

Rt Hon Richard Caborn MP  
Minister of State for Sport and Tourism  
Department for Culture, Media and Sport

14 March 2005

Dear Richard

**NGB and County Sport Partnership funding crisis –  
implications for future of CSPs**

I write at the instruction of the CCPR Board of Directors, on behalf of a group of national governing bodies of sport, to record CCPR's concern about the likely impact of the way that the cessation of "Active Sport" funding has been handled, not only on the NGBs themselves and their programmes for grassroots development; but also on the viability and sustainability of the County Sports Partnerships and the commitment of many of their partners, especially local authorities. It has been with great reluctance that we raise this issue directly with you; but this matter is desperately urgent. Sadly, there appear to be no alternative effective avenues of accountability which can be used; repeated previous attempts to discuss issues relating to NGB funding and infrastructure development have been met with no response from Sport England.

This matter was brought to our attention by several of the NGBs, and we have received further information from other NGBs involved so that we have direct feedback from 7 of the 10 concerned; and information also from a representative of the Consortium of County Sports Partnerships (also a CCPR member).

CCPR is particularly concerned because of the direct impact on the NGBs and their development work and future sustainability; but also because of the threat to CSPs, which are a crucial component of the emerging infrastructure for community sport.

Our understanding is that, during the period (a year or more) leading up to the recent decisions relating to "whole-sport plan" funding for 2005 and beyond, the 10 NGBs involved in the "Active Sport" programme were consistently assured by their respective client managers (Sport England) that, despite the projected winding down of the "Active Sport" funding, NGBs' planning towards submission of whole-sport plans should include bids for extra funding to replace that which would be lost in 2005 and future years. Indeed, several NGBs' interim funding agreements for 2004/5 included provision for funding continuation - or even enhancement, in which case the NGBs were required to take on further appointments of sports-specific development officers during that interim year, with the full expectation that funding would be replaced within the whole-sport plan budgets the following year.

The NGBs' key performance indicators were developed with these assurances in mind, as were the work programmes and key performance indicators of the County Sports Partnerships. Most of the NGBs within the "Active Sport" programme have based the major part of their development plans for sustaining or enhancing participation on the sports-specific development officers located within county sports partnerships – most actually employed by local authorities or other CSP partner organisations.

However, now that the NGBs have been interrogating the terms of the grants allocated against whole-sport plans, it has become clear that these pledges of replacement funding have not been honoured. NGBs, rather, are being told that they must "make hard choices" – this in some cases, to staff whom the NGBs were encouraged by Sport England to appoint less than a year ago, with assurance that funding would be replaced through the whole-sport planning process. Most of the NGBs concerned have faced the fact that redundancies will be inevitable, either now or within less than a year.

It seems that some of the larger NGBs and those with major international success and therefore increased UKSport funding, have the capacity to manage the shortfalls in Sport England funding for appointments in CSPs. But those which are smaller and have less capacity to earn income through TV and other revenues; and those whose UKSport and Sport England performance funding has been cut are desperately vulnerable and less able to manage the cutting of this promised income stream to support their development work.

As of last week, the County Sports Partnerships had not been apprised by Sport England of the effects on their work programmes and infrastructure. In some cases, it seems likely that the local authorities which have employed SDOs, some within the last year, will face meeting the costs of their redundancies, since Sport England has reportedly said that it will not meet these costs. This obviously will have very negative consequences for the CSPs and their partner organisations.

We also understand that concurrently during the same planning period, NGB representatives on the Sport England National Investment Panel repeatedly raised the issue with Sport England, of the sustainability of County Sports Partnerships, stressing it as a major issue while CSPs were so dependent upon NGB funding, itself volatile and subject to sudden change; but there was no response. Members of the NIP also have said that the ways in which budgets have been presented have often made it impossible to know whether income streams for CSPs were sustainable or not. There appears to be a fundamental lack of planning towards strategic investment in County Sports Partnerships towards sustainability, despite the very positive efforts which many CSPs have made to increase and extend their own income streams through further partnerships and entrepreneurial activity.

The situation in which NGBs are now placed, through no fault of their own, is serious enough, and will require urgent attention. But this particular issue has also raised the profile of a whole range of existing questions about the quality and the transparency of the "whole sport planning" process. The CCPR Working Group on NGB Funding has received from Sport England, an unconvincing reply to questions about that process. The contracts for grants for 2005/6 and future years offered by Sport England have been rejected or their signature delayed by NGB Boards, because of concerns that the contracts are fundamentally flawed and cannot be signed by trustee board members or directors, in their current form.

Some NGBs have secured right of appeal directly from the Sport England Chairman, while others have referred the flawed contracts to legal advisers. The cost to the sector, in direct cash outlay and senior officer time, as well as in loss of trust, is clearly substantial.

We now are hearing reports that, NGBs having been asked by Sport England to take on the administration of the funding of individual athlete funding previously managed by Sport England, Sport England is unable to provide the NGBs with estimates or details of which athletes are being funded. One NGB has had to go to the athletes

themselves to secure this information! This is placing even greater strain on NGBs and their budgets – and their relationships with their athletes.

The effects of all these flaws in the process are exacerbated by the last-minute nature of much of this information, and of issuing contracts which appear not to be fit for purpose. The 1998 Compact guidelines, and more latterly the 2003 Treasury Guidelines to Funders of Voluntary Organisations, require government departments and agencies to ensure that funding decisions are conveyed in sufficient time (usually at least 90 days before the next funding period) so that voluntary organisations can make sensible arrangements for managing changes, including the statutory process for consultation with staff about redundancies. In this respect, the decisions about whole-sport plan budgets did not quite comply; but the even later emergence of the information that the funding for NGB involvement in CSPs was not to be replaced, and that payments to athletes have to be made by NGBs themselves, is causing NGBs severe difficulties. The latter means that some NGBs have only 1 month to prepare their athletes for cessation of funding – hardly sufficient time for them to reorganise their lives and find jobs. Since a further principle in the Treasury Guidance to Funders is that risks between funders and funded organisations should be shared, this is a further example of Sport England's failure to comply.

The CCPR Board discussed this situation at its meeting last week and decided that the matter is sufficiently serious to refer it to you personally and directly. We hope that you will be able to take action to ensure that appropriate remedial action is taken without delay, to avoid lasting damage to NGB delivery systems, and to the trust and commitment which is the necessary basis for County Sports Partnerships.

In the short term, we suggest that Sport England immediately consult with the NGBs to redraft the contracts which are unacceptable; and that in the meantime, immediate interim payments be made to NGBs to ensure that they can pay their staff and meet their other immediate commitments, until this situation is sorted out.

Yours sincerely

Margaret Talbot, PhD, FRSA, OBE  
Chief Executive