

Covid-19: A Brief Overview of the Impact on 4 Sport Social Enterprises so far...

Whilst no industry has been unaffected by the impact of the Covid-19 pandemic, the sport sector has been hit hard and the delivery of sport and physical activity continues to be restricted. Sport social enterprises are delivering programmes which address local community needs and create a positive social impact. They are working with some of the most vulnerable and disadvantaged

groups, tackling a variety of social issues including community safety, physical and mental health, loneliness, isolation and inequalities.

Many of these organisations are vital lifelines within the communities they serve and this brief overview provides a basic snapshot of the impact of Covid-19 which has been recorded by four social enterprises to date.

Key Facts for 4 Sport Social Enterprises

Employees

Pre-Covid: 122
Furloughed: 107
Redundancies: 19
Resignations: 5

Revenue

Monthly loss:
c.£162,000

Loss since March:
c.£972,000

Footfall

Monthly participations:
↓ c.42,000

Participations since March:
↓ c.252,000

Capacity (indoor)

Operating at 25-30%
normal occupancy

Many areas remain
closed

Showcase the Street, Dundee

Situated in an area of Dundee which suffers from some of the highest child poverty in the UK and significant problems with serious and organised crime. They typically offer diversionary programmes, projects for people with additional support needs and support families and schools to provide opportunities for young people from areas of deprivation. Three warehouse units accommodate two indoor dance studios, two indoor 3G sports surfaces, a large reception, a VR Centre, a coffee shop, and Scotland's only stand-alone Roller Hockey Rink.

Upon closing at the end of March, all staff were put on furlough with the organisation taking the decision to pay 100% of their usual wage. Funding was obtained through the Third Sector Resilience Fund which helped cover basic operating costs

from April to July inclusive. Funding from the Wellbeing Fund was received for a short-term project to support young people with ADHD.

The building remained closed until early September when it re-opened at a reduced capacity. They are still unable to re-start many of their activities which would normally generate income, including indoor 5-a-side football. Since lockdown began, they have lost around £150k in revenue but have continued to meet ongoing monthly financial obligations as well as cover upfront costs required to implement a covid-safe environment.

Due to the inability to re-start all activities at full capacity, basic cashflow remains an issue. Most of the work which has been undertaken

by Showcase the Street in order to address social issues has been curtailed, and until revenue generation can be stabilised through operating at a typical capacity, it's likely that much of this work will continue to be impacted.

The hardest to reach communities are being hit hard by the effects of extended restrictions to delivering grassroots sports and physical activity during this time.



Banks O'Dee Sports Club, Aberdeen

Situated in Aberdeen, this not for profit sport and fitness centre offers affordable access to the surrounding community. They offer a variety of fitness, exercise and nutrition programmes and facilitate sports such as 5-side football, badminton, table tennis, volleyball and netball. The benefits on mental health and improved social connections are evidenced through their activities.

They closed in March and furloughed all staff bar one. They have been forced to re-structure, letting go of some staff and negotiating new contracts with others. They received funding through the Third Sector Resilience Fund to help cover ongoing facility operating costs and were

able to re-start some of their outdoor activities when permitted in August. However, almost immediately, Aberdeen were faced with a local lockdown and they were forced to shut down all operations once again.

The impact of the local lockdown both financially and emotionally was hard, both for the venue operator and users, as there had been a sense of hope and optimism for the future as activities began to start up again.

Since March, the centre has lost around £380k in turnover and although they have now re-opened, again, it is at a reduced capacity for both indoor and outdoor activities. Footfall and opportunities to generate income are low and reserves of £100k which had been set aside to replace the carpet on their 3G pitch have now been spent.



'We can only train but so good to see my teammates again'

'My sanctuary is open'

'I have missed this club so much'

Undertaking the necessary work to ensure that the 3G pitch continues to meet industry and safety standards is now at risk, which will have a significant impact for the future operation of the facility.

They have recorded a 30% loss in membership, however those who have come back to the facility throughout September have indicated the positive impact they are experiencing physically, mentally and socially through participating in the sports and physical activity on offer.

Atlantis Leisure, Oban

Atlantis Leisure is a thriving social enterprise based in the heart of Oban, Argyll. Facilities include a gym, swimming pool, sports hall, squash and tennis courts, soft play, café and climb cube. The community-run centre hosts a dynamic programme of innovative activities and services to engage all ages and abilities in their health, exercise and social integration. For over 27 years Atlantis has been an exemplar of community in action.

Upon closing in March, they designed a contingency plan for the next 12 months to try to ensure viability. They have addressed inevitable redundancies and undertaken a complete business and product redesign.

Like all sports facilities, they have had to reach a covid-safe standard and have spent considerable funds implementing social distancing measures, rigorous sanitisation protocols and a safe working environment for staff to interact with customers. They also had to fund planned maintenance and complete building works which were a consequence of the drying of the wet-side facilities. This not only delayed re-opening but also resulted in additional expenditure. The

combined total of Covid-safe and closure-remedial works has amounted to £60k worth of spend.

Having undertaken a phased approach to re-opening, the leisure centre is now only open 5 days a week instead of 7. Some areas remain closed, others are operating at well below their normal capacity – the total building capacity being around 25% of usual occupancy at this stage. The gym has been moved into the sports hall which has resulted in loss of club bookings, team sports, sports development and community programmes which were delivered in this space.

Atlantis Leisure's future is precarious and uncertain. Further redundancies are inevitable and 50% of the projected £700k annual income for 2020 was predicted to come from pool facilities which are considerably restricted.

Atlantis will now find it very difficult to deliver its remit to support the health and social needs of Oban and Lorn. This is particularly troubling given the exponential increase in need for the work

that facilities like Atlantis deliver – a need that comes as a direct result of prolonged lockdown, extended social distancing measures and increased restrictions on daily life. Critically, any reduced service will have a catastrophic effect on the GP referral work hosted and supported through Atlantis' partnership with Lorn & Oban Healthy Options.

Atlantis is known for and thrives on the atmosphere it creates. It does much to encourage and enthuse the community simply by being an engaging, safe place to visit, meet friends and feel a valued part of the community. This social support and morale boost that Atlantis offers is one of its most important deliverables – its minimisation is a true cost of the current situation.



The Spartans Community Football Academy

Situated in North Edinburgh, this social enterprise serves communities which sit within concentrated areas of high deprivation and they aim to address a variety of social issues through the power of people and sport.

They deliver youth work, innovative programmes in education, and a variety of health and wellbeing programmes. Their youth and children's provisions are free to young people to attend to help remove barriers to participation and the stigma of being unable to access social and leisure activities.

In order to provide these subsidised programmes they need to generate income through other services and fundraising activities throughout the year. This includes an annual Charity Dinner which typically raises around £250k of unrestricted funds which are used to invest in social impact programmes. Obviously this event has been cancelled for 2020 which will result in a huge loss of income, on top of a projected loss of c.£200k of their projected annual revenue. This means that the ability to deliver on many of their key social outcomes will be limited.

At the end of March, The Spartans quickly established a food distribution hub and throughout lockdown they supported their community with vital food provisions and other much needed services. Although various grants were received to support the food based support locally, the strength of their cash position and performance in recent years were detrimental in their ability to obtain further grant support. This leads to a frustration, felt by many social enterprises, that reducing grant dependency has actually gone against them.

After a number of years of improving business performance and through the generosity of supporters/donors, they started 2020 in a strong cash position and they had ambitions to grow their community programmes and invest in the creation of a new YW space. Unfortunately cash reserves have been slowly depleted and their application to the Third Sector Resilience Fund was rejected due to the level of cash reserves, despite these being earmarked for the delivery of social impact programmes.



Repayment holidays have been taken on loans, but they will need to be repaid at some point and this will put a large strain on the business. Cutbacks in the short-medium term will be required and long term plans will be affected. The major financial impact is expected to be felt in the coming years when all Covid-19 related support is long gone.

During their fantastic response to Covid-19, relationships and collaborations were built which will be continued into the future. It is hoped that this will help to address some of the inequalities which sadly exist in the local community and it is certainly the intention of the team at Spartans to continue to work together as one to serve a greater good.

