

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

18th March 2020

Dear Chancellor,

In light of the national crisis created by the outbreak of coronavirus and the wider impact this is having on our economy, we are writing to update you on the specific challenges faced by the physical activity sector in the UK and to outline areas where support from the Treasury will be vital to its short and long-term survival.

We welcome your commitment to doing whatever it takes to protect businesses in this country, including new legal powers to offer the necessary financial support to businesses and your acknowledgement of the unique concerns of industries such as leisure and hospitality. We require urgent engagement with your team on the execution of the necessary measures to ensure the physical activity sector has the tools it needs to survive in this rapidly changing climate, working alongside Sport England, The Department for Digital Culture Media & Sport and The Ministry of Housing, Communities and Local Government.

The unique position and value of the physical activity sector – and its workforce – to our nation's health and economy must not be underestimated. Physical inactivity is recognised as the fourth greatest cause of disease and disability in the UK – linked to one in every six deaths and costing the economy £20bn annually. Our gyms, leisure facilities and sports providers are on the frontline of the prevention agenda, contributing hugely to both our national wellbeing and productivity. We cannot allow the facilities at the heart of our communities to disappear.

Figures show that community leisure alone is worth £3.3bn annually, having a huge impact on wellbeing (£2.4bn) and health (£715m), but findings also demonstrate benefits for wider social issues such as education and crime, shaping the future of children and young people, ensuring a productive workforce, tackling loneliness, supporting an ageing society, and providing deeper connections within communities.

Throughout the coronavirus crisis our members have been working tirelessly to support the public maintain active lives, supporting the nation through increasing pressures on both our physical and mental health, as our routines are disrupted. The significance of maintaining our physical and mental health cannot be underplayed in these circumstances, and the physical activity sector finds itself uniquely placed to offer support to people.

These are worrying times, and as the impact of this crisis takes hold of the nation, the effect on physical activity sector organisations will be great. Our gyms, leisure centres and sector workforce are at risk of ceasing to operate without the necessary financial commitments to support physical activity businesses. If operators are forced to close, it will be difficult for this vital infrastructure to be restored once the crisis is over – and a lengthy restoration process would have dire consequences for our society."

We have been consulting CEOs across the physical activity sector and there are a number of specific measures that can help to protect businesses and jobs. These should include:

The measures proposed by the sector bodies are:

- Comprehensive salary payment support, as instituted in other European countries.
- Rental/management fees reduction support, to reduce/cease rental payments.
- For local authorities to be effectively financially resourced to support their leisure partners' cash flow position through COVID-19 and into phases of reopening facilities and services.

- Making gym memberships tax deductible for a stipulated period. This would make it easier to regain memberships after this unsettled period, as well as possibly allow facilities to hold on to current members.

In addition to this, we require clarification on the processes for the following:

- Clarity on the terms of loan provision, as six months is not feasible for the repayment of interest, given the low margins within the sector. We request that this window is extended to 12 months.
- Clarity on the Government's position on facility opening – as seen in New South Wales, Australia, so that businesses can plan accordingly and maintain revenue where appropriate.
- Clarity on Business Interruption Insurance and the grounds for pay-outs, in addition to confirming the parameters in the new business interruption loan scheme.
- Clarity on non-payment of VAT, National Insurance, Pension and Payroll contributions during the period of disruption.
- Clarity on tailored financial support for self-employed physical activity professionals.

We want to work with you and your team to fully understand the implications of these decisions and will continue to liaise with leaders across the sector to provide the latest insight and impact from our members' businesses.

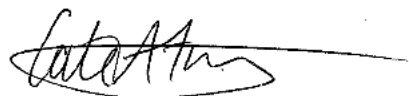
Yours Sincerely,



Huw Edwards
CEO, ukactive



Tara Dillon
CEO, CIMSPA



Cate Atwater
Chief Executive, Community Leisure UK

CC Rt Hon Oliver Dowden MP, Secretary of State for Digital, Culture, Media and Sport