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

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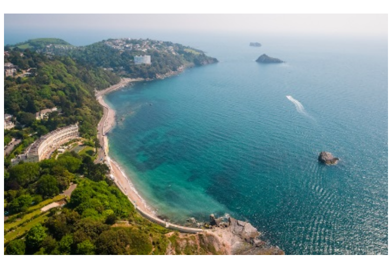
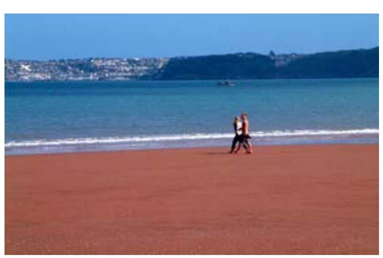




Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of August 2020 undertaken on behalf of The English Riviera BID during September 2020.

- This months survey has a sample of 74 businesses.

- 76% of businesses responding to the survey were accommodation providers, 11% were food and drink businesses, 8% were visitor/leisure attractions and 1% in each case were a retail business or self catering agency. 3% were an other business type.

- 72% of the accommodation businesses were serviced accommodation providers including 29% who were guest houses, 27% B&B's and 16% who were hotels. 23% were self catering businesses (18% with multiple units and 5% single units). 5% were a holiday park.

- 65% of businesses had a rateable value of under £15k, 8% £15-51k and 14% over £51k.

- 47% of businesses were based in Torquay, 31% in Paignton, 14% in Brixham and 5% in Babbacombe. 3% were based elsewhere on The English Riviera.

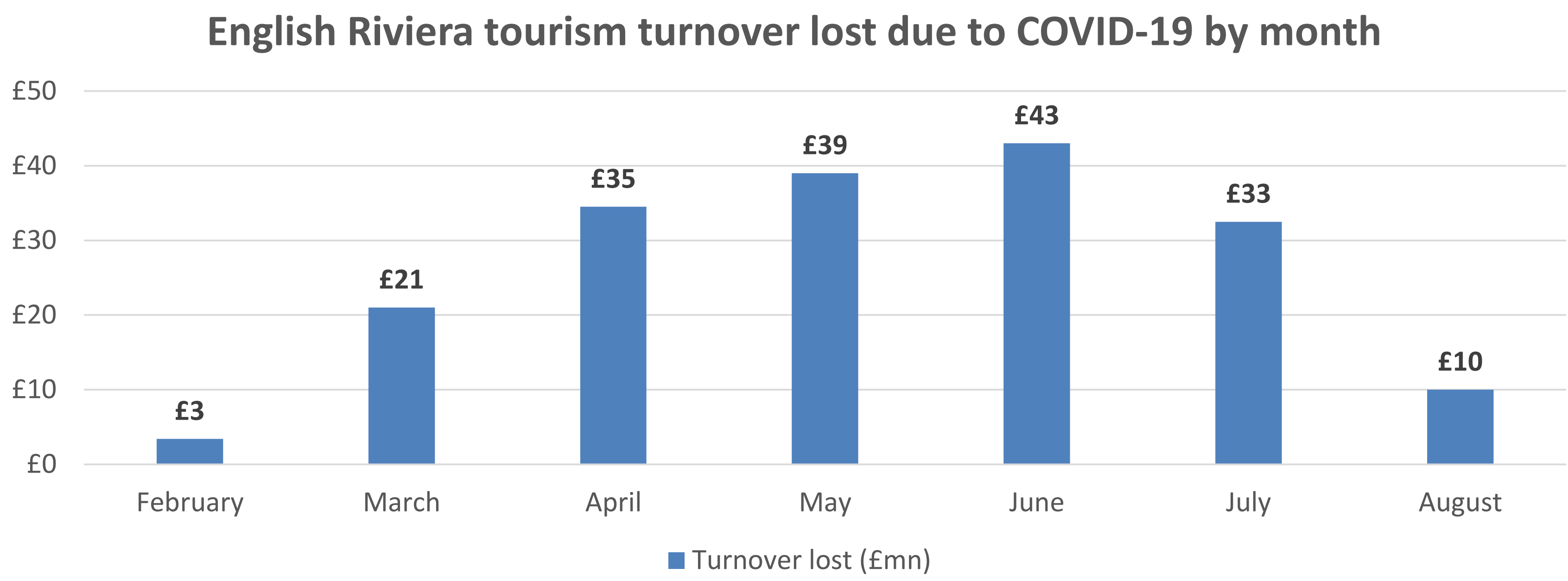
- 11% of businesses said their business was closed for the whole of August as a result of the COVID-19 pandemic, 4% had been closed for part of the month and 85% were open for the whole month.

- 97% of businesses said they had now re-opened, 1% hadn't re-opened but planned to in the near future and the same proportion still had no plans to re-open.

- National tourism survey data, local area 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.

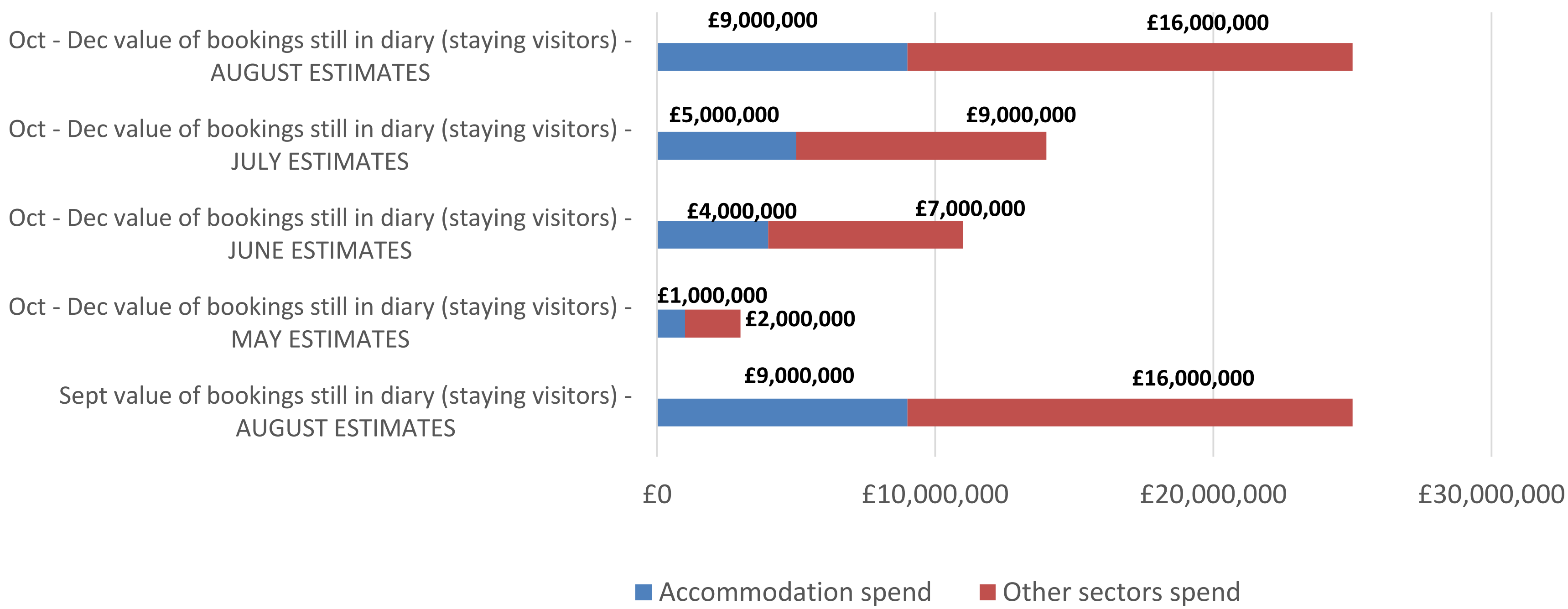
Key results – Economic Impacts



- To the end of August it is estimated that approximately £184 million of anticipated tourism business turnover has been lost on The English Riviera due to COVID-19 since February.
- 14% of turnover was lost in August (£10 mn), 50% of July turnover (£33 mn), 95% of June turnover (£43 mn), 99% in each case during May (£39 mn) and April (£35 mn), 81% of March turnover (£21 mn) and 14% of February turnover (£3.4 mn).
- In August it is estimated that, as a result of the lost tourism spend, approximately £2 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.
- 11% of English Riviera businesses were closed during August as a result of COVID-19 and 42% of those still open to some degree were operating at increased turnover levels compared to August 2019. The overall change in turnover for all businesses trading was +3% compared to August 2019.

Key results – Economic Impacts

English Riviera value of retained bookings by period – May, June, July & August surveys estimates



- At the time of completing the survey an estimated £25 millions worth of staying visitor bookings for September were held by accommodation businesses (approximately 101% of the anticipated staying visitor value on The English Riviera during this period) and £25 million for the October to December period (approximately 71% of the anticipated staying visitor value on The English Riviera during this period). The breakdown of how this spend would be likely to have occurred in the accommodation and other tourism sectors (retail, food and drink, attractions/entertainment and transport) is shown in the chart above by period and compared with the same results for the May, June and July surveys where applicable.

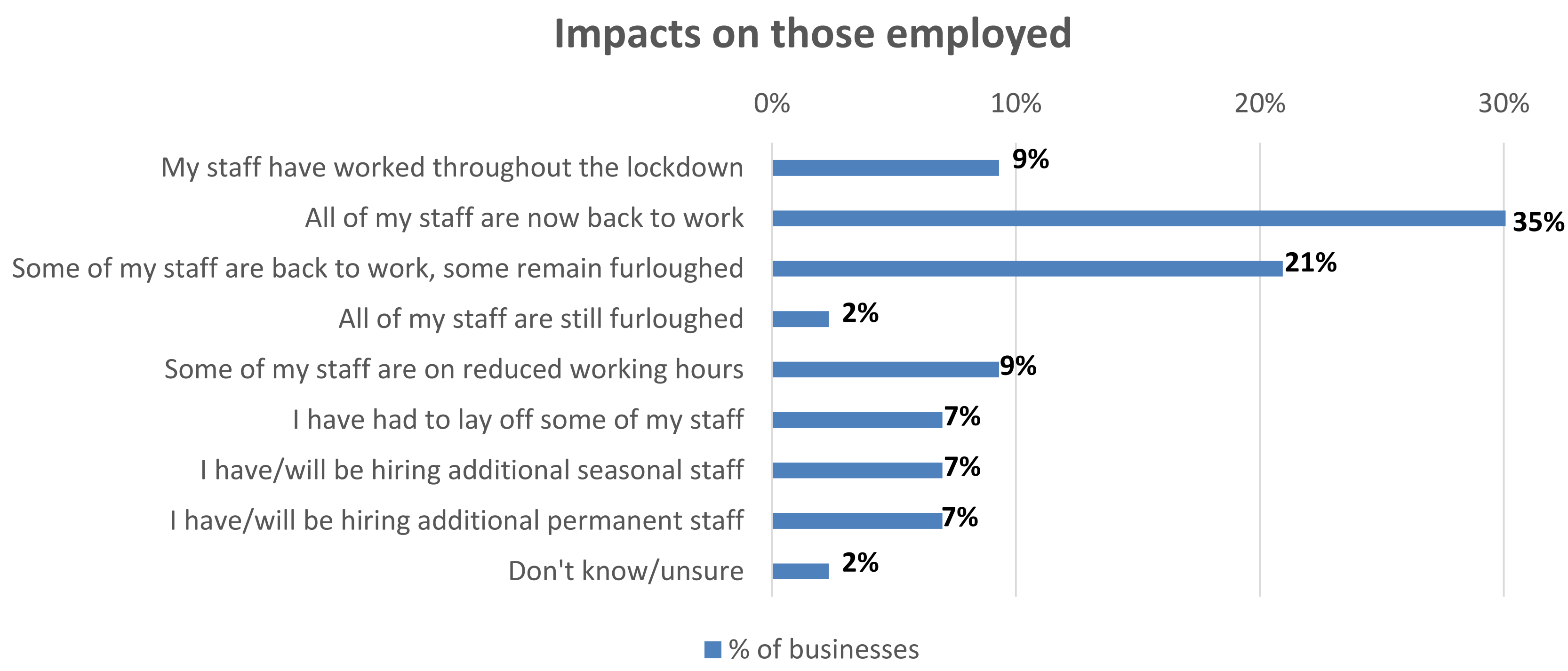
Key results – Economic Impacts

- 41% of businesses stated that their bookings for September were about what they expected, 30% said they were lower than expected and 29% higher than expected with the estimated overall actual decrease calculated at -2%.

- It is estimated that as a result of the retained tourism spend during September approximately £7 million will have been spent in the supply chain by tourism related businesses on the purchase of local goods and services and the same amount during October to December.

Key results – Employment Impacts

- 55% of businesses responding to the survey didn't have any staff. The current employment impacts of those with staff are shown in the chart below.



- 35% of businesses said all of their staff were back to work and 21% that some of their staff were back to work but some remained furloughed, 9% said some of their staff were on reduced working hours and 7% that they had laid off some of their staff. 2% said all of their staff were still furloughed. 9% said their staff had worked throughout the lockdown period.

- 7% of all businesses in each case said they would be hiring additional seasonal staff now their business had re-opened and/or that they would be hiring additional permanent staff.

Key results – Feedback on reopening (Sample of re-opened businesses)

- 97% of businesses said they had now re-opened, 1% hadn't re-opened but planned to in the near future and the same proportion still had no plans to re-open. A selection of comments from businesses who had re-opened are shown below.

20% of rooms closed due to social distancing in the breakfast room. Business went from zero to full in a very short space of time. We are still getting requests for rooms last minute but usually just for the one night which we do not do. Visitors are still struggling with booking places to eat, unless they read our pre arrival email which recommends booking ahead.

Finding guests complaining about Covid restrictions especially in reviews.

August and September were a lot better than expected beating the levels of last year. Disappointingly the bookings have slowed dramatically since the second wave of Covid infections. Guests like to be made to feel they are in a safe environment and we welcome them with explanations of new measures in place. This is now a standard working practice.

Opening was slow but then we filled up but since the new guidelines have come out we have already had 4 cancellations. One of the cancellations was for the 31 December and its only been 1 day.

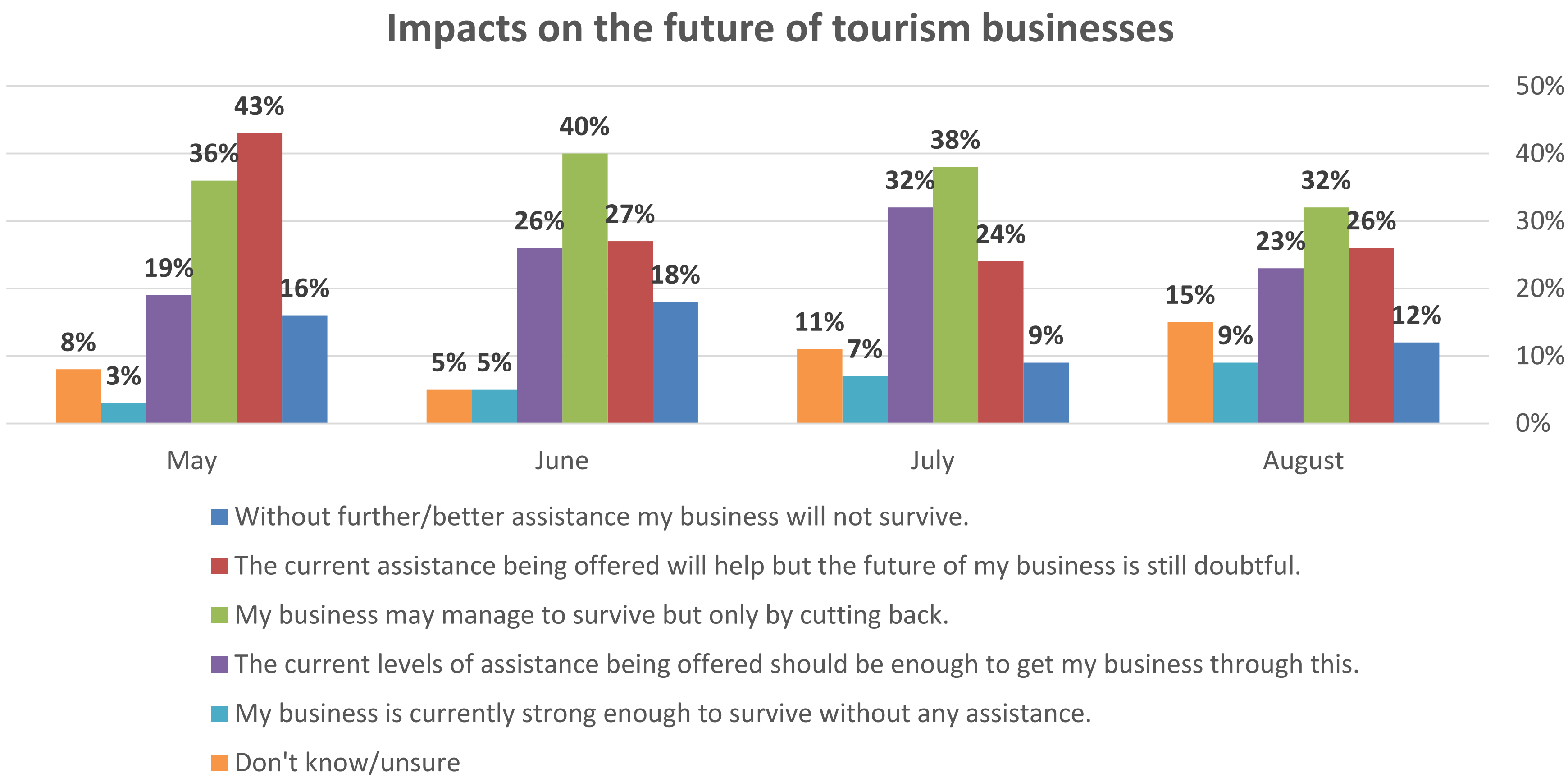
Reduced capacity to 66% of normal to allow social distancing. Staff costs remain at 100% due to extra service needed for H&S.

A different type of person is visiting the Bay this year. Many Brits seem to be here under protest. I'm getting sick of hearing people tell me they should be in 'paradise' somewhere else. We are missing our usual European guests. Many guests frustrated about the need to pre-order breakfast and agree a specific time to attend in order to meet our social distancing obligations. Others are quite happy to do whatever has to be done to keep them safe.

Re-opening has been difficult with the ever changing regulations.
This has also been compounded by the lack of social distancing by guests.

Aug/Sep look good but for the rest of the year I have no bookings

Key results – The Future



- 38% of businesses were doubtful about surviving the coming months (including 12% who said without further/better assistance their business will not survive) compared with 33%, 45% and 59% of businesses saying the same during the July, June and May surveys respectively.

- 32% of businesses were confident of surviving the coming months (39% July, 31% June and 23% May) and 32% felt making cut backs would be their only way to survive (38%, 40% and 36% during the July, June and May surveys respectively).

Key results – Sample of other comments on impacts

More people seem to be unsure of current or new legislation in place and we have to take more time to reassure them. Looking forward the outlook for the rest of the year does not seem promising.

I'm not hopeful for the coming months. People have started cancelling bookings and that is only the 1st day of the new guideline on the fight against Corona.

Let's see what 2021 brings - that is the big unknown.

Winter bookings look bleak. Staff will need financial support as hours are reduced. German/French support model needed.

The biggest impact seems to be with the change in VAT status. This needs to be extended if at all possible.
Still no help for those directors reliant on dividends. Still no resolution on Business Interruption Insurance.
I still don't see any criticism of the Banks who are getting money at virtually zero interest from the government but still charging an arm and a leg on overdraft and credit card fees.

Bookings have become very short lead with the uncertainty and concerns surrounding Corona.
The biggest impact on revenue has been lack of scope to hold weddings and it is looking doubtful that we will be able to do much in respect of Christmas and Festive parties.

I won't be able to invest in my business for next year without some help.

Our costs have increased due to extra cleaning requirements, PPE etc. but sales are strong and prices are holding up so as long as we don't go into lock down again we should be fine.

So far, the high levels of visitors is balancing the difficulties and costs of Covid.

COVID-19 Business Impact Survey May 2020 - The English Riviera