### **Introduction**

UK Sport is the nation's high-performance sports agency. We inspire the nation through Olympic and Paralympic Success, ensure Britain plays host to some of the world's biggest sporting events, act as an international leader in sports governance and seek throughout to use the power of sport to enrich lives across communities and country alike.

Thanks to continued National Lottery and Exchequer investment, British athletes made history at the last Olympic and Paralympic Games in Rio, winning more medals than the London Games in 2012; bringing home 67 Olympic and 147 Paralympic medals and all the while bringing together and inspiring our nation once more. When, following the Rio Games, the public was asked what made them most proud to be British, 'Team GB' was ranked second behind only the NHS.

UK Sport Chair, Dame Katherine Grainger, was pleased to appear before the Select Committee at its session on Tuesday 5 May 2020. This written submission builds on the oral evidence Dame Katherine provided and is broadly structured to address the specific areas of interest outlined by the Committee in its call for evidence to this Inquiry.

The submission will focus on the impact of the COVID-19 pandemic on the nation's Olympic and Paralympic athletes, as well as on their national governing bodies. It will outline what UK Sport has done to address the immediate impacts, as well as providing commentary on where additional support is needed to protect the high-performance sport system so we can continue to harness the power of sport to enrich lives.

## Executive Summary

- The current COVID-19 pandemic has brought the sport the nation knows and loves to a standstill. Competitive sport has been almost entirely suspended across the globe; top athletes have been unable to train other than on an individual basis; private, community and school sports facilities have been closed; sports clubs and sports development programmes have been unable to operate.
- The sports industry is being hit hard by the impacts of the lockdown. Many Olympic and Paralympic sports face substantial financial challenges having lost millions in revenue. The vast majority of Britain's sporting governing bodies operate on fine margins and small reserves and are highly vulnerable given the pressure COVID-19 is placing on limited resources. For National Governing Bodies (NGBs), lost sponsorship deals, reducing membership levels, and the cancellation of events and education programmes mean they have had to implement serious cost-saving measures and draw substantially on emergency financial reserves.
- Meanwhile, top sportsmen and women across the sporting spectrum are having to find ways of maintaining form and fitness while at the same time coping with the uncertainty of knowing when regular training and competition will begin again. Most significantly for UK Sport, the 2020 Tokyo Olympic and Paralympic Games have been postponed until the summer of 2021.
- Competitor nations have already had government commitments for financial support to get their teams and athletes to the Tokyo Games in 2021. Without a similar commitment for British athletes the risks to achieving qualification for the Games are significant.
- As government guidance has developed over the course of the pandemic, UK Sport has been clear that the choice of athletes to return to training is a personal one. Every sport is different, and everyone's personal circumstances are different and whilst clearly there are many athletes who are keen to return to training as soon as possible, there are those who will have genuine concerns or personal circumstances that make this challenging. UK Sport have been clear that sports put the welfare of athletes and staff the number one priority in considering any return to training and/or competition.
- Olympic and Paralympic sports are facing real threats both to their immediate survival and their long-term future. There is a danger that, without the certainty of funding to carry them through the now-extended Tokyo cycle, four years of Government and Lottery investment will be wasted due to sports being unable to qualify for the deferred Games.
- At present UK Sport estimates that around 250 British athletes are expected to qualify for the Games but have yet to do so because of the impact of COVID-19 on the cancellation of events across the sporting calendar. This is a huge

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number of athletes who urgently need confirmation that they, and their sport, will have the continued financial resources to both qualify for, and compete at, the Games in the Summer of 2021.

- UK Sport's Exchequer funding is currently committed up until 31 March 2021, which leaves sports with a significant gap in resources to complete the Tokyo cycle, given the Games have now been postponed to the summer of 2021. In view of this situation, UK Sport has asked the Government for an early and exceptional one-year commitment to a rollover of its current Exchequer funding settlement for 2021/22. This amounts to baseline funding of £53.4m from the Exchequer, plus an extension of the Government underwrite on our funding from the National Lottery.
- As an arms-length body of DCMS, UK Sport has co-ordinated its response to Covid-19 in collaboration with Ministers and officials. The Department has been very open to engaging with us and our partners, who have had to make difficult decisions about their projects and staff as well as their own response to the pandemic at a national and community level.
- Organisationally, UK Sport has adapted its corporate strategy to address these challenging conditions. A comprehensive reprioritisation exercise, which has led to a number of projects being put on hold, has resulted in savings of over 15% across FY20/21's programme and admin spend which the organisation is subsequently able to redeploy to support the system in adapting to the current circumstances.
- In strategy terms the organisation has set three high-level priorities to guide work in the months ahead under three work streams: **protecting** the high-performance system – NGBs, athletes and other partner organisations – during this time to ensure it survives and continues to thrive; working to address how best to help the system **prepare** for the resumption of activity; initiating activity to ensure the high performance sports system in the UK can **play its part** in helping society during the crisis.
- There is a growing appreciation of the role that sport will play when normal life resumes, and Tokyo will be seen in many quarters as a landmark occasion in this respect, bringing the world together for maybe the first time since the start of the pandemic in a celebration of the human spirit. UK Sport therefore believes that it will be very important, both for national morale and the UK's global profile, that the British teams are fit, healthy and well prepared when Tokyo 2020 finally comes around – albeit in 2021.
- It is therefore of critical importance to secure clarity on funding for the coming financial year (2021/22). This will galvanise the UK's high performance system to finish the Tokyo Cycle by supporting a great variety of sports and athletes to achieve their dreams at the Games, and in doing so uniting the nation in pride of British athletes' successes.

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## 1. What have been the immediate impacts of COVID-19 on Olympic and Paralympic sport?

The current COVID-19 pandemic has brought the sport we know and love as a nation to a standstill. Olympic and Paralympic sports are facing real threats both to their immediate survival and their long-term future.

For the first time in history the Tokyo Olympic and Paralympic Games has been postponed and will now take place in the summer of 2021. This was a welcome decision to ensure everyone's safety and to provide the clarity our sports and athletes needed. The government lockdown restrictions have meant that athlete training was halted for several weeks.

Throughout the pandemic athlete safety and support has been, and continues to be, UK Sport's number one priority. UK Sport's Chair, Dame Katherine Grainger, wrote to all athletes at the start of the crisis and outlined support available to them to manage the disruption and the impacts of the pandemic and the postponement of the Games on both athletes' mental and physical health.

UK Sport analysis indicates a significant loss of revenue for sports and this poses serious financial risk to national governing bodies (NGBs). Unfortunately, some of those who have made the most progress in increasing their non-public income sources over the past 4-8 years are now the sports being hit hardest with the loss of income from sponsorship agreements or the loss of major event programmes.

### Financial implications

UK Sport estimates that the adverse financial impact across the Olympic and Paralympic family is around **£30m**. This is derived from those organisations' initial estimates of the impact on their finances through to March 2021, based on the restrictions lasting until mid-June. This figure can be expected to rise if disruption continues. The main causes are loss of income from areas including:

- sponsorship, membership and education programmes
- cancellation and postponement of major events – including qualification events - which provide critical exposure and public engagement

In unpacking the £30m of impacts across the UK's Olympic and Paralympic family, we know that nine organisations have quantified the cost implications /losses on their individual operations at over £1m, with four of these placing it in excess of £3m. Meanwhile there is a small number (around five) of organisations that have identified that their solvency may be at risk.

This is clearly a rapidly changing picture and the financial impacts of the pandemic will continue to get worse if financial insecurity continues, without assurance that

further funding is forthcoming both in the short term but also to deliver programmes in 2021.

Across the board, sports and partner organisations have identified in excess of £10m of 'mitigating actions' which typically include savings, redundancies, furlough, and loans. Although it is difficult to assess quite how hard these actions will bite in each organisation, without longer-term financial clarity, there is an inevitable fear that furloughs could start to turn into redundancies; that athlete numbers may need to be reduced from sports' World Class Programmes; and that there will be a reduction in the number of camps and competitions athletes can attend when those activities are possible again. Travel restrictions will make it particularly challenging for sports to maintain their typical qualification and pre-Games preparation camps. In combination, this all indicates a danger that four years of Government and Lottery funding that has already been invested in the Tokyo Cycle will be wasted due to sports being unable to qualify for the Games.

UK Sport's Exchequer funding is currently committed up until 31 March 2021, which leaves sports with a significant gap in resources to complete the now-extended Tokyo Olympic and Paralympic Cycle. This is creating significant uncertainty for NGBs as they are unable to plan their final preparation to qualify for, and compete at, the Tokyo Games. Sports and athletes need swift reassurance that they will continue to be supported to get to the Games. Without this, sports risk not being able to commit to new qualification events when they are announced, as well as the potential for significant underperformance in Tokyo at a time where we want to bring the nation together and make it proud of our teams' success.

While many British athletes have already qualified for the Tokyo Olympics and Paralympics. UK Sport estimates that around 250 British athletes are expected to qualify for the Games but have yet to do so because of the impact of COVID-19 on the cancellation of events across the sporting calendar. This is a huge number of athletes who urgently need confirmation that they, and their sport, will have the continued financial resources to both qualify for, and compete at, the Games in the Summer of 2021. International competition calendars will soon be reconfirmed to outline new qualification routes to get to Tokyo. British athletes and sports need urgent commitment of funding to be able to plan their competition schedule to give themselves the best chance of qualifying for the Games.

In view of this situation, UK Sport have asked the Government for an early and exceptional one-year rollover of our current Exchequer funding settlement for 2021/22. This amounts to baseline funding of £53.4m from the Exchequer, plus an extension of the Government underwrite on our funding from the National Lottery and a small additional increase in funding to cover costs incurred from the postponement of the Tokyo Games by one year.

Not only will a commitment of this sort enable us to keep on track for Tokyo, it will also allow sports to continue their development work with the next generation of summer sports athletes – the 'Paris and Los Angeles generation'. Without early confirmation of funding for 2021-2022, sports will be forced to shut down all of this

activity, thereby significantly harming our prospects in 2024 and beyond. Without a timely confirmation of continued investment would also risk failing to capitalise on the inspirational nationwide impact of Olympic and Paralympic success at the forthcoming Games, which will see the nation united as one behind our athletes and the GB team out in Tokyo.

It is also important to note that the 2021-2022 financial year also encompasses the Beijing 2022 Winter Olympics and Paralympics. Whilst the scale and size of these Games is understandably smaller, our winter athletes' preparations have also been affected, with ranking and qualification competitions postponed. Some certainty over their funding as they approach the final run up to the 2022 Games will allow for training schedules and competition plans to be finalised giving them the best chance of achieving success.

## **2. What other steps has UK Sport taken to protect the high-performance system from the impact of COVID-19?**

As an arms-length body of DCMS, UK Sport has co-ordinated its response to Covid-19 in collaboration with Ministers and officials.

Organisationally, UK Sport has adapted its corporate strategy to address the circumstances we all now find ourselves. As a result, the organisation has set three high-level priorities to guide work in the months ahead under the three work streams: PREPARE, PROTECT, PLAY OUR PART. UK Sport will:

- **protect** the high-performance system – NGBs, athletes and other partner organisations – during this time to ensure it survives and continues to thrive.
- work to address how best to help the system **prepare** for the resumption of activity – especially in terms of ensuring that our World-Class Programme athletes are supported to be fully competitive at the re-scheduled Olympic and Paralympic Games next summer.
- Initiate activity to ensure the high performance sports system in the UK can **play its part** in helping society during the crisis– for example, through athletes inspiring people to stay active, or through mobilising expertise and resources to support key workers and health professionals.

### 'PROTECT'

As far as the **PROTECT** stream is concerned, UK Sport has followed government guidance throughout (and has led discussions around athletes returning to training) and continues to share this with sports to help inform their planning and preparations.

Notwithstanding the one-year financial rollover that we have requested and which is explained above, it is important to point out that sports have worked hard to make cost savings where possible, pausing non-essential work, redeploying or furloughing staff where possible, and drawing on reserves.

### Funding flexibility

UK Sport has communicated with sports that we will generally not seek to recover any financial investment in the World Class Programme due to disruption caused by the COVID-19 pandemic. Staff are also working with NGBs on a case-by-case basis to provide bespoke flexibility. As far as athlete funding is concerned, this means that:

- Athletes currently in receipt of an Athlete Performance Award (APA) will continue to receive this until it is due to expire, as per the current process (March 2021).
- Where an athlete has previously been means tested out of funding and are now experiencing a significant reduction in their income, they can re-apply for an APA during the award period.

In terms of governing body funding:

- UK Sport will consider requests for flexibility within current grant awards to support a higher proportion of NGB central costs.
- Requests to reduce co-funding contributions will be considered.
- Sports have been advised to be prudent in reporting any surplus for the 20/21 financial year end, conscious that the rescheduling of the Games to 2021 may cause pressure in the future.

### Supporting athletes

The postponement of the Tokyo Olympic and Paralympic Games has provided a unique set of physical and psychological challenges for the nation's athletes. Although for some athletes the postponement may provide an opportunity to get stronger, recover from injury or simply improve, for others the disappointment of not competing this summer will require an enormous mental adjustment – while for others again, the delay represents a year too far and they may take the decision to retire now. And the athletes are not alone. Many people, not least the coaches and support staff who have been supporting athlete preparations for the Games, will be going through the same disappointment and uncertainty. For winter athletes, the cancellation of the remaining 19/20 competition season is also destabilising.

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UK Sport has been working with partners across the high-performance system to ensure athletes are able to receive the support they need at this difficult time. Athlete's mental health has been of paramount importance to UK Sport. All World Class Programme athletes have access to a "Performance Lifestyle" practitioner who is able to support them with all aspects of pastoral care. We have also put in place access to "Big White Wall", a leading digital mental health service, which creates an anonymous, online peer support community. Big White Wall provides a safe space for all athletes and staff in the high-performance system to engage with a wider network of people, outside of their organisation, who understand what it is like to struggle with mental health problems.

## 'PREPARE'

Following the announcements by the International Olympic Committee and the International Paralympic Committee that the Tokyo Olympics and Paralympics would be postponed for one year, combined with the postponement of the qualification schedule for the Games, sports and athletes are currently in a state of limbo as international federations seek to rebuild their events calendars.

It also means that NGBs in the UK need to be highly adaptable and nimble in their response to ensure that British athletes are able to compete and qualify for the Games whenever it is safe and possible to do so.

This submission has already emphasised the need for guaranteed investment in order to ensure that the nation's medal hopefuls are best prepared to train and be in a position to seek qualification for the Olympic or Paralympic Games. Many of our closest rivals have already had government commitments to continued investment to complete the Tokyo cycle, including Canada, the Netherlands and New Zealand.

## Preparing to return

The COVID-19 pandemic is one which has affected the whole world, including our competitor nations. Whilst all of sport has been affected, we are all now working on our resumption strategies to ensure that all the personal sacrifices, investment and hard work that have gone into this current cycle are not lost.

One of the topics that UK Sport has spent considerable time considering is how quickly and effectively performance sport could safely return to normal training practices once social distancing regulations are relaxed.

In conversations with the DCMS, it became clear that the industry would benefit from a set of agreed best practice principles primarily covering physical, psychological and medical readiness as well as operational and facility considerations. This is why UK Sport's CEO, Sally Munday OBE, chaired a working group including major stakeholders across Olympic, Paralympic and professional sports which had the aim



of quickly compiling best practice guidance which all sports could consider and adopt in advance of their athletes and sport staff returning to training.

This group works in close coordination with DCMS, Deputy Chief Medical Officers of England, Public Health England and medical representatives across Olympic, Paralympic and professional sports governing bodies. After a number of comprehensive discussions on 26 May, the Government had published the first two steps of the phased guidance framework which outlines what measures and mitigations need to be in place to allow athletes and support staff to safely return to training. <sup>1</sup>

The guidance was designed to act as a framework against which each sport could make a risk assessment in order to determine whether it is able to provide a safe environment for training. Decisions on when to return to organised training are taken by each sport, in conjunction with relevant training facility providers. It has also been a key principle of the guidance that the choice to return to training is ultimately a personal one, with both athletes and support staff making the decision on their own terms and with consideration to their own personal circumstances. As always, UK Sport have urged sports to make the welfare of athletes and staff their number one priority.

At the time of this submission, UK Sport's CEO continues to Chair the government's working group as the various stages of elite sports' return are worked through. Stage three guidance has now been issued– this covers a return to domestic competition for elite sport from 1<sup>st</sup> June 2020.<sup>2</sup> With stages four and five yet to be published.

### Preparing for Paris 2024

The British Olympic and Paralympic family possesses ever-improving knowledge of what it takes to win, and what it costs to win, in the high-performance arena. UK Sport forensically examine these costs to ensure value for every pound of taxpayers' money. We have proven over the past 22 years that we will deliver for the nation and commit to doing so in the years ahead.

Strategic and sustained investment: strong leadership; ambitious goals; hard work, commitment and collaboration; and the expert support systems in place for our most talented athletes; are just some of the factors that have driven this great British success story.

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<sup>1</sup> <https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-on-phased-return-of-sport-and-recreation>

<sup>2</sup> <https://www.gov.uk/government/news/government-gives-green-light-to-resumption-of-competitive-sport-behind-closed-doors>

Whilst the COVID-19 pandemic has stalled preparations for the Tokyo Games, work has continued to progress behind the scenes in preparing for the next cycle from 2021-2024, culminating in the Paris Olympic and Paralympic Games.

Having reached the upper echelons of the medal table in London, again in Rio, and with high hopes for Tokyo, it is fair to say UK Sport has defined and understood what it takes to win at the very highest levels of international sport. Although the formula requires constant evolution, and we know that we must not be complacent, the question now is: how does the system go even further, what's next for British Olympic and Paralympic sport?

It is UK Sport's belief that there is an incredible opportunity to further develop and enhance how performance sport is run and operated - to form a more cohesive, aligned and coherent movement capable of delivering success in what will feel like a "home Games" in Paris and, indeed, well beyond.

The success of this strategy is dependent on sustained investment from Government and the National Lottery. The one-year funding rollover that UK sport is seeking as a consequence of the Tokyo postponement will enable us to deliver inspirational medal moments at those Games when they eventually take place and will give sports some assurance that the Government remains committed to Olympic and Paralympic sport. The rollover will only take us so far, however; it will be less than the investment we will be looking to make in the first year of the new Paris cycle per se.

What we are saying here is that 2021-22 needs to remain the first year of that cycle, even while the Tokyo Games are taking place. The UK's world leading high performance sport system cannot afford to lose a year of preparation for Paris. Without some certainty about funding levels in 2021-22, sports may have to make significant cuts and redundancies across their programmes – something they would not then be able to recover from in time for a truly successful Paris Games. Faced with uncertainty, on the other hand, there is a real and present danger of losing the nation's most talented people to other nations even before Tokyo. This is a situation UK Sport has managed to avoid in previous cycles due to the Government's unwavering commitment to Olympic and Paralympic sport. This has allowed the UK to keep the world's best talent in our system – talent that we need if we are to stay ahead of our competitors.

### Preparing to inspire

There is a growing appreciation of the role that sport can play when normal life resumes, and Tokyo will be seen in many quarters as a landmark, celebratory occasion in this respect. The Secretary of State himself said in a Daily Telegraph article on 5 April 2020 that;

*"Sport is vital to Britain's sense of self. It will help us cope with the most difficult times and when, and only when, the time is right and it is safe to do so, the return of live sport will lift the nation like nothing else could."*

UK Sport therefore believes that it will be very important for the Great British & Northern Ireland teams to be fit, healthy and well prepared when Tokyo 2020 finally comes around – albeit in 2021.

To provide some indication of the part that the Games play in people’s lives, research carried out around London 2012 and Rio 2016 (UK Sport’s Sporting Preferences surveys) indicate that well over half of the public say they follow ‘a lot’ or ‘some’ of the Olympics (nearly three-quarters for London 2012).

**Table 1: Public engagement with London 2012 and Rio 2016**

	London		Rio	
	A lot	Some	A lot	Some
Followed the Olympics	53%	20%	28%	29%
Followed the Paralympics	33%	26%	14%	29%

Source: UK Sport Sporting Preferences surveys 2012 & 2016

In terms of national pride and unity, after London 2012, 75% of the public strongly ‘agreed’ (34%) or ‘somewhat agreed’ (41%) that the London Olympics and Paralympics had ‘created or heightened a sense of Britishness’ among the UK population (source: UK Sport Sporting Preferences survey, 2012).

More recently UK Sport has found that, across the last two years of our public attitudes tracker research (Feb 18 – Feb 20), on average some 74% of the UK public have reported feeling proud when British Olympic or Paralympic athletes achieve success in international competition, and on average some 62% of the UK public report feeling inspired by the success of, or stories about, British Olympic and Paralympic athletes. Nearly half of ‘inspired’ respondents (48%) have said they feel happier and more satisfied with their life as a result.

Moreover, in a survey of the UK public (July 2019), designed to look specifically at the inspirational impact of high performance sport, three-quarters of respondents (74%) indicated that, over the previous 12 months, there had been at least one occasion on which they had felt inspired when watching top-level sporting events or achievements. These ‘inspired’ respondents indicated that the inspiration they had experienced had had most effect in terms of leading them to have a more positive view about their country or the place they live.

## 'PLAYING OUR PART'

Olympic and Paralympic sport is making every effort to play its part in tackling the pandemic.

Athletes and sport across the country are helping to keep their communities active and connected and were instrumental in promoting the Government's vital "stay at home" messaging until it changed recently.

As a high-performance system, we have deployed our resources – including our people and venues – where we can - to support vital services like the NHS.

Our science and medical arm, The English Institute of Sport, has a number of staff who are working with the NHS. There are also a number of national elite training centres and NGB sports facilities that have opened up to support the NHS. Some examples of this work include:

- British Sailing, which has given over its athlete accommodation in Weymouth for NHS use.
- The Manchester Elite Training Centre, which has given over use of the City of Manchester Stadium for training NHS staff; use of the Etihad Campus as a Park and Ride site for the Sir William Coates temporary hospital; use of the Tennis Centre for showering and hot food provision for NHS staff working at the temporary hospital; as well as providing fleet vehicles and drivers to distribute food to the most vulnerable.
- Elite Training Centres in Nottingham and Stoke Mandeville are continuing to support their local councils' adult social care projects linked to COVID-19, with Stoke Mandeville supporting up to 240 vulnerable adults, meaning they will free up hospital beds for critically ill patients in local hospitals.
- The EIS Sheffield leisure centre was particularly active in providing sports coaches for schools delivering activities over the Easter holidays and into the summer term for children of key workers, as well as for vulnerable children.

All of this work has been complemented by our athletes' support for the Sport England #StayInWorkOut campaign to encourage the nation to stay active. A number of our athletes, with a huge reach across social media, have provided content for DCMS to help inspire the nation to stay active throughout the social distancing phase of the COVID-19 response. This has helped reinforce the message that sport has a crucial role to play in ensuring physical health, improving and supporting mental wellbeing and helping to address social isolation.

### **3. What has UK Sport's relationship been with Government/DCMS in response to COVID-19?**

As an arms-length body of DCMS, UK Sport has coordinated its response to COVID-19 in close collaboration with Ministers and officials. This has included regular update briefings and contact with senior officials in the department. Additionally, UK Sport has taken care to coordinate its response alongside other ALBs within DCMS, including Sport England.

The Department has been very open to engaging with us and our partners who have had to make difficult decisions about their projects and staff as well as their own response to the pandemic at a national and community level. UK Sport have been engaged in all of the Ministerial, and Permanent Secretary, led COVID-19 sport meetings for the sector and welcome the openness across DCMS to work with the sector to deal with the impacts of the pandemic.

### **4. What are the longer-term risks & impacts of COVID-19 on sports?**

If current conditions were to continue for six months there would be a significant number of sports who would be at serious risk, maybe even of bankruptcy. Certainly, many would go into a state of dormancy from which it would take years to recover.

Without securing the vital additional funding from government for 2021-2022 – something that needs to be urgently confirmed in the next few weeks - sports would likely need to make significant cuts and redundancies across their programmes; something they would not recover from in time for a successful Tokyo or Paris Olympic and Paralympic Games. It would also seriously compromise our ability to unite the country through the incredible power of Olympic and Paralympic sport.

Many sports have also suffered fast and significant drops in income from events, membership and sponsorship which will take a significant period of time to rebuild, even once the current restrictions are lifted.

Looking ahead, businesses may be reluctant to agree significant sponsorship, commercial and merchandising deals, reducing the level and diversity of future income streams and threatening NGBs' ability to put together 'match-funding' arrangements with public sector investors. There is also the risk of increased costs from third parties seeking to reduce their losses.

UK Sport will continue to work with the Government to ensure there remains a continuation of the steadfast commitment to back high-performance sport and to commit vital funding, that will ensure sports' immediate survival and will provide the platform for British athletes to help to bring the nation back together, uniting

communities across the UK in pride, as the world's biggest festival of sport plays out in Tokyo.

## **5. What lessons can be learnt from how DCMS and the sector have dealt with COVID-19?**

The situation is constantly evolving and, as a system, UK Sport is having to adapt on a daily basis, to work at an ever-greater pace. The importance of increased collaboration across sport, of working as one sport family, and of sharing information, has become increasingly apparent. There will undoubtedly be other lessons to be learnt but it is too early to say. UK Sport will of course share learnings in due course.

## **6. How might the sector evolve after COVID-19?**

As this submission has emphasised, UK Sport's priority right now is securing the essential support Olympic and Paralympic sports need so they are able to compete on the global stage. How the organisation is able to respond – especially in terms of helping provide sports with a degree of financial security – will shape the fundamental, long-term trajectory of the sector. The role of NGBs is crucial for the organisation and conduct of sport as we know it and any threat to their viability will seriously call into question existing structures and concepts of sports participation. It is difficult to anticipate how people will engage with, and consume, sport in the post-COVID world – especially while life is regulated by different forms of social distancing – and this is likely to be a major issue that we will need to keep under review for some time ahead.

## **7. Economic importance of Olympic and Paralympic sports**

This final section of the submission provides a response to a question raised by the Select Committee during oral evidence, concerning the economic importance of the Olympic and Paralympic sports.

This question can be viewed in terms of both the economic impact of the Olympic and Paralympic Games themselves, and the contribution that the sector makes to the economy more widely. As far as the Games are concerned, it is useful to look back at DCMS's own evaluation of London 2012 and its legacy. The Cabinet Office produced a series of annual reports after the London Games (*Inspired by 2012: The Legacy from the Olympic & Paralympic Games*), the last of which was published, we believe, in summer 2016. In that report, the economic benefits arising from the Games were assessed as follows:

- Trade and investment benefits standing at £14.2bn and rising, with the four-year target of £11bn having been surpassed only fourteen months after the Games.
- Nearly £730m in contracts awarded to UK companies from High Value Opportunity global sports projects taking place between 2015 and 2022, including over £150m in contracts for Rio 2016.
- Economic impact in Gross Value Added (GVA) estimated to be between £28bn and £41bn by 2020, and between 618,000 and 893,000 years of employment.
- Nearly 3.5 million additional tourist visits to the UK as a result of Games-related promotion activity since 2011/12, resulting in £2.1bn in additional spending.

Our research also shows that nearly £140 million has been generated in London by National Lottery and taxpayer-funded events in the capital following the Olympic and Paralympic Games. National Lottery-funded events that have been staged at the Queen Elizabeth Olympic Park include the 2017 IAAF Athletics World Championships, which created an economic impact for London of £79 million alone.

In terms of the wider contribution that the Olympic and Paralympic sports make to the UK economy, a UK Sport study found that, in 2014, these sports generated £19bn of GVA, which equates to 55% of the total sport-related GVA for that year, or 1.2% of total GVA for the economy as a whole. They also generated approximately 623,000 jobs.

### **Further information**

UK Sport is grateful for the opportunity to contribute to this inquiry. Should the Committee have any questions about this submission or require any further information, please contact:

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