

Supplementary written evidence submitted by The Climbing Academy

18/1/21

Dear Mr Knight

Select Committee Evidence

I would like to thank you and the DCMS Select Committee for the opportunity to give evidence on the impact of Covid on the indoor climbing industry. I think that the members of the committee demonstrated a lot of empathy for our situation and I was encouraged by the desire to look forward constructively and to identify actions that the government could take.

I just want to summarise the things that I think would be a huge help to both our industry but also to the wider leisure and fitness sector. I believe the whole sector is facing the same problems which essentially boil down to working capital having been eroded to dangerous levels.

I think that you're well aware that an industry which has been closed for 8 out of 12 months will be in financial difficulty. The government support, whilst welcomed and strong, has not stopped us having to spend our reserves and take out significant loans giving our industry further cash flow problems. It doesn't seem worthwhile to go over that detail again.

To summarise my evidence, the ways that I would urge the government to help our sector are:

- **Defer VAT payments over a longer period.** The VAT deferral last year was very welcome but those who took advantage of it will have to start paying the deferred amount back as soon as we are open which will hurt cash flow.
- **Reduce our VAT to 5%; the same as the hospitality sector.** They are operating under capacity caps so have reduced income, just like us. However they have had more time open and have been able to offer take-away services, something that we simply can't do. As a sector we cannot understand how the hospitality sector has benefitted from this reduction in VAT when we have not.
- **Find a way to ensure landlords are required to share the cost of us being closed.** Rents are our second highest fixed cost and there has been huge variation in the amount of help landlords have been prepared to extend.
- **Establish a further 12 months business rates holiday,** ensuring that all leisure operators receive this allowance as many operate in large premises above the threshold used last year.
- **Extend the repayment period on CBILS and BBLs** by adding a second year with no repayments. For most climbing walls, repayments on these will begin soon after we re-open. This will again hit cash flow hard, at a time we can least cope with it.

More specific to the climbing industry is the opportunity that the Olympics will bring. The project we had designed and signed off ready for funding last March can still be reignited and would be an incredibly positive way to bring people into our sport. I would strongly urge the committee to recommend that Sport England are given the resources to engage with us to make the most of this unique opportunity.

Finally I would like to strongly support the ideas that were discussed about a marketing campaign to encourage people back into physical activity. The physical and mental benefits of this need no articulation and with campaigns like #thisgirlcan we have seen the changes in people's behaviour that can be achieved. The time is short though and I think this will need some real urgency.

I really hope that the evidence Rebecca and I gave and which I know was supported in the second session lead to some concrete actions from both DCMS and The Treasury.

Thanks again for the opportunity.

All the best

Rich Emerson
Director of Association of British Climbing Walls