

Fit For Office – ukactive Key Policy messages

‘Fit for Office’ is an annual challenge for Parliamentary Offices, run by **ukactive**, the UK’s trade body for the physical activity sector, and global fitness wearables organisation, **Myzone**.

Ahead of the challenge, ukactive is encouraging members to write to their local MP encouraging them to take part in the Challenge, and to visit a facility in their constituency. Below are some key messages and talking points on some of the policy areas most relevant to the sector, which members can use as a guide during any visit – in addition to your personal experience as a business owner and/or operator.

For further guidance and support, please contact ukactive’s public affairs and policy team at publicaffairs@ukactive.org.uk for more information.

Importance of physical activity

There are currently 2.5 million people of working age that are economically inactive, with long-term sickness costing £13.5bn a year. More than half of these (53%) are reportedly inactive because of a mental health issue (e.g. anxiety, depression, stress), and 945,000 report a physical health issue (such as an MSK condition). These are conditions that can often be attributed to or exacerbated by physical inactivity. They are also conditions that can be prevented or treated with physical activity.

Our sector serves more than 17 million people every year and employs more than 300,000 people across a diverse range of services. Grassroots sport and physical activity save the NHS £9.5bn a year by preventing illness and generate £85bn a year in economic value.

Impact of Autumn Budget

The physical activity sector is facing pressure due to rising costs, including the effects of the pandemic, energy crisis, and ongoing staff recruitment challenges. The Autumn Budget 2024 is introducing further burdens, notably through increased National Insurance Contributions (NIC) and National Living Wage, leading to significant financial strain.

Operators across the sector – public, private, and independent – are being forced to scale back growth plans, delay new facility openings, or cut staffing levels. Some estimate a 10% rise in payroll costs, potentially resulting in a 5% reduction in workforce numbers, equating to hundreds of jobs. The increase in business rates is particularly harmful to smaller, independent businesses, with some forced to reduce staff hours or even reconsider expansion plans, resulting in lost job opportunities.

Additionally, some operators may need to raise prices, which could worsen access barriers to physical activity and exacerbate health inequalities. These financial pressures threaten the vital role our sector plays in driving both health improvements and economic growth. While financial sustainability is crucial, these challenges could undermine our ability to support Government priorities and deliver for the communities we serve.

VAT

The operating landscape for businesses in the physical activity sector is challenging at present. Rising costs and the existing tax and regulatory system are stifling growth in the sector, which in turn has an impact on the nation's health, economic activity and productivity.

Reducing VAT will stimulate the growth of the sector, which will in turn give operators the ability to build more facilities in those areas in need and allow for a more competitive pricing market for consumers. Other countries around Europe have reduced VAT for admission to gyms, pools and leisure centres to increase physical activity participation.

Malta reduced VAT for facilities from 18% to 7% in 2016, with the clear intention of promoting healthy living. Overall, there was a reduction from 72% of people being classed as physically inactive in 2008, to 64% by 2018. Portugal and Czech Republic have followed suit, reducing VAT in 2020.

Ireland also recently reduced its VAT for gyms and leisure centres to 9%, coinciding with a 2% increase in physical activity levels.

The current VAT system particularly impacts independent facilities, with the thresholds creating a lack of incentive for pursuing strategies for growth.

Investing in public leisure

Nearly two thirds of the leisure estate is ageing and past its replacement date. A ukactive survey of Public Sector Leisure providers in May 2024 found that nearly a quarter (24%) of council areas remained at risk of seeing their leisure centres close or reduce services by September 2024, due to ongoing high energy costs and other operational pressures.

Long-term capital investment is required to future proof facilities, enabling them to continue to provide essential services to communities, while saving councils money and reducing their carbon footprint. The Government must publish the strategic Vision for Facilities referenced in the Get Active strategy to provide long-term security for gyms, pools, and leisure centres, particularly in the public sector.

Business rates

ukactive research shows that councils with the highest unit vacancy rates on the high street also consistently score below the national average for key public health indicators, including life expectancy and under-75 mortality for cancer and cardiovascular disease.

The current business rates system does not incentivise investment, with the opaque system providing a lack of long-term security for businesses.

The current threshold of support does not have a substantial impact on large portions of the sector, which have business rate costs above the level of support. With support already changing and set to change again, exacerbating rising operating costs, a permanent reduction in business rates for the sector is urgently needed to provide stability and enable long-term investment in community health and wellbeing.

Supporting the NHS

Grassroots sport and physical activity save the NHS £9.5bn a year by preventing illness and generate £85bn a year in economic value. With waiting lists continuing to rise it is more important than ever that we reduce demand.

We know that regular physical activity has been shown to treat, manage and prevent up to 20 different lifestyle-related conditions, including heart disease, cancers, stroke and diabetes. However, many employees struggle to fit physical activity into their busy working days even though just one hour can offset the potential harm of being inactive.

As well as prevention, facilities are also actively involved in treatment, through programmes such as Prehab4Cancer and MSK hubs, focusing on early intervention and rehabilitation within the community setting. In this way the sector can support the Government to shift healthcare from hospital to community, enhancing outcomes, reducing strain on healthcare resources, and ultimately saving costs for the NHS.

Improving workplace health to enable national growth

In 2017, 1.3 million workers suffered from work-related ill-health, which equated to 25.7 million working days lost. This has been estimated to cost up to £29bn a year for UK business.

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Making physical activity easier and more accessible for people at work, whether in the office or primarily working from home, can have a significant impact on our national productivity and national growth.

Workout from Work

Extending the Cycle to Work scheme to include a wider array of physical activity opportunities and accessories such as fitness trackers and gym memberships to support the health and wellbeing of the working population would be a simple way for Government to incentivise physical activity while ensuring the scheme reflects the post-pandemic ways of working.

A ukactive cost-benefit analysis, conducted before the pandemic, shows it would lead to a surge in activity participation, and savings to HM Treasury of £240m – through reduced NHS costs, improved workplace productivity and reduced premature mortality.