



Covid-19 and the Indoor Climbing Industry An Update From 'Members Hangouts'

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1. FURLOUGH IMPLICATIONS

WHAT IS IT ACCEPTABLE FOR STAFF TO DO IN FURLOUGH?

It seems there has been some ambiguity around what staff are and aren't allowed to do while furloughed and walls and staff are concerned not to break any rules, while enabling staff to contribute where they can if they wish to.

The official guidance is here: <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

'A furloughed employee can take part in volunteer work, if it does not provide services to or generate revenue for, or on behalf of your organisation or a linked or associated organisation.'

TRAINING IN FURLOUGH

Members weren't clear how much training was permitted during furlough. Government advice in fact encourages staff to undertake training:

'Furloughed employees can engage in training, as long as in undertaking the training the employee does not provide services to, or generate revenue for, or on behalf of their organisation or a linked or associated organisation. Furloughed employees should be encouraged to undertake training.'

FURLOUGHING DIRECTORS

A number of members have decided to maximise the scheme by furloughing all directors. Directors are however still able to carry out 'statutory duties'. Official advice is:

'As office holders, salaried company directors are eligible to be furloughed and receive support through this scheme...the board can decide that such directors should be furloughed. Where furloughed directors need to carry out particular duties to fulfil the statutory obligations they owe to their company, they may do so provided they do no more than would reasonably be judged necessary for that purpose, i.e. they should not do work of a kind they would carry out in normal circumstances to generate commercial revenue or provides services to or on behalf of their company.'

For walls these duties might include filing your company accounts, doing finance and keeping on top of cash flow as you are legally required to do. It is also possible to furlough people for a minimum of three weeks and bring them back out which provides some flexibility.

TOPPING UP TO 100%

Some walls are topping up to 100% salary while others aren't. Some are topping up for contracted staff but not for contractors or directors. Others have agreed to top up for April but are not sure after that. One wall was taking a personalised approach, taking into account individual's financial situations based on housing status, dependants and having a frank discussion with staff about if they could get by without the top up or not.

A note was made regards furlough, that the government won't be able to pay indefinitely, so walls will have to make tricky decisions and will need to get ahead of things with notice periods if necessary.

2. CASHFLOW

FORECASTING

Cashflow forecasting has been a major focus for many of our members over the past few weeks and will need constant adjustment as we get more clarity on opening timescales and potential demand/ capacity restrictions on re-opening. We will have more information on this when we have the output from our 'Beyond Corona' working groups – more on this later.

Walls are using a variety of systems to project cashflow. One recommendation was:

[Float](#) – Cashflow forecasting and scenario planning app, giving a 'real-time, visual view of your cash flow'. A member had found it a simple way of doing best and worst-case scenario planning and the visualisations helpful in landlord negotiations.

The chair strongly encourages people to build their cashflow sheets robustly as cashflow is the biggest question we'll face over the next 18 months as we won't be back to business as usual even when reopening.

LOANS & RATES HOLIDAYS

Accessing the government backed loans scheme has met with mixed success.

"Yes, we have taken out a loan to cover those payment periods. As a business we've taken the risk that the government will pay us back."

"For me as a business the furlough & rates holiday is good, loan & rent deferral is pushing it down the line."

"Regards the rates holiday, we were told because it's leisure, even if our building size is over 51k we're still covered."

LANDLORD NEGOTIATIONS

With rent a big cost centre for many walls, landlord negotiations were a key issue. Some landlords, particularly the smaller ones where strong personal relationships exist, have been quite understanding and flexible. Others, particularly the big commercial landlords, have been less so. Nevertheless, many walls have been able to get payment extensions for a couple of months or quarter and are thinking ahead to the next negotiation, furnishing themselves with cashflow predictions etc. In most instances these breaks now would increase repayment down the line.

The general view was that it wasn't in the landlord's interest for walls to go under as they won't be able to rent their space to anyone else right now and it would be hard for them to remove all the climbing gear etc in situ. Advice from some was to play hardball on this one and if landlords are not being understanding to simply write to them and say you're not paying.

[UK Active](#) area also lobbying the government to support gyms/ leisure centres in this area.

3. MANAGING WALL MEMBERS

PAYMENTS: CANCEL, FREEZE OR ASK TO CONTINUE?

Walls have taken a range of approaches re membership payments/ DD's, but many have been able to retain a percentage of membership subscriptions. Some climbers have even taken up membership during lockdown or are double paying.

"If you were on pre-paid, we'd freeze it straight away and unfreeze it when we re-open"

"We sold 10 punch passes just before we closed"

"Direct debits would keep running but people had to apply for freeze request – we put this on social and emailed/ texted everyone to make them aware they had to go in and choose to freeze. It was a tough decision but overwhelmingly we've not had any negative feedback. 40% of our dues went through. After that we were expecting a flood of emails saying 'I didn't know this was happening' but we had just 3 out of 600 people"

SAYING THANKS TO SUPPORTERS

Walls are taking a range of initiatives to thank those supporting them during closure, from throwing a party on re-opening, free pizza/ hot drinks for the first month back to giving them branded hoodies.

"Default option was frozen monthly membership, but if people wanted to keep it going that's great and anyone that kept it going for the first month got a free hoody"

"We'll give them free pizza/ month of hot drinks when we're open. Generally, people have been very willing to support."

CONTENT FOR CLIMBERS

We are looking at pooling our content/ training video resources across the ABC network for walls to share with their members and followers. In the immediate term, please do keep posting content and videos using the ABC's hashtag **#weclimbuk**

Please let Kath know if you have any training/ customer friendly video content you'd be happy to share with the membership to share on social channels for their climber members during lockdown. Sport England are encouraging people to share home workouts on #stayinworkout [Shauna Coxsey](#) has recently launched her YouTube channel posting climber specific workouts you may want to share with your followers.

4. PLANNING FOR RE-OPENING

A COORDINATED PLAN

We talked about reopening and the challenges that might be presented by changed customer mindsets (being concerned about hygiene, virus spread for example) or official regulations about capacity/ social distancing. We acknowledged there has been debate in the media about the particular properties of chalk or climbing holds in relation to spreading the virus (or not). As a direct action from these conversations we have set up the 'Beyond Corona – planning for re-opening' working groups which are pulling together thinking, research and official information at the moment. We are also talking to an international group (including CWA, DAV, Vertical Life and walls in Germany and Holland) to collaborate and share learning. We can learn from those ahead of us on the curve and we feel international consensus could help us if government lobbying is required. We will share a coordinated overview and recommendations from this work in due course.

TIMESCALES

We discussed what timescales walls were looking at and planning for regards re-opening. Clearly this is a changing picture, but walls were talking about a range from "at the very earliest June/ July" to "Aug/ Sept and anything earlier would be better". Since the groups, we have connected with UK Active as there's a strong likelihood that we will fall under the restrictions that are put upon gyms in terms of the timeline and style of openings. UK Active area using their weight to negotiate with the government on behalf of the sector which should benefit walls.

SCALING UP & STAFFING

Most walls feel it is very tricky to predict visitor numbers on reopening:

"When we've spent months being told stay 2m away or someone will die – will habits have changed?"

People are looking at a range of scenarios for their scale up models:

"In our cashflow modelling we're looking at a two month scale up to full budget. 1st month 50%, second month 75%."

"At the moment I'm putting month one at 50% revenue and planning six months to get back to full revenue and might be longer"

"We're predicting being not as busy when we re-open so over the next few weeks we're having a complete root and branch look at our rota and where we can cut cost out of that. There will be difficult decisions over the next few months about making people redundant before we re-open."

"We expect a staged reopening where you keep people on furlough/ skeleton crew/ reopen slowly until more certainty. Is it going to be a one-off shutdown for 6 months, or is it cyclical over 18 months or over years? We need to prepare mentally for any of those scenarios as any clarity on this seems weeks away."

"At re-opening we'll offer 'pay as you go' entrance as it's contractually easier for us to fulfil. If we're only opening for 2-3 hours a day or 2 weeks and then have to shut down, members wouldn't get a full month and could cancel. I think re-opening memberships could create too many problems."

"My feeling is leisure centres, gyms will be last to reopen: we bring people together in a social environment... a sweaty, smelly dirty environment!"

With changing and flexible rotas being managed remotely, a couple of walls recommended the [Deputy](#) team management platform. Deputy had given one of the walls two months free usage.

THANKS

We hope this is helpful. If you have any questions on any of this please contact kath@abcwalls.co.uk or Rich at chair@abcwalls.co.uk