COVID-19 Impact Report

The Fitness and Leisure Sector's Path to Recovery

UK active RESEARCH INSTITUTE

4global

Powered by DataHub

FOREWORD

Huw Edwards
CEO, ukactive

Our sector has shown incredible levels of resilience and fortitude following its closure in March due to COVID-19. Driven by a common goal from the onset of lockdown, the sector has shown an unwavering commitment towards working collaboratively to chart a path back to recovery. Making decisions on the best possible data and insight has been, and will continue be, integral to this resurgence and to the sustained growth of the sector. The spirit of collaboration has been apparent across all corners of the industry and it is because of this that ukactive and 4global have been able to publish this impact and recovery report. We owe a huge and special thanks to all partners involved. Without your openness, shared learnings, and a united desire to support the sector get back on its feet, we would not have been able to set this roadmap.

On 23rd April, ukactive announced a four-stage strategy to support the sector through the challenges ahead. Working with the sector to navigate uncertainty against the backdrop of an ever-changing political landscape - our ability to draw upon a variety of datasets, methodologies, and sector expertise to generate invaluable insight has been vital. This is the foundation of the ukactive Research Institute and has been the driving force and ethos behind this impact and recovery report. During a time of unparalleled uncertainty across our sector, this impact and recovery report demonstrates the duty we have to understand the impact on our sector in the lead-up to closure, recognise how society and its behaviours have changed across the lockdown period, and endeavour to look into the future to guide the sector as we lay the foundations to thrive again together.

Whilst our sector forges a new path and adapts to a new normal, we must continue to collaborate and take responsibility for working together to evolve and understand our true impact on the health of the nation. Our ability to create an environment that celebrates and rewards shared information and open innovation, to break the frame on old ways of thinking, and to trust data-driven decisions to increase the awareness and value of physical activity, to society and to government, is a commitment we must all continue to pursue.

The nation has been affected on unimaginable and unprecedented levels. In this time of uncertainty the health and fitness sector is essential to COVID-19 recovery across our communities. The importance of the nation's health in reducing risk is becoming increasingly clear, pointing towards the central role of physical activity in reducing infection and severity. This is an opportunity that we must capture, to become the constitutional cornerstone for crucial rehabilitation and to improve the health of the nation, from the youngest to the oldest in our communities. Our impact and recovery report charts the path for this and it is our data, insight and an evidence-based approach that will keep us on course to prosper together.

Utku Toprakseven
Partner & Director, 4global

Within our sector we have, for many years, talked about the benefit that physical activity has on health and wellbeing. Through collaboration across the sector and powered by DataHub, we can now evidence this benefit with real-time data and insight, providing a compelling case for ongoing investment and prioritisation. This has never been more important than it is today, as our industry continues its preparations to re-open following forced closure at the hands of COVID-19. It is vital that as an industry we are able to help people build and maintain a consistent level of physical activity, to guard against risks such as COVID-19 in the future. In order to do this, we need to continue to evidence the benefit we are creating, as well as the potential impact that could be felt if delivery organisations are lost as a result of the crisis.

By combining data from a range of industry sources, as well as predictive modelling and consumer behaviour analysis, we have worked with ukactive to provide an evidence-based set of projections that will allow organisations to plan more effectively over the coming months, as well as providing evidence to demonstrate the benefit of physical activity to society as a whole. We would like to thank organisations who contributed to the report, not only in providing evidence and data from their own research, but also in being open in discussing what the future might look like for leisure centres, gyms and sports facilities alike.

CONTENTS

This report explores the impact that the COVID-19 virus has had on the sector in three parts:

Part One:
looking at how participation at facilities changed in the weeks leading up to lockdown

Part Two:
discovering what exercise and physical activity has looked like for the public during lockdown

Part Three:
4global modelling to understand what participation at leisure facilities could look like as the sector reopens

We'd like to thank our partners and members who have shared data and information to enable us to carry out some of the analysis work in this report.

SUMMARY

PART ONE: PRE LOCKDOWN

This section of the report looks at how participation at facilities changed throughout early 2020, as the spread of COVID-19 intensified. This is analysed using a DataHub sample of over 900 leisure centres.

▶ Leisure facilities enjoyed a strong start to 2020, with weekly participation tracking ahead of the 2019 equivalent for week 1 through to week 8. From week 9 onwards, year on year participation began to fall, slowly at first with a -2% drop off, but this had reached -43% by week 11, the week of the full lockdown announcement.

▶ This drop off was more severe for those from older age groups (with a -62% decline for the 75-84 year old group), and those from lower socio-economic backgrounds, evidenced through Mosaic profiles and deprivation index.

▶ Some activities saw less of a drop off, with group workouts tracking above 2019 levels right up until week 11, before seeing a drop off of-35%, compared to -45% for swimming and -56% for gym.

PART TWO: DURING LOCKDOWN

This section of the report collates data from across the sector to understand how people have reacted to lockdown and how their exercise and fitness behaviours have changed.

▶ Across a sector sample, sales of home gym and fitness equipment have seen some big increases since the week 11 lockdown, with sales of weights equipment in week 13 (early April) over four times greater than the weekly average for 2020.

▶ Online classes and virtual resources have been popular, as people have adapted from exercising at physical facilities to exercising at home.

▶ Survey results suggest activity levels across the course of lockdown have remained relatively stable (between 3.2 and 3.3 days active per week). There have been differences in activity levels between age groups, with older age groups doing less activity.

▶ Walking has been the most popular activity, with home workouts both online and offline also popular. Cycling has been slowly growing in popularity.

PART THREE: POST LOCKDOWN

This section of the report uses 4global modelling to project what sector recovery could look like. This considers consumers confidence levels in returning to facilities and potential operating restrictions that could be in place.

▶ Consumer confidence in returning to gyms and leisure facilities has been measured across a variety of surveys. 88% of respondents to a Leisure-net survey to gym members said they would use their facility the same amount, or more than before, once it reopened.

▶ Consumer surveys by TA6 Alliance, Sport England & Savanta ComRes and MyCustomerLens also saw high levels of readiness to return to facilities. On the timing of return plans, on average 42% of members say they are likely to return to the gym as soon as it opens.

▶ This has been used alongside restrictions on opening conditions (capacity reductions, activity restrictions and user group restrictions), to project what participation will look like compared to 2019 once facilities have reopened. This is based on a July 4th reopening date.

▶ Without COVID-19, the forecast growth of the sector in participation for 2020 was 5.7%. The COVID-19 revised forecast with no restrictions opens at -59% in the week after reopening, and with restrictions at -72% (compared to the same week in 2019).

▶ With no restrictions in place, the forecast participation compared to the same week in 2019 reaches -40% in week 4, -25% in week 8 and -15% in week 12. Sector recovery slows down at the start of 2021 (week 1) and saturates at -1% compared to last year.

▶ Modelling the demand once facilities are able to open with restrictions in place for 6 months, shows a projected return to capacity at weeks 41, 45 and 48 of 2020 (14, 18 and 21 weeks after reopening) for gym, group workout and swimming respectively.

▶ The projected lost visits in the year following lockdown exceed 700 million for the sector. Lost visits in the single week one year following lockdown (week 11 2021) are projected to reach 1.8 million.

▶ Having restrictions in place for 6 months would result in an estimated £2.1 billion loss in social value generated across the whole sector.

A CALL TO ACTION: NEXT STEPS

The scenarios presented in this report have been modelled based on the assumption that no action is taken by operators ahead of facilities reopening. There are opportunities for operators to prepare for the situations that will present themselves in the coming weeks and months, both in terms of increasing consumer confidence and establishing how to ensure customers feel safe at facilities, and in re-purposing space such as sports halls and outdoor space to redistribute capacity within a facility. These steps could lead to the recovery rate improving. The model has been created using the available data at this point in time, and data inputs used in the model will continue to be updated as new information is received.

PRE LOCKDOWN: IMPACT

Using weekly participation figures from DataHub from 2019 and 2020 to look at the impact of COVID-19 on participation before lockdown was announced.

March 20th 2020 (week 11):
gyms and other leisure and entertainment venues ordered to close

GYM

YOY participation 19 vs 20

week 1 – week 8:
2–8% ahead of 2019

Week 9 -2%
Week 10 -9%
Week 11 -43%

-43% overall decline in participation in week 11:

AGE

PARTICIPATION

0–15 years: **-39%**
75–84 years: **-62%**
85+ years: **- 58%**

ACTIVITY TYPE

PARTICIPATION

Group Workout: -35%
Swim: **-45%**
Gym: **-56%**

MOSAIC PROFILE

PARTICIPATION

C: City Prosperity **-31%**
L: Transient Renters -51%
N: Vintage Value: -51%

Deprivation has been a strong factor in resilience:

DEPRIVATION

PARTICIPATION (in week 8)

10th decile (low): **+4%**
2nd decile (high): **-5%**
1st decile (high): -14%

DURING LOCKDOWN: RESPONSE

Looking at how exercise and fitness routines have changed and adapted during lockdown and what people are doing instead of visiting facilities.

Sales of home fitness equipment
Increased throughout March, peaking in early April.

Week 13 weight equipment sales were **4 times the weekly average** for 2020.

Online and virtual classes
Have been popular throughout lockdown, as facility closure has led to people having to find alternative methods of exercising.

Sport England & Savanta ComRes polling:
regular waves of consumer polling have been carried out during lockdown, on a sample of around 2,000 adults.

Activity levels:
- Activity levels fairly stable across lockdown.
- Average of just over 3 days active per week.

Social groups:
Group A (higher/ intermediate managerial, administrative and professional) more active than *group E* (state pensioners, casual and lowest grade workers, unemployed with state benefits only).

Most popular activity:
- Walking has been the most popular activity.
- Around 60% say they have done this in the last week.

Other activities:
- Cycling has been slowly rising in popularity.
- Increased from 8% of people doing it in wave 1, to 16% in wave 7.
- Home workouts, both offline and online, have been popular.

POST LOCKDOWN: RECOVERY

Using 4global modelling to determine demand based on consumer confidence and facility restrictions

Consumer confidence survey results:

84% likely to continue with their membership once their gym(s) or leisure centre(s) re-opens (Sport England & Savanta ComRes)

87% plan to use a gym or leisure centre to workout after lockdown. (TA6 Alliance Leisure)

88% will 'use it the same' or 'use it more' when their leisure/ sports centre reopens (Leisure-net)

35% of non members are likely to join a facility after lockdown. (TA6 Alliance Leisure)

30% would be comfortable with visiting their gym once restrictions were lifted (YouGov)

42% of members will go back as soon as their facility opens. (My Customer Lens)

Modelling demand under potential opening restrictions:

- Capacity restrictions
- Swimming restrictions
- Activity restrictions
- User restrictions

Without the restrictions in place, the sector recovery would reach saturation point at **Week 1, 2021 (25 weeks after opening)**

With the restrictions in place for 6 months, gym capacity would be reached at **Week 48, 2020 (21 weeks after opening)**

With the restrictions in place for 6 months, group workout capacity would be reached at **Week 41, 2020 (14 weeks after opening)**

With the restrictions in place for 6 months, swim capacity would be reached at **Week 45, 2020 (18 weeks after opening)**

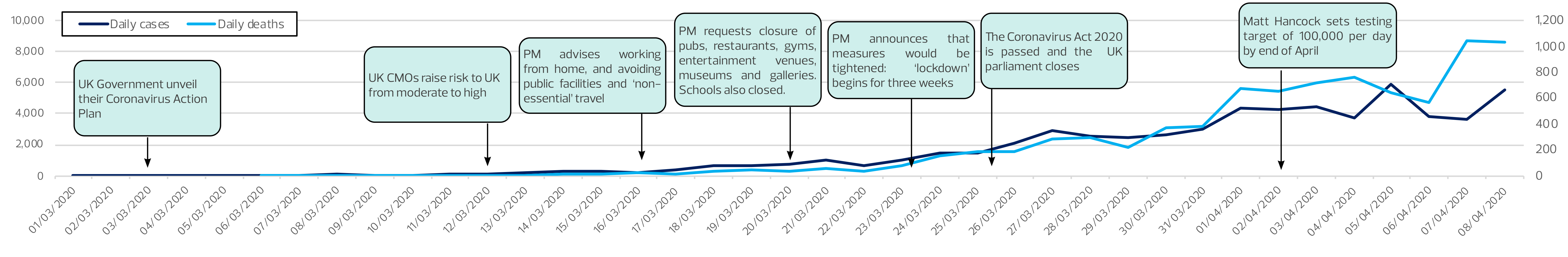
Total number of lost visits projected as a result of COVID-19 in the year following lockdown would reach over **700million**

The expected social value of the sector that could be lost if restrictions were in place for 6 months would be **£2.1 billion**

COVID-19 UK TIMELINE

Daily cases (left axis) | Daily deaths (right axis) | Government events | Key events

Cases	12	5	11	34	29	46	46	65	50	52	83	134	207	264	330	152	407	676	643	714	1,035	665	967	1,427	1,452	2,129	2,885	2,546	2,433	2,619	3,009	4,324	4,244	4,450	3,735	5,903	3,802	3,634	5,491	**Cases**
Deaths						1	1	0	1	4	0	2	1	18	15	22	16	34	43	36	56	35	74	149	186	183	284	294	214	374	382	670	652	714	760	644	568	1,038	1,034	**Deaths**



1st UK fatality

London Marathon, first Six Nations match, Premier League and EFL postponed

Euro 2020 tournament postponed to 2021

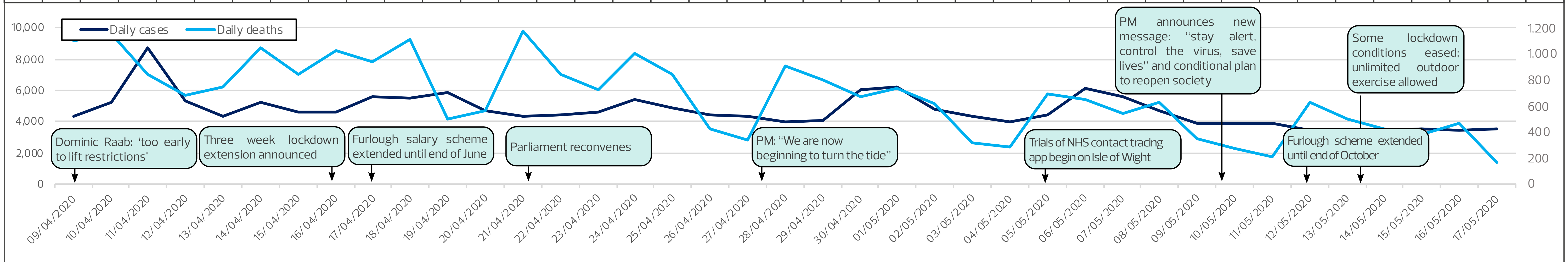
Tokyo Olympic Games postponed to 2021

Every UK household to receive letter explaining lockdown

Temporary NHS Nightingale hospital at Excel centre opens

Queen broadcasts message to the nation; PM admitted to hospital

Cases	4,344	5,195	8,719	5,288	4,342	5,252	4,603	4,617	5,599	5,525	5,850	4,676	4,301	4,451	4,583	5,386	4,913	4,463	4,309	3,996	4,076	6,032	6,201	4,806	4,339	3,985	4,406	6,111	5,614	4,649	3,896	3,923	3,877	3,403	3,242	3,446	3,560	3,450	3,534	**Cases**
Deaths	1,103	1,152	839	686	744	1,044	842	1,029	935	1,115	498	559	1,172	837	727	1,005	843	420	338	909	795	674	739	621	315	288	693	649	539	626	346	268	210	627	494	428	384	468	170	**Deaths**



Prime Minister leaves hospital

Captain Tom Moore completes NHS fundraiser walk, raising £30m

First human trials of vaccine begin in Oxford

Deaths in care homes and community now included in counts

Bank of England warns economy could shrink by 14% in 2020

Data on cases and deaths has been extracted from the worldometers tracker which uses daily updates from the Department for Health and Social Care.

PART ONE: PRE LOCKDOWN

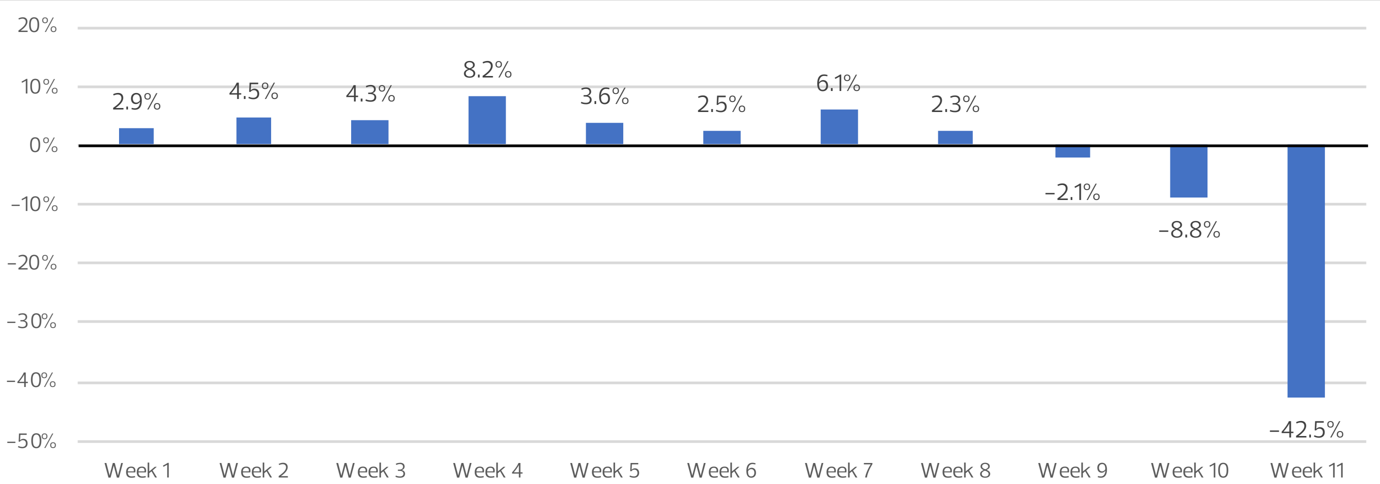
Powered by DataHub

This section of the report looks at how participation at facilities changed throughout early 2020, as the scale of the crisis mounted and COVID-19 began to take a grip in the UK.

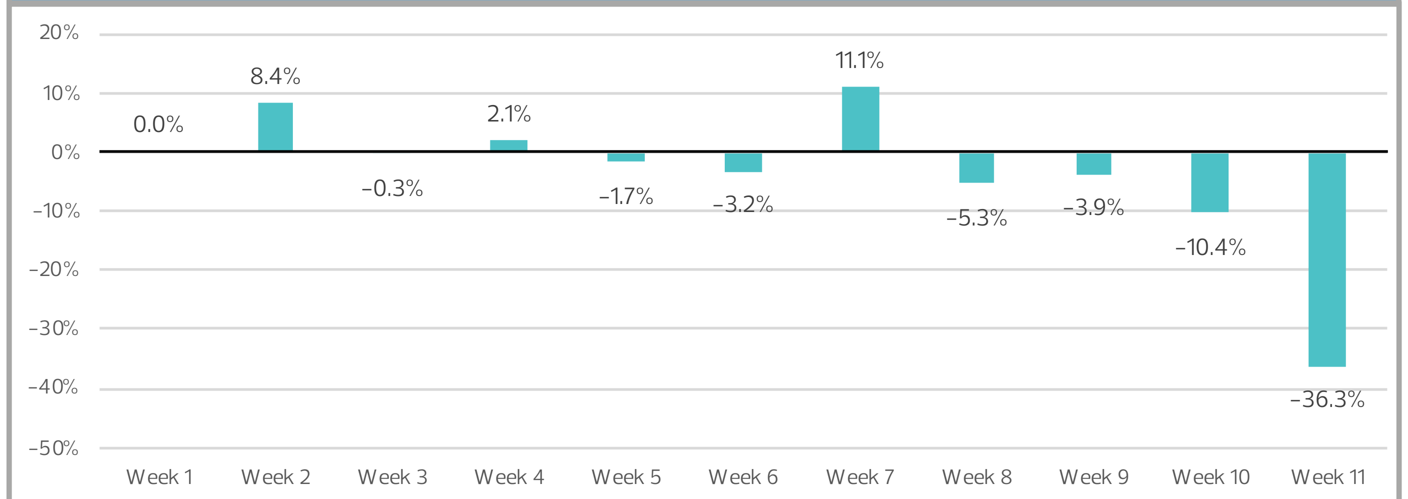
The first cases of COVID-19 emerged on UK soil at the end of January, and although it was to be nearly three months until the nation was put under lockdown conditions, the impact on our daily lives began to show before this. Social distancing changed the way we were able to exercise, with further restrictions added when the Prime Minister ordered the closure of all gyms and leisure centres on March 20th. The data in this section is a DataHub sample from 903 leisure sites across the UK, covering 2.0 million members and 38.2 million visits. This covers the first 11 weeks of 2020, leading up to the point of lockdown, and is compared to the equivalent weeks in the previous year.

OVERALL PARTICIPATION

CHANGE IN PARTICIPATION LEVELS VS SAME WEEK PREVIOUS YEAR



CHANGE IN PARTICIPATION LEVELS VS PREVIOUS WEEK



These graphs show that during the early weeks of 2020, participation at facilities was ahead of last year, with weeks 1 to 8 all showing an increase in visits against 2019. This was most notable in week 4, which was 8.2% higher than 2019. Whilst weeks 5 and 6 saw participation increases compared to last year, the growth rate declined, with this timing corresponding to the first UK cases of the virus. Week 7, in late February, saw higher growth, around the time of positive government messaging on using facilities. The first week that saw a decline against last year was week 9 (commencing March 2nd), followed by a more dramatic drop off of -8.8% in week 10. By the time facilities had been ordered to close in week 11 (commencing March 16th), participation was -42.5% down on last year.

THE DATASET

Number of sites: 903 leisure centres across the UK

Number of people: 2.0 million

Number of visits: 38.2 million

Week 1: week commencing January 6th

Week 11: week commencing March 16th

Facilities ordered to close: March 20th (week 11)

GENDER DIFFERENTIALS

CHANGE IN PARTICIPATION VS SAME WEEK PREVIOUS YEAR

Gender	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Female	6%	7%	7%	10%	6%	3%	6%	3%	-1%	-7%	-42%
Male	0%	2%	1%	6%	1%	2%	6%	2%	-4%	-10%	-43%

CHANGE IN PARTICIPATION VS PREVIOUS WEEK

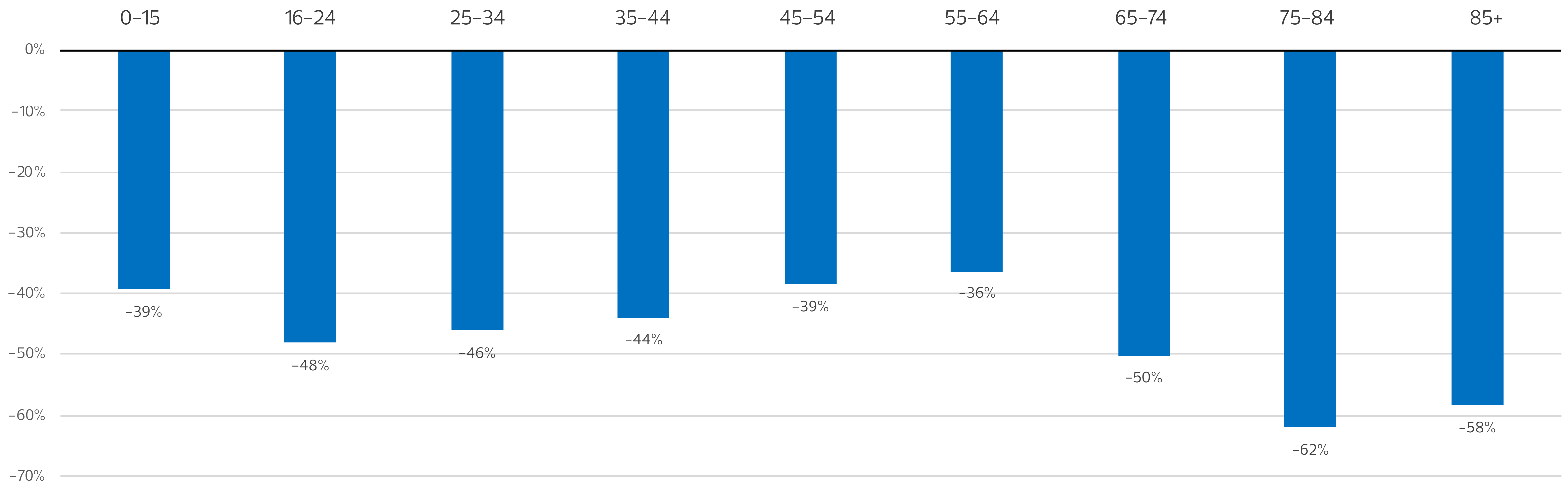
Gender	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Female	-	9%	-1%	1%	0%	-4%	8%	-4%	-2%	-11%	-37%
Male	-	8%	0%	3%	-3%	-2%	15%	-7%	-6%	-10%	-36%

Looking at differences across genders, participation in the early weeks of the year showed that visits for males and females were ahead of 2019, particularly so for females, with a 10.2% increase on last year in week 4. From week 9 onwards attendances fell compared to last year, with the drop off being slightly less for females. In terms of week on week change in participation, this dropped from week 5 for both males and females, although there was a temporary jump in week 7. From week 8 the weekly drop off was more noticeable for males at first, although for weeks 10 and 11 this was greater for females.

- **>> Weekly participation in 2020 was up on 2019 until week 9, when a sharp decline began.**
- **>> Week on week participation throughout 2020 began declining in week 8 before falling off sharply in weeks 10 and 11.**
- **>> There was only small differences in the trends for males and females.**

AGE DIFFERENTIALS

CHANGE IN WEEK 11 PARTICIPATION LEVELS VS SAME WEEK PREVIOUS YEAR BY AGE GROUP



WEEK 11	
0-15	-39%
16-24	-48%
25-34	-46%
35-44	-44%
45-54	-39%
55-64	-36%
65-74	-50%
75-84	-62%
85+	-58%

WEEK ON WEEK AGE DIFFERENTIALS

>> Across the age groups there were some differences in participation patterns.

>> The older age groups did experience an increase in attendance in week 9, but this was countered by the biggest drop off in weeks 10 and 11.

>> With the exception of the 16-24 age group, there was a sizeable decrease in participation across all age groups from week 9 to week 10.

>> The only age group that did not see a sharp drop off from week 10 to week 11 was the 0-15 group, where participation was -4% down on the previous week.

Age	Week 9	Week 10	Week 11
0-15	1%	-15%	-4%
16-24	-2%	-8%	-42%
25-34	-3%	-11%	-41%
35-44	-11%	-10%	-40%
45-54	-3%	-9%	-36%
55-64	-4%	-9%	-36%
65-74	-7%	-9%	-48%
75-84	7%	-13%	-60%
85+	8%	-22%	-54%

The graph above shows the age group trends in participation in week 11 when compared to 2019. It was the older age groups that saw the biggest drops in participation against 2019 figures. This reached -62% for the 75-84 age group and -58% for the 85+. This also corresponded with the greatest week on week drop being seen from those age bands, suggesting it is this group that had their behaviour influenced most by the emerging situation. The age groups that saw the smallest drop off were 55-64 (-36%), and 45-54 and 0-15 (both -39%). The youngest age group also had by far the smallest week on week drop off in week 11 with just a -4% reduction on the previous week.

>> There were some differences in how the age groups responded to the COVID-19 situation.

>> For the older age groups, the decline in participation was greatest against both 2019 and the previous week.

>> The smallest week on week decline in week 11 was from the 0-15 age group, who saw a drop off of just -4%.

DEPRIVATION

This table shows the change in weeks 8– 11 participation against 2019, for individuals within each decile of a deprivation index, where decile 1 contains the 10% of individuals with the highest levels of deprivation. Looking at weeks 8 and 9 below, the high deprivation (deciles 1–2) areas start to fall at a high rate (–14% and –5% for week 8) where as Lower Deprivation areas stay much more resilient until weeks 10 and 11.

HIGHEST DEPRIVATION → **LOWEST DEPRIVATION**

Decile	1	2	3	4	5	6	7	8	9	10
Week 8	**-14%**	**-5%**	1%	-2%	7%	7%	**15%**	8%	1%	4%
Week 9	-5%	-2%	**-8%**	-4%	**3%**	1%	-3%	1%	-2%	-3%
Week 10	-10%	-10%	-10%	-10%	-3%	**-5%**	-11%	-6%	-10%	**-12%**
Week 11	-42%	-41%	-42%	-45%	**-37%**	-39%	-44%	-43%	-45%	**-46%**

MOSAIC PROFILES

Experian Mosaic profiles divide the population into fifteen groups, based on consumer and societal trends gathered from over 450 data points. All of the individuals within the data set have a Mosaic profile assigned to them based on their behavioural and demographic characteristics. The median change in week 11 participation across all these groups compared to 2019, was -45%. The two groups that fell furthest below the average were 'Transient Renters' and 'Vintage Value'. The two groups that saw the smallest drop off were 'City Prosperity' and 'Urban Cohesion'.

The characteristics of these groups suggest that there were some disparities in reactions to the spread of the virus. City Prosperity and Urban Cohesion are two of the **most affluent** segments, while Transient Renters and Vintage Value are two of the **least affluent**. This suggests that for those from less affluent areas, there were greater barriers in place preventing them from accessing their facilities to exercise.

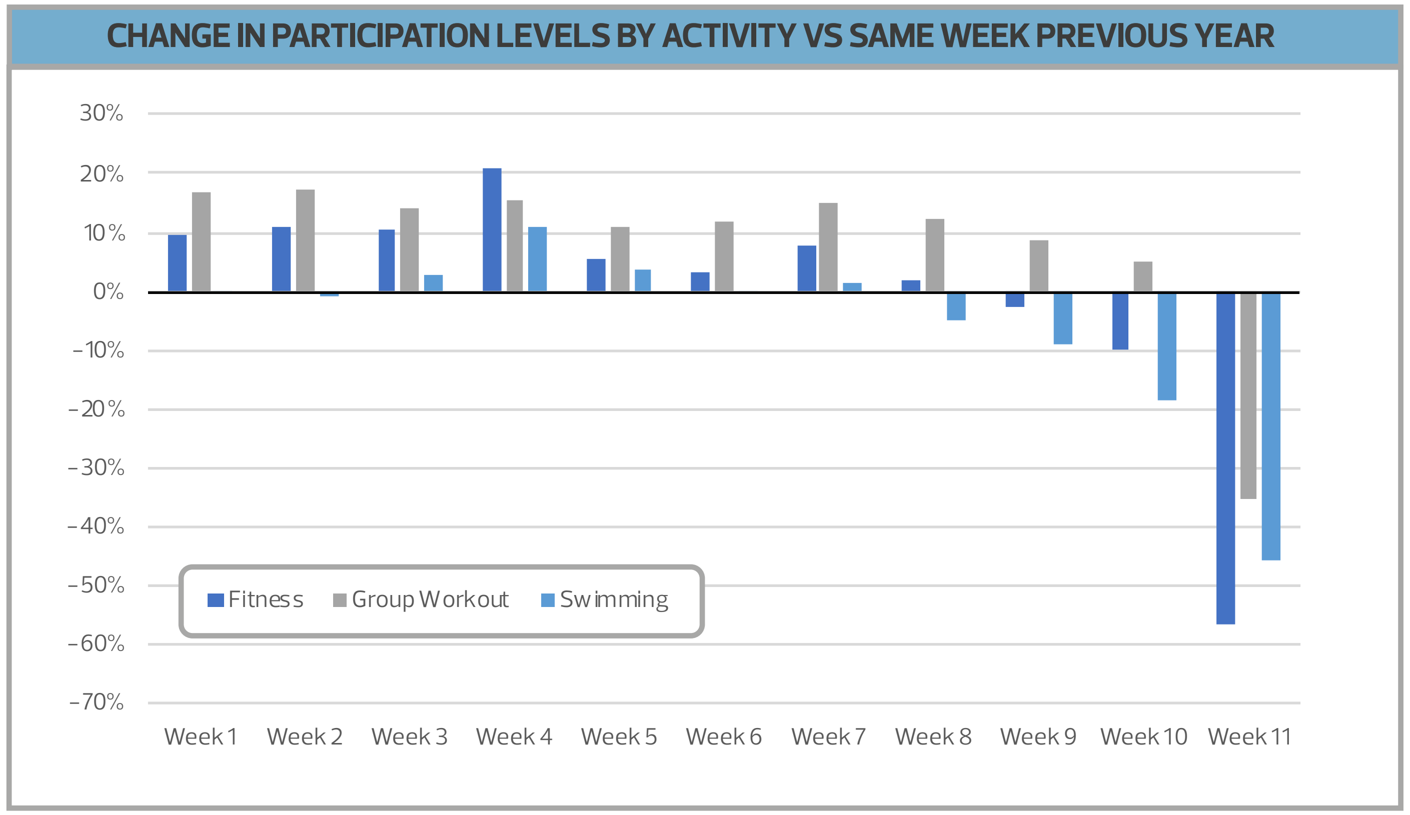
ABOVE AVERAGE

C: City Prosperity – Global high flyers – High status households – Accessible inner suburbs – Professionals renting premium flats – Career minded 20s and 30s	-31%
I: Urban Cohesion – Established older households – City home in diverse neighbourhoods – Thriving families with good incomes – Large families in traditional terraces – Older residents, good access to amenities	-39%
Median	-45%
L: Transient Renters – Young trying to gain employment – Renting cheap flats/ terraces – Transient renters low cost accommodation – Younger singles and couples – Maturing singles renting for short term	-51%
N: Vintage Value – Ageing singles with basic income – Centrally located developments – Elderly in specialised accommodation – Long standing renters of social homes – Long standing owners low value homes	-51%

BELOW AVERAGE

IMPACT ON ACTIVITY TYPES

Within the facilities included in the data set there are three activities that drive most of the footfall: gym visits, groups workouts and swimming. The graph below shows the relative decline of these against 2019 participation. For all activities, participation was generally ahead of 2019 equivalents until week 8, where swimming fell by 5%. The following week gym visits also began to fall, with only group workouts showing a positive, but declining, increase on the previous year. This pattern continued into week 10, before all three activities saw a huge decrease in week 11, with gym visits now the worst affected with a -56% drop (compared to -35% for group workout and -45% for swimming). This may suggest that people were more willing to attend facilities for the structure of group workouts which make social distancing easier due to capacity and class size restrictions.



>> There were some indications that those in the highest risk groups for inactivity suffered a bigger drop off in participation that those less at risk.

>> The drop of in participation in week 11 was more pronounced for some demographic groups, with some Mosaic groups seeing a larger than average drop off.

>> The decline in swimming participation started earliest of all activities, in week 8.

>> Group workouts saw less of a decline in participation, with an increase in the visits every week until week 11.

PART TWO: DURING LOCKDOWN

As facilities closed, the public were forced to adapt and make changes to their exercise routines. With time spent outdoors under limitations (at least initially), people had to find new ways to work out at home in order to maintain, or even begin, a new fitness regime. This section looks at what people have been doing in lockdown, taking data from a range of sources to understand how behaviours have changed.

Many gyms have provided online content to support their members during this time, with resources available through websites, apps and over social media. The first video in an ongoing YouTube series by 'The Body Coach' Joe Wicks, providing a daily 30 minute 'P.E. lesson' for schoolchildren, had received over 6.7 million views by the middle of May. His second video, broadcast on Tuesday March 24th, broke the Guinness World Record for highest number of livestreams, with over 950,000 households joining in.

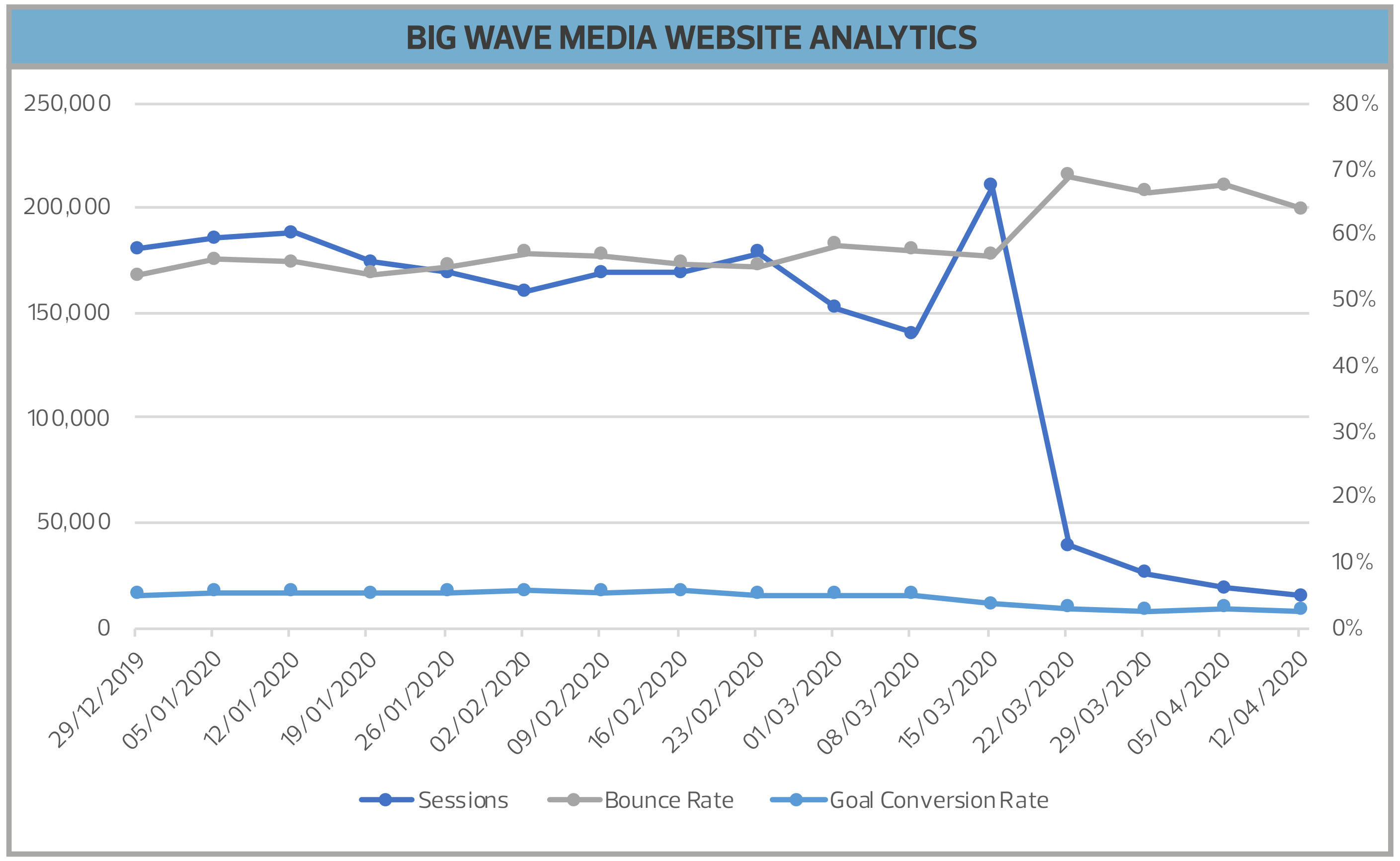
MoveGB: Move at Home

Since the closure of physical venues, providers have been forced to adapt their products and models, in many cases switching to online provision of activities and classes. MoveGB, a booking intermediary traditionally offering access to a range of classes and activities at various locations, launched Move at Home, an online offering providing both live streamed and on-demand workouts.

- Customers who are engaged with streaming activities are doing this on average 2.6 times a week.
- Yoga and fitness classes are proving to be the most popular activities for customers to live stream, in particular dance style workouts.
- 65% of customers who are streaming classes are doing so from instructors who are locally based.
- Content on help with live streaming is also provided, and there have been over 90,000 requests for the content on playing music whilst streaming.
- Some operators reported earning more than under the traditional model as there are no capacity constraints, meaning classes can be delivered to a greater number of people.

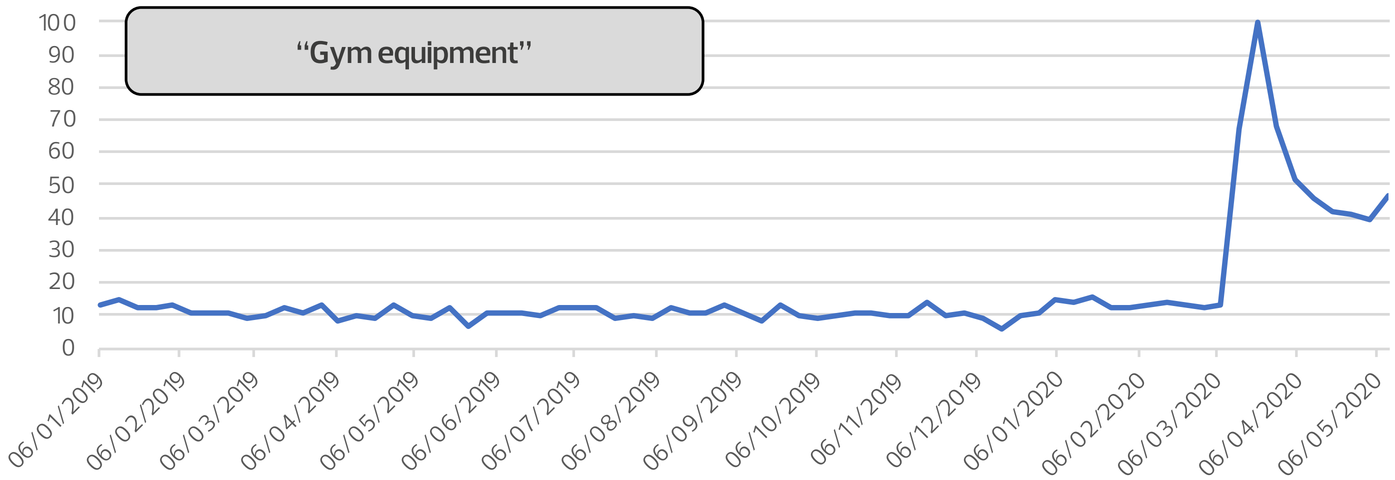
BIG WAVE MEDIA WEBSITE DATA

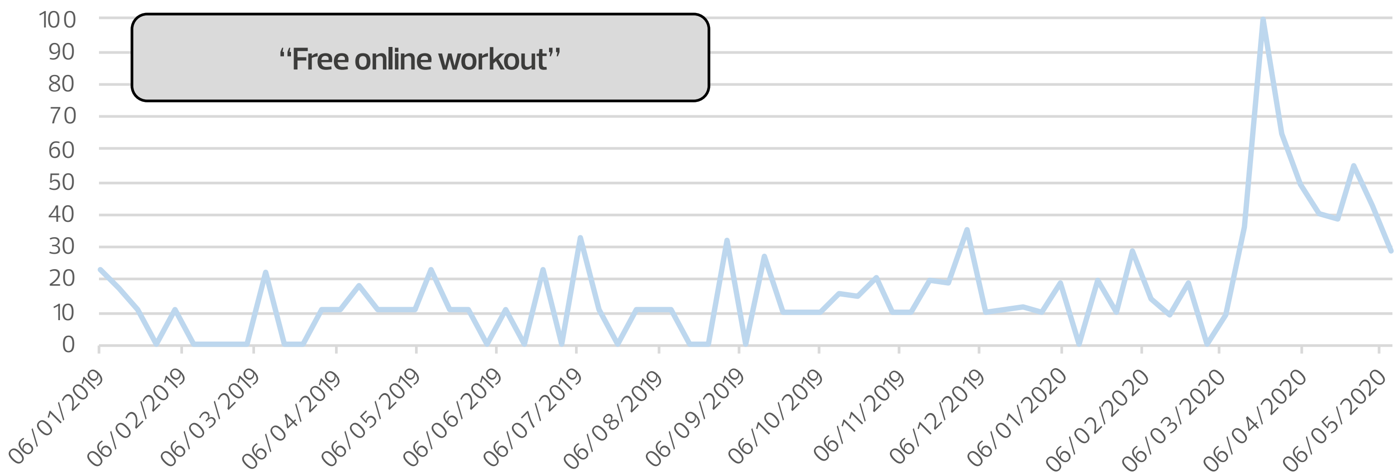
The graph below is derived from data supplied by Big Wave Media, who used Google Analytics tools to track engagement with the websites of 27 leisure operators. The data shows a spike in visits to these sites, measured by the number of sessions, in week commencing 15th March, when lockdown was announced. This was followed by a steep and sudden drop off in the following weeks, when the public were unable to access these facilities. The drop in the number of sessions was accompanied by an increase in bounce rate, where a user only visits one page of a website. The bounce rate increased from week 12, perhaps driven by people only visiting homepages to see a latest status or headline update. The final metric 'goal conversion rate', which measures the percentages of visits that included a 'goal' e.g. completion of an enquiry form or download of a brochure, dropped over this time.

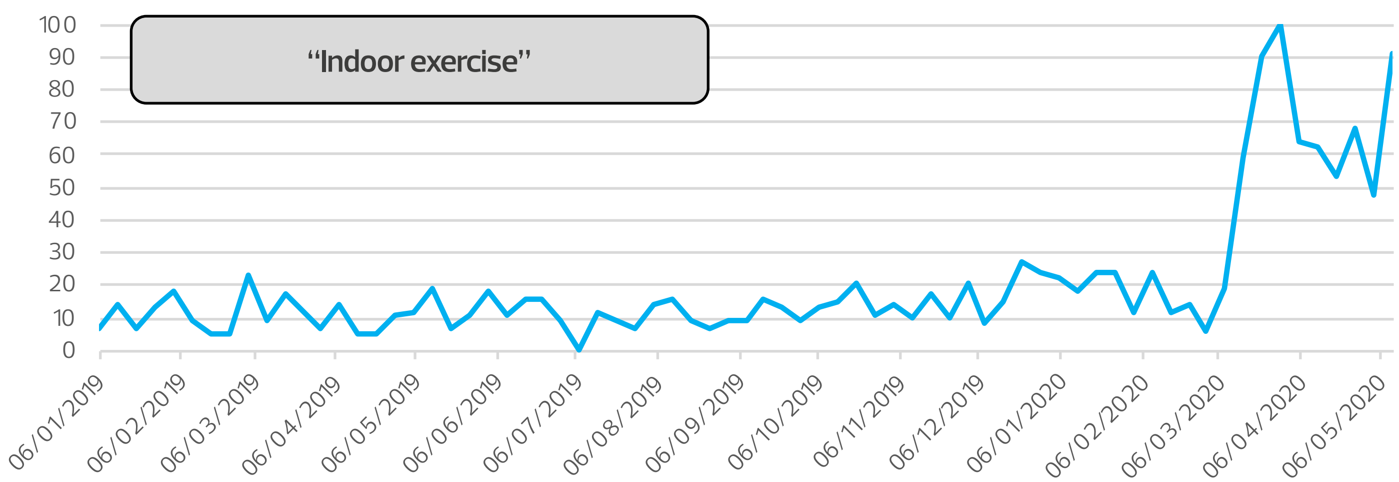


GOOGLE TRENDS

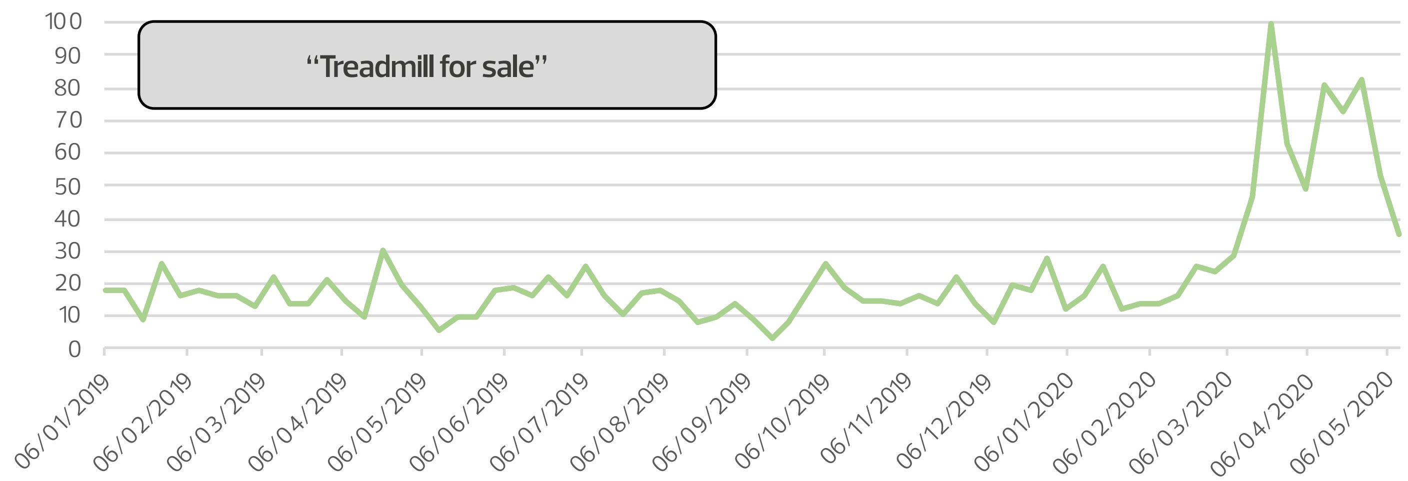
The graphs below show the Google search frequency of a variety of home exercise related search terms. These are UK specific searches across January 2019– May 2020, and all the terms show a big increase in the relative frequency of search in March 2020. This corresponds with the time that people had to switch from exercising at a physical facility, to exercising at home, or outdoors.

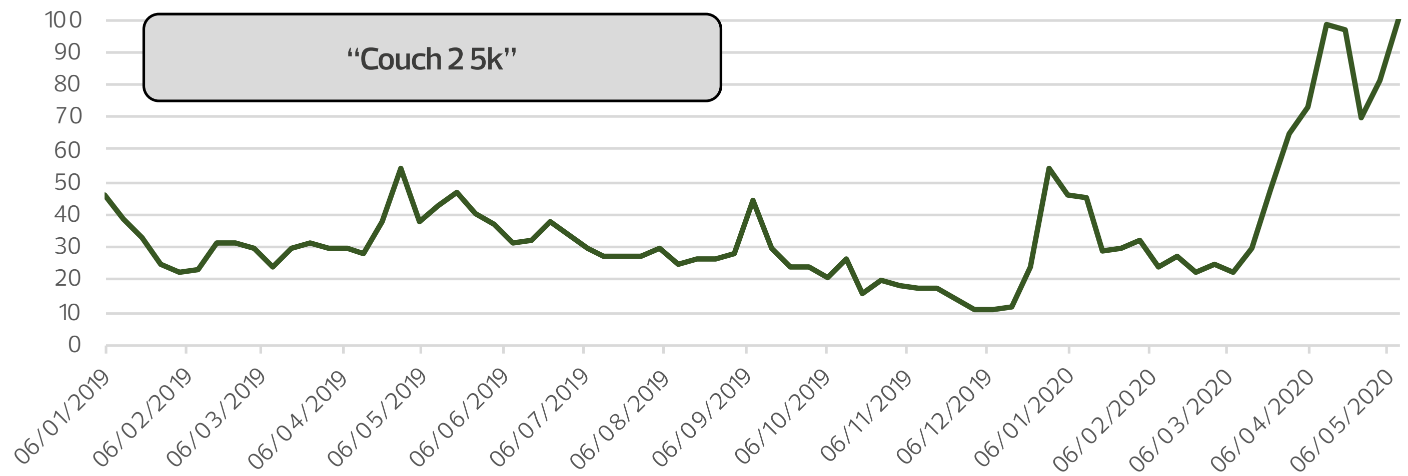


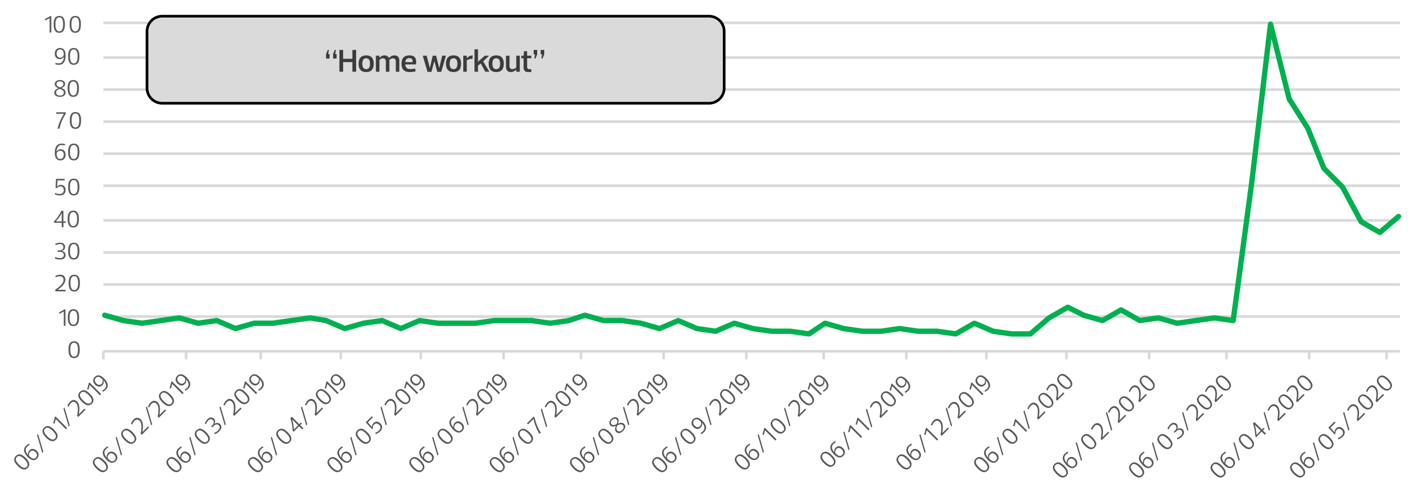




Google Trends shows the frequency that a given term is searched in Google relative to the total search volume over a period of time. A value of 100 represents peak popularity of the term, whilst a value of 50 means that the term is half as popular at that time.





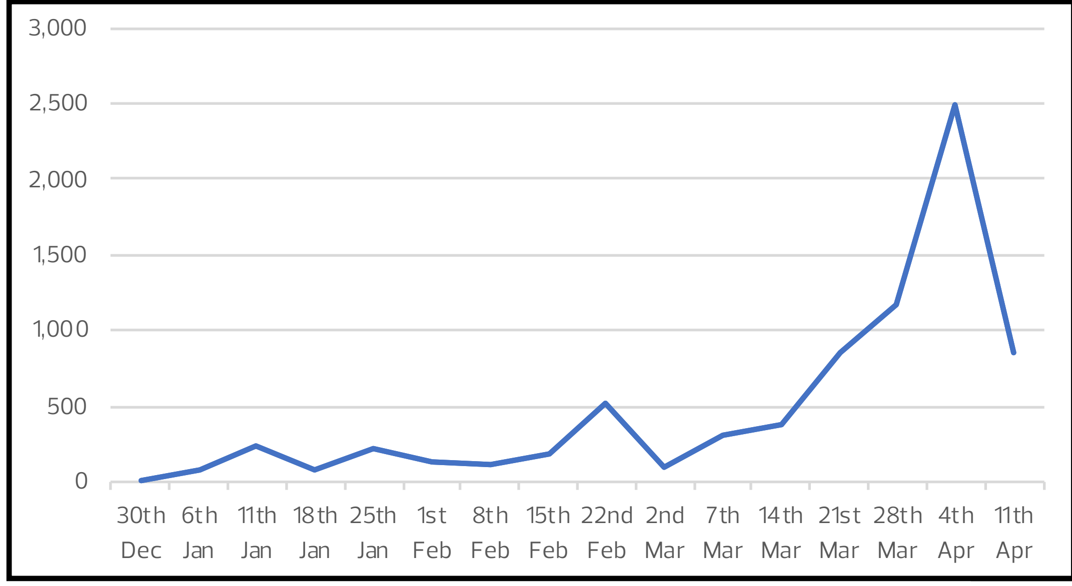


SALES OF HOME GYM AND FITNESS EQUIPMENT

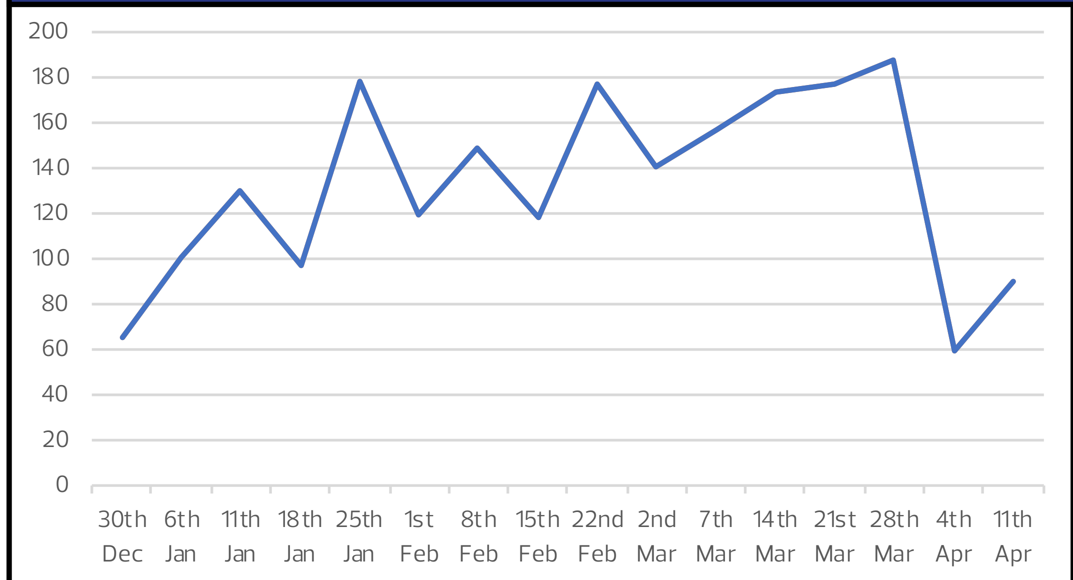
The data presented here has been aggregated from a selection of ukactive members who shared their sales data from 2020, split by equipment type. For cardio equipment, sales in 2020 reached their highest level in late March (this would be week 13 based on the timeframes from part one). For weights equipment, the peak was one week later in early April. This type of equipment showed a much steeper rise from week 11 onwards, with unit sales in week 13 over four times the weekly average across the whole time period. This more pronounced increase in weights sales rather than cardio could be due to the relative ease of storage and use of this type of equipment compared to large or bulky cardio equipment. Weights equipment will also typically be cheaper than a piece of cardio equipment.

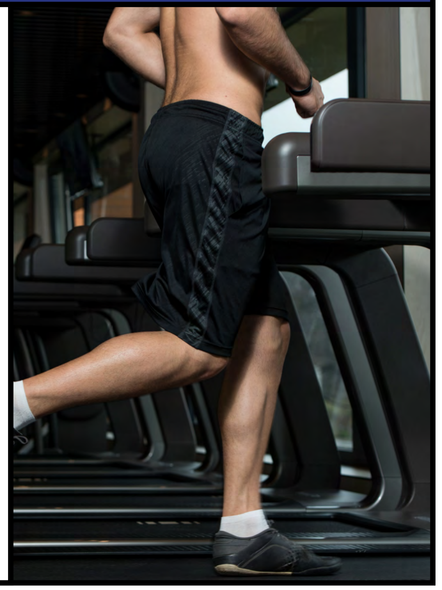
Sales data from Decathlon shows a huge increase in year on year sales across March and April, in all category types, demonstrating the shift from facility based exercise to home based exercise that has taken place. This has been in spite of physical stores closing and retail switching to online only.

TOTAL UNIT SALES: WEIGHTS

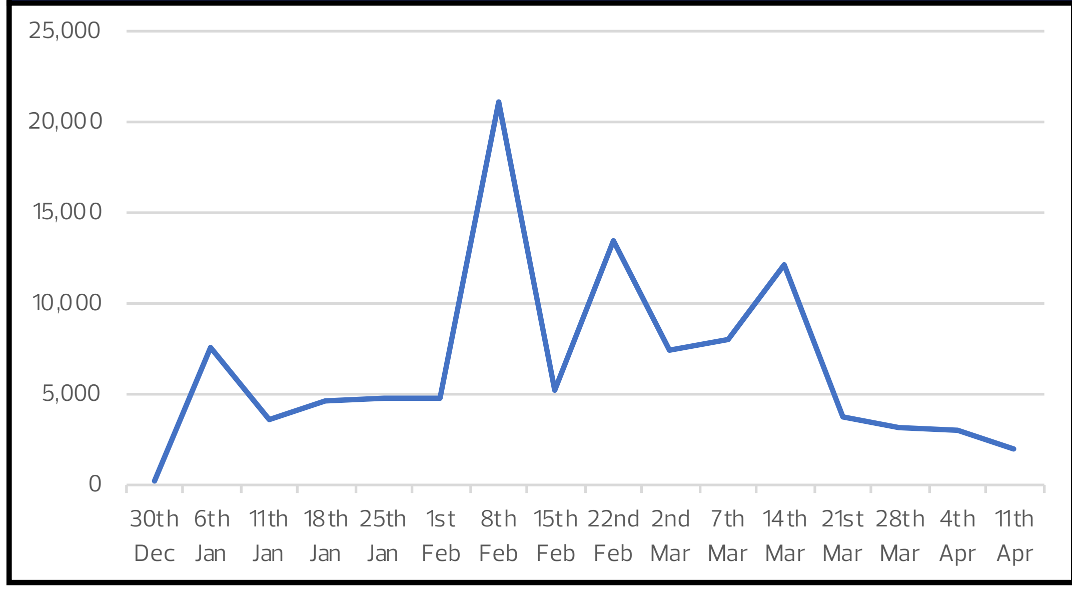


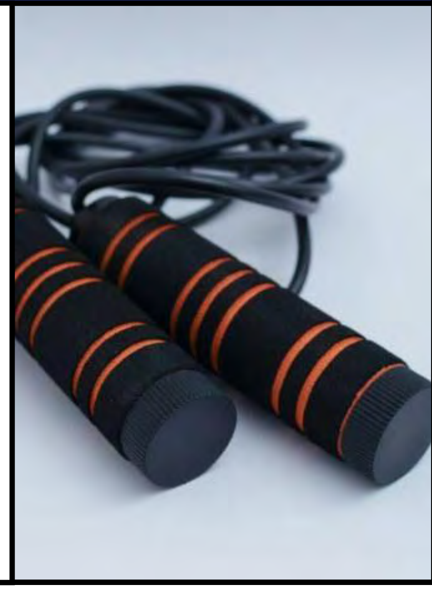
TOTAL UNIT SALES: CARDIO





TOTAL UNIT SALES: OTHER





DECATHLON SALES TRENDS: March and April 2020 vs March and April 2019

Home Bikes	+641%
Elliptical Trainer	+575%
Trampoline	+483%
Biking	+460%
Stepper	+272%
Step	+271%
Treadmills	+194%
Equipment Accessories	+192%
Rower	+149%
Jump Rope	+124%

SPORT ENGLAND & SAVANTA COMRES POLLING

Since early April, Sport England have been running weekly tracker polls through Savanta ComRes to monitor the exercise behaviours and attitudes of the public during lockdown. These polls reach a nationally representative sample of 2,000 adults, and have taken place weekly since April 3rd. Wave 7 was the first to be carried out after the initial easing of restrictions. This section of the report looks at the results from the first seven waves, to see how activity levels are differing between demographic groups, and examine if public opinions and attitudes have changed during the course of lockdown. Full data tables are available on the Savanta ComRes website, with additional analysis on the Sport England website.

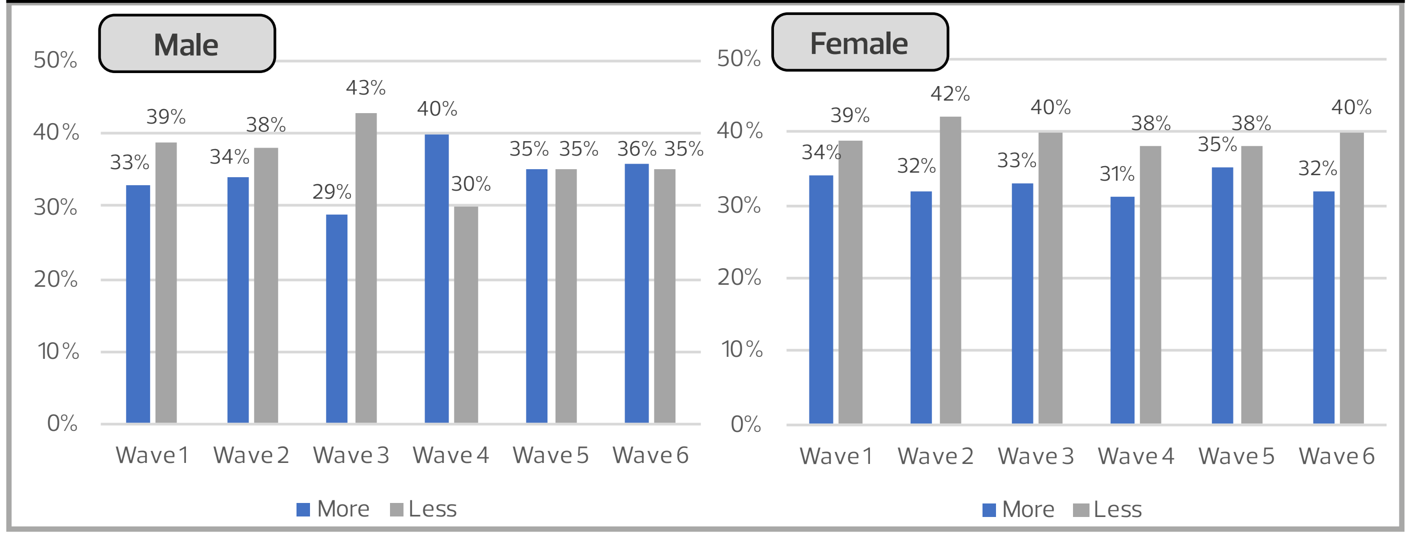
OVERALL ACTIVITY LEVELS

The survey explores how active the public have been during lockdown, by asking on how many days they have done 30 minutes or more of physical activity. The average results from this show activity levels have been fairly stable across the first seven waves of surveying, with an average of 3.17 days in wave 1, increasing slightly to 3.32 in wave 7.

In terms of how this differs from their normal activity levels, for females a higher percentage of respondents reported that this was less than normal, than those who said more than normal for each of the waves. For males this was generally also the case but in waves 4 and 6 a higher percentage of people reported more activity than usual, compared to less.

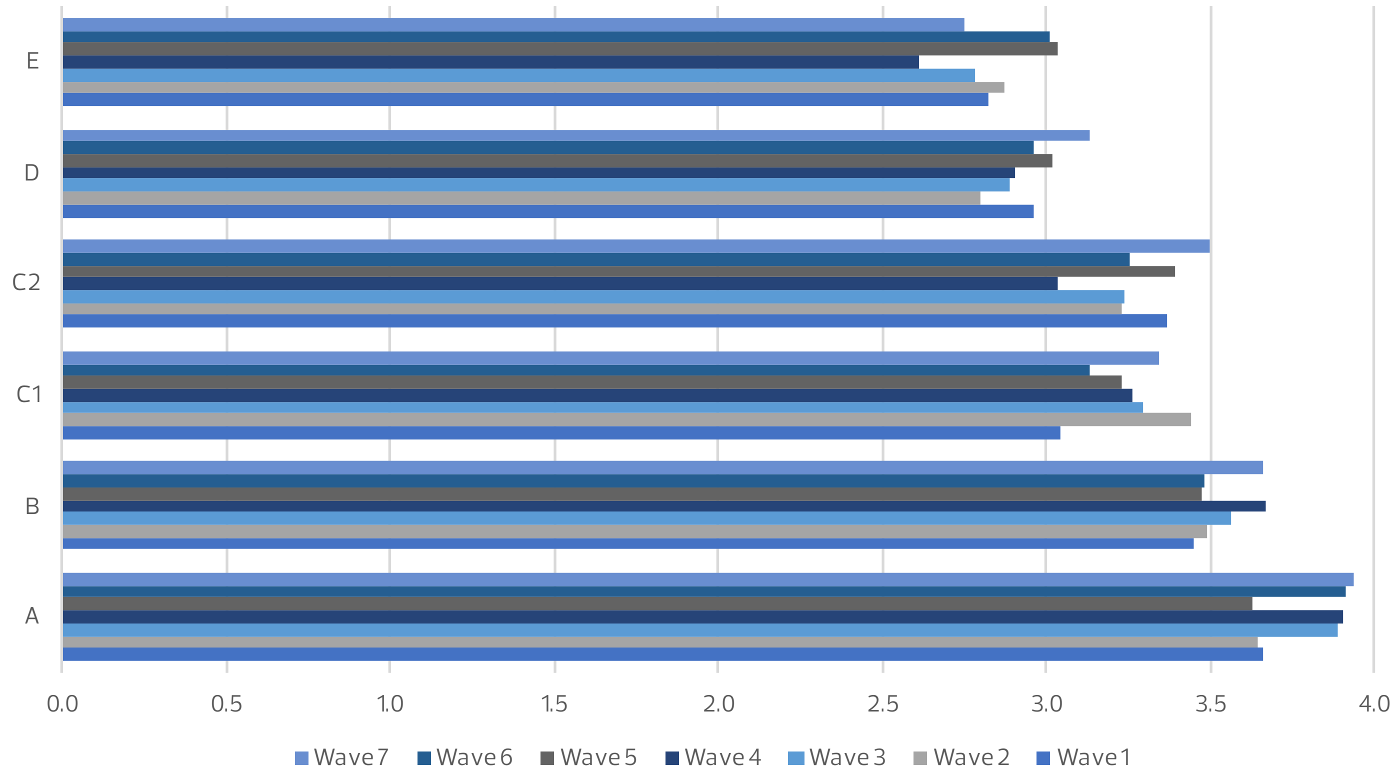
In the past week, on how many days have you done a total of 30 minutes or more of physical activity, which was enough to raise your breathing rate?	
Wave 1	3.17
Wave 2	3.24
Wave 3	3.24
Wave 4	3.20
Wave 5	3.27
Wave 6	3.24
Wave 7	3.32

In the past week, do you think you have done more, less or the same amount of physical activity and exercise, compared to a typical week before the COVID-19 restrictions were introduced?



DIFFERENCES BETWEEN DEMOGRAPHICS: SOCIAL GROUP

When looking at responses to the activity levels question by social groups, some patterns have started to emerge across the first seven waves. Generally, the average of active days decreases from groups A (higher/ intermediate managerial, administrative and professional) to group E (state pensioners, casual and lowest grade workers, unemployed with state benefits only). This difference was greatest in wave 4, with a difference of 1.3 days active.



DIFFERENCES BETWEEN DEMOGRAPHICS: AGE

Activity levels across the three age groups have shown a consistent pattern in all seven waves, with younger age groups having a higher average of days active than the oldest group (55+). At wave 4 the difference between the youngest and oldest groups was 0.5 days.

	W1	W2	W3	W4	W5	W6	W7
16-34	3.4	3.4	3.5	3.4	3.3	3.4	3.5
35-54	3.3	3.2	3.1	3.3	3.4	3.3	3.4
55+	2.9	3.1	3.2	2.9	3.2	3.1	3.1

URBAN VS RURAL

Those from rural areas are doing more activity on average than those living in urban areas. This is the case across all waves of surveying.

	W1	W2	W3	W4	W5	W6	W7
	3.1	3.2	3.1	3.1	3.2	3.2	3.3
	3.5	3.3	3.6	3.5	3.4	3.4	3.5

ACTIVITY TYPES

The survey explores the different types of exercise people are taking part in. Across all seven waves, **walking** is the most popular activity, with almost two thirds of respondents taking part in this in each wave. The percentage of people who are walking is also increasing as the waves progress. **Home workouts**, both online and offline, are also proving popular with around one fifth of respondents taking part in these. There has been consistent increases in the percentage of respondents who are **cycling**, with this having doubled from 8% of respondents to 16% across the seven waves. In terms of which online resources are being used, additional detail from wave 3 showed **YouTube** to be by far the most frequently accessed resource, with 73% of all online users having accessed this, followed by 19% for Facebook and Instagram.

Which, if any, of the following physical activities have you done in the past week?

	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	Wave 6	Wave 7
Walking	59%	59%	60%	61%	61%	63%	65%
Home Workout: Offline	24%	22%	22%	19%	22%	19%	21%
Home Workout: Online	23%	21%	19%	20%	22%	21%	21%
Running/ Jogging	18%	16%	19%	20%	19%	19%	20%
Informal exercise	14%	15%	16%	15%	16%	15%	14%
Cycling	8%	10%	12%	11%	13%	13%	16%
Other	5%	8%	6%	5%	6%	5%	6%

On which, if any, digital platforms or websites have you found these home workouts?

WAVE 3	
YouTube	73%
Facebook	19%
Instagram	19%
Gym website	9%
ukactive website	8%
Twitter	6%
Sport England website	4%

REGIONAL DIFFERENCES

The tables below show the regional participation in three of the most popular activity types across the waves. There are a number of regional differences in how people are choosing to exercise during this time. Some of the most noticeable include the relative lack of people choosing to walk in London, with the lowest percentage in each wave. This is countered by the high percentages in East England in early waves, with this region having the biggest percentage of walkers in wave 1-3, reaching 71% in wave 3. Despite this, there is an appetite for running/ jogging in London, with this region having the highest percentage of participation across all waves. London also had the highest percentage of respondents taking part in online home workouts in waves 2-7, reaching a high of 32% in wave 2. Whilst these figures provide some interesting trends, they should be interpreted with caution as the sample size decreases when respondents are split between their relative regions.

	WALKING						
	W1	W2	W3	W4	W5	W6	W7
North East	62%	61%	61%	57%	64%	64%	66%
North West	62%	62%	58%	62%	59%	65%	68%
Yorkshire & the Humber	60%	58%	63%	64%	61%	61%	71%
West Midlands	59%	52%	53%	62%	63%	65%	65%
East Midlands	58%	63%	56%	61%	62%	70%	68%
East of England	69%	65%	71%	59%	62%	62%	61%
London	46%	51%	51%	52%	54%	55%	58%
South East	59%	59%	66%	66%	61%	68%	68%
South West	66%	64%	60%	65%	64%	62%	68%

	HOME (ONLINE)						
	W1	W2	W3	W4	W5	W6	W7
North East	35%	19%	18%	14%	29%	14%	17%
North West	27%	19%	17%	18%	18%	23%	17%
Yorkshire & the Humber	16%	15%	15%	14%	16%	19%	21%
West Midlands	21%	21%	19%	16%	19%	22%	23%
East Midlands	13%	18%	19%	22%	22%	21%	18%
East of England	22%	16%	17%	18%	20%	15%	18%
London	30%	32%	26%	27%	31%	29%	29%
South East	22%	20%	17%	24%	24%	20%	23%
South West	20%	20%	18%	16%	19%	16%	19%

	RUNNING						
	W1	W2	W3	W4	W5	W6	W7
North East	23%	14%	10%	23%	18%	14%	16%
North West	16%	15%	15%	20%	15%	17%	19%
Yorkshire & the Humber	19%	11%	14%	17%	14%	13%	16%
West Midlands	16%	14%	22%	15%	18%	23%	20%
East Midlands	14%	16%	19%	18%	16%	17%	13%
East of England	17%	9%	14%	15%	14%	15%	16%
London	23%	28%	31%	30%	31%	26%	30%
South East	15%	14%	15%	19%	18%	17%	21%
South West	16%	13%	20%	17%	19%	19%	22%

PART THREE: POST LOCKDOWN REOPENING THE SECTOR

On 12th May 2020, the UK Government issued its COVID-19 recovery strategy, which set out a plan to rebuild the UK for a world with COVID-19. As part of this plan, three steps were identified to demonstrate how social distancing measures are likely to be amended in the short term.

STEP ONE — **from Wednesday 13th May**

Encouraged all workers who were not able to work from home to travel to work if their workplace is open. Among other measures, the plan also advised that people could exercise as many times each day as they wish, while observing social distancing guidance.

STEP TWO — **no earlier than Monday 1st June**

Assumes a phased return for early years settings and schools, as well as opening of non-essential retail. In addition, it may permit cultural and sporting events to take place behind closed doors for broadcast, while avoiding the risk of large-scale social contact .

STEP THREE — **no earlier than Saturday 4th July**

May allow for the opening of personal care, hospitality, public places and leisure facilities, all of which will need to meet the COVID-19 Secure guidelines.

It is noted that, at the time of writing, step three does not clarify whether 'leisure facilities' includes sport and physical activity facilities such as gyms, leisure centres, swimming pools and other relevant indoor sports facilities. However, ukactive is committed to engaging with Sport England, DCMS and the UK Government to demonstrate that our sector is able to operate safely and effectively, and that it is vital to the long-term health and wellbeing of the country.

ASSUMPTIONS FOR MODELLING

For modelling purposes this paper will assume the re-opening of indoor sport and physical activity facilities on 4th July and all future projections will be calculated from this point. To address the current uncertainty, ukactive and 4global, supported by DataHub, will continue to update future projections, all of which will be available here. These will be updated on a regular basis and will reflect any changes to the UK Governments strategy, as well as observed changes in customer behaviour, collected through ukactive members from across the country.

ANALYSIS PROCESS

The analysis process and subsequent modelling outputs included in this paper reflect the position of the sector at a single point in time. There are also a number of specific factors and parameters that ensure the position may be different for operators at a local level to the national picture.

These include but are not limited to:

- **Operational model of specific facilities and organisations**
- **Demographic and mosaic profile of the customer base**
- **Local competition within the catchment, including a change in the local market driven by COVID-19.**

There will also be external influences and factors that change over time, which will have an impact on the outcome of ongoing modelling and projections. These include but are not limited to:

- **Changes in facility restrictions imposed by the UK Government or Local Government**
- **The potential of a 'second peak' of COVID-19**
- **The changing nature of customer confidence, linked to both external events and the changing nature of the pandemic**

COVID-19 is undoubtedly going to have an unparalleled impact on society as a whole, with many sectors and industries facing a future that is markedly different to life prior to the pandemic. In order to understand the impact on the sport and physical activity sector, we have considered the new external influences in two key areas; 'top-down' restrictions on the ability of the sector to recover and 'bottom-up' changes in consumer demand.

TOP-DOWN RESTRICTIONS
on the ability of the sector to recover. These are unavoidable constraints caused by social distancing measures and precautions, to ensure the safety and wellbeing of customers and staff within our industry.

Projected "performance level" of the sector

BOTTOM UP CHANGES IN DEMAND
based on changes in consumer behaviour caused by COVID-19. Likely to include a reduction in consumer confidence, caused by a combination of safety concerns, alternative fitness options and financial constraints.

TOP DOWN RESTRICTIONS

Based on consultation with the sector we have identified four key restrictions that, if they are implemented as part of the re-opening strategy, will have a significant impact on the capacity of the sector and the return to sustainability. These restrictions are as follows:

RESTRICTIONS

- **Capacity reduction**
  50% reduction in capacity of all facility types, to allow suitable social distancing measures to be implemented. This has been calculated using the maximum current capacity of each facility type at any one time and includes measures such as removing every other piece of cardio equipment from usage.

- **Swimming restriction**
  No swimming lessons, primarily due to the high concurrent demand on changing facilities.

- **Activity restriction**
  No team sports, including football, hockey, cricket, rugby, to be played within leisure facilities.

- **User restriction**
  No access to users aged 70 and over.

BOTTOM UP CHANGES

As identified in previous sections of this report, COVID-19 has caused a significant shift in people's attitudes towards sport and physical activity. These have been caused not only by a necessity for people to exercise indoors, but also by changes in life circumstances and new external pressures. the value generated by facilities and the 'traditional' sport and physical activity sector has been evidenced time and time again. Research such as Physical Activity- A Social Solution- demonstrates that there will always be a place for facilities and infrastructure.

Furthermore, COVID-19 has undoubtedly sharpened the focus of the public, politicians and industry, in terms of the importance of being fit and healthy. With the Prime Minister vowing to tackle obesity, reportedly catalysed by his own experiences tackling COVID-19 in intensive care, the importance of physical activity is likely to be under the spotlight in the coming weeks and months.

CONSUMER CONFIDENCE

While the long-term trend may be upwards, the impact of COVID-19 on our sector in the short and medium term is undeniable and, in many cases, unavoidable. Much of this impact is likely to be caused by a reduction in consumer confidence, especially in the levels of comfort that participants will have in visiting an indoor facility. Furthermore, insight from across industries has highlighted changing spending patterns and a reduction in disposable income due to redundancies or through the furlough scheme. A key area in which reducing consumer confidence is likely to impact the performance of the sector is the cancellation of monthly memberships. While the vast majority of operators instigated an immediate freeze on direct debit membership payments, the sector saw cancellation rates of between 15% and 23%. Currently, it is not known whether members will continue to cancel following the removal of restrictions, nor the impact on membership figures from the growth of online content and usage, however the model will be updated based on these parameters, as further data becomes available.

The key inputs used within the sector projections are driven by industry data and the latest available information on consumer confidence. These are summarised below:

Starting point of the curve at the point of re-opening: This changes by facility type, with a sector average of 41%. This is based on customer confidence survey data that identifies immediate potential return rate, adapted for specific facility types.

Growth rate of the curve following re-opening: This curve is generated using logistic mathematics, which is influenced by the change in consumer confidence that has been quantified during lock-down, alongside projections for how this will accelerate after re-opening. The modelling demonstrates how the resilience curve will be impacted by top-down facility restrictions.

Saturation point: This identifies the point that the curve stops growing at a meaningful rate, which takes into consideration member survey data that quantifies the expected number of members that will return to the facility over the analysis period, as well as potential new entrants into the market.

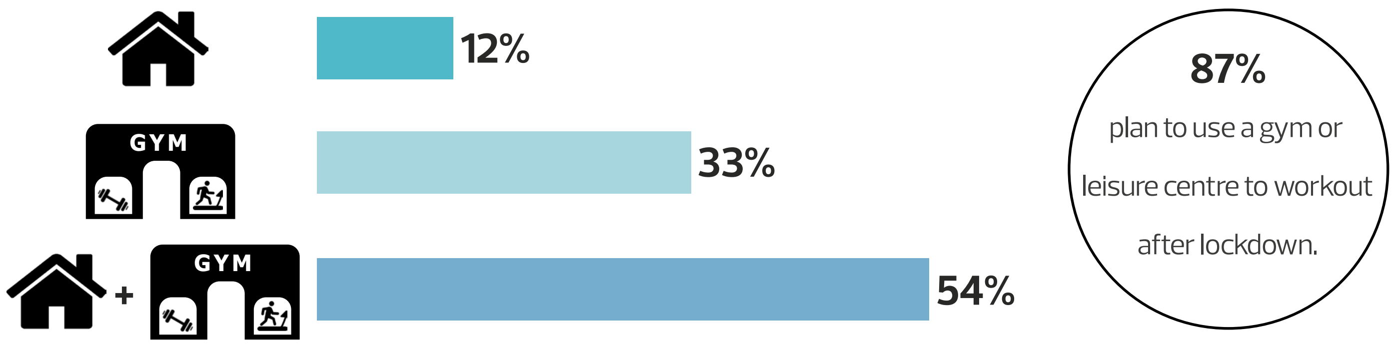
YOUGOV SURVEY

One of the first published data sets from consumer confidence surveys came from a YouGov poll which was undertaken on April 20th-21st, about a month after the start of lockdown. The results from these suggested that the confidence level for returning to gym environments was low, with **30%** of those who used gyms (a sample of 866) saying they would be **comfortable** ('very comfortable' or 'fairly comfortable') with visiting once restrictions were lifted. This was on a comparable level to restaurants (37% comfortable), pubs (32% comfortable) and coffee shops (36% comfortable). Although subsequent surveys and data gathering have indicated a higher level of confidence to this, it is important to consider that the reopening of facilities will need to be accompanied by a range of measures to reassure members that health and safety is of top priority.

TA6 ALLIANCE LEISURE SURVEY

TA6 powered by Alliance Leisure work with leisure operators across the UK to improve the health and wellbeing of their customers, develop sustainable revenue streams and invest in the development of the workforce. Their National Fitness Survey conducted between 20th – 29th April gathered responses from over **4,000 members of the public** on their exercise habits both during and post lockdown. The key results relating to consumers making a return to facilities when lockdown is lifted are below; encouragingly 87% of respondents plan to use a gym or leisure facility to workout once lockdown has ended, either on it's own or in combination with working out at home.

After lockdown where do you plan to workout?



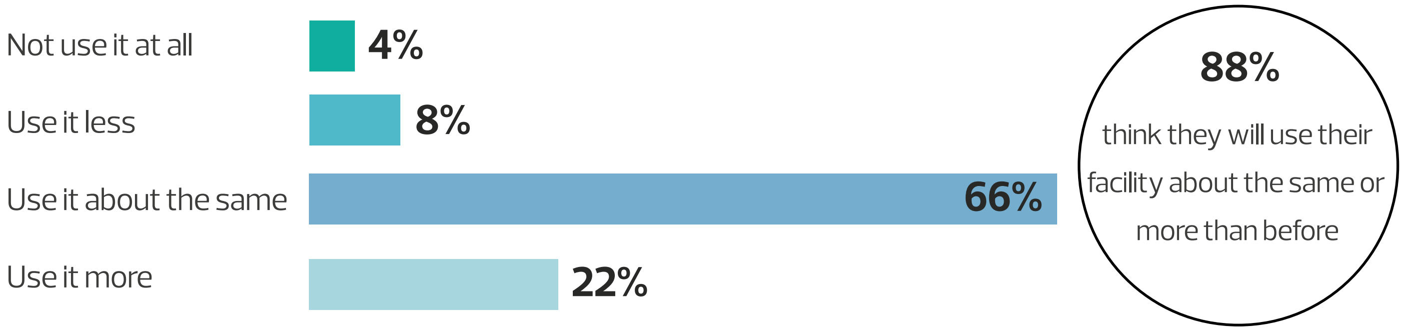
After lockdown do you think you would join a fitness membership?

35% of those who were not already members of a facility said they would consider buying a fitness membership.

LEISURE-NET SURVEY

Leisure-net, in partnership with 4global and Max Associates, created a customer attitude survey via the DataHub to understand how members were exercising whilst their facilities were closed, and how they intended to exercise once lockdown had been lifted. The survey was live during May and received over **60,000 responses across 43 different operators**.

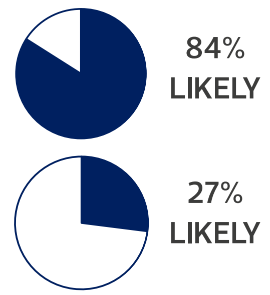
When your leisure/sports centre reopens, do you think you will...



SPORT ENGLAND & SAVANTA COMRES DATA

In the fifth wave of Savanta ComRes surveying, a question on intention to return to facilities where individuals currently, or previously, held a membership was included. The results from these showed a high percentage of those who had a current membership intended to resume this when the opportunity arose, with a sizeable portion of those who had not held a membership this year likely to take one up. There has been a drop in the percentage of respondents who answered 'strongly agree' or 'tend to agree' to the statement 'I worry about leaving my home to exercise or to be active', with this figure falling during each wave of questioning. This could suggest that the public are beginning to regain confidence in leaving the relative safety of their home environment to exercise further afield.

MEMBERS (319)	Once your gym(s) or leisure centre(s) re-opens, how likely or unlikely are you to continue with your membership?	84% LIKELY
NON- MEMBERS (1,690)	Once gyms and leisure centres are allowed to re-open, how likely or unlikely are you to take out a membership to join one?	27% LIKELY



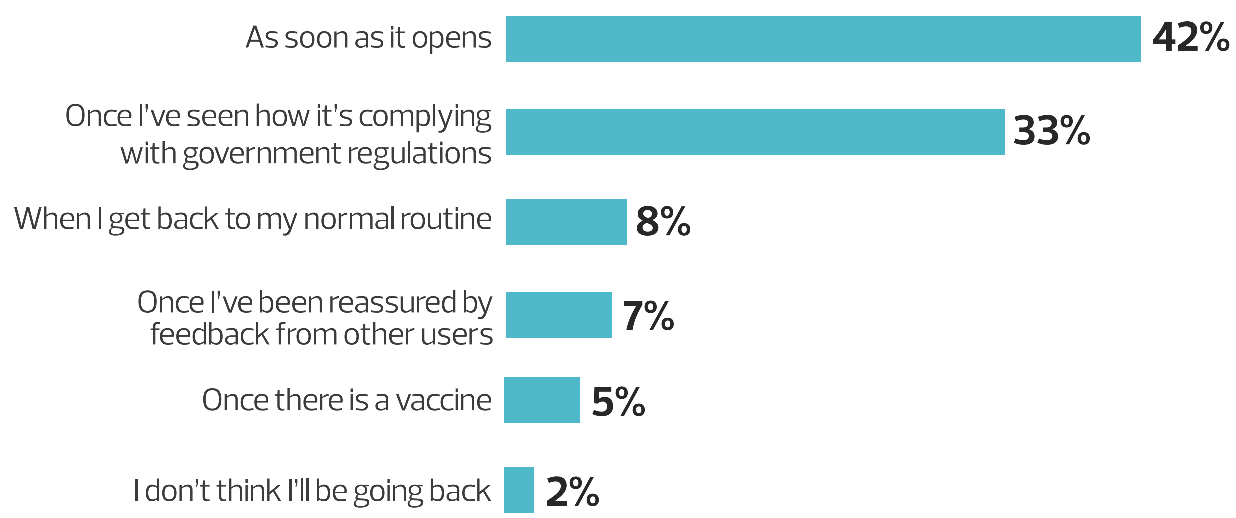
"I worry about leaving my home to exercise or to be active"

Strongly Agree or Tend to Agree: 60% → 60% → 56% → 50% → 49% → 47% → 43%

MYCUSTOMERLENS SURVEY

MyCustomerLens created a survey to understand opinions on returning to the gym or leisure centre environment. This included an indication of when people would return. The survey received over **4,700 responses**.

How quickly are members likely to return to their gym / leisure centre?



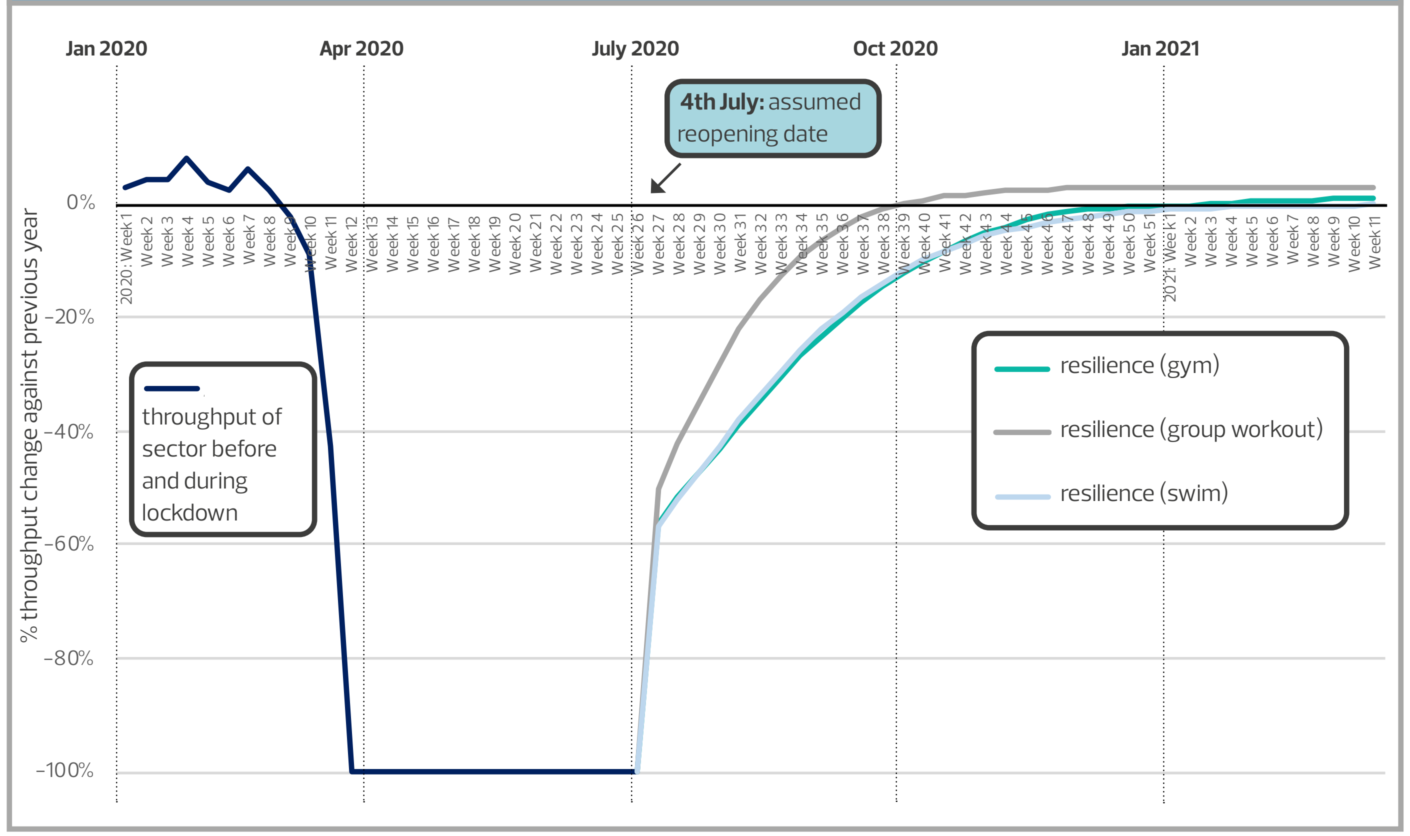
SECTOR RECOVERY PROJECTIONS

The graphs that follow show potential recovery routes for facilities based on sector averages. Individual facility types differ, and these scenarios assume that operators do not take any additional action, either to build consumer confidence or to repurpose facilities to better fit the restrictions that are in place.

GROWTH CURVES: WITHOUT TOP DOWN RESTRICTIONS

The growth curves used are formed using logistic mathematics, tailored using a range of data sources to predict the recovery of the sport and leisure market. The initial phase shows an exponential recovery from the lockdown period which then slows to incremental growth as time progresses. The data sets identified in the previous section combine to inform the speed of recovery, growth rate and the point at which the market growth matures and slows. We have utilised data on customer confidence, combined with data from industry-specific research projects to develop a 'resilience' curve that models the recovery of the sector, before any restrictions are considered. The graph below maps the throughput of the sector before and during lockdown (dark blue). Following the assumed opening date of July 4th, the green, grey and light blue curves show the resilience of gym, group workout and swimming respectively. The curve shows that following an initial sharp increase, the recovery of the three key facility types continue to increase at differing rates, with group workout increasing at a higher rate than the other facility types. The Y axis shows the percentage change throughput of the sector, against the same point in the previous year.

THROUGHPUT OF SECTOR AND RESILIENCE CURVES: NO RESTRICTIONS



GROWTH CURVES: CONSIDERING THE IMPACT OF RESTRICTIONS ON SECTOR RECOVERY

While the resilience modelling projects that the sector will have a steep initial recovery, followed by a slower growth curve, we have also applied the top-down restrictions to the growth model to identify what impact this is likely to have. Depending on when the restrictions are lifted (2, 3 or 6 months), the sector is expected to have a slowed rate of growth while the restrictions are in place. This is due to a combination of capacity restrictions and the deduction of large groups of participants from expected visitor members. At each of the three scenarios (2, 3 or 6 months), demand is projected to climb up sharply, however this increase will be greater as time goes on and consumer confidence continues to grow across society.

>> On average, visits to leisure facilities were expected to grow by 5.7% in 2020, compared with 2019.

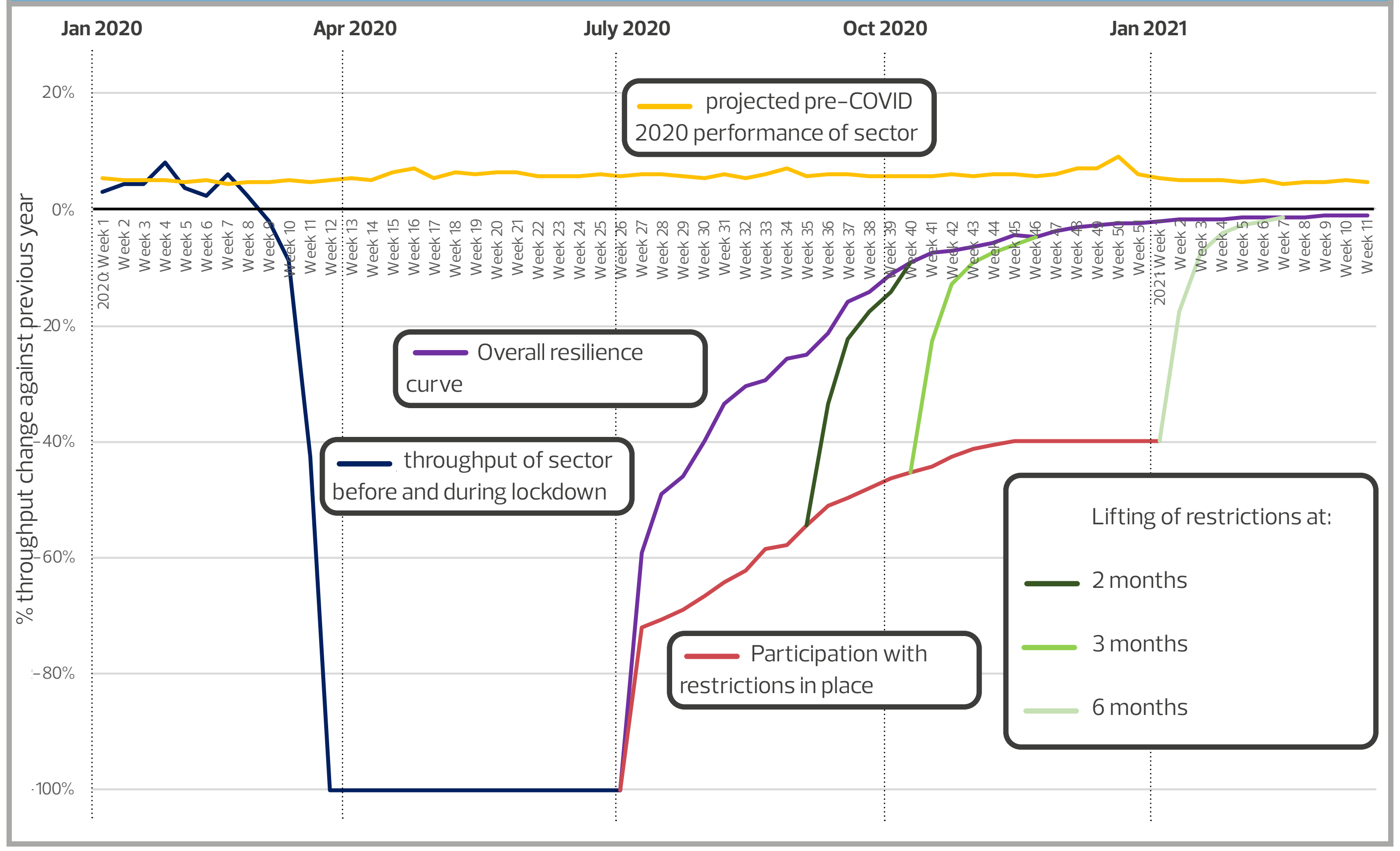
>> The purple resilience curve shows that without restrictions in place, at week 1 2021 the sector would stop growing and participation would have recovered to -2% of the previous years throughput.

>> With restrictions in place for 2 or 3 months, the participation curves would join the resilience curve at week 41 and 47 respectively.

>> With a 6 month restriction this would happen at week 8 2021. In this scenario capacity would be reached at week 45 2020.

>> In the week of reopening (July 4th, week 27), throughput starts at -59% compared to 2019 (without restrictions)

THROUGHPUT OF SECTOR AND RESILIENCE CURVES: RESTRICTIONS FOR 2, 3 AND 6 MONTHS



GROWTH CURVES: BY FACILITY TYPE

Health and fitness facility analysis

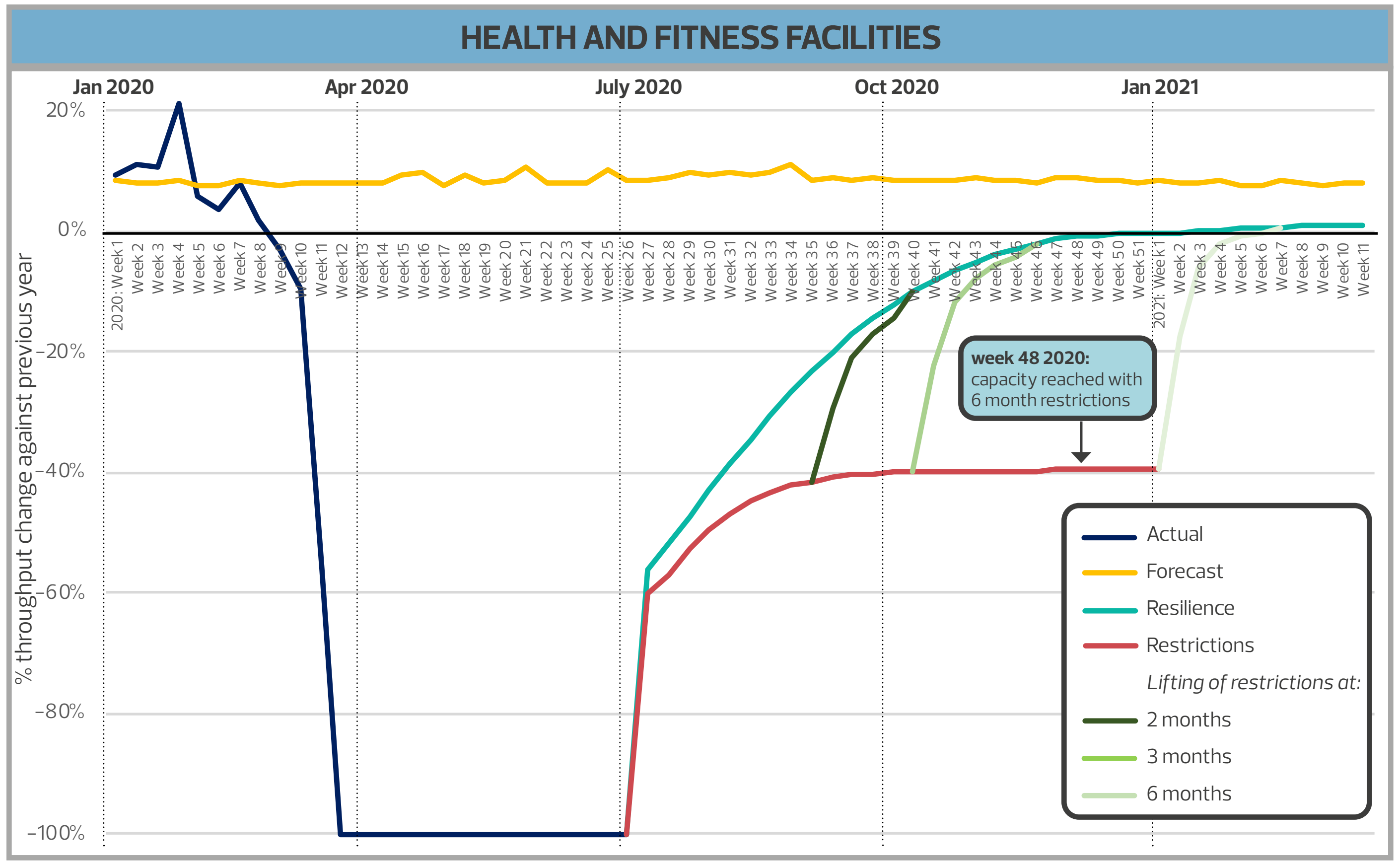
The health and fitness facilities, including cardio equipment rooms, free weight rooms and functional exercise rooms, are projected to be less resilient than group fitness, largely due to the profile of users and the lower consumer confidence expected in areas that are more difficult to clean and enforce social distancing. In the 4–6 weeks following the opening, restrictions are expected to have limited impact on the growth of demand for this facility type, however the two lines diverge as customer confidence grows and capacity of facilities is reached.

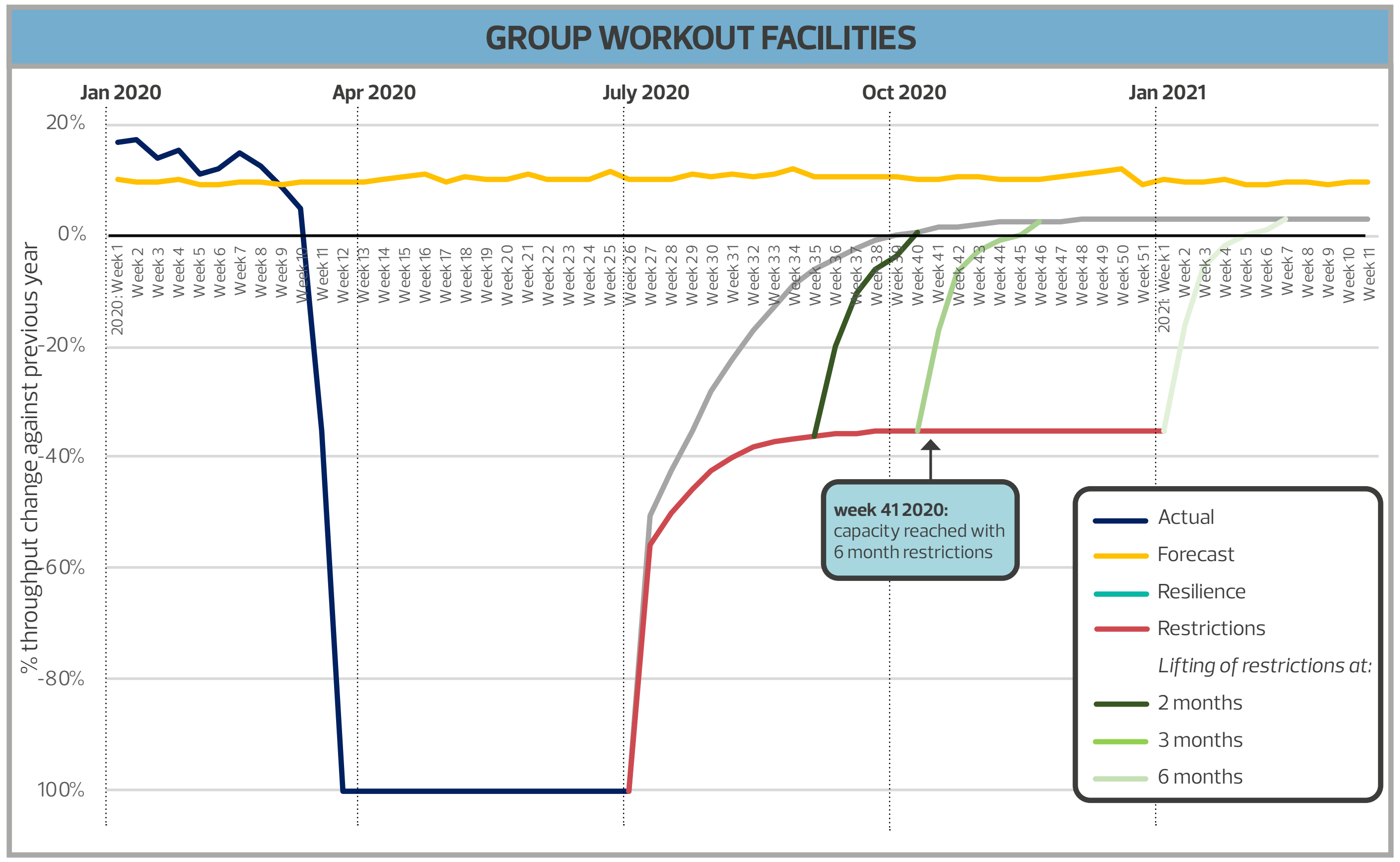
Group workout facility analysis

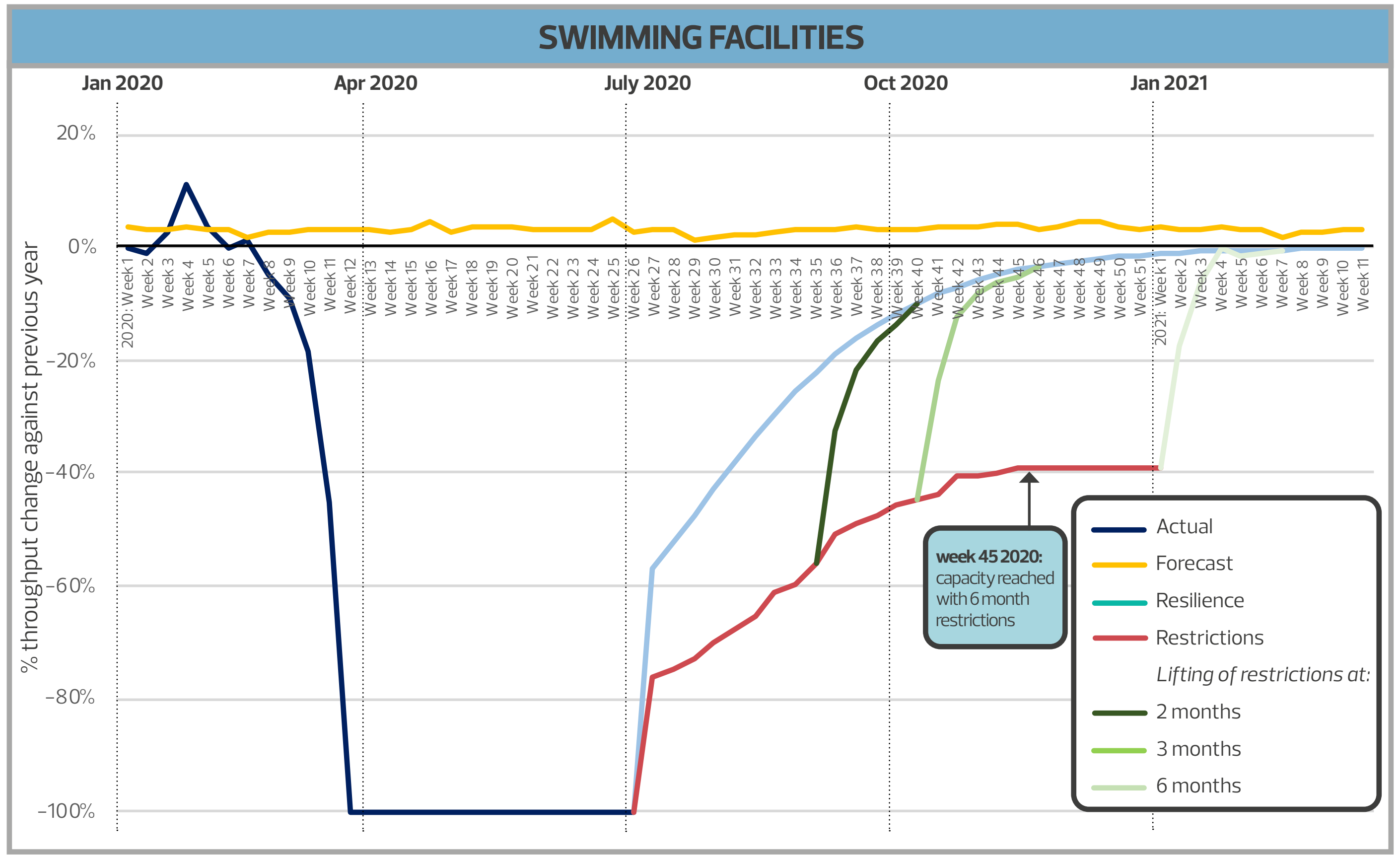
Group exercise studios are expected to be the most resilient of all the facility types within leisure centres and gyms, largely due to the young average age of participants. The steep growth curve also reflects customer confidence data, which is expected to be driven by a clearer understanding of social distancing and cleaning processes within studio facilities.

Swimming facility analysis

The impact of the facility restrictions on the growth of swimming demand is projected to be significant, largely due to the removal of swimming lessons but also due to the restriction of participants aged over 70, who are heavy users of pool space. Taking restrictions into consideration, the growth of demand for pool facilities is projected to be slower than other major facility types.







IMPACT ON THE SECTOR

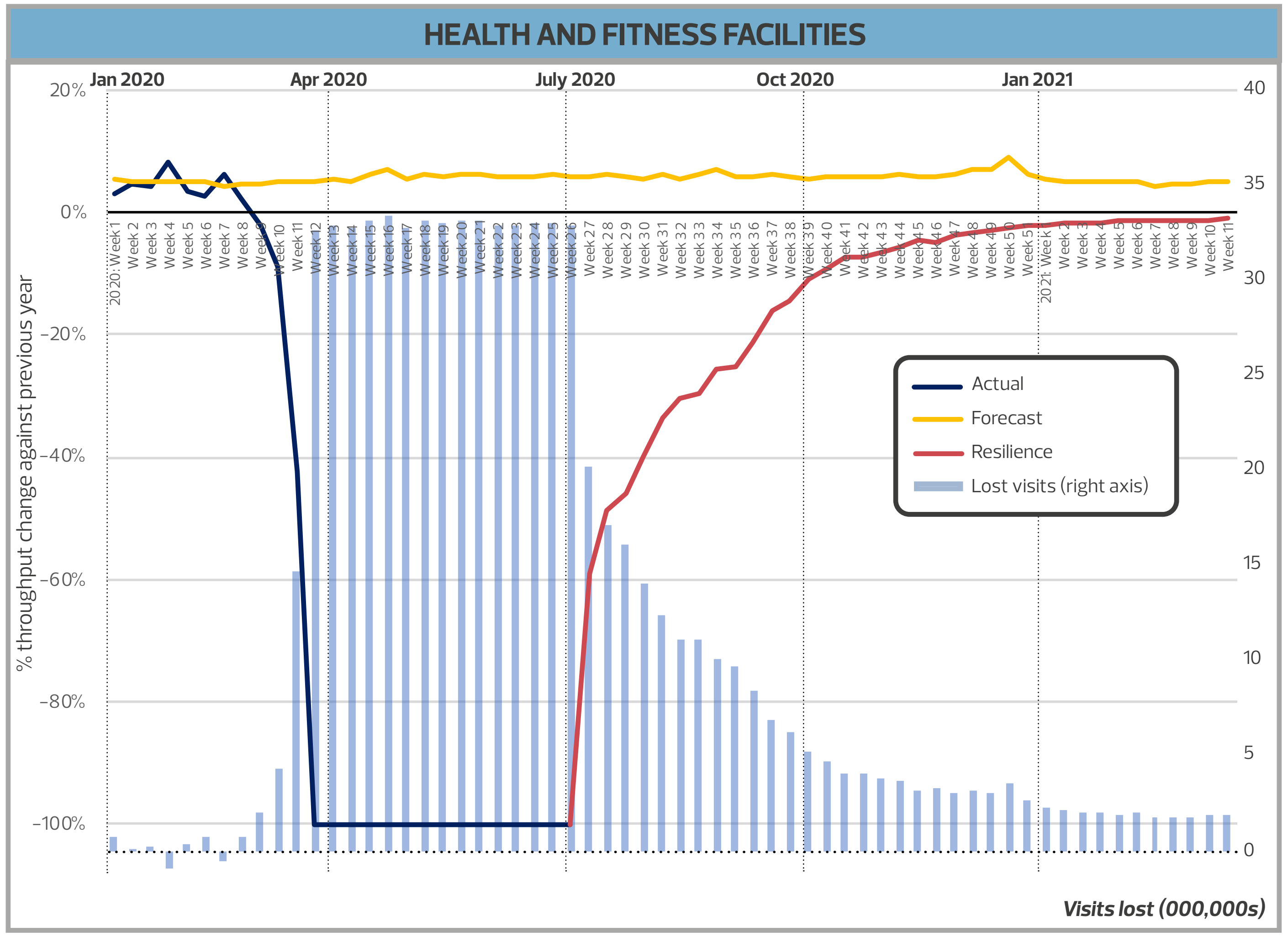
The total impact on the sector of COVID-19 is projected to be extreme. Mapped against the projected growth curve (without restrictions), the bar chart shows the total loss of visits to leisure centre, gyms and fitness facilities in 2020, compared with the projection for the year. Overall, it is predicted that there will be 707,266,931 less visits to facilities in the full year following lockdown than the projected figure. To evaluate the impact of the growth curve not meeting the 2020 sector projection by the end of the 12-month period, there is expected to be 1,034,268 fewer people using facilities in week 11 of 2021 than would be expected. This assumes no restrictions are in place.

>> In week 11 2021, one year after lockdown, the projected number of lost visits in that week against a forecast without COVID-19, is 1.8 million.

>> These visits would come from a projected 1.0 million users.

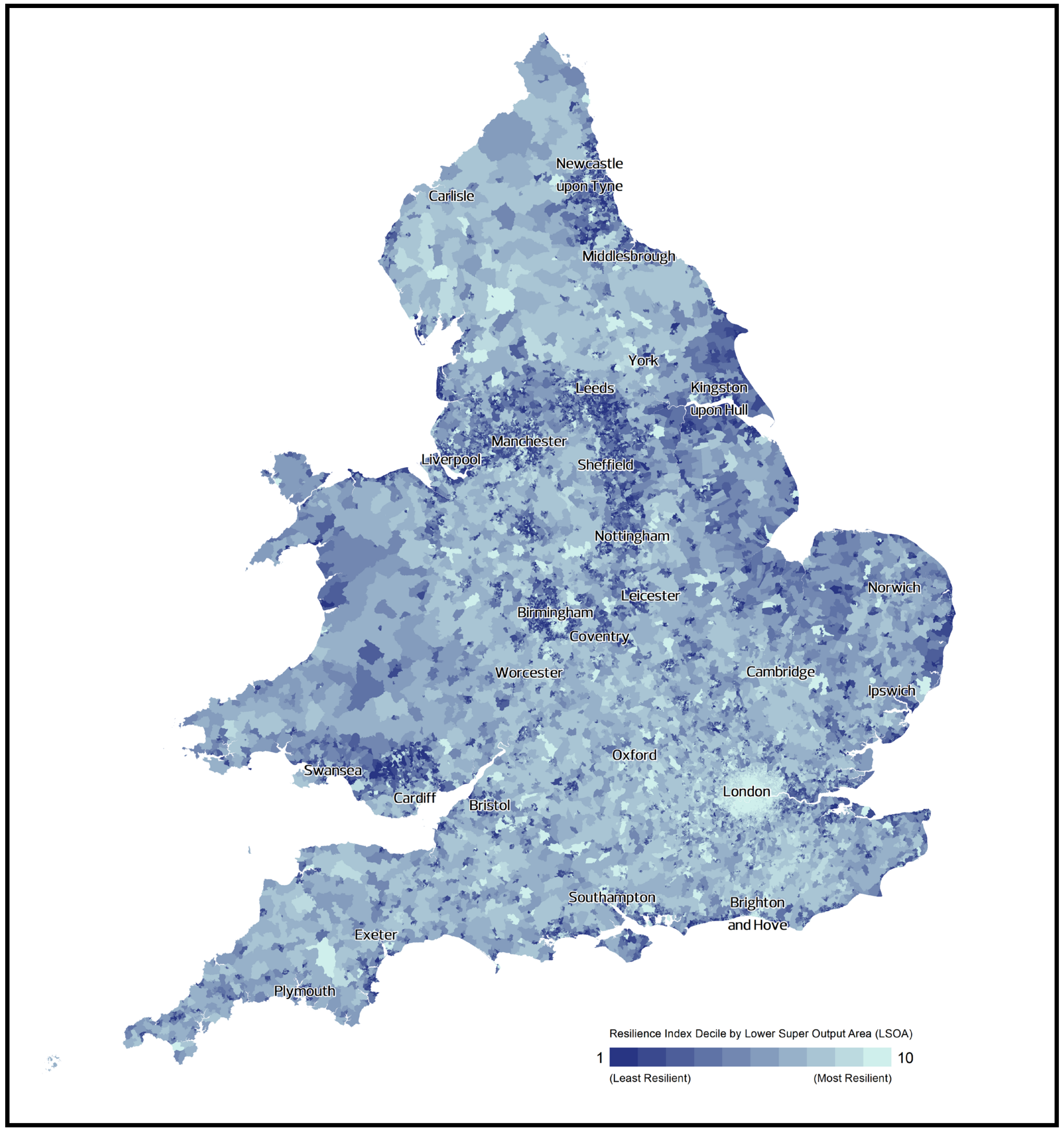
>> Across a full year following lockdown (until week 11 2021), there is a projected loss of over 700 million visits

>> These visits would come from a projected 390 million users.



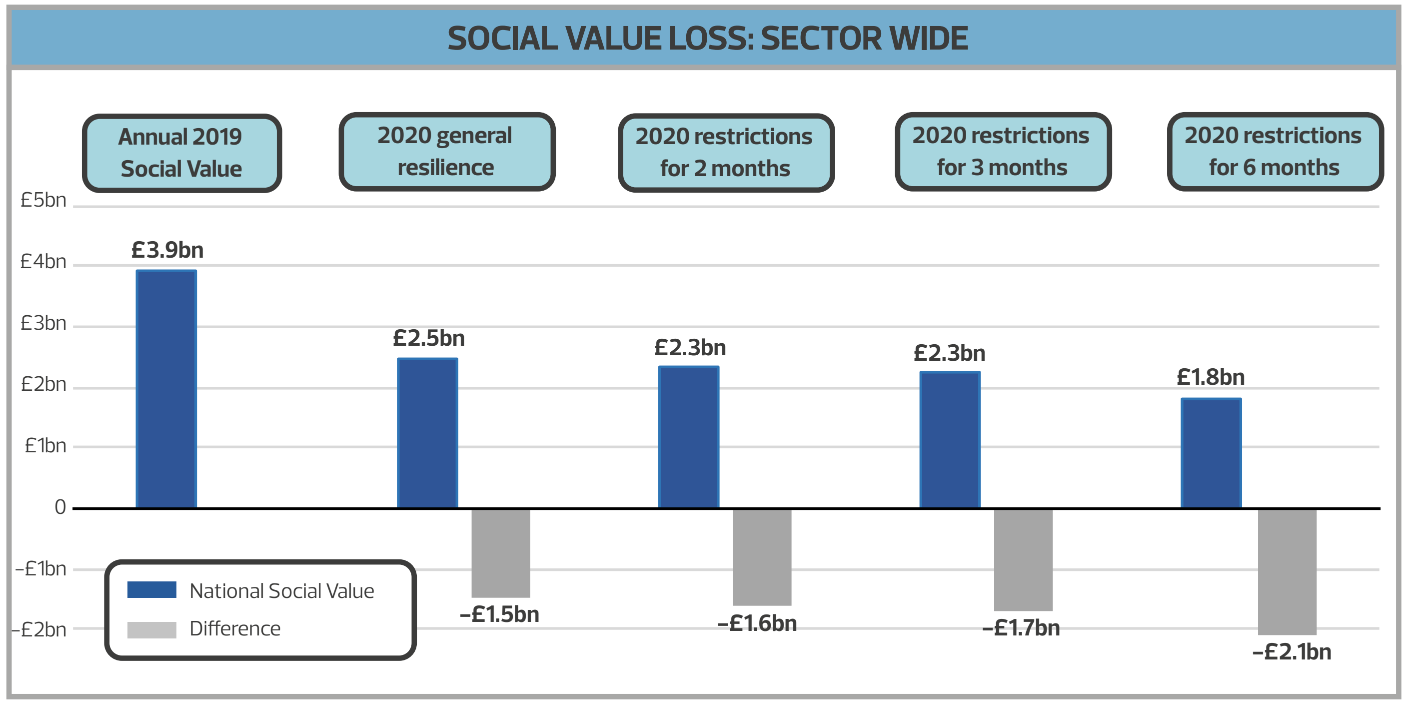
IMPACT ON DIFFERENT GEOGRAPHIES

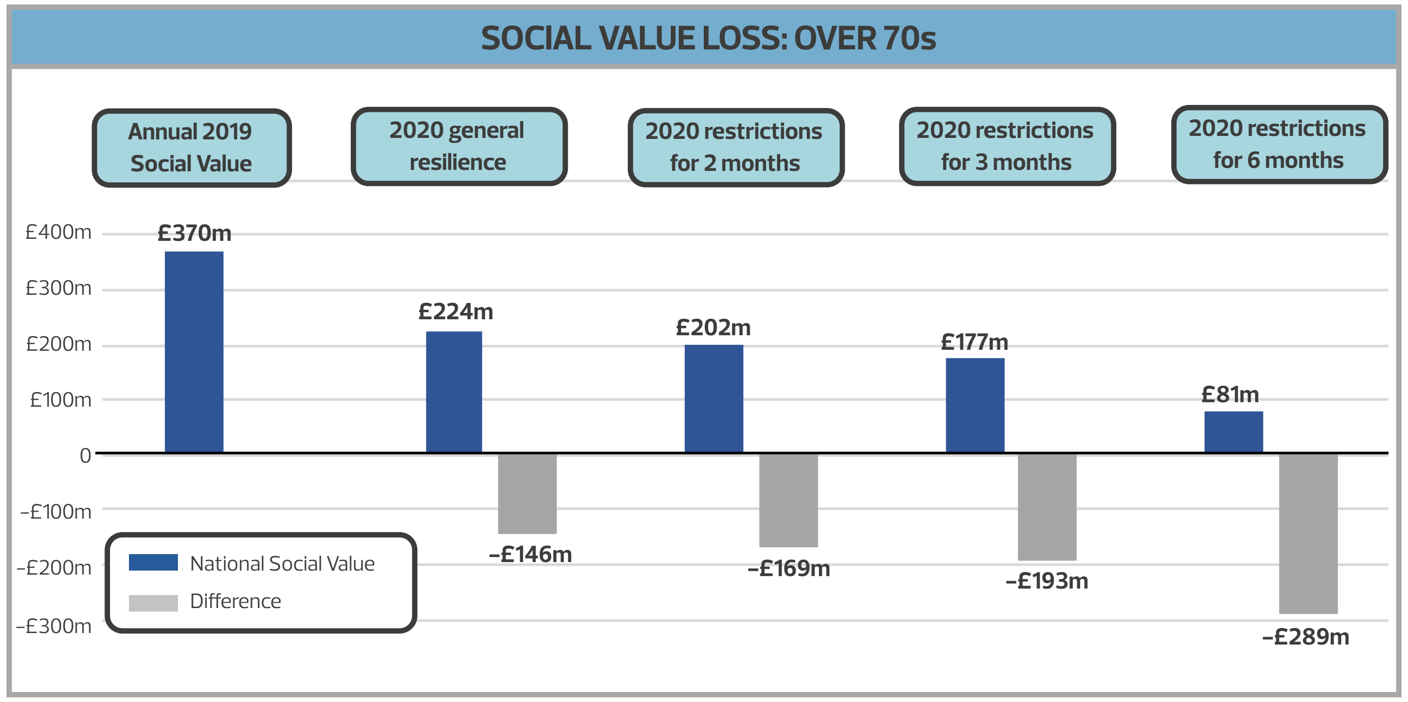
A spatial impact analysis indicates not all parts of the country will be impacted equally by COVID-19, with the discrepancies likely to be driven by the demographic profile, age and deprivation of the local population. The map illustrates the areas (identified by the darker colours) that are likely to see the greatest negative impact, in terms of throughput at relevant facilities. A snapshot of this analysis has been taken at week 35 of 2020, however a dynamic map will be available for further analysis here.



SOCIAL VALUE

COVID-19 will have a huge impact on the ability of the sector to improve the health and wellbeing of the nation. The total social value of the sector in 2019, as calculated using the DataHub's Social Value Calculator, was almost £4 billion, of which £370,000 was generated by those over the age of 70. Depending on the amount of time that COVID-19 restrictions are in place for, the projected reduction in social value generated by the sector is significant, with over £2 billion lost as a worst case scenario, £289 million of which will be as a result of restrictions placed upon participants aged over 70. For more information on the DataHub's Social Value Calculator please visit here.





KEY STATS

FORECAST

Without COVID-19, the forecast growth in participation for 2020: **5.7%**

SECTOR GROWTH

If no restrictions were in place, the point at which the sector will stop growing (participation curve would flatten): **Week 1 2021 (25 weeks after reopening)**

POINT OF REOPENING

Percentage of throughout compared to 2019 at start point of recovery (July 4th): **-59%**

GYM CAPACITY

Under restrictions for 6 months, the point at which gym will reach capacity: **Week 48 2020 (21 weeks after reopening)**

GROUP WORKOUT CAPACITY

Under restrictions for 6 months, the point at which group workout will reach capacity: **Week 41 2020 (14 weeks after reopening)**

SWIM CAPACITY

Under restrictions for 6 months, the point at which swim will reach capacity: **Week 45 2020 (18 weeks after reopening)**

LOST VISITS

Total number of lost visits projected in the year following the start of lockdown : **707 million.** Reduction in number of people using facilities in the last week of the analysis period (2021 Week 11), than projected without COVID-19: **1.0 million**

SOCIAL VALUE

Expected annual social value of the sector if COVID-19 hadn't happened: **£3.9 billion**

Projected loss of social value, as a result of COVID-19 if restrictions last 6 months: **£2.1 billion**

A CALL TO ACTION

An upward trend limited by restrictions

The modelling has projected that as facilities are able to reopen under a set of potential operating restrictions, there will initially be a sharp upwards rise in participation as the first wave of members return. Following this initial sharp increase, participation will be capped by the potential restrictions which are applied to facilities. Consumer confidence in returning to gyms and leisure centres will continue to rise even whilst restrictions are in place and suppressing capacity, with the result that as restrictions are lifted- either at 2, 3 or 6 months- demand will rise quickly at this point. The longer the restrictions are in place, the quicker this recovery will be as consumer confidence continues to grow over time. However, the longer the restrictions are in place, the greater the number of projected lost visits, as full capacity will be reached if restrictions are in place for 6 months.

Encouraging and enabling customer confidence

In the coming days, weeks and months, as a sector we can continue to ensure we are fully ready, prepared and safely equipped to welcome members back to facilities once restrictions are lifted. As some international markets across the world start to reopen we can monitor and learn from what happens there. In terms of consumer confidence we can continue to explore what measures will make members and visitors feel comfortable in coming back to facilities. Operators can capitalise on this knowledge to get ahead of the curve, and ensure their customer base feels mobilised, confident, and enthusiastic about returning. The resilience curves used in this report are an overview for the entire sector, and the exact rate at which members return will be unique to each facility. This can be influenced through understanding customer needs and ensuring the correct provision is made for these.

Re-purposing facilities and finding new efficiencies

Further planning can be undertaken to ensure that, within the constraints of restrictions that are applied, the resources and space available at facilities is used to their full potential. Whilst traditional sports hall activities such as football or netball are not likely to be possible at first, the space offered by a sports hall may make an ideal alternative location for group exercise classes, allowing extra capacity for social distancing outside studio spaces.

Understanding the impact on society

In total lost visits are projected to reach over 700 million in the full year following lockdown (week 12 2020- week 11 2021). This is calculated based on a scenario without any restrictions in place. These lost visits will contribute to the deficit in social value generated by facilities across the sector. Under a full 6 month restriction length, the projected loss of social value would be £2.1 billion. The enormity of this figure serves to highlight the importance of the critical role that these facilities provide. This goes beyond the obvious physical and mental wellbeing effects of exercise to the individual; and extends to providing wider societal benefits through health care, education, wellbeing and crime cost savings to local communities.

Attracting a new member base

Further considerations which will emerge over time relate to how visit behaviour will differ once centres are reopened. With the majority of the workforce likely to be working from home, will the traditional peaks that have been seen at lunchtime and after the nine to five working day still exist, or will demand now be spread more evenly throughout the day to reflect flexible working patterns. Whilst there is potential to encourage new users, who may not have held a gym membership in the past but who have discovered a new penchant for sport and exercise during lockdown, there is also a need to adapt to the changed demands and preferences of members, some of whom will now want a seamless interchange between facility based exercise on some days and exercise at home on others.

Looking forward

Whilst there are still many unknowns about what the gradual reopening of society in the weeks and months ahead will look like, what is clear is the crucial role that the facilities and workforce in the health and fitness sector will have in providing and delivering physical activity to the public. At ukactive we will continue to lobby on the sector's behalf, guided by the latest research and insight, to give the Government the confidence it needs to recognise and support gyms and leisure centres as it further develops its reopening strategy. As part of the ukactive four stage strategy for the safe reopening of the sector- alongside the operator framework, public information campaign and policy support- the key areas of this report will be updated in order to provide the sector with the latest intelligence to guide decision making.

For more information on anything in this report, or to access the online Communities of Learning platform, please get in contact through clientservices@ukactive.org.uk.

For further information on how COVID-19 may impact your specific facility, contract or locality, please contact 4global at research.team@4global.com.

NEXT STEPS

The data and analysis that has been presented here is a snapshot of what is happening at this moment in time, using the information and knowledge that is currently available. There is no blueprint to follow for how the situation will unfold, and the uncertainty around how we will exit lockdown means that new information will emerge over time. Updates to the modelling will be published here.

Once facilities are able to open their doors, it will be important to continue to monitor and track the recovery of the sector. This can be achieved initially through existing business intelligence channels, such as Business Performance Benchmarking, and Moving Communities trends reports. In order to ensure we have a clear live picture of what is happening in the sector, we are reinforcing our call for operators to share their participation data (in an aggregated and anonymised way with the DataHub), and contribute to the sector wide intelligence that we will be producing. This will ensure we have the most thorough and diverse data set possible in order to provide the sector with the most relevant and comprehensive insight.

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