

Health, Social Care and Sport Committee – 15 January 2020

Minister for Culture, Sport and Tourism

Welsh Government Draft Budget 2020-21

1.0 Introduction

This paper provides background financial information to the Committee regarding my spending plans as the Deputy Minister for Culture, Sport and Tourism in respect of the Sport and Physical Activity budgets within my portfolio, as set out in the detailed Draft Budget published on 16 December.

In the letter dated 18 October 2019 inviting me to attend the Committee session, the Committee has requested information on specific budgetary matters. The promotion of physical activity requires collaboration across a range of sectors, public bodies and Welsh Government portfolios including health, education, transport and environment, as well as sport. This paper responds only in terms of the sport-related budget expenditure lines and the work which my officials are undertaking in conjunction with officials in other portfolios.

2.0 Summary of Budget Changes

The Draft Budget 2020-21 provides a one year plan for both revenue and capital investment. Commentary and a breakdown of the 2020-21 International Relations and the Welsh Language MEG indicative allocations, as compared with the 2019-20 First Supplementary Budget and relating to sport and physical activity is included in the following **Tables 1 and 2**. Allocations for 2021-22 will be assessed as part of the future detailed planning considerations for the portfolio.

SUMMARY OF DRAFT BUDGET CHANGES

TABLE 1: Overview of the Revenue Budget					
Action: Sports and Physical Activity	2019-20 First Supp Budget £'000	Baseline Adjustments £'000	Revised Baseline £'000	Change £'000	2020-21 New Plans Draft Budget £'000
Sport Wales	22,092	0	22,092	475	22,567
Support for Sport	252	0	252	(95)	157
TOTAL	22,344	0	22,344	380	22,724

TABLE 2: Overview of the Capital Budget				
Action: Sports and Physical Activity	2019-20 First Supp Budget £'000	2020-21 Plans as per 2019-20 Final Budget £'000	Change £'000	2020-21 New Plans Draft Budget £'000
Sport Wales	329	345	3,000	3,345
Repayment of Sports Capital Loans Scheme	(320)	(320)	66	(254)
TOTAL	9	25	3,066	3,091

There is an additional allocation of £0.475m to the Sport Wales revenue budget to support pay and pension pressures. The Support for Sport budget is available for delivery priorities. As part of the detailed planning for the International Relations and Welsh Language MEG there is a transfer of £0.095m to support wider priorities within the portfolio. Also to note that the allocation includes noncash provision of £0.779m for depreciation.

In relation to the capital budget, there is an additional allocation of £3m in 2020-21 for the Strategic Sports Facilities Fund. There is also a reduction of £66k to the Repayment of Sports Capital Loans Scheme to reflect early repayment in prior years. The Sports Capital Loans Scheme is funded with financial transactions capital which is repayable to Treasury. The total loans of £1,828,362 in respect of three loans made to local authorities under the scheme are fully repayable over a period of seven years (repayments started in 2018-19). The amount of £1,136,795 remains outstanding.

3.0 Responses to Specific Information Requested by the Committee

3.1 The funding allocated to Sport Wales, and progress made in monitoring effectiveness of Sport Wales' use of funding.

Total funding allocated to Sport Wales in 2020-21 is shown in Tables 1 and 2 above. In January this year, I was very pleased to announce that an additional £5m in capital funding would be allocated to Sport Wales, in 2018-19 to help sports clubs and organisations in Wales improve and upgrade their facilities.

This funding has been divided up by Sport Wales in order to benefit a range of projects. The first £1m has been allocated to a range of collaborative, multi-sport projects across Wales which includes new cycling facilities and 3G pitch projects. A further £1m was used to launch the 'Place for Sport' fund in April which was allocated for public bids to help boost community sport facilities in Wales. In just a seven-week application process, there were 318 applications requesting grant assistance totalling £15.1m. There were 121 successful applications – across 26 sports and 22 local authority areas - Sport Wales will be monitoring and evaluating the use of this expenditure closely and will be reporting progress to my Sport officials. The remaining £3m has been allocated for the following:

- £1m to help extend the Wales Collaborative Sports Facilities Artificial Pitch Scheme for multi-sport use areas or non-full-size ATPs as eligible projects. 12 schemes have been supported.
- Enhanced funding for existing National Governing Bodies of sport schemes. Five sports that have such capital schemes have received funding awards totalling £1m. These include, Welsh Athletics, Cricket Wales, FAW Trust, Tennis Wales and Welsh Rugby Union.
- Contribution of £1m to the capital budget of local authorities for the enhancement/refurbishment of swimming pools across Wales, in line with the Free Swimming Scheme formula of allocation.

Further monitoring of the effectiveness of Sport Wales' use of funding is undertaken at a range of levels. This includes the progress being made on the Healthy and

Active Fund and we have seconded an official to work with Sport Wales in a policy liaison role which has focused on policy delivery and the co-ordination of the fund.

My Sport officials have regular discussions with Sport Wales over the delivery of the new Sport Wales Community Sport model. They also hold quarterly monitoring meetings with Sport Wales, attend their Board meetings and have regular dialogue with the Chief Executive. I meet periodically with the Sport Wales Chair and Chief Executive to discuss policy priorities and progress against delivery of the Remit Letter and Business Plan.

Sport Wales has revised its approach to business planning. Although they will continue to produce an annual plan, their new approach is intended to be more reflective and adaptive to changing needs and circumstances. This ties in with their revised vision and strategy which will focus on a person-centred approach, ensuring that resource is used to make sport accessible for everyone throughout their life.

Sport Wales's latest Business Plan sets out their ambitions and priorities, reflecting the views expressed to them by the people of Wales as part of their extensive "National Conversation" stakeholder exercise. It also incorporates specific areas which we have set out in their remit letter; more information on this is provided in section 3.2.

The Business Plan for 2019-2020 indicates that Sport Wales will:

- Sustain and grow opportunities for people to regularly take part/compete in sport;
- Develop opportunities with others for people less active;
- Advocate and influence sport across different sectors;
- Encourage partners to take a long-term, ethical approach to athlete development;
- Support Wales to perform successfully on the world stage;
- Develop capability, capacity and confidence;
- Focus on young people's physical activity; and
- Be insight-driven in all the work they do.

This will be delivered by:

- A new Resource Strategy that aligns to their strategic intent;
- A strategic review of the role and purpose of the National Centres;
- A new approach to partnership support and development;
- A commissioned study of the best athlete environment;
- A new partner assurance framework;
- A Sports Intelligence Hub to develop better relationships with the academic sector. A Sport and Academia Network group has been established bringing together universities across Wales along with Sport Wales to explore collective approaches to tackling evidence gaps, understanding new and emerging research and linking expertise in with Sport Wales and its partners;
- A redesigned and refreshed organisation; and
- A new model for delivering Community Sport and the introduction of Sport North Wales.

The Insight Team in Sport Wales collects data via its own surveys on levels of physical activity and participation in sport and also provides analysis of data collected through the National Survey of Wales. Importantly, Sport Wales is also the provider of Official Statistics, a mark of the quality and relevance to the insight for data that is relevant across wider agendas and policy areas.

Sport Wales published the findings of their School Sport and Further Education Sport and Active Lifestyle surveys in November 2018 and have engaged with partners within and beyond the sport sector to develop actions which respond to this intelligence. Analysis from the surveys revealed that 48% of pupils in Years 3-11 participate in extra-curricular or community sport three or more times per week. This is unchanged since 2015. This must be measured against a 20% increase over the last two survey cycles as the overall participation figure went up by 13% in 2013 and a further 8% in 2015. Nearly 119,000 pupils took part in the 2018 survey.

From an equalities perspective, the participation levels of those who have a disability/impairment increased by 7 -percentage points over this survey cycle.

In addition, the two least active ethnic groups from the 2015 figures both saw increases in participation. Participation among Asian-British respondents increased by 4-percentage points, while the Arab/Other ethnic group saw a 7-percentage points increase. This shows that there are no longer any ethnic groups with a participation level below 40%.

Full details of the survey results were published as part of Sport Wales's State of the Nation report, which can be found here:

http://sport.wales/media/1985082/state_of_nation_2018_final_eng_002.pdf

Results of their Further Education survey noted that 35% of students take part in sport or physical activity on three or more occasions per week and "hooked on sport" but over 40% are not active on a regular basis. To drive forward an increase in participation in this sector, a newly formed Sport and Well-being Group has been established made up of key Further Education representatives and partners to share good practice and to consider the development of a new strategy which will focus on creating more opportunities for students to engage more in sport and physical activity. I will be attending the next meeting of the Group in the near future.

Sport Wales also commissioned an evaluation of the social and economic value of sport in Wales. The results were published at the end of 2018 and showed that for every £1 spent on sport in Wales there was a £2.88 social return on that investment. The report conducted by the Sport Industry Research Centre (SIRC) at Sheffield Hallam University revealed that £3.428m of benefits for Welsh communities was generated from participating and volunteering in sport in 2016/17.

A breakdown of the overall figure shows the social value of enhanced social capital is £651.47m; enhanced education is £91.15m; and reduced crime is £2.17m. The social value of improved health is £295.17m.

I feel that this is a critical piece of research which shows the powerful influence that sport can have on so many cross cutting areas and recently the Welsh Government and Sport Wales hosted learning events so that partners and stakeholders could hear more from the research exercise carried out by Sheffield Hallam University.

In addition I am very pleased to report that as a result of the new budget being announced there will be an additional £3m allocated to Sport Wales which will be used to further improve sport facilities across Wales. This additional investment will boost our Sports Facilities Fund and aligns to the eight priority areas for Welsh Government investment and is a signal of our intent to drive forward our agenda of increasing participation rates in sport across all age groups, giving people better quality opportunities so that they can enjoy a more healthier and active lifestyle.

3.2 The Welsh Government's priorities for sport and physical activity for the next three years, and allocations/projected spend for delivery of these.

The priorities for sport and physical activity are presented in the three-year remit letter to Sport Wales (2018 – 2021) and are aligned with the commitments and outcomes made within their business plan. The priorities include:

- Getting more people active at every stage of their lives: while they are at school, when they leave education, when they get a job, if they have a family of their own, and when they retire.
- Providing children with the best start in life by helping schools to teach them the skills and give them the knowledge, motivation and confidence to be, and stay, active.
- Investing effort and resources where it is needed most, where there are significant variations in participation and where there is a lack of opportunity or aspiration to be active.
- Helping to support the development of community sport across Wales.
- Helping sport to continue to nurture, develop and support talent to deliver success that inspires people and reinforces our identity as a sporting nation.

- Sport Wales to continue to work with Education to ensure children have the best start in life by encouraging and supporting schools to develop pupils' physical literacy and well-being.
- Supporting the sector to achieve a greater impact with public investment, to adapt, become more resilient and demonstrate better its contribution to our national well-being goals and objectives.
- The development of a Physical Activity Action Plan via a partnership with Sport Wales, Natural Resources Wales and Public Health Wales.
- Analyse progress of the Free Swimming scheme.
- Ensuring that there is a good mix of sports across Wales that utilise our new capital fund allocation.

Key outcomes include:

- More people meeting the Chief Medical Officers physical activity guidelines.
- More people undertaking sport and physical recreation on three or more occasions per week.
- An increase in sport and physical recreation participation by those most in need or disadvantaged.
- A system that delivers continuous elite sport success while ensuring the safety, well-being and welfare of all sportsmen and sports women.

A key under-pinning theme of this work is the importance of collaboration, working across the many partners and delivery bodies for sport and physical activity across Wales and adopting innovative and regional collaborative approaches and recognising opportunities to scale-up successful programmes and ways of working.

Responding to points made by the independent review of Sport Wales in 2017, we asked Sport Wales to undertake a number of operational reviews including:

- Review the vision and produce a new long-term strategy for sport in Wales. The revised vision was adopted by Sport Wales in July 2018 and this has been reinforced by adoption of an accompanying strategy in July 2019.
- To establish the Community Sport and Activity Programme. This new model for delivery of community sport in Wales is reaching an exciting phase following extensive stakeholder consultation over the summer. Expressions of interest from stakeholders have been acknowledged with a view for Sport North Wales to go live in spring next year.

The additional £3m allocated to Sport Wales will be used to further support the development of sport facilities across Wales. This investment will not only support the vision of an active nation but also support the needs of our local communities, thereby creating a more resilient, sustainable sport sector for future generations. It was clear that following the 318 applications received by Sport Wales for their Place for Sport fund that the level of demand was high and from a number of different sports clubs and organisations that were all keen to improve their sport facilities.

Additional investment in developing better quality sporting facilities across Wales is vital so that people enjoy their experiences when engaging in sport. It also helps sports clubs and organisations to create environments which will widen participation, enjoyment, personal achievement and fulfilment.

3.3 What evidence has driven the Welsh Government's setting of priorities and proposed budget for sport and physical activity.

Evidence has been drawn from the National Survey for Wales, the School Sports Survey, the FE Sport and Active Lifestyle survey and previous surveys such as Active Adults and the Wales Health Survey. Qualitative evidence has been collated from a wide range of consultation discussions, for example, results from Sport Wales' "National Conversation" with key partners and stakeholders across Wales as part of the development of their new vision and refreshed long-term strategy and the independent review of Sport Wales.

Evidence has also been considered following the National Assembly for Wales Health, Social Care and Sport Committees inquiry into physical activity of children in young people. The report was published in March 2019 and the subsequent Welsh Government response identifies how these recommendations are being taken forward.

Our ten year strategy, Healthy Weight Healthy Wales, was launched on 17 October this year, which sets out our future vision to prevent and reduce obesity rates across Wales. The strategy has been underpinned through data, research and consultation to determine where we can maximise our efforts across Wales. This has already influenced areas of work to be taken forward both across government and with partners. It will also influence and develop how we can drive forward future priorities across Wales through the four themes on healthy environments, healthy settings, healthy people and leadership and enabling change.

3.4 Evidence of how the Well-being of Future Generations Act 2015 and five ways of working have influenced the budget allocations for sport and physical activity.

The well-being outcomes and ways of working are embedded within all aspects of Sport Wales' responsibilities and activities including its strategies and business plans. This will support the development of an organisational culture where sustainability and well-being is considered through everything that Sport Wales does.

In the review and development of the new vision and long-term strategy for sport in Wales, Sport Wales has successfully sought to involve and collaborate with a wide range of traditional and non-traditional stakeholders (sport sector and individuals).

Sport Wales is currently working collaboratively with Public Health Wales and Natural Resources Wales to develop a joint action plan to increase levels of physical activity across Wales.

As I have mentioned, the Welsh Government, Public Health Wales and Sport Wales have developed the Healthy and Active Fund to stimulate collaborative working across communities that will have long-term sustainable benefits. The new Healthy and Active Fund seeks to embed the sustainable development principles of the Well-being of Future Generations Act (Wales) 2015 and five ways of working into its design, delivery, monitoring and evaluation and the extent to which it has successfully achieved this will be considered in the process evaluation of the fund.

The Healthy and Active Fund was selected also by the Audit General Wales (AGW) as part of its review into the extent to which the Welsh Government has acted in accordance with the 'sustainable development principle' when (a) setting their well-being objectives; and (b) taking steps to meet them. The main findings of the report were that:

“The Welsh Government is continuing to embed the sustainable development principle in its core business. In the three steps we reviewed, it is seeking to apply the five ways of working although there are opportunities to improve evidence about long-term impact and questions about how it can involve citizens directly”

3.5 Details of how the budget will support:

○ Increasing physical activity among children and young people in Wales.

Every year Sport Wales invest £16m into community sport which includes a number of dedicated programmes tailored towards children and young people. These include initiatives with StreetGames Wales, BME Cymru Sport Network, the Active Young People programmes, Free Swimming, Young Ambassadors and the Urdd. The impact is continuously being reviewed in order to better inform future year provision.

Sport Wales continues to work with Education to support the implementation of the new curriculum and Well-being Area of Learning and Experience. One of the four purposes is that learners develop as healthy, confident individuals who can apply

knowledge about the impact of diet and exercise on physical and mental health in their daily lives.

The Sport Wales School Sport Survey (2018) provided schools, colleges and local authorities with valuable insight to be able to better plan their physical activity offerings. This data also helps Sport Wales, national governing bodies and other organisations identify both the latent demand for specific sports and help inform the direction of future investment.

Encouraging more young people to take part in sport is key to ensure we become more active and this year Sport Wales celebrated 10 years of the Young Ambassador movement in Wales. In that time, more than 20,000 young people across Wales have positively contributed to their communities by encouraging and enabling people to be physically active, advocating the benefits of sport, promoting healthy lifestyles and the positive values of sport and developing their own and others' leadership skills.

Whilst formally a partnership between Sport Wales and Youth Sport Trust, the Young Ambassador movement would not be realised without the dedication of the many schools, clubs, local authority sports development teams, parents and young people themselves.

In a recent survey, 76% of Young Ambassadors feel that being involved in the movement has improved their own health and wellbeing, 91% feel that they have improved the health and wellbeing of other young people. In addition, 93% of Young Ambassadors feel that they have increased the opportunities for young people to do sport and physical activity, while 98% have say said that the movement has helped them to develop both their leadership and communication skills.

- **The wider preventative agenda.**

The initiatives and interventions funded through the sport and physical activity budget allocations contribute to helping individuals become physically active, or maintain levels of physical activity, with consequent preventative health benefits.

The initiatives and interventions are focused both on increasing participation in under-represented groups and on the full range of ages – from the earliest ages to the oldest; and on providing skills and training to individuals to become coaches, volunteers and peer-group champions.

The recently launched “Healthy Weight: Healthy Wales” is our long term plan to prevent and reduce obesity in Wales. Accompanying the strategy will be five two-yearly delivery plans which will span the lifetime of the strategy. The first delivery plan 2020- 22 provides detail of the exact action we propose necessary to see changes in our behaviour and habits, encouraged and promoted through our settings and environments and through local and nation-wide leadership. The delivery plans allow evaluation to be built into the strategy and to test appropriate ways of working and share best practice.

Over the next two years we will begin to develop policy and legislation on the food environment, introducing new funding to help achieve our aims. This will allow us to put a greater focus together with partners on prevention and early intervention through all systems as part of our approach to building a healthier Wales. The strategy will help to ensure that we can leverage and maximise additional funding and opportunities to drive change across partners, to see a shift in how we use spend towards prevention. The first two years of the proposed delivery plan will place a significant emphasis on early years, children and families to influence healthier choices.

A National Implementation Board will be established in early 2020, which will have direct accountability to the Minister for Health and Social Services. This will aim to track and monitor progress as well as develop a range of sub groups to drive forward national priorities. The board will agree the priorities of the 2020-22 delivery plan and establish how to maximise existing resources, policies and programmes to achieve an integrated approach. There are many levers, particularly in the healthy environments and settings themes, which will require a clear cross-government approach to drive change and the board will take accountability to drive progress.

- **Joint working between sport, public health and other partners.**

The Welsh Physical Activity Partnership has been created through a joint partnership with Public Health Wales, Sport Wales and Natural Resources Wales to support and drive forward partnership working across physical activity, including active recreation.

The partnership continues to meet and will host a national conference in the spring to bring partners together in order to develop a national action plan and next steps. In the meantime the partnership are working on a number of key priorities to improve data and behavioural approaches through the development of a Physical Activity Observatory, developing joint communications and campaign work and looking to integrate our three school programmes through dragon sports, the Welsh Network of Healthy Schools and Eco Schools in order to offer a comprehensive physical activity offer which will support the new curriculum.

Sport Wales and Public Health Wales are continuing to work with Health and Sport Divisions to deliver the new Healthy and Active Fund. The 17 projects that will benefit from the £5.4 million Fund were announced in July 2019:

<http://sport.wales/news--events/news--events/our-news/latest-news/healthy-and-active-fund-in-action.aspx>

Each of these projects will contribute to the strengthening of community assets and focus on improving mental and physical health by enabling healthy and active lifestyles. Projects are attempting to change the long-term behaviour of people who are currently inactive or have low levels of activity to improve their physical and/or mental wellbeing. Most projects are specifically aimed at enabling and supporting older people, and children and young people to be physically active.

My officials in Sport work closely with officials across many Welsh Government Departments to deliver policy priorities and outcomes, for example:

- Education (21st Century Schools Programme, Community Hubs);
- Transport (Active Travel);

- Equalities;
- Health (Healthy and Active Fund, Healthy Weight: Healthy Wales, The Daily Mile, Welsh Network of Healthy Schools Scheme, Loneliness and Isolation);
- Communities (Community Asset Transfer, Communities Facilities Programme).