



## European Policy Update, April 2011

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### EU POLICIES AFFECTING SPORT AND RECREATION

#### Preparatory actions 2011-2012

As has been the case in previous years, the European Commission is to issue calls for proposals for its preparatory actions in the field of sport for 2011-2012. The overall budget for this round of preparatory actions will be around €3m. The preparatory actions are pilot projects carried out by a number of European partners with the aim of identifying future policy priorities for a full sport programme beginning in 2014. The projects will focus on two main areas:

- a) The fight against violence and racism
- b) Promoting good governance

#### *How can the Sport and Recreation Alliance help?*

Further details will be made available once the Commission formally announces its calls for proposals in the coming weeks and will be included in the May **European Policy Update**. If you would like any further information on bidding for, or running projects then please contact our UK and EU regulatory officer [David Foster](#).

#### **House of Lords inquiry into grassroots sport and the EU**

The House of Lords EU Social Policies and Consumer Protection Sub-Committee has published its final report following an inquiry into EU sports policy and grassroots sports. Pleasingly, a number of recommendations put forward by Sport and Recreation Alliance have been included in the final report. These include the explicit recognition of sport within the framework of the Structural Funds, the consideration of sport in work on digital piracy at EU level and an examination of the merits of a financial 'fair return' for sport from the gambling industry. The report also highlights sport's capacity to deliver on core policy objectives in health, education, employment and social spheres. Other recommendations include the creation of a web portal to allow grassroots organisations to interact across Europe and stronger dialogue between the European Commission and sports organisations.

### ***What this means for sport and recreation***

The Committee gathered evidence to inform its response to the EU Commission Communication on sport and recommendations from the report will be presented to the Government and the European institutions. A wide variety of European and national stakeholders gave evidence, including national governing bodies, sports associations and MEP's. The recommendations from the inquiry will hopefully encourage the UK Government and EU institutions to engage more effectively with grassroots sports. The Sport and Recreation Alliance endorses the conclusions drawn in the report and will continue to lobby European policy-makers on behalf of its members to get the best possible deal for sport. The Department for Culture, Media and Sport (DCMS) must respond to the report by 6 June 2011 and the Sport and Recreation Alliance is in dialogue with the DCMS sports team to encourage the Government to endorse the recommendations that were included in the report.

[The House of Lords Report - Grassroots Sport and the European Union](#)

[The Sport and Recreation Alliance's submission for evidence for the Report – p. 2](#)

If you would like any further information on the report, please contact [David Foster](#).

### **EU Sports Forum and informal Sports Ministers' meeting**

The EU Sports Forum took place in Budapest on 21/22 February 2011. It provided an opportunity for policy makers and key stakeholders from across Europe, including the Sport and Recreation Alliance, to discuss the key issues affecting sport. Much of the discussion was driven by the recently published EU Communication on sport as the Commission looks to build on these recommendations in the coming years. As a leading partner in the Women's International Leadership Development (WILD) programme run by ENGSO and funded by the preparatory actions, the Alliance also had the chance to present the project findings to delegates.

The informal Sports Ministers' meeting took place in conjunction with the Forum on 22/23 February. The Hungarian Presidency of the EU took the opportunity to outline its work programme, which is focused on the role of sport in enhancing social cohesion, cultural diversity and the engagement of the EU with the World Anti-Doping Association (WADA) Foundation Board. Minister for Sport and the Olympics, Hugh Robertson MP, attended the meeting and took the opportunity to put forward the UK's key sporting priorities, including integrity and match-fixing and improved exploitation of existing funding streams for sport (e.g. European Structural Funds). The Sport and Recreation Alliance worked with its European partners in Denmark and Sweden to deliver a joint brief to respective sports ministers ahead of the meeting to ensure the sector's priorities would be supported during the debate.

The next Sport Minister's Council will take place in Brussels on 20 May. Work will include a Resolution on the recent Communication and finalisation of a 'work-plan' outlining member states' priorities for work at the EU level for the coming years.

**SPORTS BETTING**

## **IOC betting integrity conference**

The International Olympic Committee (IOC) held its inaugural conference on betting integrity in sport in Lausanne on 2 March. Representatives from the sports world, governments (including Minister for Sport and the Olympics, Hugh Robertson MP), international organisations and betting operators were invited. The aim of this first meeting was to recognise the need to protect the integrity of sports competition, notably by combating suspicious and illegal betting.

IOC President Jacques Rogge announced after the conference that a task-force has been established to adopt initial conclusions and examine the measures to be taken moving forward. Rogge identified three possible potential courses of action. The first would be the creation of an overarching, WADA-style body to deal with integrity issues; the second would make use of existing international conventions on cross-border crime and corruption drafted by the United Nations and the European Union; and the final option, favoured by the UK Government, is to build alliances and communication systems between sport, government and international criminal investigation agencies like Interpol.

### ***What this means for sport and recreation***

Many sports administrators would be reluctant to see another WADA-style body established, favouring instead a less top-down approach to integrity issues. However, there is a need to tackle the growing threat posed to sport by corruption and match-fixing related to irregular and illegal betting.

In the UK the Sport and Recreation Alliance leads the [Sports Betting Group \(SBG\)](#), which was established following the government-commissioned report by former chief executive of Liverpool FC, Rick Parry, into integrity in sport. The Group works to help co-ordinate and develop sport's response to the dangers posed by corrupt betting. The Group is currently conducting an audit of all sports to obtain a clearer picture of how much progress has been made in the fight against corrupt betting in sport. For more information, please see the SBG webpage or contact [David Foster](#).

## **Online gambling**

DG MARKT has published its Green Paper on online gambling and will be consulting on it until 31 July 2011. The document contains a specific section relating to sport and raises some pertinent issues on the intellectual property of sports rights owners. It also considers the possibility of a 'fair return' for sport from gambling operations. The Sport and Recreation Alliance will work with its members to develop a response to the consultation that will highlight the importance of upholding integrity in sport and advocate more sustainable financing for sport through improved recognition of sport's intellectual property rights.

### ***What this means for sport and recreation***

In the Green Paper the Commission raises a number of interesting issues including a reference to the French gambling model. This sees a non-exclusive sports betting right for gambling services to contribute to sports organisers work in ensuring integrity.

Internal market commissioner Michel Barnier is an advocate of the model employed in France and it will be interesting to see how readily the Commission embraces the concept as it moves forward.

### ***What can sport and recreation do?***

The Commission will receive hundreds of responses to this consultation and it is important that sport makes its voice heard. To submit a response on behalf of your organisation, please go to the following page on the [Commission website](#). The Sport and Recreation Alliance will be formulating its response in the coming months, but in the meantime feel free to contact [David Foster](#) for further information.

## CONSULTATIONS

### **VAT Green Paper**

In December, the Commission published its Green Paper on the modernisation of the VAT Directive. This consultation provides the sports movement in Europe with the opportunity to make its voice heard in the field of VAT and taxation. Sport needs to be robust in its defence of existing VAT exemptions, while it can also call for greater clarity over current VAT issues related to reduced and zero-rates on certain goods and services. VAT exemptions provide necessary assistance to the volunteer and non-profit organisations that lie at the heart of the sporting landscape and which are fundamental in delivering the wide ranging social benefits of sport. Unfortunately, the UK does not apply all the reduced rates for sport currently offered by the EU, but these rates should nevertheless be defended. The consultation phase will run until 31 May.

### ***What this means for sport and recreation***

The Sport and Recreation Alliance spoke to the European Commission Taxation and Customs Union (DG TAXUD) about its Green Paper recently. In an ideal economy, we were told, there would only be one level of VAT and no exemptions. Unfortunately the ideal economy is somewhat utopian - there is a good reason why some foods and children's clothes are zero-rated. Sport, too, should be allowed such exemptions as the provision of sport at a local level is a community service.

### ***What can sport and recreation do?***

The European Commission will receive thousands of responses to such a consultation. It is important that sport's views are heard. The Sport and Recreation Alliance is working with its sister national sport federations across Europe to ensure sport contributes, but the more submissions to this consultation the better.

If you wish to submit a response on behalf of your organisation, you can access the relevant page on the Commission website here. The Alliance has already submitted its response and we are encouraging our members to use this as a template which they can tailor to their particular organisation. If you have any further questions, please feel free to contact [David Foster](#).

## **Public procurement**

This consultation is particularly relevant to sport in the context of Community Asset Transfer (CAT). In recent years, more and more public assets have been handed over to local communities and volunteer groups who then take over the management responsibilities from local authorities. The Commission has suggested that it may look to harmonise procurement standards across the 27 member states meaning procedures for tendering asset transfers could be broadened to include developers and commercial enterprises. The Sport and Recreation Alliance has spoken with the European Commission on this issue and it has said that it could potentially put many community sports facilities in jeopardy. In the [Sport and Recreation Alliance's EU Procurement consultation response](#) the Alliance has argued strongly against any such measures.

## **BROADCASTING**

### **Free-to-air sports events**

In February, the European General Court (EGC) ruled that UK football fans can continue to watch the World Cup and the European Championships on free-to-air television. FIFA and UEFA had challenged a decision allowing the UK government to designate these events free-to-watch by including them in its so called 'protected list' of sporting events. The governing bodies argued that showing all games on free-to-air television - other than those involving the home nations, the semi-finals and the finals - restricted their ability to sell television rights and distorted competition. The two-month time frame during which FIFA and UEFA can appeal against the ruling has now almost elapsed.

#### ***What this means for sport and recreation***

While this decision can be seen as a triumph for consumers and fans, it is not such good news for sports rights-holders. With all matches in these two tournaments protected, both professional and grassroots sport will miss out on the extra revenues that can be generated by selling rights to pay-TV broadcasters.

### **QC leisure case**

In last month's European Policy Update we outlined a significant [European Court of Justice case](#) involving a legal dispute over the use of foreign satellite decoder cards to show Premier League matches more cheaply than is possible through UK satellite providers. A final decision by the court (which is due later this year) as to whether it will rule in accordance with the opinion of the Advocate General, who suggested this practice should be allowed, is still awaited.

In the meantime, the Sport and Recreation Alliance has written to the Secretary of State for Culture, Media and Sport Secretary, Jeremy Hunt MP, outlining the negative consequences that such a verdict would have on sport in the UK and urging him to use his influence to dissuade the court from ruling in agreement with the Advocate General.

## SPORT AND RECREATION ALLIANCE EU SUMMIT 2011

The Sport and Recreation Alliance is planning to hold its annual EU Summit on 20 October at the London offices of the European Commission Representation in the UK. The event aims to bring together representatives from the European Commission, European Parliament and key stakeholders from across sport to debate pertinent issues related to European sports policy. An agenda for the event is yet to be finalised but will focus primarily on the sustainable financing of sport.

For further information please contact [David Foster](#).

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