



THE INSTITUTE OF
TENNIS
THE ASSOCIATION OF

ServeSPORT

Your Most Valuable Asset?

Delivered by **Mike Lynch**

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Your Presenter

Mike Lynch

ServeSport CEO
Sports Business Consultant
Level 4 Tennis Coach
Club Volunteer



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Who We Are

ServeSPORT

**National Agency for
Business Skills in Sport**
Business & Tax Advice
Training, Consultancy & Software
Clubs, Coaches, Governing Bodies



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Your Tutor

What we will cover


The evolving relationship
between club and coach and
how it can meet the
expectations of all concerned



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What are some of the main factors affecting the club/coach relationship today compared to five years ago?



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Factors

Clubs have access to more expert advice and support




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Factors

Increasing costs and NGB influence are resulting in the club needing to maximise all income streams



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Factors

An increasing number of clubs are charging coaches for use of the club's facilities



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Factors

Business degree coaches are not taught 'real life' and 'how to' skills




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Factors


Paying self-employed workers is becoming more complex



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What does the CLUB expect from the club/coach relationship?



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Why It Matters

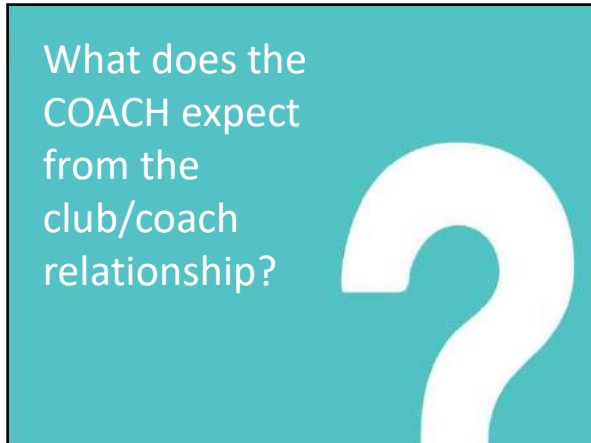
Club Expectations?

- Provide what members want
- Provide what BT wants/needs
- Retain/attract members
- Appropriate coach skillset
- Make money

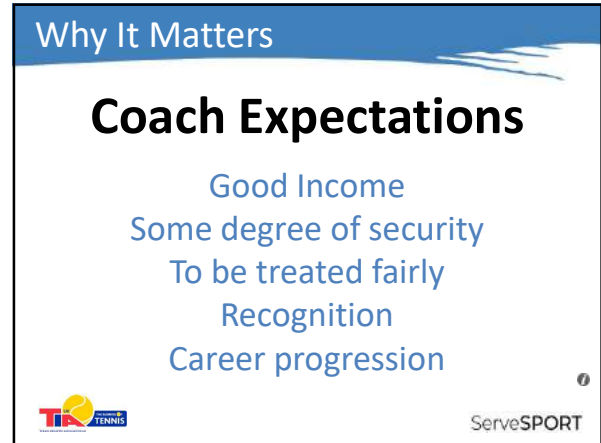


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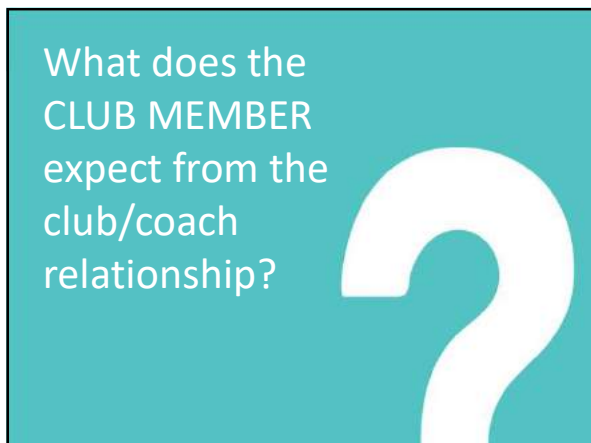
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How can club and coach work together to satisfy everyone's expectations?



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Why It Matters

Relationship

Meeting expectations will depend on the way in which coaching is delivered at the club – does the club or the coach run the programme?



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Coach runs Programme

Coach Runs Programme

- Venue provides court time
- Coach plans programme
- Marketed by venue/coach
- Coach takes money/profit
- Coach pays assistant coaches
- Coach pays club facility fee



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Coach runs Programme

When it works...

- Need for skilled volunteers minimised
- No HMRC issues for club
- Coach incentivised to earn
- Club earns income from facility fee**



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Coach runs Programme

Potential Issues

- Club within a club?
- Significant reliance on coach – succession planning?**
- Recruiting coach with needed skillset
- Not enough income for club




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Coach runs Programme

Potential Issues

- Control over programme?
- Conversion of non-members into members?**
- Reliance on one person



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How do club and coach meet their respective expectations?



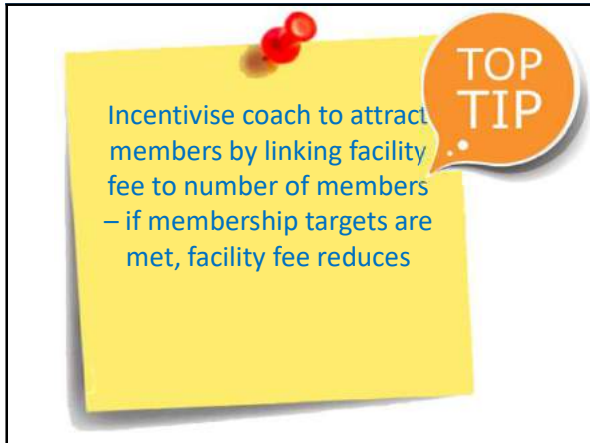
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Have a service level agreement in writing that clearly outlines expectations on both venue and coach – should have clear resolution process if expectations not met

TOP TIP

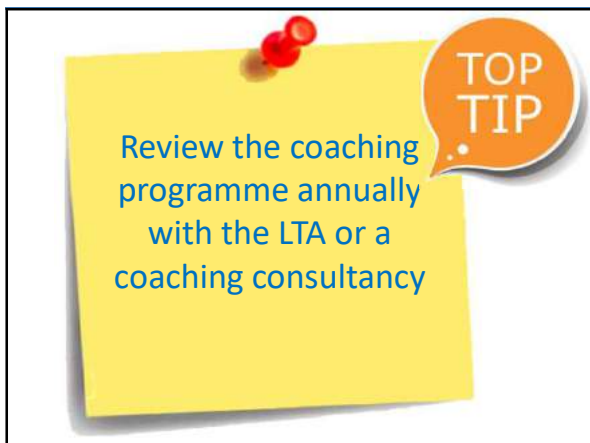
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Venue Runs Programme

Venue Runs Programme

- Venue schedules classes/sessions
- Marketed by venue
- Venue takes money/profit
- Venue pays coach
- Venue pays assistant coaches



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Venue Runs Programme

When it works...

- Maximises income for club
- Direct contact with customers
- Control over programme
- Less reliance on coach admin and marketing skillset**




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Venue Runs Programme

Potential Issues

- Appropriate legal status?
- Taxable income?
- HMRC compliance?
- In-house admin/marketing skillset?
- In-house customer service skillset?
- Recruitment of coaches?



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How do club and coach meet their respective expectations?



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Up-skill coaches and volunteers as a planned programme of personal development

TOP TIP

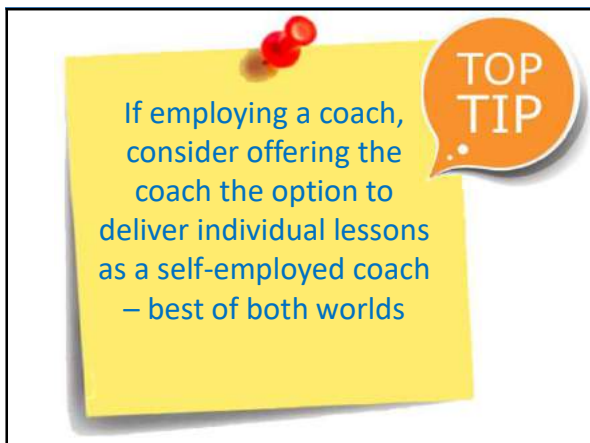
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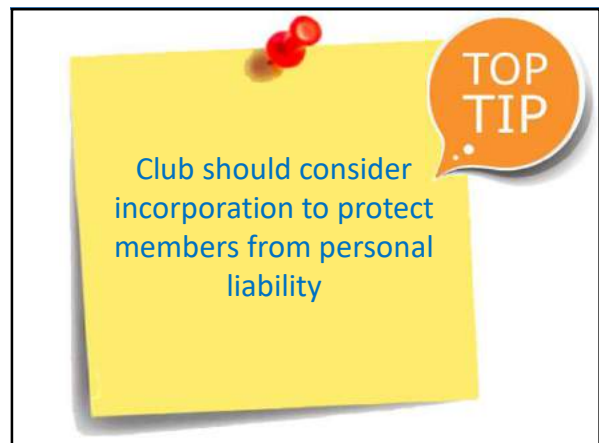
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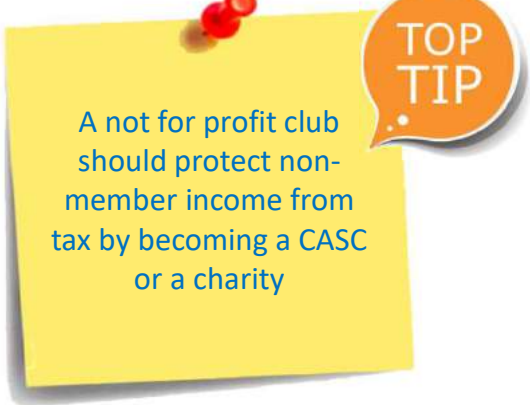
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TOP TIP

A not for profit club should protect non-member income from tax by becoming a CASC or a charity


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TOP TIP

Incorporation and tax breaks can be combined by becoming a CHARITABLE INCORPORATED ORGANISATION

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TOP TIP


Club should ensure it does not have 'false' self-employment by using the online HMRC Employment Status Check

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Is Alice Self-Employed?

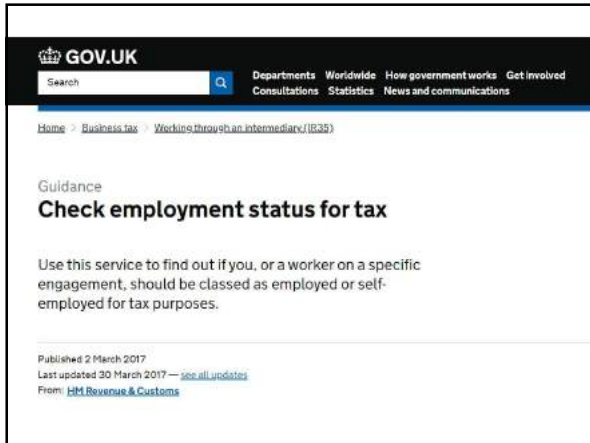


- **NO** right to substitution
- Paid an hourly rate by **INVOICE**
- **TOLD** what work to do and where
- **PROVIDES** her own equipment
- Does **NOT** pay for her facility hire
- Has **NO** other clients
- **RESPONSIBLE** for quality of work



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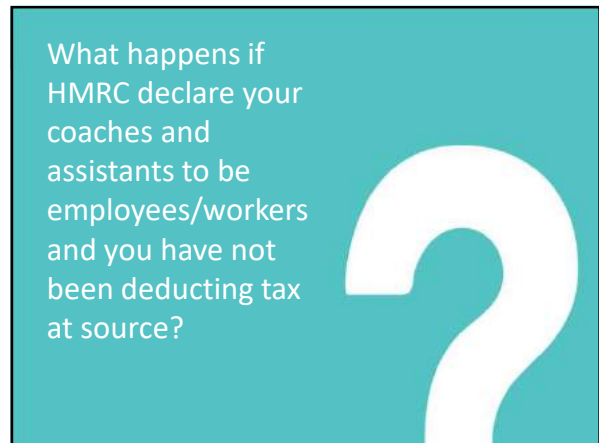
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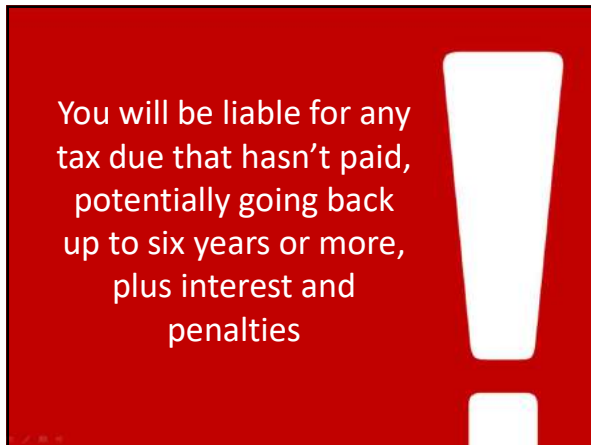
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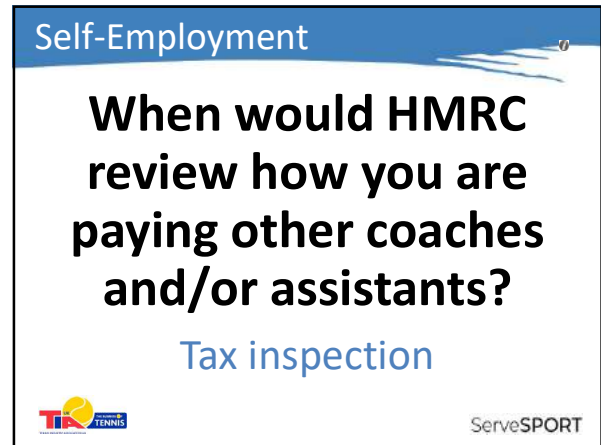


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You will be liable for any tax due that hasn't paid, potentially going back up to six years or more, plus interest and penalties


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Self-Employment

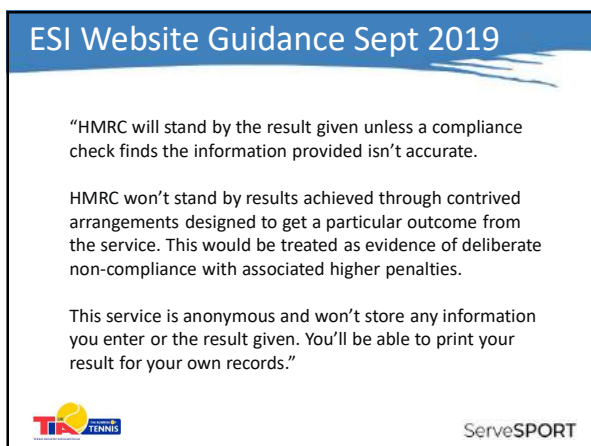
When would HMRC review how you are paying other coaches and/or assistants?

Tax inspection



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ESI Website Guidance Sept 2019

"HMRC will stand by the result given unless a compliance check finds the information provided isn't accurate.

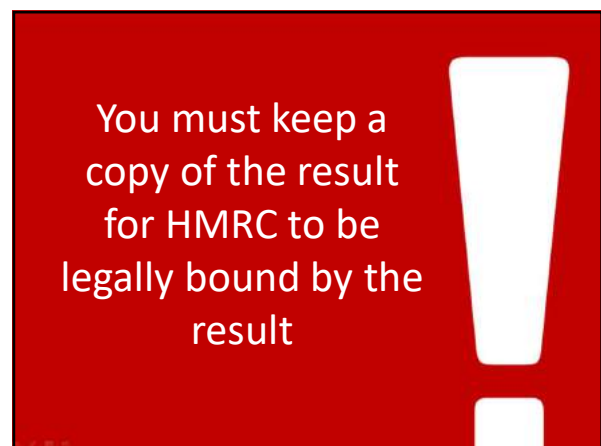
HMRC won't stand by results achieved through contrived arrangements designed to get a particular outcome from the service. This would be treated as evidence of deliberate non-compliance with associated higher penalties.

This service is anonymous and won't store any information you enter or the result given. You'll be able to print your result for your own records."



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You must keep a copy of the result for HMRC to be legally bound by the result

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Self-Employment

Must Pass ONE of

Substitution
Control
Financial Risk




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Self-Employment

Substitution in Sport

Worker finds substitute
Worker invoices you for work delivered
Invoice names substitute
You pay worker NOT substitute
Worker pays substitute
**SUBSTITUTE MUST BE SOMEONE NOT
NORMALLY PAID BY YOU**



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Self-Employment

Control in Sport

Contract should state **OWNERSHIP** of
coaching programme

Worker decides when/where
Worker decides content
Worker can vary day/time



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Self-Employment

Financial Risk in Sport

Coach pays realistic fee for use of
courts and equipment used
**Coach should be charged
irrespective of hours delivered**
Worker only paid if work
deemed satisfactory



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About the worker's financial risk

What does the worker have to provide for this engagement that they cannot claim as an expense from your organisation or an agency?

These are things that:

- The worker has to provide to complete this specific engagement
- Are not provided by you
- Could place the worker at financial risk if the cost is not regained

They do not include expenses incurred by being based away from home for the engagement.

Select all that apply

- Materials - items that form a lasting part of the work, or an item bought for the work and left behind when the worker leaves (not including stationery, and most likely to be relevant to substantial purchases in the construction industry)
- Equipment - including heavy machinery, industrial vehicles or high-cost specialist equipment, but not including phones, tablets or laptops

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Select all that apply

- Materials - items that form a lasting part of the work, or an item bought for the work and left behind when the worker leaves (not including stationery, and most likely to be relevant to substantial purchases in the construction industry)
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This engagement should be classed as self-employed for tax purposes

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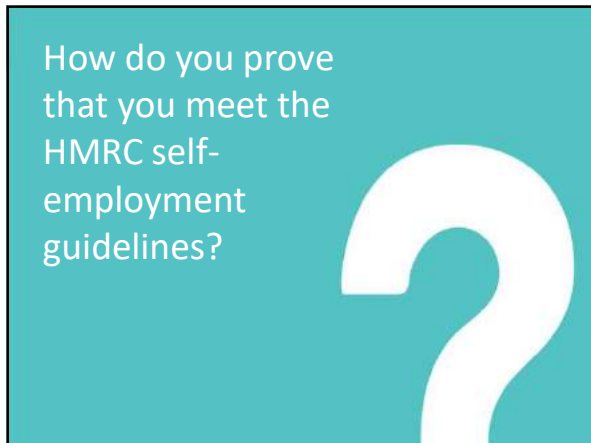
Alice

case study

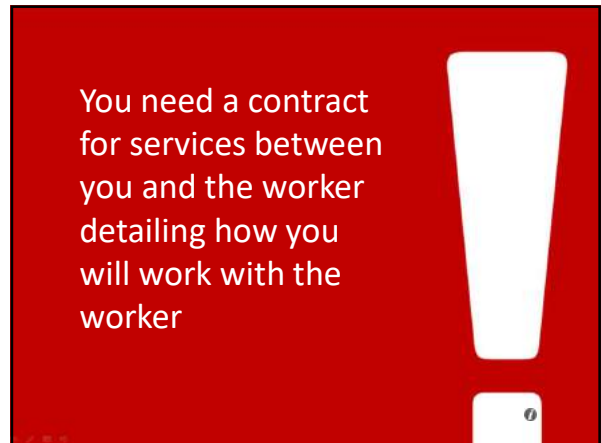
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Case Study

Scottish Tennis Facility

Facility terminated coach's services
Coach took facility to tribunal and claimed he was employed
Facility was advised that they would lose the case and so settled out of court




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Case Study

SE London Tennis Club


Appointed new head coach
Previous head coach took club to tribunal claiming he was employed
Club engaged legal services for defence
WON the case – coach was self-employed
LTA insurance refused to pay legal bill – would only have paid out if they had LOST



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Paying children as coaching assistants?




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Casual Worker

Child Under 16

Restriction on hours
Need EMPLOYMENT PERMIT from local council
Permit not needed if work is school work experience



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"If a child is working without a child employment permit, there's a risk that the club will not be insured against accidents involving the child"

HMRC



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Further Questions?

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Further Support

My contact details

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Further Support

Club Support Service

www.servesport.co.uk





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Why It Matters

ClubServe Software

- Question /answer software
- Highlights SE options
- Generates contracts
- Tracks ongoing compliance
- Details how to complete the HMRC status check**



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