

# Red Card to Red Tape

How Sport and Recreation Clubs want to  
Break free from Bureaucracy

## SPORT+ RECREATION ALLIANCE

7 April 2011



# Introduction

## What?

A comprehensive review of red tape and bureaucracy that holds sport and recreation back at a grassroots level

Commissioned by the Minister for Sport, Hugh Robertson

Findings were launched to Government 22 March 2011



**Real evidence from which we can directly recommend policy changes to Government**

## How?

September 2010 to February 2011

*Stakeholder Engagement:* to establish known burdens

*Online Survey:* Sports Clubs 1400 responses

*Member Submissions:* Evidence papers from NGBs/members

*Site Visits:* to clubs to gather case studies

*Workshops:* 6 x themed expert sessions

**Over 50 burdens addressed and more than 100 recommendations for removing barriers**



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# Some Facts and Figures...

**61%** of sports clubs believe they are subject to *too much regulation*

**64%** of clubs believe *coaching qualifications* have a negative impact on the way they run –this is the biggest complaint for grassroots clubs

**63%** of clubs say *funding processes* impact negatively on them

**57%** of clubs report *health and safety legislation* to be burdensome

**54%** of sports clubs believe *VAT* to impact negatively on them

**53%** of clubs believe *planning regulations* to have a negative impact on them

**50%** of clubs say *insurance requirements* present too much regulation

## Top 3 Burdens

"What impact has each of the below had on the running of your sports club or your ability to volunteer, either now or in the past?"



# Sports Clubs Said...

*“It is **very hard** to **get people** involved in running the club and **doing the jobs necessary**, whether on the committee, coaching, teaching or officiating. The number of **hours** of **required training** makes this even harder”*

*“Funding application, follow up, monitoring...Clubs’ coaches become required to **fundraise** and **administrate** more than they teach/coach sport”*

*“With only a small number of people actively running the club it is a **constant worry** that we have **missed something** that will therefore leave us **exposed** as Trustees to **being sued..**”*

# Sports Clubs Said...

*“We **spend and lose a thousand pounds** or so a year **in VAT** on our purchases. I’m not expecting to pay VAT on alcohol, just match balls, coaching equipment, essential facilities like sight screens, practice nets, rollers, mowers etc. If once a year we could **present our VAT invoices for cricket related costs**, it would greatly **help offset the costs** our volunteers incur in their volunteer roles”*

*“There seems to be an increasing tendency to try to plonk **housing on sports grounds and airfields** merely because they are flat and not built on...if we lose these open spaces **everybody's leisure opportunities** will be **permanently reduced**”*

*“The **risk of litigation** on so many levels means people say ‘**why bother?**’”*

# Coaching Qualifications

Coaching is the biggest burden for clubs, impacting negatively on **64%** of them, yet **1 in 5 clubs (22%)** report a positive impact

## Barriers

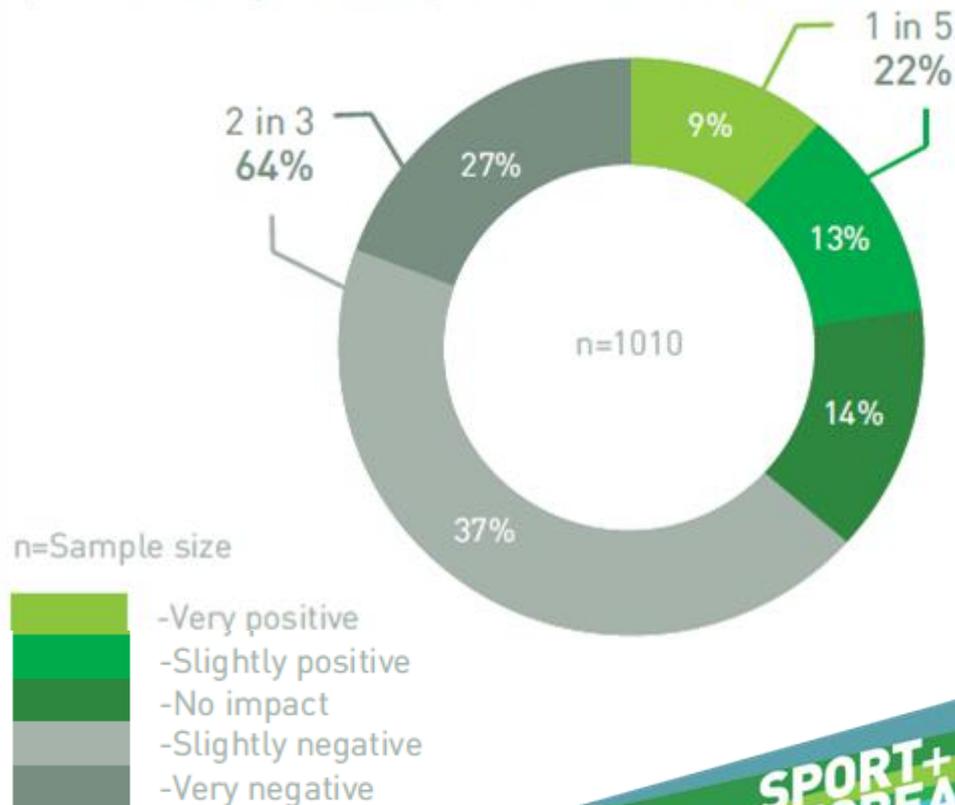
Cost and time demands are too high for what is gained – deterrent to advancing qualifications

The role of UKCC Level 1 isn't clear to volunteers

No clear pathway of progression for volunteer coaches

Mismatch between FE coaching courses and CQF

'What impact have coaching qualifications had on the running of your sports club or your ability to volunteer, either now or in the past?'



# Coaching Qualifications

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## Recommendations

sports coach UK and NGBs should work closely together to offer coaching qualifications that meet the needs of their clubs

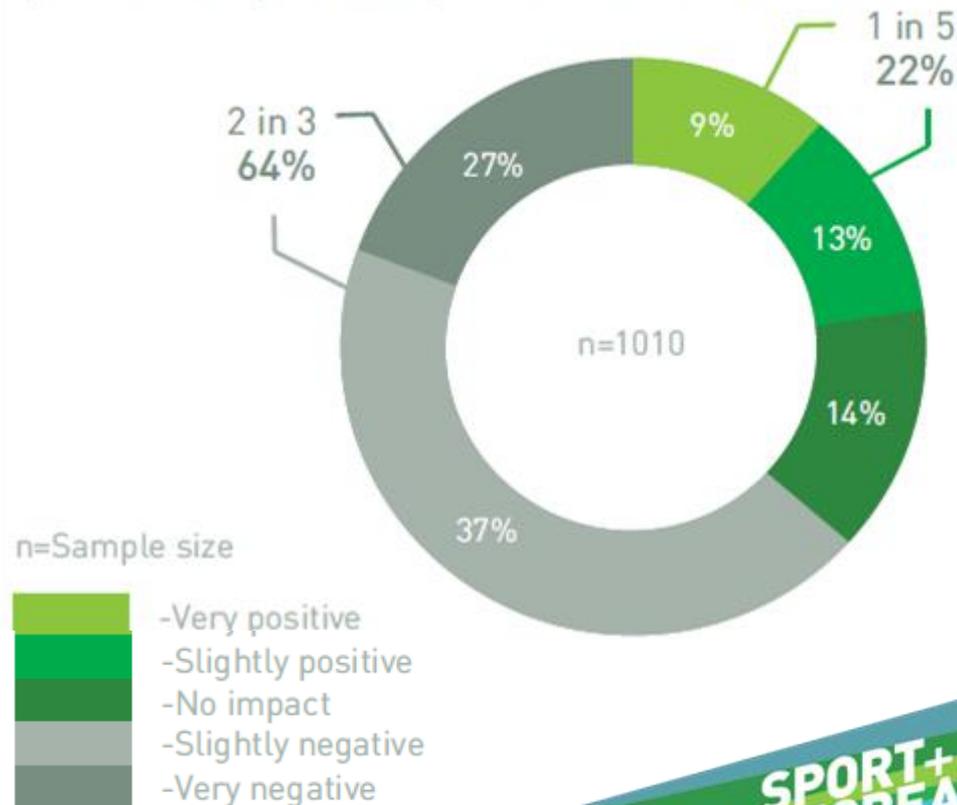
NGBs should initiate partnership agreements with facilities

sports coach UK to decide what Level 1 offers and how their structure allows for volunteer progression

‘Level Zero’ informal coaching

FE coaching programmes should be approved by NGBs

‘What impact have coaching qualifications had on the running of your sports club or your ability to volunteer, either now or in the past?’



# Funding Processes

Finding, applying for, matching grants and reporting on funding is a burden for **63%** of clubs -not to mention the further complexities around facility funding!

## Barriers

Funding goes to those who best complete application forms

Application forms filled with buzzwords are unnecessarily overcomplicated

Volunteers devote hours to finding funding & then working out if they are eligible to apply

Reporting requirements are disproportionately large

Matched funding is a logistical nightmare for volunteers

Facility funding is rife with burdens – VAT charges, lease length and legal fees!

Cost of facility funding



£100,000 Grant  
-£20,000 VAT  
- 1,000 NGB legal fee  

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**£79,000 to improve facility**

£79,000 on facility improvements  

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**Increase in rateable value of club site**  

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**Increase in utility costs**

# Funding Processes

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## Recommendations

Funders should re-evaluate how they score and process applications for funding

Government should produce essential criteria for applications by size of grant

Sport & Recreation Alliance's Smart Sport Programme should signpost where to start when looking for funding

Relax criteria for matched funding

Reporting requirements should be proportional to size of grant and clear from the outset

Capital expenditure funded through Sport England grants shouldn't incur VAT charges

Sport England funding for club facility development should secure the lease on a site for 25 years

DCMS should relax the legal processes on securing the land for facility funding



# Health and Safety Legislation

Health and safety legislation is a burden for **57%** of clubs, yet **1 in 4** clubs (**23%**) acknowledge it has a positive impact for them

## Barriers

Many burdens are borne out of confusion & misunderstanding, exaggerated by individual concerns about being personally liable for an accident; the principle of 'reasonable practicability' has been lost

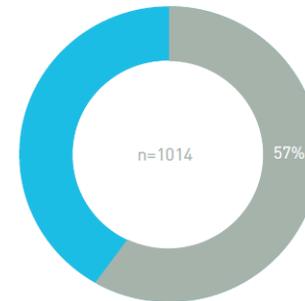
Volunteer run clubs with no paid staff are not actually subject to the provisions of the Health and Safety at Work Act 1974

Clubs who don't consider risk management as part of the essential delivery of their sport perceive risk assessments as burdensome and a box-ticking exercise

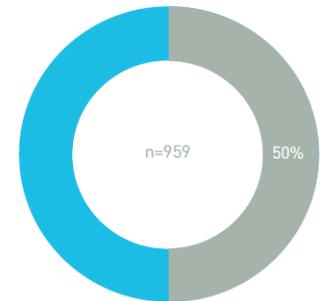
Clubs suffer from the cost and complexity of their insurance needs

'What impact has each had on the running of your sports club or your ability to volunteer, either now or in the past?'

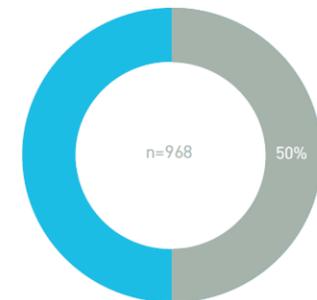
Health and safety legislation



Conducting risk assessments



Insurance regulatory requirements



■ -Negative impact

# Health and Safety Legislation

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## Recommendations

NGBs & HSE to create club specific guidance to the Act and manage health & safety using own sporting language

NGBs must help clubs understand what 'reasonable practicability' means for them in theory and in practice

Individuals and participants must take greater personal responsibility for their actions

Risk assessment procedures should be an intrinsic part of sport-specific guidance for best practice

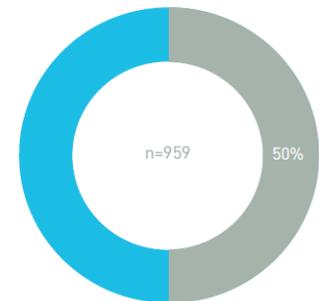
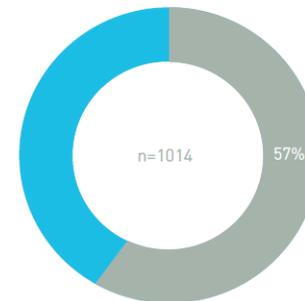
Sports clubs should be better informed about their insurance needs, and helped to understand the cost benefit to what may seem like an unnecessary expense

Accountability of insurance providers is needed

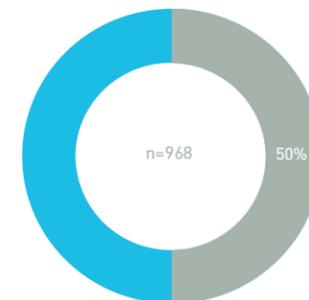
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Health and safety legislation

Conducting risk assessments



Insurance regulatory requirements



■ -Negative impact

# Financial Barriers

Not for profit community clubs suffer many costs aimed at profit making organisations

## Some Burdens

**Tax on Improvements:** Unlike businesses clubs usually can't reclaim VAT on all their capital expenditure

**EU VAT Directive:** offers reduced rate VAT (5%) for admission to sporting events and use of sporting facilities –the UK does not employ these

**Rateable Value:** club sites are valued in the same way as profit making businesses, this can result in unreasonably high business rates and utility costs

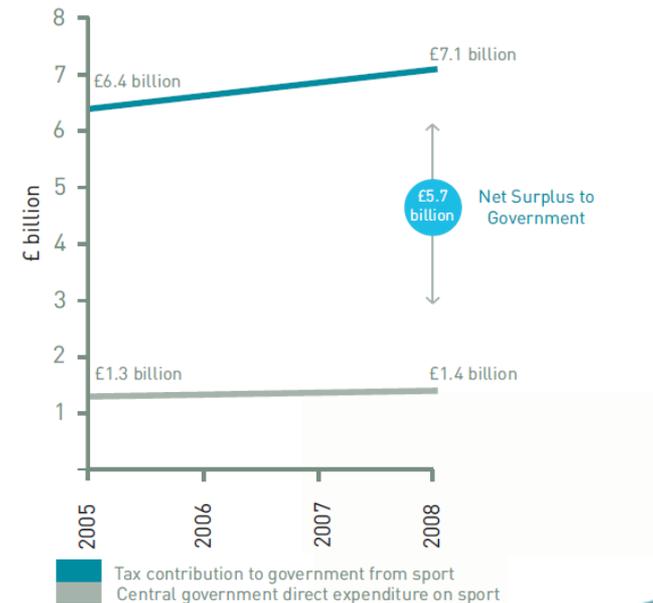
**CASC:** financial benefits do not rise in line with inflation

**Alcohol Licensing:** clubs are adversely affected by laws on alcohol provision designed for bars, clubs and pubs

**Corporation Tax:** even if no tax is due a club must make an annual self-assessment return

### Net contribution of sport to Government

In 2008 central government made a net surplus of £5.7 billion from sport. For every £1 the Government contributes to sport, £5 is taken in tax.



# Pure Red Tape

Clubs can be subject to legislation and processes which simply defy common sense

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## Some Burdens

*VAT on Treasury Funding:* paying VAT back to Treasury on Treasury facility funding –completely circular!

*Volunteer Maintenance Work:* ‘Guerrilla Maintenance’ when local authorities don’t allow willing volunteers to carry out the work

*Tax Thresholds:* clubs with taxable profits of less than £15,000 filing tax returns burdens both sport and the Treasury –pursuing small claims costs Treasury more than the income they will receive

*Schools:* if a new school opens it’s facilities for community use, it must then pay all of the VAT costs on the construction if it hasn’t already done so

*Sports Graduates:* after three years at university re-training is required to meet national standards

“...whatever happened to common sense?”

“A more common sense approach would make things easier for clubs and volunteers”

# Demystify and Simplify

Good governance practices and reasonable legislation can become burdensome when there is a lack of clear and simple information

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## Some Burdens

*Data protection:* clubs are confused about what they must do to comply and bury their heads to avoid encountering further burdens

*Employment Law:* a burden for 31% of clubs, volunteers are unclear what they should adhere to, and fear of tribunal generates more work for clubs overcompensating 'just in case'

*Public Rights of Way:* Lack of maintenance can make rights of way overgrown and unusable; volunteers have to carry out reconnaissance trips to work out where activity can take place

*Floodlighting:* clubs struggle to obtain planning permission for floodlights due to misconceptions about potential negative impacts

*“Confusing bureaucracy deters new volunteers from stepping forward”*

*“Make the paperwork - if it is needed - simpler with better guidance. Assume no knowledge of the subject matter”*

# Moving Forward

## Government

Refine the CASC scheme

Consult the sports sector on the Protection of Freedoms Bill

Put in place appropriate support and training for CAT

Amend the Licensing Act 2003

## The Alliance

Work with DCMS to action recommendations

Champion the CASC scheme –summer 2011, £100m saved for CASCs and 6,000 registered

Work with Perkins Slade insurance providers to more actively provide expert insurance advice to NGBs which they can pass to their clubs

Utilise our Smart Sport Programme to provide more effective guidance on e.g. employment law–guidance to be developed with runningsports



## NGBs

Help clubs to understand health & safety, and risk assessments in the context and language of their sport –HSE to support and guide

Champion Just Giving scheme

Approve FE coaching programmes & introduce 'level zero' informal qualifications

Make it clear to clubs what admin costs they pay and why

# Thanks for listening!

## Any Questions?

Download a copy of the report at

<http://www.sportandrecreation.org.uk/news/22-03-2011/red-card-red-tape-launched>

**Syann Cox**

**Research and Evidence Officer**

**scox@sportandrecreation.org.uk**