



Northern Ireland
Assembly

Public Accounts Committee

OFFICIAL REPORT (Hansard)

Inquiry into the Sports Sustainability Fund:
Sport NI

18 November 2021

NORTHERN IRELAND ASSEMBLY

Public Accounts Committee

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Members present for all or part of the proceedings:

Mr William Humphrey (Chairperson)
Mr Roy Beggs (Deputy Chairperson)
Mr Cathal Boylan
Ms Órlaithí Flynn
Ms Cara Hunter
Mr William Irwin
Mr Maolíosa McHugh
Mr Andrew Muir

Witnesses:

Mr Stuart Stevenson	Department of Finance
Mr Kieran Donnelly	Northern Ireland Audit Office
Ms Catherine O'Hagan	Northern Ireland Audit Office
Mr Tomás Wilkinson	Northern Ireland Audit Office
Ms Antoinette McKeown	Sport NI
Mr Ian Weir	Sport NI

The Chairperson (Mr Humphrey): I welcome Antoinette McKeown, chief executive of Sport NI, to the meeting. You are very welcome.

Ms Antoinette McKeown (Sport NI): Thank you, Chair.

The Chairperson (Mr Humphrey): Do you want to say anything or give a presentation before we start?

Ms McKeown: I will make a very short introductory statement, if that is OK, Chair?

The Chairperson (Mr Humphrey): That is fine.

Ms McKeown: Good afternoon, everybody. I am happy to be here this afternoon to answer any questions that you might have, following the evidence that we provided on 8 July. Sport NI took its preparation for that session very seriously, knowing the role of the Committee. I am particularly grateful for the opportunity to clarify the context and timing of legal advice that was sought by Sport NI, as discussed at the meeting on 8 July. When the Committee followed up with correspondence to seek further clarification on the content of our evidence, I immediately read the transcript. Upon reading the transcript, I recognised that there may have been cause for some confusion in the evidence that I gave. I am grateful for the opportunity to be here to clarify that.

We talked a lot about hindsight. When I gave evidence, I conflated a legal position that Sport NI took at the time of decision-making in early 2021 with the legal advice that we subsequently sought to confirm that position and to give additional assurances to the Public Accounts Committee. We sought that legal advice specifically to give you additional independent assurance that the position that we took at the time was reasonable in the circumstances. As accounting officer, I felt that it was important for the Committee and the public that we sought that legal advice. Obviously, it was never my intention to mislead the Committee in any way. If I have caused confusion, I apologise for that. I am grateful for the opportunity to answer any questions that you may have on that or from the session on 8 July.

The Chairperson (Mr Humphrey): Thank you very much. Indeed, the Committee did express concern about the timeline. We are grateful that you have come back to answer further questions on the issue. On 8 July, you indicated that the scheme could not have been amended, even when the size of the payments became apparent. I believe that I quote you accurately:

"Had we not invested the funding, our legal advice was that we were leaving ourselves open to litigation, and that would have put the entire scheme at risk."

According to the follow-up correspondence from DFC to the Committee on 8 October, the legal advice was received on 5 July, which was three days before your evidence session with us on 8 July. Therefore, it is not clear to us that the legal advice was not available when the board was making its decisions in March. The Committee was left with the impression from you that the legal advice was sought at the time. Can you explain how that happened?

Ms McKeown: Absolutely. When I read the transcript, I recognised immediately that there was certainly cause for confusion. As I said, we were talking in hindsight. There were two questions — one from Ms Flynn and one from you, Mr Beggs — about the legal advice that was sought. In early 2021, when the board made decisions about all the awards that had been bid for across the governing bodies of sport — we took governing bodies of sport and their clubs together as one application — we discussed the two particularly large amounts. We took a position based on our extensive experience in Sport NI of grant awards, and our experience of some of the issues and challenges that we might face. At that time, there was media criticism about inappropriately large awards that had been given to two particular clubs. We felt that, because we had set and published the criteria at the outset, we could not arbitrarily say, "We're not giving you the money", to two sporting organisations that had fully met them. Our legal position at that time was that we would be open to legal challenge, and that it would be contrary to the integrity of the organisation that had published the criteria to simply change them in the middle of the process.

On 29 June this year, in preparation for the Committee, we discussed with DFC colleagues the position that we took. We considered that it was reasonable and that it remained reasonable at the end of June. In agreement with the accounting officer in DFC, we thought that it would be useful to seek retrospective legal assurance in order to provide the Committee with a higher level of assurance. On 30 June, we sought that legal advice from a leading law firm, but it was not able to provide that advice due to a conflict of interest. On 1 July, we went to a second law firm. We received that advice on 5 July, and we shared it with our DFC colleagues on 6 July. That advice is legally privileged, but I am happy to outline to the Committee what it said. It confirmed that, had we made a decision not to award, we would have been leaving ourselves open to legal challenge.

The Chairperson (Mr Humphrey): So, the decisions to award the moneys were made in March.

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): You have just stated to the Committee that Sport NI was potentially open to legal challenge. Why was legal advice requested after those key decisions were made?

Ms McKeown: We were confident in March that we would have been open to legal challenge had we arbitrarily stopped funding to one or more sporting organisations that had met the criteria for the award. In preparation for the Committee, I sought retrospective legal advice, which confirmed that we would have left ourselves open to legal challenge.

The Chairperson (Mr Humphrey): Am I right in saying that you sought not one but two sets of legal advice before you came to the Committee?

Ms McKeown: No. Sorry; I want to be really clear, so that I am not misleading the Committee in any way. In March, we, as an executive team, were confident. Our legal position was reached after fairly extensive discussions with our board members, who subjected the proposed awards to significant scrutiny. We were confident that we would have been left open, but we sought and received legal advice in preparation for the Committee to provide that assurance.

The Chairperson (Mr Humphrey): That is what I am saying. You sought not one but two sets of legal advice; no?

Ms McKeown: No.

The Chairperson (Mr Humphrey): I thought that you said "second" set of legal advice in your presentation.

Ms McKeown: No. Sorry. On 30 June, we sought legal advice from a leading law firm, but it was not able to give us that advice, so we went to a second law firm on 1 July.

The Chairperson (Mr Humphrey): OK. We have established that legal advice was sought because you were going to come in front of the Committee.

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): The decision in March was yours and your board's. Yes?

Ms McKeown: Yes. The decision was the board's, ultimately, but I recommended it, as accounting officer.

The Chairperson (Mr Humphrey): Sure. So, the decisions to award the moneys were made in March. What eroded your confidence in those decisions, which led you to seek legal advice?

Ms McKeown: I do not believe that there was an erosion of confidence. I wanted to provide this Committee with the highest level of assurance that we could give. I wanted to get independent confirmation, or otherwise, of the decision that we had taken, which was that not awarding money to sporting organisations that met the threshold and the terms and conditions of the grant award, or arbitrarily deciding not to provide any or all of that money, would leave us open to litigation. We received that confirmation.

The Chairperson (Mr Humphrey): With hindsight, would it not have been better to get the legal advice in March?

Ms McKeown: Absolutely. I accept that, Chair, although we were confident in March that we would have been leaving ourselves open to litigation. At that time, we were moving in a fast-changing and fast-paced environment. As I said, we are looking at it with hindsight. The confidence that we had in March stood up to independent legal scrutiny in July, and we were able to provide that assurance.

The Chairperson (Mr Humphrey): Is it fair to ask how much the legal advice cost the taxpayer?

Ms McKeown: Absolutely. To ensure good value for public money, we used the government framework for the legal advice. To give visibility and transparency, we also asked for and were provided with a cost, and that was £1,500 plus VAT.

The Chairperson (Mr Humphrey): OK. I will pause my questioning and bring in Mr Beggs, the Deputy Chair.

Mr Beggs: Did you seek any advice from the Department?

Ms McKeown: We were working very closely with the Department the whole way through. We had advised the Department of and discussed with it the fact that we had reached a board decision that to arbitrarily not —

Mr Beggs: Sorry. Did you seek any legal advice through the Department? What was its legal advice?

Ms McKeown: No, we did not seek any legal advice in March. We sought it in early July.

Mr Beggs: OK. Were you aware of the wind turbines issue during the period of COVID funding, where wind turbines were getting sizeable grants even though COVID had had zero effect on their production? The Department for the Economy decided to exclude them from payments because it was unreasonable to give them additional money when they did not need it. Were you aware of the fact that some Departments changed their grant structure midstream?

Ms McKeown: We were fully focused on funding to the sports sector on the basis of evidence that we had that they were in crisis-management mode. My focus, and that of the board of Sport NI, was on ensuring that the sector remained intact sufficiently to help Northern Ireland to recover from COVID. That is where we were at the time.

Mr Beggs: You say that you cannot share the legal advice because it is legally privileged. What risk is there in sharing the advice? Surely no one was adversely affected by your following the legal advice, so surely there would be no risk if you were to share it with, for instance, the Audit Office. We do not have to see it. Do you accept that there would be zero risk if, to give confidence to the auditor and, in doing so, this Committee, you were to share what the advice was?

Ms McKeown: There is a long-established concept of legal advice being privileged. The reason for our taking that decision does not relate to risk; it is based on the premise of a very well-established principle that legal advice is privileged. I am more than happy to outline to the Committee today what that legal advice is.

Mr Beggs: I have a further question, first. Did that legal advice take into consideration one of the fundamental principles of the scheme, which was to support sporting organisations that might be at risk of closure because of their difficulty in gaining income during COVID?

Ms McKeown: That was not a principle of the scheme. That was an element in the business case, which talked about "imminent threat of closure". It was not a principle of the scheme. We rehearsed that on 8 July. I am happy to reiterate that the principles of the scheme related to transparency, integrity and consistency. They are the principles on which our board made its decision in March.

Mr Beggs: You did not follow the principle of the business case in how you operated the scheme.

Ms McKeown: We followed the business case, but it was a document of over 100 pages, which is appropriate given the level of funding of which we were taking stewardship. An element in the business case mentioned "the imminent threat of closure" for some sports, but it was not a principle on which we awarded funding.

Mr Beggs: I understand that some groups increased their bank balance during the period before receipt of your grant but still received a grant. Do you think that that was the purpose of the scheme?

Ms McKeown: We applied the criteria that we set, from the outset. We were working in a period of uncertainty and change. We were in the second lockdown when we were considering the awards, so there was a high degree of uncertainty. We were working at a fast pace, but with due diligence. We deliberately designed the scheme on the basis that it would be applied with openness, transparency and consistency, because, at the time, we simply did not have time to do individual modelling of each of the sports. Had we had the time to do that, it would have been better for all of us; we recognise that, in hindsight. However, we applied the scheme consistently, and the reality is that two golf organisations got a very high award. We have learnt lessons from that and taken those lessons into other schemes.

Mr McHugh: Tá fáilte romhaibh anseo inniu. You are very welcome here today. Antoinette, I have a general question. What is the usual protocol for receiving legal advice within Sport NI? Do you accept that there is an inherent risk in taking decisions without seeking proper legal advice?

Ms McKeown: There is always an inherent risk in any major decisions that any public-sector body makes. If we were to seek legal advice on every decision in which there was an inherent risk, we

would run up a very hefty legal bill. We have extensive experience of administering grant awards. It is my view, and it remains my view, that — we advised the board and, at the time, the board accepted it — if we had arbitrarily decided not to award funding to sporting organisations that had met the threshold and published criteria, we would have left ourselves open to litigation. That was based on our experience and long-standing work in grant awards. I did not believe that there was an inherent risk. I thought that there was more of a risk in not awarding that money than in awarding it.

Mr McHugh: You said earlier that, at that point, there was a legal appreciation by the board on the decision that it was arriving at. Is there a protocol within Sport NI on when you should seek legal advice?

Ms McKeown: Apologies. I understand now what you are asking. Seeking legal advice comes down to sound judgement, if there is a particularly contentious issue for which there is a higher level of risk, and we have not had the experience before. It is more about sound judgement than actual protocol. As an accounting officer, I do not have a protocol that states, "In this instance, you must seek legal advice". That does not exist.

Mr Muir: Thank you, Antoinette, for coming along. I have two questions. Do you agree with or understand the perception that the legal advice was sought because of the PAC inquiry and to try to firm up an argument to make about the funding? Do you understand that the impression clearly given was that that legal advice was sought retrospectively to aid you in giving evidence to the inquiry?

Ms McKeown: I hear what you are saying. Chair, when your follow-up letter came into the permanent secretary, I recognised immediately on reading the transcript that I could absolutely have caused confusion. That certainly was not my intention. I absolutely sought the legal advice to provide additional assurance to the Committee. That was the reason for that advice. In discussions with Department for Communities colleagues, we agreed that it would be useful to have that advice. That was genuinely the reason why we sought the advice. I recognise that my evidence conflated the decision-making in March with the advice taken later. That was certainly not my intention.

Mr Muir: Thank you for that. The frustration is that the advice was obtained to aid the evidence session. The reason why I am, and other members may be, frustrated about that is that there are clear issues about whether value for money was achieved by the sports sustainability fund. I and many other people do not feel that it was. People are facing a cost of living crisis and struggling to meet fuel bills. There are massive questions about whether value for money was achieved from the money that was handed out.

My frustration is that I have yet to hear from you and the Department for Communities any acknowledgement that there are questions about value for money in the spend that was undertaken. There has been no acknowledgement of that. That was my frustration with the previous evidence session and the correspondence to date. Do you understand that there are serious questions about value for money? The case that was made for the funding by some sports in particular was more about economic development and tourism, but the primary basis for the scheme was not economic development and tourism. I want to hear a bit more from you about that value for money concern. This is one of the inquiries that I have found extremely frustrating.

Ms McKeown: Andrew, having participated in the evidence session on 8 July and, indeed, from listening to media commentary on 'The Nolan Show' in June, with questions being asked by Stephen Nolan and subsequently by the Committee on 8 July, we recognise that value for money issues were being raised. We have certainly learned lessons, Andrew, from how we delivered the scheme. Again, the pace of delivery did not allow for modelling. Had we modelled, we would have seen different circumstances for different sports.

The reality is that Royal County Down and Royal Portrush met the threshold for the scheme. We stand by the decision to award the money on the basis that not to do so would have caused litigation and because golf is one of the biggest sports in Northern Ireland. Golf has among the highest participation numbers. We secured the Open on the back of the huge sporting legacy that we built up around golf. The Open netted £100 million of economic benefit. We recognise that sport has an economic benefit. It does not just have a participation or social-community benefit. We took all of that into account.

We know that, had we not provided the money to Royal Portrush and Royal County Down, they would not have been able to go ahead with the sporting investment that they needed to make. I am conscious that the Open is coming back to Northern Ireland. That speaks to the legacy of that sport

and not to an economic decision, although it is to our economic benefit. Given that we are trying to widen participation among younger people, we were really delighted to find, in reviewing the Open, that over 30,000 young people attended that event, 21,000 of whom were under the age of 16. They were given free access to the Open as part of that scheme.

We know that there have been very serious questions about value for money. I stand by the belief, based on the evidence that we reviewed at the time, that, had we not invested almost £25 million in sports, some of our sports may not be here today. In fact, according to a recent survey that we have undertaken, our sports are still struggling.

Mr Irwin: Thank you for your presentation. You said earlier that hindsight is a wonderful thing, and I fully understand that the benefit of hindsight is an issue. Looking back, do you accept that the criteria for setting and releasing the funding were flawed?

Ms McKeown: I am sorry, Chair. Is it possible to have the question repeated?

The Chairperson (Mr Humphrey): William, can you ask the question again, please?

Mr Irwin: With the benefit of hindsight, do you accept that the criteria for the release of the funding were flawed?

Ms McKeown: I believe that, had we had more time — we discussed some of the issues and the lessons learnt on 8 July — we would have done more modelling. That additional modelling would have brought out differences in different sports. We have a very diverse sports sector, with 78 governing bodies. We should, or could, have included an additional challenge function — we discussed that on 8 July — in the design of the scheme. Interestingly, in a scheme that Sport NI has just launched, we learned that lesson and put in that additional challenge function. On the early lessons learnt, we also recognise that, where substantial amounts of money were being considered, we should have included a specific statement on need. Our permanent secretary, Tracy Meharg, said that on 8 July. Likewise, had we had more time, we could have delved more deeply into the reserves held by organisations. We had the skills to do that, but we simply did not have the time. Those are some of the additional measures or controls that would have certainly improved the design of the scheme.

Mr Irwin: OK. Thank you.

The Chairperson (Mr Humphrey): Given the awards, Antoinette, and the fallout, not least in the media, which you touched on, is Sport NI facing litigation from any club on failure to award?

Ms McKeown: No, we are not.

The Chairperson (Mr Humphrey): A number of members have mentioned the benefit of hindsight. With that in mind, do you not think that, had legal advice been sought and taken in March, when you were finishing the shaping of the scheme, you may have been able to address many of the negative aspects of the scheme that have been raised in the public domain and in the media?

Ms McKeown: The decision that the board took and its position at the time was that, if we refused to provide any or all of the award for a sporting organisation that met the threshold and all the published criteria, we would be open to legal challenge. That was the legal advice that we received in preparation for this Committee. Therefore, that would not have made a difference because the independent legal advice supported the legal position that the board took at the time.

As the accounting officer, I was making recommendations to the board, and we had a particular window in which to make the decisions. We had gathered all the evidence from the governing bodies and their clubs. We want to commend the governing bodies and, indeed, our staff for their work to gather that evidence. We were sitting with a risk of litigation on one side and a risk that, if we stalled the scheme for a review, all the other applications would be put at risk. That was the balance, and a judgement had to be taken at that time.

The Chairperson (Mr Humphrey): I think that you are right. I am involved in a number of sports clubs and am very interested in sport. A lot of local clubs were coming to my door because they were concerned about their very survival. That is undeniably the case. You mentioned, I think, that there are 78 sporting bodies in Northern Ireland. Is that right?

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): How much money did you eventually distribute?

Ms McKeown: I will ask my colleague, Ian, to come in and give the final figure. We are still undertaking due diligence checks as we speak.

Mr Ian Weir (Sport NI): It is £23.01 million.

The Chairperson (Mr Humphrey): Can you give us a breakdown of where those moneys went in the various sports, Ian?

Mr Weir: Not from memory, Chair. Certainly, that is published on our website, and it has been from the commencement of the programme.

The Chairperson (Mr Humphrey): Yes. I have figures in front of me. However, given what your chief executive just said, those figures are not complete. Obviously, you are doing work that is not complete, and there are other potential allegations in terms of due diligence that may well be going out there. Yes?

Ms McKeown: No. Sorry, I do not want to —

Mr Weir: Can I just —

The Chairperson (Mr Humphrey): Go ahead.

Mr Weir: Sorry, Chair and Antoinette. The awards are complete, but the due diligence is ongoing to verify the amounts, and data is being cross-checked from other data sources. To date, of that £23.01 million, approximately £36,000 of errors have been identified, which is 0.16% of the overall programme. Certainly, no additional moneys will be awarded. Moneys may be clawed back. To date, that is a small amount of £36,000, based on the errors identified through our post-payment due diligence.

The Chairperson (Mr Humphrey): Of the 78 bodies in Northern Ireland that represent the 78 sports, how many of those sports received funding?

Mr Weir: There were 35.

The Chairperson (Mr Humphrey): Is that 35 bodies? Is it 35 sports?

Mr Weir: Correct.

The Chairperson (Mr Humphrey): OK.

Mr Weir: There were 35 organisations.

The Chairperson (Mr Humphrey): I presume that, when the organisation was working with DFC on the model and the scheme, which, as I said, was much needed to provide a vital lifeline for clubs, senior officials and the permanent secretary were involved in those negotiations and discussions. Did the Department offer or proffer legal support from its legal team? Was it asked for?

Ms McKeown: To be clear: the discussions and design of the scheme were led at the assistant secretary level and by me, working closely together. We had support from a range of staff, in DFC and Sport NI, who had a range of expertise around that issue. At the point of taking the decision, when the board was discussing it, I was confident that we would be leaving ourselves open to litigation if we decided not to award. We did not, therefore, seek legal advice, either through DFC from the Departmental Solicitor's Office or externally.

The Chairperson (Mr Humphrey): When you say, "the assistant secretary", do you mean, "assistant permanent secretary"?

Ms McKeown: Assistant secretary.

The Chairperson (Mr Humphrey): Permanent secretary.

Ms McKeown: No. The assistant secretary, who briefed the permanent secretary. The permanent secretary was not directly involved in daily negotiations or discussions.

The Chairperson (Mr Humphrey): Did DFC, at any point, offer legal advice or suggest that legal advice might be a good thing?

Ms McKeown: Yes, on 29 June, in preparation for this Committee.

The Chairperson (Mr Humphrey): Not in March.

Ms McKeown: Not in March, but Sport NI was satisfied that we would be leaving ourselves open to legal challenge. We did not seek advice because we did not think that it was necessary at that time.

The Chairperson (Mr Humphrey): What do you mean when you say that you were confident that you would be leaving yourselves open to legal challenge?

Ms McKeown: We were confident, on the basis of the discussions that we had at board meetings in March, that, had we decided not to award any or all of the moneys to, for example, Royal Portrush or Royal County Down, we would be taking a risk of leaving ourselves open to litigation.

The Chairperson (Mr Humphrey): You were confident that you were taking a risk.

Ms McKeown: We were confident that we were leaving ourselves open to litigation.

The Chairperson (Mr Humphrey): I find that absolutely understandable, but, on the other side of that, I cannot understand why your organisation or the Department for Communities did not feel that, because you were open to that risk, legal advice would have been a good thing.

Ms McKeown: If you are asking me whether DFC should have taken legal advice, I cannot answer that. It is probably better answered by DFC.

The Chairperson (Mr Humphrey): What I am saying is this: when you were working with the Department —

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): — on shaping this programme, at no point — you have said what, you thought, your organisation's view was — did DFC suggest even that legal advice from its internal legal department would be a good thing.

Ms McKeown: We took legal advice on vouching, for example, as part of the terms and conditions. It is fairly standard practice in Sport NI that, when we offer grant awards, we get the Departmental Solicitor's Office to look at the terms and conditions, such as the vouching model that we are putting in place. We received Departmental Solicitor's Office advice on that, but I want to be absolutely clear to the Committee that it was not advice on whether or not to award grant aid. It related to making sure that the terms and conditions were watertight.

The Chairperson (Mr Humphrey): OK. You know that the Committee has previously asked for a copy of the legal advice. That request was declined. The Deputy Chair suggested that it be given to the Northern Ireland Audit Office. Is that something that you can consider or agree to?

Ms McKeown: I can certainly consider it, Chair, but I hold very dear the principle that legal advice is legally privileged. It is a centuries-old concept. As a matter of principle, as I said, I am happy to share the outline of that legal advice right now. I am happy to provide an outline of that legal advice to the Comptroller and Auditor General, but I ask for the concept of legal advice being legally privileged to be respected.

Mr Beggs: We have learned that, at the end of June, there were no litigation claims. In that situation, you paid £1,500 of public funds for legal advice, retrospectively to support your decisions, for the purpose of your appearance before the Committee. Do you think that that was good use of public money?

Ms McKeown: I sought retrospective legal advice to provide additional independent assurance to the Committee.

Mr Beggs: Do you appreciate that, if we wanted legal advice, we could seek it? I would be very concerned if we arrived at a situation in which individuals or groups appearing in front of the Committee took legal advice when there was no litigation. I again question the expenditure of the £1,500. Who authorised that expenditure?

Ms McKeown: I authorised the expenditure as the accounting officer.

Mr Beggs: Did the board authorise it?

Ms McKeown: As accounting officer, I can sign off and approve funding up to £500,000, so I signed it off as accounting officer.

Mr Beggs: Did you seek approval, or even retrospective approval, from the board for that expenditure?

Ms McKeown: I did not need it. As accounting officer, it is part of my role to take legal advice.

The Chairperson (Mr Humphrey): So that is a no.

Ms McKeown: No, I did not.

Mr Beggs: I have a question about a different area. May I ask it?

The Chairperson (Mr Humphrey): That is fine.

Mr Beggs: It is to do with support for golf clubs. I am looking at comparisons. In your evidence, you said that Scottish golf clubs opened continually from May 2020. I understand that Scottish and Northern Ireland clubs were restricted from January to March. Sorry, the only difference between the Scottish and Northern Ireland clubs was that we were restricted between January and March when the Scottish were not, which is outside the period of the grant. Can you confirm that, during the period of the grant, there was no difference between the arrangements?

Ms McKeown: There were, and that is where we found it difficult to make an absolute comparative analysis between Scotland and Northern Ireland. Scotland had a series of localised lockdowns at different times in different regions that affected different golf clubs, so it was very difficult for us to get a handle on the impact on golf in Scotland versus the impact on golf in Northern Ireland. We were comparing apples with pears. It was not possible to do a straight comparison.

Mr Beggs: Presumably, if there had been an outbreak in a club here somewhere, there would have been a lockdown here as well. Was it a complete geographical lockdown or a lockdown because there was an outbreak of COVID in a particular club?

Ms McKeown: No, it was not in a particular club. It was in a particular community or region of Scotland, and it did not relate specifically to an outbreak in an individual sports club. COVID numbers were rising in a particular location, and that area went into additional restrictions, including closures. That was the Scottish model, whereas we had complete lockdown and then easements.

Mr Beggs: Did the Scottish clubs get additional funds when they were locked down?

Ms McKeown: I do not believe that they did.

Mr Beggs: Whether they were open or closed, we were still much more generous in the money that we were giving than was the case for other golf clubs throughout the British Isles.

Ms McKeown: The Northern Ireland Executive very kindly made available to us £25 million to support the sports sector right across the piece. We supported — you supported; the Northern Ireland Executive supported — the sports sector right across the piece, and we are really grateful that you did.

Mr Beggs: Thanks.

The Chairperson (Mr Humphrey): The Executive gave you £25 million, and you have spent just over £23 million.

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): What happened to the balance?

Ms McKeown: That would have been returned —

The Chairperson (Mr Humphrey): Has it been returned?

Ms McKeown: — or reallocated. I will ask Ian to come in to answer that question. Thank you, Ian.

Mr Weir: I think that it has been returned, Antoinette.

The Chairperson (Mr Humphrey): It has been returned.

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): You made the decision in March, expended the money, and £23 million went to clubs in 35 sports. Do you believe that the distribution was fair and equitable?

Ms McKeown: It reflected the membership of the sporting bodies that we invested in. We have huge diversity in the sector. For example, the GAA has a membership of 171,000. We have maybe the top eight organisations in terms of membership, and proportionate amounts of money will have been invested in those sports according to the clubs and governing bodies that came forward for the money. We recognise that four major sports got a considerable amount of money, but that is reflective of where they sit.

The Chairperson (Mr Humphrey): Of that £23 million, are the four major sports that you are talking about football, Gaelic, rugby and golf?

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): How much of the £23 million went to those four sports?

Ms McKeown: I do not have those figures right in front of me.

The Chairperson (Mr Humphrey): Can you furnish us with that information?

Ms McKeown: Absolutely. It is on our website, but I will get that sent to the Committee, of course.

The Chairperson (Mr Humphrey): Before I make my next point, I declare an interest as a member and vice president of Woodvale Cricket Club. Those sports that have a huge number of sports development officers or whatever, centrally or with clubs, have a huge advantage over those that do not. Some of those sports are professional, and some are professional in practice, if not in name. How can sports like cricket and hockey possibly compete?

Ms McKeown: It is interesting that one of the case studies that we looked at was a cricket club. I cannot recall the name of the club off the top of my head, but one of the things that the particular cricket club said was that, because it was able to pay to have its facilities maintained, when the

restrictions lifted, it was able to bring its young people straight back on to the field of play, whereas, if that had not been maintained and it had not received money for that maintenance, it could not have done that.

The Chairperson (Mr Humphrey): Was that money from your organisation?

Ms McKeown: Yes.

The Chairperson (Mr Humphrey): That is because there was a skill set in that club. That is my point. That is not universal. It needs to be borne in mind that sports like cricket and the distribution of moneys by your organisation and by the Department for Communities bears that out, in that cricket does not get the money that it should, in my opinion. That needs to be looked at proactively by organisations like yours to ensure that those sports get a fair share.

Finally, with regard to the scheme that was decided on in March and was rolled out and through which £23 million was invested in local sport, which was much needed, as we have said, are there lessons to be learned from how you did it? Would you do it differently? What are those lessons?

Ms McKeown: First, I will say that I am very happy to give evidence this afternoon on the sports sustainability fund. There is a whole range of variables around how Sport NI in general distributes money across the sports. That includes working very closely, as we do, with Cricket Ireland.

The Chairperson (Mr Humphrey): Sorry, Antoinette, but Cricket Ireland is for the national cricket team for Ireland. The money goes to the Republic and down to Dublin for the Cricket Ireland set-up. It does not go to local clubs in Northern Ireland. For the record, that is the case.

Ms McKeown: We have funded cricket in Northern Ireland.

The Chairperson (Mr Humphrey): I know the answer to that. It is one or two clubs, and you know that.

Ms McKeown: I am happy to provide further information about Sport NI's wider funding to cricket and wider funding to sport. I do not have that information in front of me because I am here this afternoon to answer questions around the sports sustainability fund.

The Chairperson (Mr Humphrey): Sure.

Ms McKeown: As I said earlier, we did not have time to undertake modelling. As you may remember, the fund opened just before Christmas, in November, and we closed in January. We simply did not have time. I look back now at how things were changing, literally on a daily basis, at that time. We were making decisions as we were going into a second lockdown. It was an incredibly difficult, volatile, uncertain period. As public-sector leaders, we all live with uncertainty, but that uncertainty was particularly high.

We simply did not have time to do the modelling that we normally do in other grant schemes that we offer. We have clear modelling for the different contexts for football, cricket, boxing and golf, for example. We did not have time to do that modelling. If we had done, I think that we could have ironed out some of the idiosyncrasies, and we would definitely have had a wider lens on some of the implications of the decision that we took around consistency, for example. As I said, we would have brought that additional challenge function to the design of the scheme. We did that in a more recent DFC-Sport NI partnership grant scheme that we just opened around capital.

Where organisations were seeking substantial amounts of money, we could have sought additional information about evidence of need. In hindsight, we recognise that we could have done that regardless of time. Additionally, had we had more time, we could have carried out more scrutiny of the reserves held by different sporting organisations. We did not have the time to do that.

Those are some of the lessons that have been learned. There will undoubtedly be more, but that is where we are with how we are rolling that into further decisions that are being made.

The Chairperson (Mr Humphrey): You are doing a piece of work on that —

Ms McKeown: We are.

The Chairperson (Mr Humphrey): — so that, if a tranche of money goes out on a similar scheme — although let us hope that it does not — those lessons will have been learned and any future scheme for the distribution of money will be more refined.

Ms McKeown: Absolutely. We are working with colleagues in the Department for Communities and other arm's-length bodies (ALBs) to ensure that we all understand and take account of the lessons that we have learned from a range of schemes. I am glad that you raised that point.

Mr Muir: I will pick up on the value for money stuff, because I want to leave here with a very clear impression of your view on this. There is a ministerial direction — it relates not to your organisation but to a Department — that is part of our papers today. That is where the permanent secretary is probably advised by the ALB, on different scenarios, that value for money cannot be assured. This is very different. There was no ministerial direction for this.

I am unsure whether you are satisfied that value for money was achieved. My view is that it was not and that a ministerial direction should have been required for that. No ministerial direction was given. Retrospective legal advice was given. At the beginning of July, evidence was given to this Committee to try to justify the scheme. Is it your view that value for money was achieved, or that it was not?

Ms McKeown: It was not for Sport NI to come to the Committee on 8 July 2021 to justify the scheme in its entirety. We recognise that questions have been raised about the value for money of two particular awards. I believe that, taking the widest lens possible, those awards met the threshold. Had we had different criteria, we may have come up with different results, but we did not.

On the point about a ministerial direction, looking back at how uncertain that time was, I am conscious of and have absolutely no doubt that the focus of DFC's permanent secretary, Sport NI's board and me, the accounting officer for Sport NI, was on supporting a very unstable sports sector. We could have taken time within a very short time frame to seek a ministerial direction, but we decided to be brave. We decided that, on the basis of the evidence that we had, we needed to support the sector, and that is what we did.

Mr Muir: OK. You stated that it was not for you to make that judgement but that it was for the Department to do that. The argument that I put back to you is that it is my view that it is your duty and responsibility, as an ALB or non-departmental public body, to raise your hand and say that you have concerns about value for money.

Ms McKeown: Yes. At the time of scheme design and decisions being taken, I absolutely have a duty, as accounting officer, to seek a ministerial direction. We were working very closely with DFC colleagues, and we had the support of the permanent secretary, who — let us be clear — was not sitting with two figures in front of her in respect of those two sporting organisations. We were focused on getting money to the sector at that time. At that time, I did not seek a ministerial direction or specific direction from the permanent secretary because my focus was on getting support to the sector on the basis of evidenced need.

Mr Beggs: Like the Chairman, I have been contacted by a smaller club that has felt aggrieved. It had part-time staff and casual staff, and it took the very difficult decision to pay everybody off early on because it wanted to survive. That was probably before the furlough scheme. I do not know the exact timing. It then ran fundraising events during the year to try to sustain a bank balance, and it was turned down from the scheme. Do you understand why it feels aggrieved that some very wealthy organisations got literally millions?

Ms McKeown: Absolutely, Roy, I do. As I said, we have a very diverse sector. Some of our very small governing bodies literally went to ground and just did not operate. They did not open, so they did not have any expenses because they simply stopped. Others paid off staff, and other clubs were in the process of paying off staff and closing their clubs when the money came through. We know that some sporting clubs did not get access to the sports sustainability fund. The sports hardship fund threw a very wide net across the sporting organisations to give those small grants to smaller clubs, and that had been available before the sports sustainability fund. I do not expect you to mention the individual club, but it is very hard for me to talk about an individual club without going back and looking over the range of support that we put in place, not just through the sports sustainability fund but through a

number of other support services that we put in place at that time, and at why that particular club was not able to avail itself of any of them. I am happy to take that offline if that is of any use.

Mr Beggs: I appreciate that.

The Chairperson (Mr Humphrey): No other member has indicated that they want to ask a question. Thank you very much for coming.

Ms McKeown: Not at all.

The Chairperson (Mr Humphrey): I will make one point about the reference that Mr Beggs just made. I have had the complaint from clubs that some high-profile clubs in my constituency got money while other clubs that really had their backs against the wall did not. Those clubs were really concerned that they were not going to be able to survive. A lot of volunteer work went on to ensure that those clubs did survive, but it was very touch and go. One of the lessons learned about this is that large sporting organisations like the big four that you mentioned — you could possibly add boxing to that — have a resource, sometimes a very considerable one at the centre, of advice and support through development officers and so on. The capability and the capacity of other sports that do not have that have to be taken into consideration, because, by the nature of the thing, a natural, fair and equitable playing field — if I can use that term — will not exist.

Ms McKeown: I understand what you are saying, Chair. We went through the governing bodies, and they were not there just as an extra admin layer. They were there because they knew their clubs intimately and to provide that additional support to their clubs. Sport NI also made available its sports development staff to any governing body that was struggling to submit an application. We offered support to them in doing that. Again, with almost 3,000 clubs in Northern Ireland and the timescale that we had, it was not possible to offer that support to every club.

The Chairperson (Mr Humphrey): That brings an end to members' questions. Mr Donnelly, do you have any questions or comments that you would like to make at this point?

Mr Kieran Donnelly (Northern Ireland Audit Office): No, Chair.

The Chairperson (Mr Humphrey): Mr Stevenson, do you have anything that you want to ask or say at this stage?

Mr Stuart Stevenson (Department of Finance): No, thank you.

The Chairperson (Mr Humphrey): Ms McKeown, thanks again for coming to the meeting today and discussing the issue with us and assisting us in getting some clarification.

Ms McKeown: Thanks a million.