

COVID-19 Business Impact Survey April 2020 – The English Riviera



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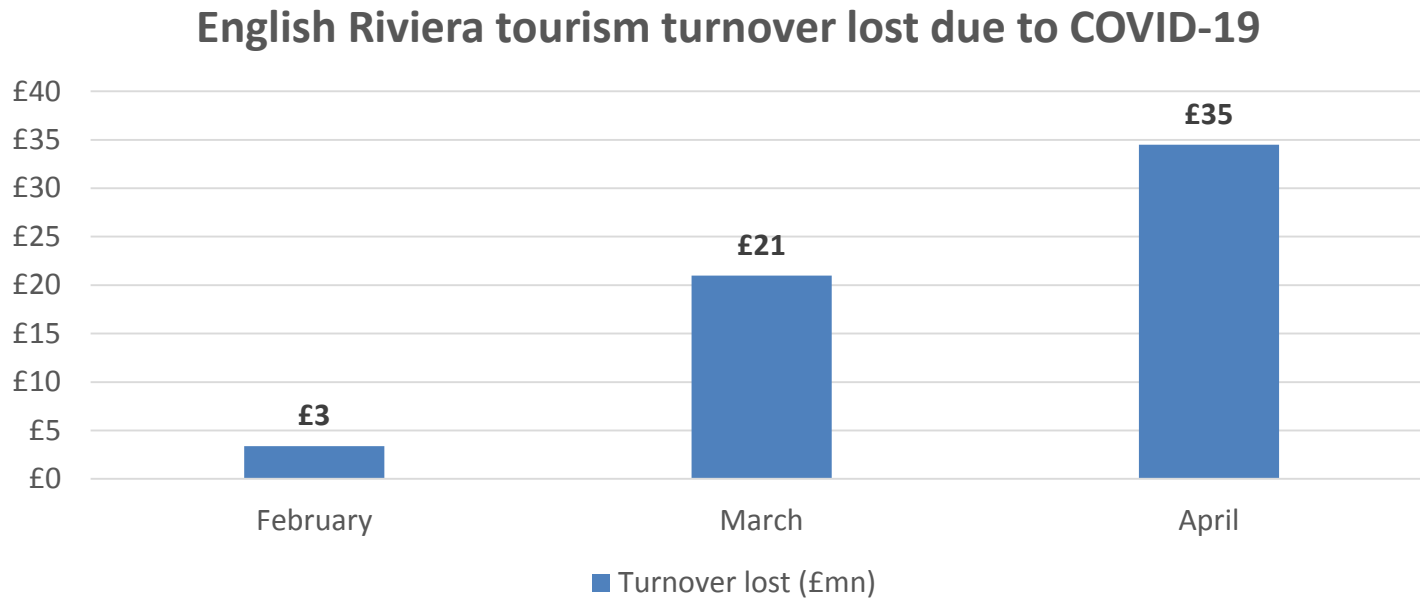
May 2020



Sample Summary

- A total of 164 English Riviera businesses responded to the survey although actual business representation will be larger due to a number of self-catering agencies responding.
- 79% of businesses responding to the survey were accommodation providers, 13% were food and drink businesses, 4% were visitor/leisure attractions, 2% were a sports or activities-based businesses and 1% in each case were either a retail business or a self-catering agency.
- 70% of the accommodation businesses were serviced accommodation providers and 27% were self catering businesses. 2% were a holiday park and 1% were an other business type.
- 46% of businesses were based in Torquay, 26% in Paignton, 16% in Brixham and 10% in Babbacombe. 2% were based elsewhere on The English Riviera.
- 98% of businesses said their business was closed during April as a result of the COVID-19 pandemic, 1% in each case had been closed for part of the month or had remained open.
- National tourism survey data, local areas survey data and Cambridge Model data from 2018 has been used to model the outputs in this report.
- Our thanks again go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated. We send everyone our best wishes at this very difficult time and the best of luck for the challenging months ahead. The content of this document is researched, verified and provided exclusively by the South West Research Company Ltd. and is for general use only and is not intended to amount to advice on which you should rely. The South West Research Company do not accept any liability for any loss or damage arising from the use of, or reliance on the information.

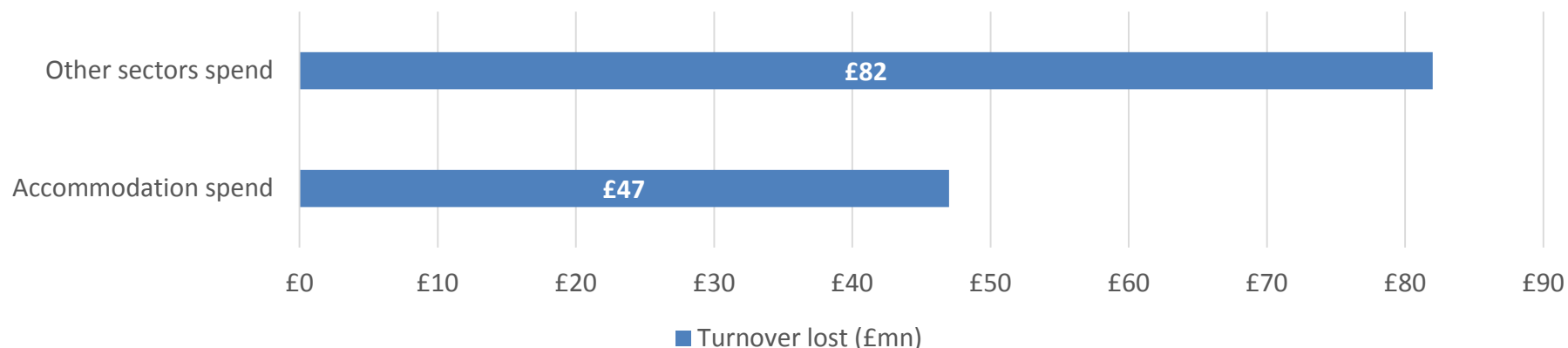
Key results – Economic Impacts



- To the end of April it is estimated that approximately £59 million of anticipated tourism business turnover has been lost on The English Riviera due to COVID-19 since February.
- 99% of turnover was lost in April (£35 mn), 81% of March turnover (£21 mn) and 14% of February turnover (£3.4 mn).
- In April it is estimated that, as a result of the lost tourism spend, approximately £6 million that would have been spent in the supply chain by tourism related businesses on the purchase of local goods and services is unlikely to have occurred. However, tourism businesses will be stuck with some overheads that they still have to cover.
- 98% of English Riviera businesses were closed during April as a result of COVID-19 and all of those still open to some degree were operating at decreased turnover levels compared to April 2019.

Key results – Economic Impacts

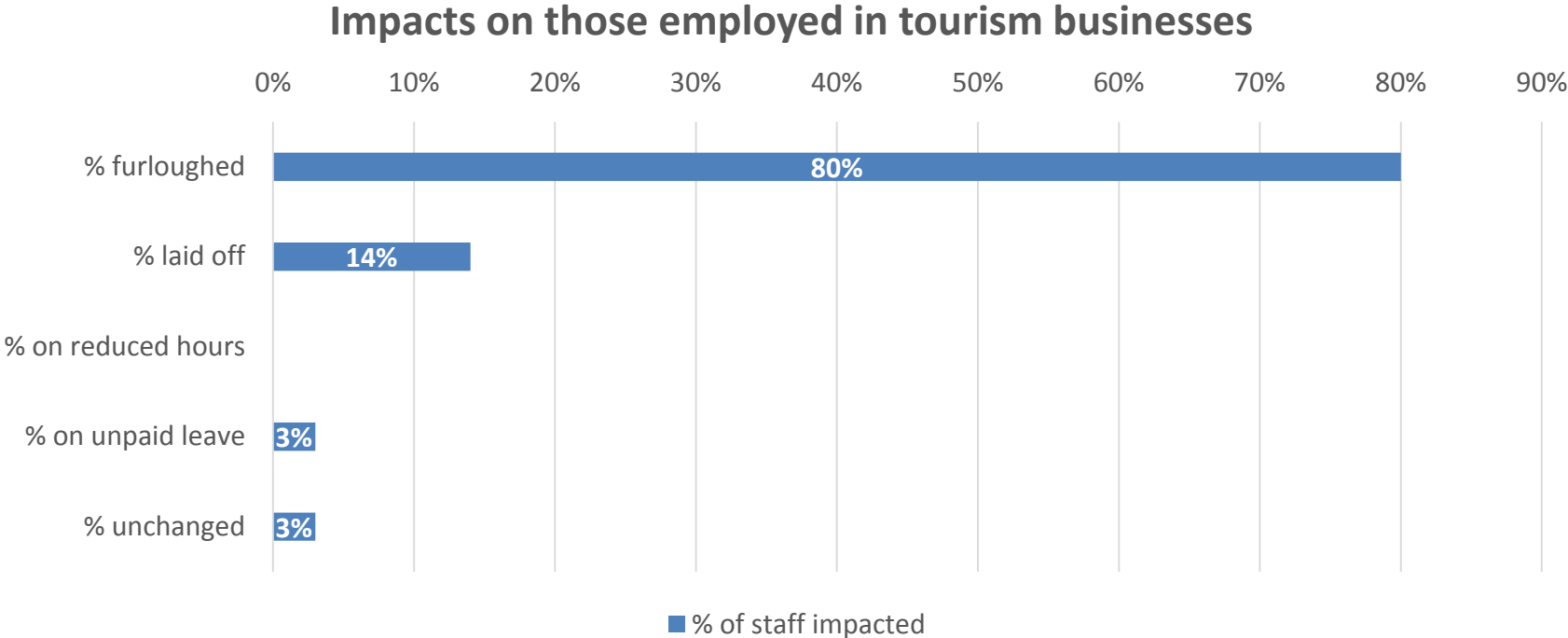
English Riviera forward bookings related turnover lost due to COVID-19



- An estimated £130 million of staying visitor forward bookings turnover has been lost to date, approximately 74% of the anticipated staying visitor value on the English Riviera between May and August. £47 million of this spend would be likely to have occurred in the accommodation sector and £82 million in the other tourism sectors (retail, food and drink, attractions/entertainment and transport).
- Please note that the above value of forward bookings lost only relates to bookings that have been cancelled plus the money that those visitors would have spent whilst on holiday. In addition to this a large proportion of bookings will just not occur from those that would book nearer their visit.
- It is estimated that as a result of the lost tourism spend approximately £24 million that would have been spent in the supply chain by tourism related businesses on the purchase of local goods and services is unlikely to occur.
- Day visitor value lost is not accounted for in future value impacted calculations, however, the value of English Riviera day visits between May and August is likely to be in the region of £43 million.

Key results – Employment Impacts

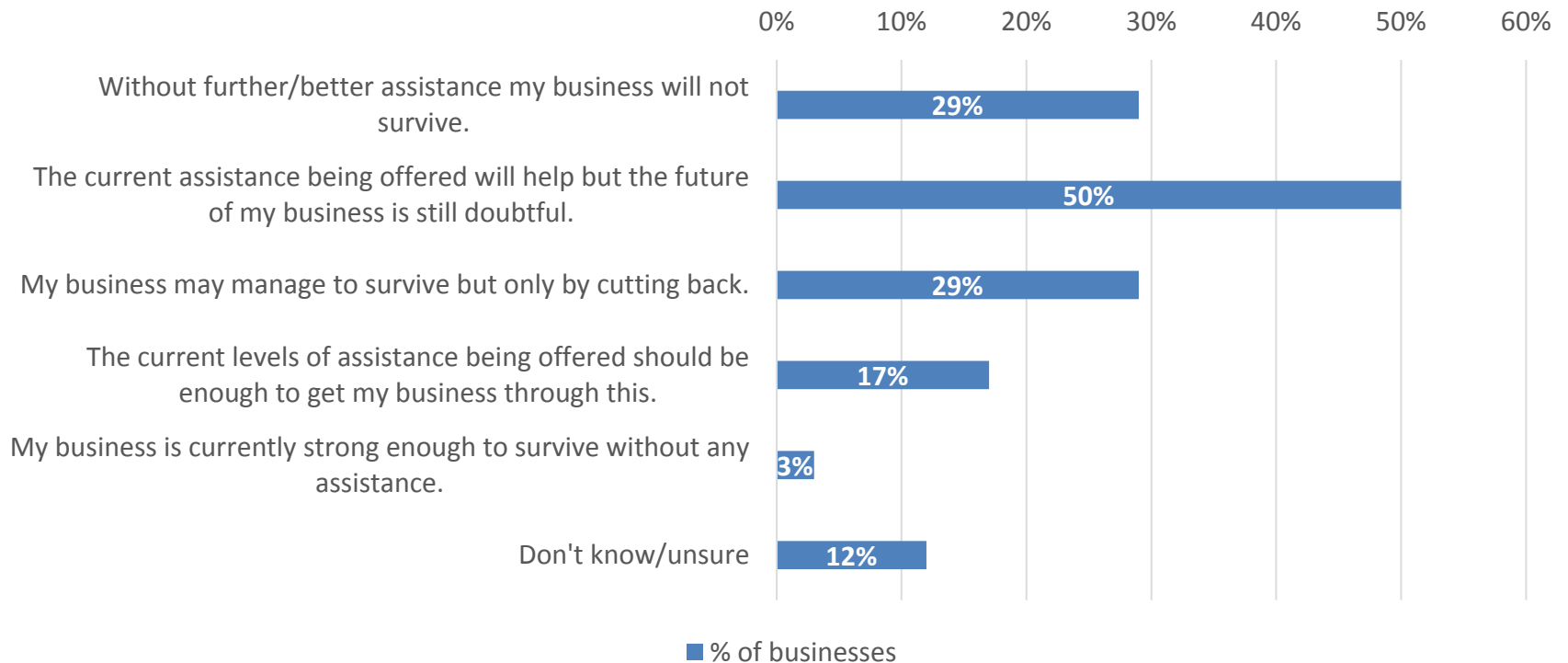
- 65% of English Riviera businesses responding to the survey didn't have any staff. The employment impacts of those with staff are shown in the chart below



- 80% of those employed by tourism businesses were furloughed, 14% laid off and 3% on unpaid leave. The remaining 3% were working unchanged hours.
- 54% of all English Riviera businesses said they had suspended any plans to hire additional seasonal staff as a result of COVID-19. When analysed just by those that had previously stated that they had staff this percentage rose to 75% of businesses suspending plans to hire additional seasonal staff.

Key results – The Future

Impacts on the future of tourism businesses



- 20% of businesses were confident of surviving the coming months and 29% felt making cut backs would be their only way to survive.
- Of those businesses open during April 25% had taken steps to advise their visitors/customers how to negate the likelihood of contracting COVID-19 and the same proportion were still experiencing difficulties with obtaining sanitising products or other supplies for their business.

Key results – Opinions on Assistance and Guidance Being Offered (Sample)

Advice and guidance from central government is good, however council response to issue of grant funds is terrible. I estimate that we will have to consider closing permanently if grants are not issued immediately.

If I was to get the emergency grant paid by Torbay Council it would significantly help.

If the current situation continues as expected then the 2020 season is likely to be a write off as far as business is concerned.

Lots of promises of cash, but have received nothing whatsoever so far.

Current advice / guidance is unclear, thus I have no idea if or when we will be able to re-open.

It's very difficult to judge as we have no idea or had much guidance from the government and have not yet received any form of monetary help even though I have been shut for several weeks and have also received considerable loss of revenue on cancelled bookings from abroad.

If we can't open, we don't make any money.

Assistance from government including the 10K grant payment and furlough wage payment scheme has been invaluable as it means we have been able to avoid laying off staff. Coronavirus Business Interruption Loan Scheme sounds good but the rules for lending being followed by the banks seem very stringent in the circumstances. There does seem to be plenty of advice out there - from ERBID, Government, FSB, own accountants etc. which is all very detailed and helpful but the main issue currently is accessing and time taken for the wheels to be put in motion.

I've recently received approval for the business grant so that will help with cash flow going forward and the furlough scheme will help with retaining a minimum level of staff. I'm unlikely to apply for a loan though as I don't wish to load the business with debt given the uncertainty of the business's future.

Key results – Sample of Other Comments on Impacts

A lot of my business comes from overseas so I don't expect any of that this year. As we do not need to have any close contact with our clients in our flats we can only hope that if things relax then we might get some Autumn business as our flats are entirely self contained.

Current bookings for later in the year have mostly been cancelled. New bookings for the future have almost completely dried up.

Financially this is obviously stressful and unfortunately being made even harder as promised grants and funding are not yet coming through.

Just lack of bookings and no revenue which also impacts on any essential maintenance etc. due to lack of funds cash flow.

Frustrated with the banks responses to the requirements for Coronavirus Business Interruption Loan. They say they don't think any loan will be affordable. Irritated by the Insurance company's refusal to pay out under Business Interruption Insurance despite having a specific clause covering an outbreak of a notifiable disease within 25 miles - they say since the original outbreak was in China no one in the UK can claim! Lost the potential sale of the business due to potential buyers being scared of future scenarios.

Obviously the major concern is no income from the business. We hope that people who were going to come but have had to cancel will book again when the crisis is over.

Many of our regular customers are in the vulnerable category (as is one of our staff members) so the safety and future continued custom by them is questionable until a vaccine is rolled out...

So much uncertainty as to what the future holds for everyone as not many will have funds for a holiday etc.

Staffing levels will have to be cut back once open, hours will be cut and stock levels will need to be kept at a minimum as many food/drink items have increased in price.

No income, nobody is enquiring for future bookings as unsure when they can travel.

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