



Department for
Digital, Culture,
Media & Sport



**SPORT
ENGLAND**

Sport Survival Package | Phase 2

Frequently asked questions

June 2021

Version 1

Thank you for your interest in the Sport Survival Package (SSP).

The purpose of this document is to provide further detailed information relating to frequently asked questions (FAQs) about the programme.

This document doesn't replace the [Programme Guide](#), which you should read if you've been invited to apply to the programme or would like to express an interest.

The FAQs will be updated in response to questions and queries we receive so please make sure you keep checking the [Sport England website](#) to ensure you have the most recent information on the programme.

General programme FAQs

Question: How was the independent board selected?

Answer: The board was appointed by the Secretary of State for the Department for Digital, Culture, Media and Sport (DCMS), Oliver Dowden, and includes representation from organisations including Sport England, UK Sport and DCMS, as well as four independent members selected for their skills, expertise and enthusiasm for the sport sector.

Q: How is it determined if an organisation should receive loan or grant funding?

A: All organisations applying to the programme are assessed on a case-by-case basis – therefore, the funding offer will be specific to the applicant.

An application assessment will determine the financial product offered. This includes considering structural eligibility, financial need and resilience, as well as a prioritisation and balancing criteria.

In most cases the SSP will offer loan funding – grant funding is offered by exception.

Q: What support is there for clubs and organisations outside of England who are part of English competition structures and reliant on spectator income?

A: Organisations based outside of England, but operating within English competition structures, are eligible for funding from their respective home country government.

Funding for the SSP is devolved.

Q: Why is there such a variation in the provisional allocation of funding earmarked for each eligible sport?

A: Each sport, like different businesses across the country, has a different business model. All sports were subject to a consistent knowledge-gathering exercise which underpinned the allocation.

The allocations reflect the impact of coronavirus on the eligible organisations and the amounts they need to survive – they're not measures of a sport's relative importance.

All organisations invited to the scheme will be assessed for strategic need, meaning the funding allocation across sports may vary.

Q: Are women's teams affiliated to men's teams with significant financial reserves still eligible for support?

A: All organisations invited to apply will be subject to a consistent assessment and decision-making process.

This includes understanding information about the applying organisation, as well as their financial situation.

All organisations applying to the SSP will need to demonstrate financial need.

Q: What are the terms for an SSP loan?

A: The SSP operates a standard repayable loan facility on a 10-year term with a two-year holiday and repayments over eight years, at an interest rate of 2%.

The programme can offer terms up to 20 years, including a four-year repayment holiday, as required.

Q: Will the SSP support sports that mothball, or do they have to be competing?

A: The SSP will provide funding to eligible organisations that need support to survive. The package will adapt to the differing circumstances across sport, funding organisations that choose to mothball or those that are able to compete.

Q: How will funding be allocated and how can people apply for the funds?

A: As with the Winter Survival Package, the funding is designed to support those sports in urgent financial need as a result of the further restrictions on spectators announced in the government's roadmap on 22 February. That means we need to prioritise reach and access to funding for all organisations over the financial needs of any individual eligible entity.

Following the government consultation, a number of organisations have been identified to be invited to apply to the scheme. From 1 April 2021, we will invite all organisations to apply for funding.

Each sport will go through an application process which will determine funding allocations. The funding portfolio includes a reasonable distribution of funding across all eligible sports plus contingency. However, the assessment will consider the reasonableness of the request to help manage the portfolio financial risk.

Q: Which sports will receive funding?

A: The funding is designed to support those sports in urgent financial need as a result of the further restrictions on spectators announced in the government's roadmap on 22 February.

We're contacting national governing bodies to understand the impact on sports during the summer period.

Q: What's the process if my organisation hasn't been identified to apply?

A: We're conscious that, despite the extensive government consultation, some organisations may have been missed. We'll therefore continue to operate an Expression of Interest (EoI) process. We're also proactively contacting sports not represented to raise awareness.

If you think your organisation is eligible and you haven't been contacted already, you can email us at sportsurvival@sportengland.org to register your interest. One of the programme managers will then be in contact to arrange an initial discussion.

Q: What will be the balance of grants and loans for this new scheme?

A: This further £300m package is available to support the continuation of the programme as restrictions ease, which will include approximately £200m of loan funding and approximately £100m in grant funding.

Q: When will organisations receive this funding?

A: We're already in dialogue with a number of sports impacted by the government's timetable for the return of spectators, as set out in the roadmap. Eligible organisations will be invited to apply and considered by the independent board on a staggered basis, based upon the urgency of financial need. We hope that the independent board will be able to make the first

decisions for the next period of the Sport Survival Package in spring, with organisations receiving funding shortly thereafter.

Q: Why is more support for professional sport being provided? What about community sport?

A: This further £300m package will provide support for those sports in urgent financial need as a result of the further restrictions on spectators announced in the government's roadmap on 22 February.

This is on top of more than £220m of support we've provided for the sport and physical activity sector since the start of the pandemic, with our Return to Play fund extended until the end of 2021.

Access to funding through other government coronavirus schemes

Q: When you talk about funding being ineligible if it's covered by other coronavirus government support schemes, what do you mean? And what are examples of other government coronavirus relief schemes that could be accessed?

A: If there are existing government pan-economy coronavirus schemes which allow your organisation to access funding you should demonstrate that you have accessed funding. If you're accessing funding via these schemes the related costs won't be eligible – i.e. you should be in receipt of existing government funding to meet these costs.

Examples of government schemes include:

- I. The Coronavirus Job Retention Scheme ('CJRS') and extension of this scheme
- II. Deferring VAT and other tax payments
- III. The Statutory Sick Pay relief package for SMEs
- IV. The 12-month business rates holiday for retail, hospitality, leisure and nursery businesses in England
- V. Small business grant funding of £10,000 for all businesses in receipt of small business rate relief or rural rate relief
- VI. The Coronavirus Business Interruption Loan Scheme (CBILS) offering loans of up to £5m for SMEs through the British Business Bank
- VII. The Bounce Back Loan Scheme (BBLS)
- VIII. The HMRC Time to Pay ('TTP') Scheme

Ineligible Costs

Q: What costs are considered ineligible for the programme?

A: The programme is focused on supporting organisational survival through the period 1 April 2021 to 31 March 2022. That means the majority of essential business operational costs will be eligible. The funding offered will respond to financial need to survive, it won't replace all lost revenue or profits. There are some costs that we can't fund, please see below for examples of ineligible costs:

- Costs that are eligible to be covered by government support, for example, furloughing, including, the remaining salary costs for staff on furlough not covered by the government's Job Retention Scheme, or any additional salary costs above the furloughing cap.
- Any costs beyond 31 March 2022, unless agreed by exception.
- Anything that contravenes governments' advice on coronavirus.
- Costs related to promoting the cause or beliefs of political or faith organisations.
- Payment that supports lobbying or activity intended to influence or attempt to influence Parliament, government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action.
- Using grant funding to petition for additional funding.
- Input VAT reclaimable from HMRC.
- Payments for activities of a political or exclusively religious nature.
- Goods or services that grantees have a statutory duty to provide.
- Payments reimbursed or to be reimbursed by other public or private sector grants.
- Contributions in kind (i.e., a contribution in goods or services, as opposed to money).
- Depreciation, amortisation or impairment of fixed assets owed by grantee.
- The acquisition or improvement of fixed assets by grantee (unless agreed the grant/loan can be used explicitly for capital use – this will be stipulated in the contract and will be limited to essential coronavirus-related works);
- Interest payments (including service charge payments for finance leases).
- Gifts to individuals.
- Entertaining (for this purpose, entertaining means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
- Statutory fines, criminal fines or penalties.

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Subsidy Control

Q: How will the new subsidy control regime impact the SSP

A: As the UK has left the EU, the programme must now comply with subsidy control. An assessment has been carried out and it's considered that the SSP adheres to the principles set out in Part 2, Title XI, Article 3.4 of the UK-EU Trade and Cooperation Agreement.

Principles	How does the subsidy comply with the principle?
The subsidy pursues a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns (“the objective”).	The SSP is responding directly to the impact of the coronavirus pandemic and the resulting market failure. The policy objective is therefore to support the survival of the eligible sports organisations.
The subsidy is proportionate and limited to what is necessary to achieve the objective.	<p>The funding's proportionate and limited to the objective. Specifically, organisations must demonstrate the following:</p> <ul style="list-style-type: none"> • Viability prior to coronavirus pandemic • Financial need to survive (not just covering lost revenues) • Time-limited based on the period that the organisation is adversely impacted. • Consistently applied across the sport sector.

	<ul style="list-style-type: none"> • Distributing mixture of grants and loans dependent broadly on affordability and wider social benefit.
The subsidy is designed to bring about a change of economic behaviour of the beneficiary that's conducive to achieving the objective and that wouldn't be achieved in the absence of the subsidy being provided.	<p>The SSP is in direct response to coronavirus and is operating as a funder of last resort. (When other pan-economy and other commercial financing options have been exhausted.)</p> <p>The survival of eligible sports organisations would be at risk without the intervention.</p>
The subsidy should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.	The subsidy is in direct response to the impact of coronavirus on business operation, preventing ability of the organisation to generate income. The costs will contribute to operational costs that cannot otherwise be met by the beneficiary due to coronavirus.
The subsidy's an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.	The programme's been approved and implemented following a complete options appraisal, including considering all other options for financial support.
The subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the material effect on trade or investment between the Parties.	The investment is in the public interest. There's no known material effect on trade or investment between UK and EU.
Where relevant, record consideration against Article 3.5 [Prohibited subsidies and subsidies subject to conditions], including consideration of whether that subsidy has or could have a	<p>Please see summary below:</p> <ul style="list-style-type: none"> • Unlimited State Guarantees (All lending is subject to limited terms)

<p>material effect on trade or investment between the Parties.</p>	<ul style="list-style-type: none"> • Rescue and restructuring (Programme restricted to small-medium size enterprises and is also being operated as it is in the public interest) • Banks, credit institutions and insurance companies (N/A) • Export Subsidies (N/A) • Subsidies contingent upon the use of domestic content (N/A) • Large cross border or international cooperation projects (N/A) • Energy and environment (N/A) • Subsidies to air carriers for the operation of routes (N/A)
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Loan Terms

Q: What are the standard loans terms and conditions

A: The SSP operates a standard repayable loan facility on a 10-year term with a two-year holiday and repayments over eight years, at an interest rate of 2%.

The programme can offer terms up to 20 years, including a four-year repayment holiday, as required.

Standard Terms for the Loan Agreement include:

Lender:	DCMS
Programme manager:	Sport England
Term:	10-year
Capital and interest repayment holiday:	2-year
Interest rate:	2% per annum
Default interest rate:	4% per annum

Repayment profile:	Straight Line <i>(Equal semi-annual payments commencing upon the end of the Holiday until the end of the Term)</i>
Fees and charges:	Arrangement fees may apply dependent on circumstances. Typically between 0.5%-1.5%; No early repayment fees; Borrower and Lender pay own costs for entering into the Agreement; Lender is entitled to recover costs for any changes to the Agreement once entered into.
Security:	Floating Charge over the Borrower <i>(It's understood that there may need to be Intercreditor terms agreed with existing lenders. Where this may impact the funding of an applicant, there will be a Condition Subsequent added to the Loan Agreement to implement this within a short timeframe post-Agreement. Where appropriate Security arrangements may be bespoke to individual)</i>
Group Company Cross Guarantees:	Lending to the Borrower to be guaranteed by other Group Companies <i>(Where applicants are the 'sporting' entity within a larger group structure that includes stadia and/or training ground holding companies, there will be a requirement for other group companies to cross guarantee SSP borrowing. Again, it is understood that there may need to be Intercreditor terms agreed with existing lenders. Where this may impact the funding of an applicant, there will be a Condition Subsequent added to the Loan Agreement to implement this within a short timeframe post-Agreement)</i>
Connected party lending:	Must be Subordinated to Lending under SSP <i>(SSP will require all connected party lending to be subordinated to the loans provided by SSP. These subordination agreements will need to be entered into</i>

	<p><i>prior to receiving funding and will cover the logistics of interest and capital repayments as well as rights attached to the funding such as enforcement. The expectation is that connected party lending on standard commercial terms can continue to pay interest, however capital repayments can only occur following repayment of SSP borrowing. Subordination arrangements may be bespoke to individual circumstances.)</i></p>
Mandatory repayment	<p>There will be certain ‘windfall’ events that trigger a mandatory repayment of the SSP borrowings.</p> <p><i>(Such events may include significant investment into the Borrower; significant investment into the League; sale of investment assets; and other similar events. The Lender has the right to waive this requirement should the circumstances warrant it)</i></p>
Warranties and indemnities	<p>Standard for Commercial Borrowing</p> <p><i>(Terms will include usual warranties and indemnities for commercial loans such as: Status; Power and Authority; Legal Validity; No Conflict; No Default; No Litigation; No Investigations; No Insolvency; Laws and Regulations; Group Structure; and Security)</i></p>
Undertakings	<p>Standard for Commercial Borrowing</p> <p><i>(Terms will include usual corporate undertaking for commercial loans such as Information Provision; Compliance with Laws and Regulations; Compliance with State Aid; Changes to Key Persons; and No Distributions or Dividends)</i></p>
Restrictive covenants	<p>Standard for Commercial Borrowing</p> <p><i>(Terms will include a number of undertakings to be made by the applicant including a Negative Pledge, meaning applicants will have to request SSP approval before taking on any further borrowing; and Restrictive Covenants, including the requirement for SSP approval before entering into certain material transactions such</i></p>

	<i>(as mergers, acquisitions and disposals and entering into any administration or creditor renegotiation process)</i>
Events of default	Standard for Commercial Borrowing <i>(Terms will include usual events of default for commercial loans such as: Unremedied Breaches; Material Breaches; Material Adverse Change; Cross Default; Insolvency; and Breach of Laws and Regulations)</i>
Monitoring and reporting	The Borrower shall be required to provide certain information to the Lender and the Programme Manager including but not limited to: <ul style="list-style-type: none"> • Annual Accounts (audited where appropriate); • Quarterly Management Accounts; • 6 Monthly Cash Flow Forecasts in the form of the Financial Template in the Application process; • Other information as the Lender or the Programme Manager may reasonably require.
Conditions precedent and subsequent	Standard for Commercial Borrowing plus Bespoke where required <i>(Before being able to draw funding from SSP, Borrowers will have to complete certain standard conditions precedent including returning a Condition Precedent Certificate covering Constitutional Documents, Power and Authority; Corporate Approvals; Permitted Borrowings; Group Structure; and Specimen Signatures. There may also be further Bespoke requirements subject to Borrowers specific circumstances)</i>
Other terms and conditions	Standard for Commercial Borrowing <i>(Other terms that are standard for commercial loans such as Confidentiality; Notices; Third Party Rights; Governing Law; and Variation and Waivers will be included)</i>