

The Cost of Living Crisis

The impact on grassroots community sport and recreation

The long-term future of community sport and recreation is under threat

Grassroots community clubs are the lifeblood of sport and recreation, supporting millions of people to play and be active every week up and down the country. They are an essential part of our social fabric, binding communities together through a shared passion for sport, recreation and physical activity. And they provide the vital first step on the ladder for those who aspire to reach the top of the sporting pyramid. —>

Grassroots community sport, recreation and physical activity delivers £72bn annually in social value through improved health and wellbeing, educational attainment and community cohesion.

In terms of public health benefits alone, each year the sector prevents:

150,000 cases of heart disease and stroke

Worth £1bn

900,000 cases of diabetes

Worth £3.6bn

93,000 cases of dementia

Worth £3.5bn

8,500 cases of cancer

Worth £460m

375,000 cases of depression

Worth £110m

30,000,000 GP visits

Worth £450m

A further £13bn is generated annually in economic value through employment and sports-related goods and services, including supporting more than 285,000 jobs.

Overall, investing in grassroots community sport, recreation and physical activity generates almost £4 in value for every £1 spent.*

The cost of living crisis presents a real and present threat to our sector, the participation it supports and the immense value it creates. Clubs and the facilities on which they depend are under huge strain. A slow recovery from COVID-19 coupled with steeply rising energy costs means clubs are feeling the squeeze. And with no headroom to absorb further cost increases, it is likely they will need to pass on these additional costs to members and users at a time they can least afford it.

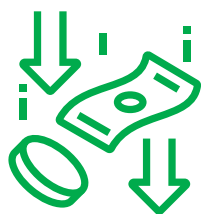
This research summary identifies the impact the cost of living crisis is having on our grassroots community sport and recreation eco-system and the support we believe is needed to help it survive and thrive.

The full research report can be found at sportandrecreation.org.uk

* Sport England/Sheffield Hallam University Sport Industry Research Centre: <https://www.sportengland.org/news/why-investing-physical-activity-great-our-health-and-our-nation>



Key findings



Grassroots clubs are under severe financial pressure following COVID-19 and are exposed to further shocks

- 1 in 4 reserve-holding clubs are now in a financial 'red zone' (holding reserves below a third of turnover) – this is double the amount since COVID-19 and is expected to grow to over 1 in 3 in the next 12 months.
- Half of clubs are having to dip into reserves again this year to cover running costs.



Rising energy costs are a major risk to future viability

- Clubs' surpluses (the difference between annual income and expenditure) have fallen by a third in the last year and are predicted to halve in the coming year – the average club will be operating at close to break-even with many likely to make a loss.
- Clubs' energy bills are expected to almost double in the next 12 months – on top of recent increases this will further squeeze the financial breathing space available to clubs. For some clubs, the increase in bills will be much greater than this.

NO BALL GAMES

The worsening financial climate is affecting clubs' ability to provide sport and recreation in their local communities

- The total amount of activity offered by clubs fell by 16% last year in comparison with 2019 (the last year before the pandemic) – this is a much greater fall than was predicted.
- Despite the reduction in activity offered, volunteers are working harder than ever – giving 10% more of their time compared to last year. This is a concern for future recruitment and retention of skilled volunteers who keep our sector running.
- Facility-owning clubs produce over three times the level of active minutes than the average club, indicating they are strategically important to their communities. Over the past 12 months, these clubs have been worst hit with an 18% reduction in the active minutes they offer.
- Recovery is heavily dependent on the availability of facilities and the careful management of income and expenditure – clubs believe that they can return to pre-pandemic levels of provision in the next 12 months but only with support. →



Access to facilities is a key concern

- Over three quarters of clubs say access to public leisure centres is critical to their ability to provide their sport or activity and over two thirds say the same of school sports facilities.
- 66% of clubs and providers use indoor facilities, a further 18% use public spaces (parks, roads and waterways) – this dependence means clubs and the participation they support are at risk from closures or service restrictions driven by rising energy and other input costs.



Higher costs will be passed on to participants at a time they can least afford it

- Due to the financial challenges they face, over 70% of clubs say they plan to cover higher costs by charging members more in fees – this will impact those on the lowest incomes most and make it harder to tackle inequalities in participation.
- Currently around a third are exploiting new funding opportunities and exploring new, cheaper ways of delivering activity. Clubs need more support to grow and diversify income over the long term.
- Similarly, a small proportion of clubs are seeking to find long-term, sustainable ways to reduce energy costs, for example by reducing demand or diversifying supply. However, securing these improvements can be challenging due to such investments requiring large up-front capital costs and long payback periods.



Key asks

In view of these findings and the significant economic, social and health benefits generated by grassroots community sport and recreation, we are calling for:



Further targeted support for grassroots community clubs and facilities to help with rising energy costs

including the extension of support via the Energy Bill Relief Scheme (EBRS).



Improved access to finance and investment in energy efficiency and green energy supplies

for grassroots community clubs and facilities to cut costs and improve sustainability.



A boost to the tax and giving benefits available to grassroots community clubs

which should include uplifting key tax thresholds to ensure their value is not eroded by inflation and allowing Gift Aid on member subscriptions to Community Amateur Sports Clubs (CASCs) and sports club charities.



Further research into the impacts of the cost of living crisis

on grassroots community sport and recreation and participation, including inequalities.

About the Sport and Recreation Alliance

The Sport and Recreation Alliance believes that the power of sport and recreation can change lives and bring communities together. Together with over 300 members and in partnership with the wider sector, we make the most of opportunities and tackle the areas that provide a challenge.

We deliver advice, support and guidance to our members and the sector, who represent traditional governing bodies of games and sport, active partnerships, outdoor recreation, water pursuits, and movement and dance exercise.

As the voice of the sector, we work with Government, policy makers and the media to make sure grassroots sport and recreation grows and thrives. Having an active nation is important as it delivers huge benefits to society and the millions of participants, volunteers, staff and spectators.

**Sheffield
Hallam
University** | Sport Industry
Research
Centre

About Sheffield Hallam University Sport Industry Research Centre

The Sport Industry Research Centre is a team of full-time researchers who apply principles of economics, management science, and social science to solve real world problems and deliver positive social impacts. We are outward looking and pride ourselves in doing policy-relevant research that delivers actionable insights for our clients. Our research has pioneered the use of economics in sport, notably:

- calculating the value of sport to the economy,
- measuring the economic impact of major sports events, and
- valuing the wider social impacts achieved by sport.

We apply our extensive skill set in quantitative, qualitative, and mixed methods research to meet the needs of the outside world.

SPORT:80 

About Sport:80

Sport:80 is a leading sport business management technology specialists whose solutions are trusted by sports organisations around the globe. The company's flagship product, the Sport:80 Platform, is a sophisticated yet easy-to-use Managed SaaS solution that combines both sports business management and member-facing functionality. It is the ideal tool to capture, manage, analyse, and leverage the diverse information collected by sports organisations.



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