

Written evidence submitted by Swim England

Impact of COVID-19 on DCMS sector

Swim England is the recognised National Governing Body in the aquatic sector in England.

Swimming remains one of the most popular activities in England, with 14 million adults going swimming each year (31.3 per cent of the population). More than one million children learn to swim outside of school through Swim England's Learn to Swim programme each year.

Our recent 'Value of Swimming'¹ report demonstrated that swimming is incredibly valuable. It is valuable for the individual and to local communities and wider society, saving the NHS more than £357 million each year. This will be more important than ever following the extended period of lockdown where opportunities for engaging in physical activity (particularly for individuals who may struggle to exercise on land) has been reduced.

What has been the immediate impact of Covid-19 on the sector?

The economic impacts of Covid-19 on aquatic centres and swim schools continue to be significant. Swim England estimates that more than 5,000 swimming pools, many of which are owned by local councils, and more than 2,000 swim schools, including many small businesses, have been closed.

Many operators are having to adjust to losing 100% of their income as a result of the closure of swimming pools and are now at crisis point as a result of this loss of income and limited cash reserves.

In addition, many swimming pool operators still have high costs, particularly fixed costs. For instance the average monthly leisure utility and energy bill is £44,000².

Swim England is concerned that without additional financial support from the government, up to 10% of swimming pools in England may not reopen even when they are allowed to do so.

Swim England has not been immune from the financial impact of Covid-19. A significant portion of our income is generated by the sale of swimming awards. With swimming pools closed and learn to swim sessions not running this income has been lost.

Additionally, the cancellation of events and competitions negatively impacts income for Swim England as the governing body, and many of our member clubs. Swim England has also seen an understandable drop in new memberships compared to last year.

For swimmers, divers, artistic swimmers and water polo players, all the way from our elite athletes to casual participants, the enforced closure of pools as a result of COVID-19 may be the longest many have been out of the water for, which can adversely affect their physical and mental wellbeing.

¹ <https://www.swimming.org/swimengland/value-of-swimming/>

² <https://www.local.gov.uk/coronavirus-lga-warns-leisure-providers-falling-between-support-packages>

How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

The Coronavirus Job Retention Scheme (CJRS), enabling the sector to furlough staff has been a welcome intervention that the sector has utilised extensively, with up to 90% of staff furloughed amongst some pool operators. The speed with which it was established was appreciated by the sector and has undoubtedly prevented some redundancies to this point.

Likewise, the efforts of Sport England to support sporting organisations during the crisis are to be commended. The £210 million of funding for the sector was most welcome and Swim England encouraged swimming clubs facing financial difficulties to bid for funding, particularly through the Community Emergency Fund.

One issue has been that swimming pool operators, particularly Leisure Trusts, are currently falling between the cracks of most announced support packages. Leisure trusts are most at risk because they are charities, societies or community interest companies (with a public benefit asset lock) and as such do not distribute profits.

Currently leisure providers are exempt from most COVID-19 emergency support funding because, as identified by the LGA:

- the Procurement Policy Notes 02/201 (PPN 02/20) on supplier relief do not account for the income arrangements between councils and providers
- leisure providers are unable to secure loan finance, either through the government backed scheme or commercially, due to judgement of viability being assessed and judged on historical profitable financial records rather than on future financial projections, tight contractual and operating margins and, for trusts, their reinvestment of surpluses into the community model
- the majority have a rateable value above £51 000 so are not eligible to receive the retail, hospitality and leisure grants
- they are not eligible for Sport England's emergency response funds which are targeted at grassroots community organisations and are unable to be used to address financial impact on council service provision
- trusts are not eligible for the Government's £750 million for frontline charities, as they are not deemed 'small' nor 'delivering frontline services'
- closure has been required and that some are interpreting this as a 'change of law' event from central government – specifically closing gym and leisure facilities³.

What is very clear is that despite the support to date, the sector is in a perilous position and without additional government support, many swimming pools and associated businesses face a very uncertain future.

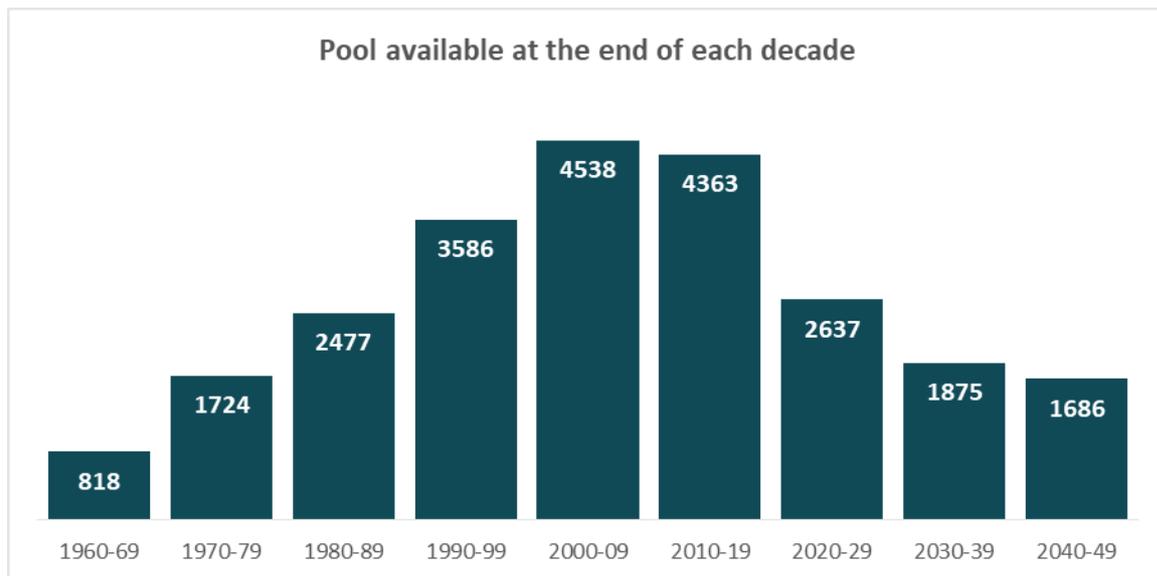
What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?

The long-term impacts of Covid-19 on the sector are likely to be serious and deep rooted. Our report 'the importance of pools post lockdown⁴' raised our concerns that as many as 10% of swimming pools may not reopen following the enforced Covid-19 closure, even when it is safe to do so.

On current trends, even before Covid-19, Swim England was forecasting a shortage of facilities for all our aquatic disciplines over the next 10-20 years. A 40% drop in the number of pools open to the public is expected by the end of the decade, leaving 3.5 million swimmers unable to swim.

³ <https://www.local.gov.uk/options-councils-supporting-leisure-providers-through-covid-19>

⁴ <https://www.swimming.org/swimengland/calls-government-support-pools/>



This problem will be exacerbated by the loss of swimming pools as a result of Covid-19.

Government and Sport England help has been extremely welcome but as noted, it does not address all of the sector's needs. Without additional flexibility and funding for swimming pools alongside the extension of the existing support measures - many pools, clubs and self-employed coaches/instructors may not be able to continue operating past this initial period.

This financial support to ensure hundreds of swimming pools are not mothballed is the most pressing and urgent need. If unaddressed this will have the most serious long term impact on both the sector and public health more widely, reducing the opportunities for millions of people to be active in the water.

In addition, government assistance will need to be extended over a longer period as the sector's return to operation will have to be phased in over time. Organisations like Swim England, swimming pool operators, clubs and self-employed individuals will therefore face continued financial challenges as it will take time for activity to return to previous levels. Swim England would like to see the government address this problem by extending support – notably the CJRS and Self-Employment Income Support schemes (SEISS).

What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?

The speed with which some of the financial support, from both the government and arms-length bodies, was announced was very positive and enormously helpful for many across the sector.

The response to Covid-19 has highlighted the importance of government departments engaging with the sport and recreation sector. Collaboration, both within the sector and between the sector and DCMS and its arms-length bodies, has been a feature of the response to Covid-19 to date. Continued collaboration following the pandemic will be crucial in maximising the benefits of sport to society and delivering the government's stated ambition of making physical activity a key part of an individual's life.

This new collaboration must extend to working together to support the future of swimming pools, many of which are in serious danger of not being able to reopen once they are allowed to do so.

How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?

Like the rest of society, the sport sector has had to evolve to new ways of working during the Covid-19, for instance through the increased use of digital channels to communicate and engage with members.

More fundamentally, COVID-19 has highlighted the huge importance of sport and physical activity on people's wellbeing, both physical and mental.

Swimming has a particularly important role to play here. It is an activity that can be enjoyed by people of all ages and the unique properties of water mean it is an ideal environment to exercise in for a large number of people who may struggle to be active on land for a variety of reasons.

DCMS must work to deepen cross-departmental collaboration on policy development and delivery. This would help ensure a more consistent whole-of-government approach to policy on sport and recreation. The Comprehensive Spending Review will be an opportunity for the government to invest, across government, in swimming and proven water based programmes such as Water Wellbeing⁵ which can help improve the health of the nation and support the government's 'levelling up' agenda by reducing health inequalities.

Fundamentally, however, the sector cannot evolve and innovate without swimming pools for people to swim in, so the most significant support DCMS can provide is by ensuring that financial support is provided to enable the reopening of swimming pools once it is safe to do so.

⁵ <https://www.swimming.org/swimengland/health-and-wellbeing/>