
Report To:	Education & Communities Committee	Date:	1 November 2016
Report By:	Corporate Director Education, Communities and Organisational Development	Report No:	EDUCOM/70/16/MM
Contact Officer:	Martin McNab	Contact No:	4246
Subject:	Future Funding for Under 19 Sports Clubs		

1.0 PURPOSE

- 1.1 To present options to the Education & Communities Committee regarding the saving previously agreed to the waivers budget.

2.0 SUMMARY

- 2.1 In March 2014 the Education & Communities Committee approved a new waivers scheme for sports clubs with under 19 sections. This scheme, which was amended in May 2015 to address operational difficulties of the 2014 scheme, was introduced to put some order on a free access to pitches policy which was no longer fit for purpose. The free access policy had originated at a time when the facilities provided were very different to those available today.
- 2.2 In the first year the scheme met with a number of operational difficulties mostly relating to the unreliability of management information. Changes to a key booking system together with some operational changes introduced by the 2015 report meant that the system operated far more effectively in the 2015-16 season.
- 2.3 The system remained essentially demand led, however, and the decision to reduce the overall budget by £50K whilst at the same time expanding the potential access to the scheme taken during the budget process necessitates a fundamental change to the system.

3.0 RECOMMENDATIONS

- 3.1 That the Committee decides on a preferred option for sports waivers from April 2017. The only options officers believe to be workable are detailed at 3.2 below with the third of these being the recommended option.
- 3.2
1. Option 2 (c) Reducing Non-discretionary funding to 50% of its current level and making the balance available for applications to a Sports Challenge Fund, or;
 2. Option 3 (b) Capping the maximum non-discretionary grant at £5K per annum and making the balance available for applications to a Sports Challenge Fund, or;
 3. Option 2 (c) for the financial year 2017-18, moving to option 3 (b) in 2018-19. Officers recommend this as the preferred option as it has the benefits of providing a transitional stage to allow clubs to adjust to the new arrangements but will ultimately result in a more manageable system.
- 3.3 That Committee delegates authority to the Corporate Director Education, Communities and Organisational Development to approve the details of the grant scheme.

John Arthur
Head of Safer & Inclusive Communities

4.0 BACKGROUND

- 4.1 A new policy for access to waivers by U/19 teams was approved by the Education & Communities Committee in 2014. The new system was intended to address the following issues which had been identified in the previous system of unrestricted free access:
- A lack of incentive for clubs to organise effectively to make best use of facilities
 - Underuse of pitches
 - Facilities being left empty by clubs which had no incentive to cancel bookings
 - Failure of clubs to abide by conditions of let
 - Significant cost to the Council of lets in Inverclyde Leisure run facilities, at the time at Lady Octavia and Battery Park but with the likelihood of that extending to all of the outdoor estate except the schools
 - The sole gatekeeper to access the scheme being the Inverclyde Leisure booking office
- 4.2 The system implemented in 2014, together with administrative amendments made in 2015, introduced allowances based upon numbers for training together with free use for matchplay. In administrative terms the scheme has been fairly successful with the majority of clubs managing to adhere to the terms of the scheme and running their affairs successfully. It must be appreciated however that the scheme gives a level of financial support to local sports clubs which is unmatched anywhere else in the UK. Appendix 1 shows the support given under the waivers scheme in the 2015-16 season to clubs in Inverclyde.
- 4.3 The implementation of the decision taken in the budget process for 2017 onwards will necessitate a complete overhaul of the scheme. The previous scheme was effectively demand lead rather than being based upon a fixed budget. The total spend in the 2015-16 season was £207K. With effect from season 2016-17 the sports waivers budget has a cap of £211K therefore the total spend must be contained within this budget. The £50K reduction previously agreed will reduce this to £161K over the financial year from April 2017. In addition to capping the budget the decision was also taken to expand access to the scheme to include other clubs and to introduce a grant scheme to disburse the funding.

5.0 IMPLICATIONS OF BUDGETARY DECISION

- 5.1 The existing waivers scheme is linked to hire of facilities currently or formerly owned and run by Inverclyde Council, these being pitches and schools. The decision to include clubs which use other facilities, e.g. Inverclyde Amateur Swimming Club (IASC) means that it is no longer feasible to maintain the link to pitch and hall hire. Any new scheme will have to take the form of a grant either universal or discretionary. Widening of access to the scheme further means that other clubs with Under 19 provision which do not currently get waivers, e.g. local golf clubs, may also be eligible.
- 5.2 Support for clubs at the level a number currently enjoy will obviously not be possible under the new capped budget even without the expansion of the scheme. The table below shows the level of support given to clubs in the 2015-16 season with more detail being available in Appendix 1.

Overall Amount	No of clubs	Football	Other Sports
> £20K	3*	3	0
£15 - £20K	3	2	1
£10 - £15K	4	3	1
£5 - £10K	2	1	1
£2 - £5K	5	1	4
<£2K	5	1	4

*For 2 clubs this includes funding for girls' sections

5.3 As stated previously, the majority of clubs are managing their affairs successfully with the current level of subsidy. Unfortunately at least two of the football clubs are currently struggling even given the current level of support, in fact the support given through the waivers scheme is effectively masking their serious organisational weaknesses. Two other clubs are currently re-submitting their Quality Mark folders to comply with the relatively light requirements of the current scheme. It is likely that a number of clubs will struggle with any significant reduction in funding.

6.0 GRANT SCHEMES IN OTHER AREAS

6.1 Officers have attempted to find schemes in other areas which offer similar support to local clubs. Although there are schemes offering minor reductions in pitch costs to registered clubs, for example Glasgow Life offers a reduction to clubs registering and meeting certain requirements, there are no schemes offering support to clubs at the level currently available in Inverclyde. With the exception of lottery grants available for facility improvements there were only two schemes offering support to clubs of up to £10K. These were Awards for All administered by **sportscotland** (and an equivalent small grants scheme administered by Sport England) and a (now discontinued) Community Sport Development Grant from Sport Aberdeen. Neither of the schemes offering up to £10K covered running costs and both had far more stringent eligibility requirements than the current Inverclyde scheme.

6.2 An internet search found a number of smaller schemes offering grants of between £250 and £1500 per annum across the UK. In spite of the vastly smaller sums on offer almost all had more stringent criteria for eligibility and none covered day to day running costs. Appendix 2 gives a comparison between the larger and smaller schemes and the 3 sources of funding available in Inverclyde, waivers, GTVO and the Sport Inverclyde administered scheme which is fully funded by Inverclyde Council.

6.3 Although the search failed to find any funding models for sports clubs which remotely match that available in Inverclyde it has been helpful in identifying some reasonable criteria which could be used to refine eligibility for any new scheme.

7.0 POSSIBLE MODELS FOR FUTURE FUNDING

7.1 There are a number of possible options for a future funding model. The two extreme positions would be to either move entirely to a grant scheme or to remain with a system which is based upon previous use but is reduced proportionately to bring the total funding in at the level of the future budget or a proportion of the future budget. A third option would be to cap the non-discretionary element available to clubs at a set level and introduce a grant scheme with the remaining budget. All of the options have potential risks, whichever option is taken, some clubs will lose out significantly. A model in which clubs receive up to £24K annually is not sustainable.

7.2 Option 1 – Grant Scheme

Moving entirely to a grant scheme on a reduced budget at the same time as allowing greater access to the scheme will require some very hard decisions. Some clubs will have to take very large reductions in funding with some potentially losing funding entirely. Given the scale of the change some clubs will inevitably fold. The merits of a grant scheme based upon sports development are however that funding can be directed towards better organised and more

sustainable clubs and clubs which are only viable under the very generous waivers scheme will not survive. Conversely if the grant scheme was to be based upon financial need, often the least well organised would receive funding at the expense of the better organised clubs. The biggest risk of any grant scheme to clubs will be the uncertainty about funding going forward. The timescale available to implement a new scheme and invite applications will mean that clubs will most probably have no idea of their level of funding for the 2017 financial year until March 2017.

7.3 Option 2 – Reducing Funding Proportionately

The second option is to use 2015-16 as a model and reduce the amount each club will receive proportionately. Appendix 3 shows the implications for each club. Option 2 (a) assumes an estimated total level of funding for clubs not currently in receipt of waivers of £30K. This leaves a residual £130K for clubs currently in receipt of £ 207K in total, a 37% reduction across the board. Option 2 (b) in contrast assumes no effect from new entrants giving a total of £160K or a 22.7% reduction. Neither Option 2 (a) nor 2 (b) provides any funding for a grant scheme. A third option, 2 (c), would involve a reduction in non-discretionary funding to 50% of its current level with the remaining funding. The £29 - £59K left over could form a challenge fund for clubs to bid into with sports development projects thus addressing some of the shortcomings of Option 2. This would have the merit of keeping a proportional link to current funding whilst introducing a grant scheme which could be available to the better organised clubs.

7.4 Option 3 – Cap Funding at a Maximum Level Per Club

The third option is a hybrid which caps funding per club at a maximum level. This is illustrated in Appendix 4 at 4 levels, £2.5K, £5K, £7.5K and £10K. Depending on the amount likely to go to other clubs not currently in the waiver scheme (between 0 and £30K as in 7.3 above) there will be some surplus budget. A cap of £2.5K would create the largest fund but is likely to be too large a reduction for many of the clubs. If the cap is £5K the fund will be between £34,600 and £64,600, if £7.5K this will be between £1100 and £31,100. There is a risk of overspend if the cap is set at £10K whilst still allowing new entrants. Realistically only the £5K and £7.5K options are feasible under the current budget. If one of those options were chosen there would be a pot of money left over of between £1100 and £64,600. As in option 2 (c) above this would form a challenge fund. There would be insufficient funding for this to be meaningful at the £7.5K capping level however, so only the £5K cap is practical.

8.0 PROPOSALS

- 8.1 The only options from those detailed above which will allow the saving to be made whilst minimising the impact on the individual clubs are either option 2 (c), the reduction of non-discretionary funding to 50% of the current level or option 3 (b), a hybrid scheme which opens the waivers system up to new entrants and caps the amount due to individual clubs at £5K is implemented. In order to address equalities issues it is proposed that the two girls' sections of the two youth football clubs in Inverclyde which currently have Legacy status are treated as separate entities. The remaining budget will form a challenge fund which clubs can bid into for sports development projects. In order to ease the transition to a capped budget with a meaningful grant fund the most workable solution is to implement option 2 (c) as a transitional arrangement for 2017-18 with the intention of moving to option 3 (b) in 2018-19. This has the merit of reducing the impact on larger clubs in the first year and at the same time reducing the bureaucracy the scheme inevitably entails in the longer term. It would also give clubs more time to plan their future financial affairs.
- 8.2 In order to bring the Inverclyde scheme into line with other schemes offering funding to sports clubs additional requirements should be put on clubs in receipt of the base grant. Clubs should be required to complete an application form which includes details of office holders. Clubs should acknowledge Inverclyde Council's support in any publicity. Clubs should supply an up to date constitution, the most recent available audited accounts and a copy of their child protection policy. The non-discretionary grant could be payable in two instalments in April and September.
- 8.3 Competent applications to the challenge fund, in effect the discretionary part of the funding

package, would be considered by the Grants Sub-Committee.

9.0 TRANSITIONAL ARRANGEMENTS

- 9.1 Clubs are being funded for the 2016/17 season in the same way as in 2015-16. The same rules for eligibility will apply and payment will be divided over 10 equal instalments, paid in advance from August 2016. Payments will continue till March 2017 with the new scheme coming into operation from April 2017. This will enable more effective financial planning as it will move from being based around the football season to a financial year basis. The only change in 2016/17 from previously is that officers will have to make operational arrangements to contain the budget at the agreed level. This will be done in such a way as to affect individual clubs as little as possible.
- 9.2 In order to have a new grant scheme in place in time to allow applications from clubs in January 2017, the Committee will have to delegate responsibility to the Corporate Director Education, Communities & Organisational Development to approve the details and implement the decision.

10.0 IMPLICATIONS

Finance

- 10.1 This report provides detail on the implementation of a budget saving of £50K for the financial year 2017-18. A reduction in the overall budget for waivers will inevitably have an effect on the income to Inverclyde Council through the school estate and to Inverclyde Leisure through pitch hire.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Sport & Leisure Management	Waivers	April 2017	(£50)		

Legal

- 10.2 There are no legal implications.

Human Resources

- 10.3 There are no implications for human resources.

Equalities

- 10.4 The proposed changes to the scheme are intended to minimise the impact on gender balance in sport in Inverclyde.

Repopulation

- 10.5 A vibrant and flourishing sporting community should have a positive effect on the image of the area.

11.0 CONSULTATIONS

- 11.1 In preparing this report the following have been consulted:

CMT have discussed the report and support the recommendations

Finance

The proposals have been consulted with the Members' Budget Working Group.

12.0 BACKGROUND PAPERS

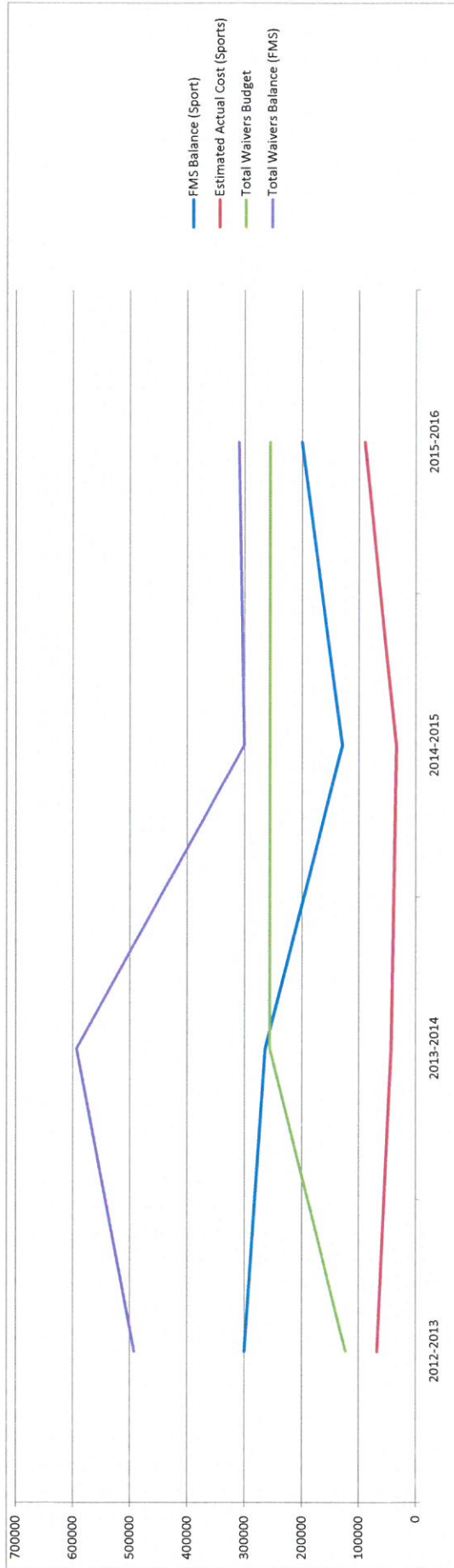
- 12.1 Policy for the Granting of Waivers to Letting Charges for Sports and Community Facilities – Education & Communities Committee March 2014 – EDUCOM/25/14/JA

Update on Policy on Waivers to Let – Football – Education & Communities Committee May 2014 – EDUCOM/42/14/MM

Waivers Update Report – Education & Communities Committee May 2015 – EDUCOM/48/15MM

Appendix 1 - Waivers Spend vs Budget

	FMS Balance (Sport)	Estimated Actual Cost (Sports)	Total Waivers Budget	Total Waivers Balance (FMS)
2012-2013	299605	67659	123000	491577
2013-2014	264029	43156	256000	593287
2014-2015	129203	34658	256000	300520
2015-2016	200190	90000	256000	309934



The FMS Balance for both sports total waivers includes both internal recharges and the waivers which can be offset against income. The 2014-15 figure for sports waivers is likely to be an underestimate as it is likely that some sports waivers were included in the halls figure for that year. The correct figure is more likely to be near to the 2015-16 figure. It is likely that the overall balance for waivers is probably correct however.

The estimated actual cost for 2012-2013 is the cost of direct invoices from Inverclyde Leisure to Inverclyde Council for clubs and organisations using IL facilities. For this period these were the Town Halls and the 3G pitches at Lady Octavia and Battery Park. The increase from 14-15 to 15-16 is a direct result of the transfer of pitches to IL. This is of necessity an estimate based on our knowledge of previous booking patterns for sports clubs as funds are now provided direct to clubs for sports pitches and they are free to book whichever facility they wish.

As a comparison actual waivers for halls decreased from approximately £75K in 2012/13 and 2013/14 to just below £60K in each of the years 14/15 and 15/16 following some tightening of eligibility.

Appendix 2 - Subsidy per Club 15/16 Season

Football Clubs	Total subsidy for season	
Ardgowan Thistle	£	3,040.00
Ardgowan FD	£	12,420.00
Broomhill Boys Club	£	12,680.00
East End United BC	£	16,642.20
Gourock YAC	£	12,320.00
Greenock United	£	7,320.00
Greenock Morton Community Trust	£	11,678.00
Morton Girls	£	8,800.00
Port Glasgow Boys Club	£	23,717.00
Port Glasgow Juniors CSC	£	18,805.68
Port Glasgow Juniors CSC Girls	£	4,272.00
Quarriers United	£	1,217.25
St Andrew's Boys Club	£	16,598.50
Football Total	£	149,510.63
Non Football		
Inverclyde Archers	£	1,600.00
Clyde Netball Club	£	6,000.00
Inverclyde Junior Badminton	£	4,625.00
Inverclyde Cricket Club	£	800.00
Inverclyde Athletics Club	£	13,980.00
Greenock Glenpark Harriers	£	3,118.50
Greenock Wanderers RFC	£	15,324.00
Birkmire RFC	£	4,990.00
Greenock Morton Hockey Club	£	4,088.00
Clyde Cavaliers	£	1,950.00
Inverclyde Phoenix	£	738.50
Non-Football Total	£	57,214.00
Total For Season	£	206,724.63

