ERBID How's Business Survey

January and February 2022

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Summary

- This report contains a summary of the findings from the ERBID How's Business Survey for the months of January and February 2022 undertaken on behalf of The English Riviera BID during March 2022.

- This months survey had a sample of 67 businesses.

- 72% of businesses responding to the survey were accommodation providers and 15% were food and drink businesses. 6% were a visitor or leisure attraction and 1% in each case were a sports or activities-based business or a self catering agency. 4% categorised themselves as an 'other' business type.

- 62% of the accommodation businesses were serviced accommodation providers including 27% who were B&B's, 25% who were guest houses and 10% who were hotels. 32% were self catering businesses (15% with single units and 17% with multiple units). 4% were a holiday park and 2% categorised themselves as an 'other' accommodation type.

- 48% of businesses were based in Torquay, 27% in Paignton, 13% in Brixham and 10% in Babbacombe. 1% were based elsewhere on The English Riviera.

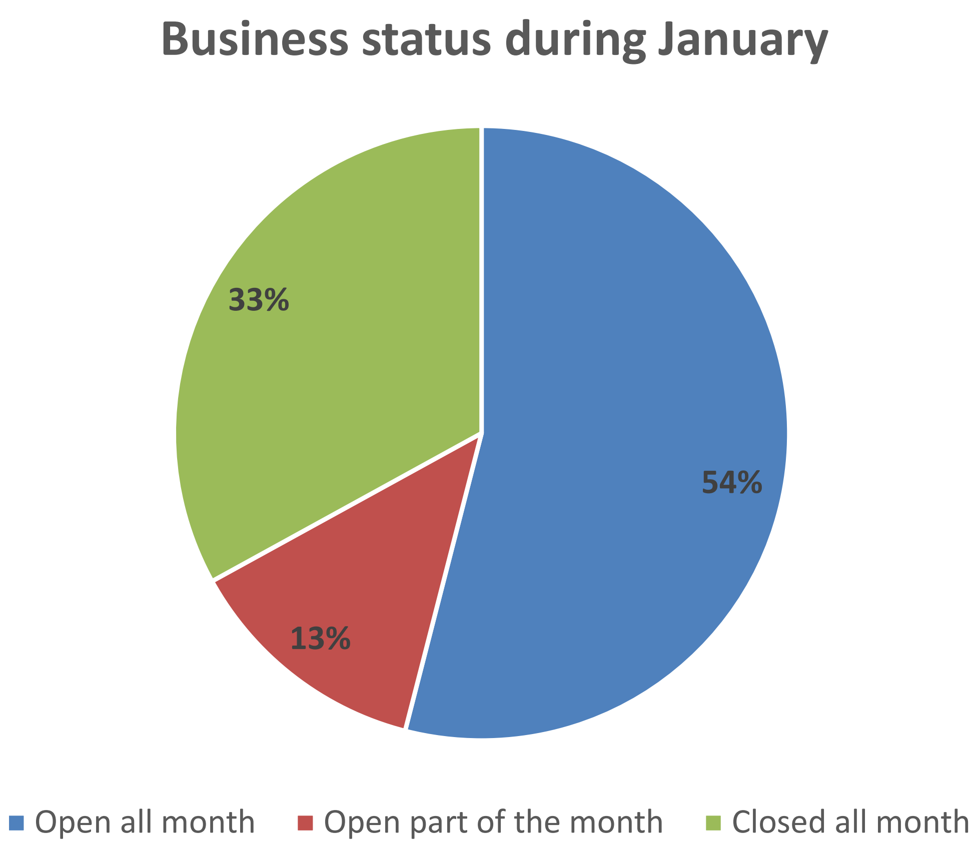
- 54% of businesses said their business was open for the whole of January whilst 13% said their business had been closed for part of the month and 33% had been closed for the whole of the month. 64% of businesses said their business was open for the whole of February whilst 15% said their business had been closed for part of the month and 21% had been closed for the whole of the month.

- 78% of businesses said they were now fully open, 13% said they were now open but operating at reduced capacity and 9% said their business was currently closed. 73% of closed businesses or those operating at reduced capacity said they only operated a seasonal business anyway, 13% said it was because of Covid protocols and 7% in each case because of staff shortages or the VAT threshold. 20% said it was due to another reason.

- National tourism survey data, local area survey data and Cambridge Model data has been used to model the outputs in this report.

- Our thanks 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. 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 – January 2022 overview

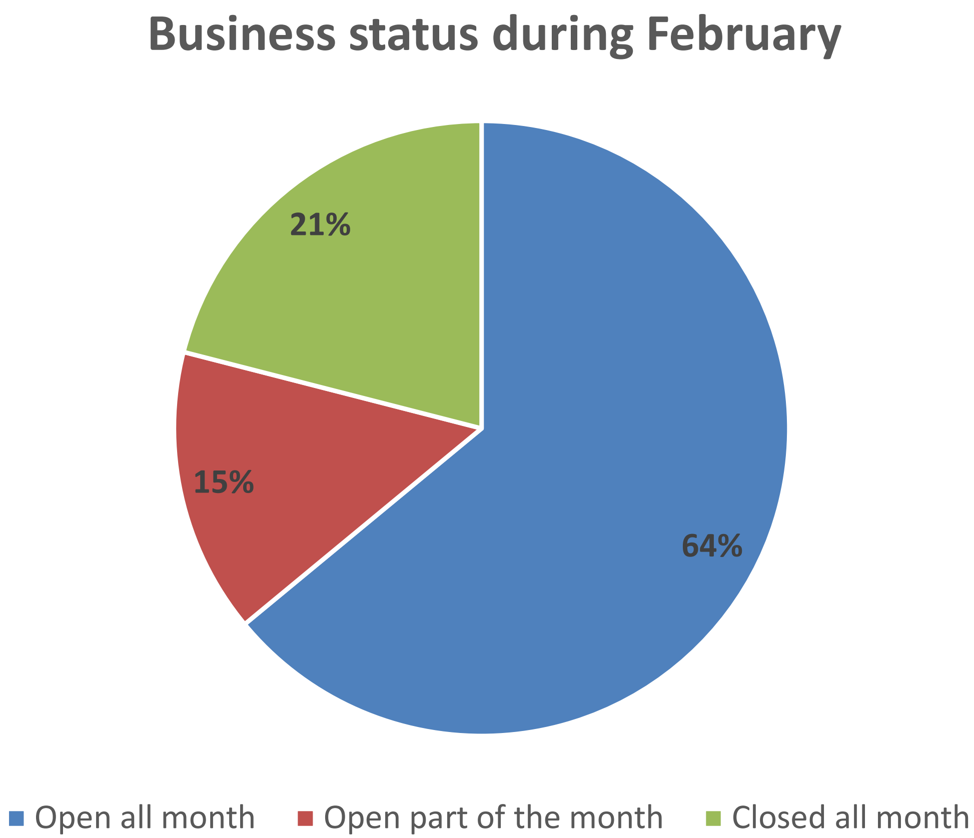


- 54% of businesses said their business was open for the whole of January whilst 13% said their business had been open for part of the month and 33% said their business was closed for the whole of the month.
- Businesses were operating at -22% turnover levels compared to January 2019*.

* Please note that a comparison with January 2019 was used as it was not affected by the impacts of Covid-19 (unlike January 2020).

January turnover change	**-24%**
January turnover change	**-£5.7 mn**
January supply chain spend change	**-£1.1 mn**

Key results – February 2022 overview

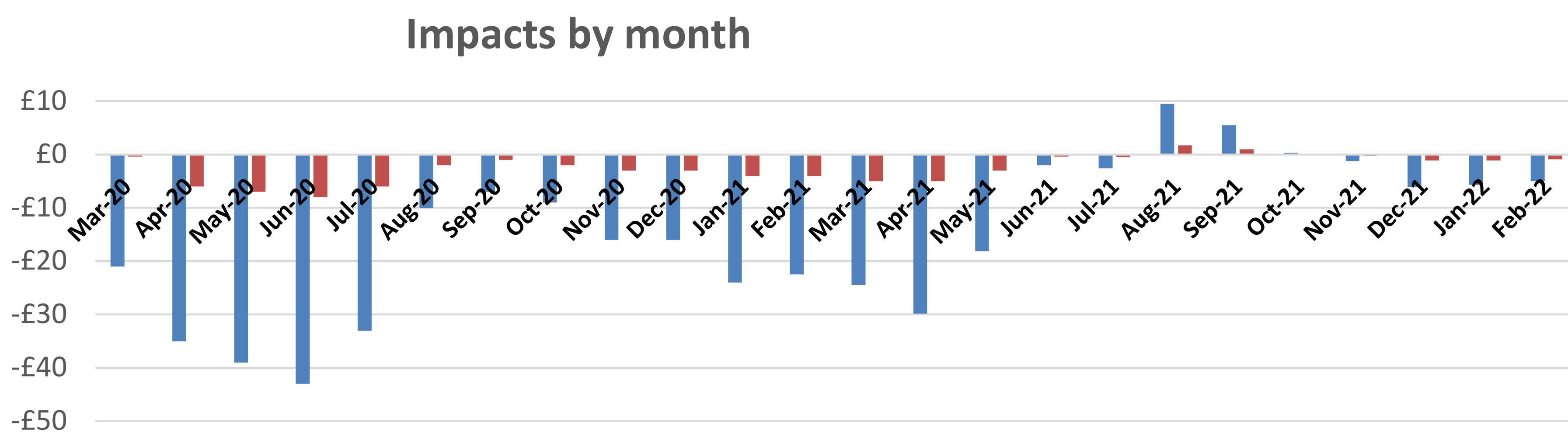


- 64% of businesses said their business was open for the whole of February whilst 15% said their business had been open for part of the month and 21% said their business was closed for the whole of the month.
- Businesses were operating at -15% turnover levels compared to February 2019*.

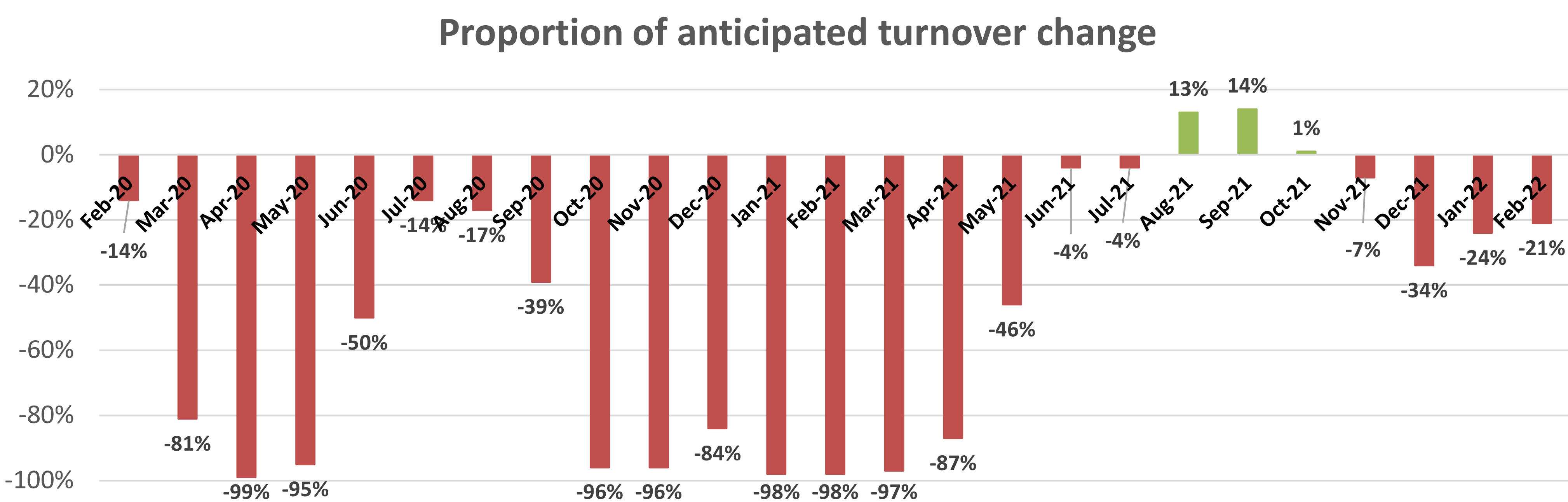
* Please note that a comparison with February 2019 was used as it was not affected by the impacts of Covid-19 (unlike February 2020).

February turnover change	**-21%**
February turnover change	**-£5 mn**
February supply chain spend change	**-£0.9 mn**

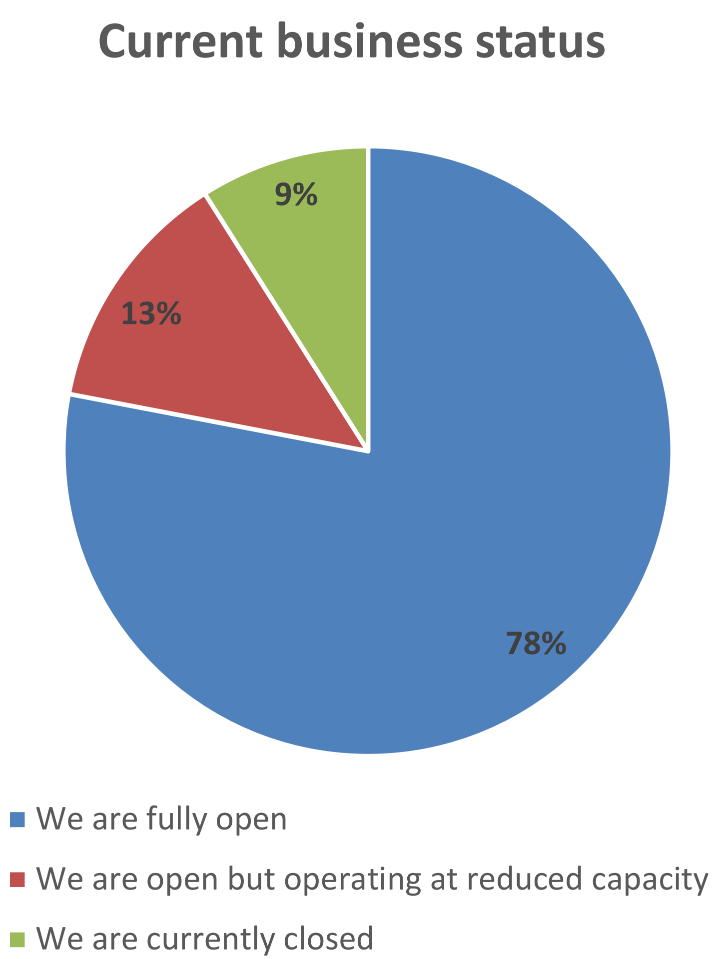
Key results – Economic Impacts by Month Feb 2020 – Feb 2022 (compared with 2019)

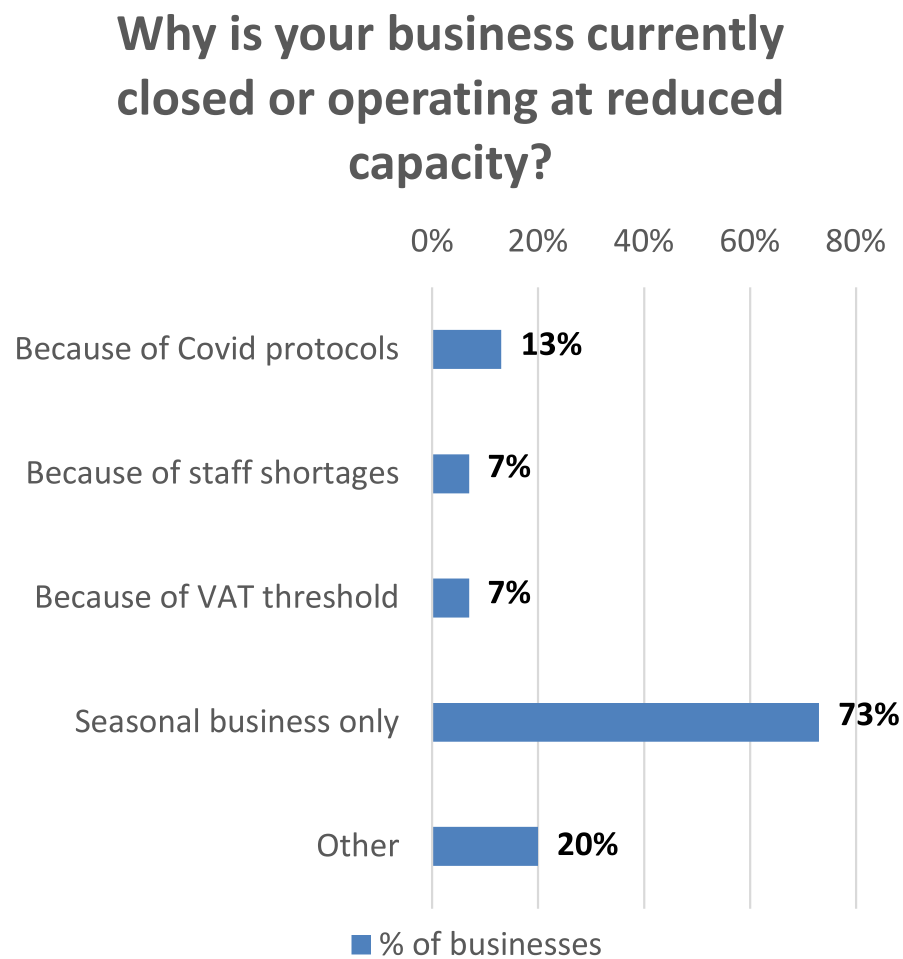


	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Turnover change (£mn)	-£21	-£35	-£39	-£43	-£33	-£10	-£7	-£9	-£16	-£16	-£24	-£22.5	-£24.4	-£29.8	-£18.1	(£2)	-£2.6	£9.5	£5.5	£0.3	-£1.2	-£6.1	-£5.7	-£5.0
Supply chain spend change (£mn)	-£0.4	-£6	-£7	-£8	-£6	-£2	-£1	-£2	-£3	-£3	-£4	-£4	-£5	-£5	-£3	-£0.4	-£0.5	£1.7	£1	£0.1	-£0.2	-£1.1	-£1.1	-£0.9



Key results – January & February 2022 overview

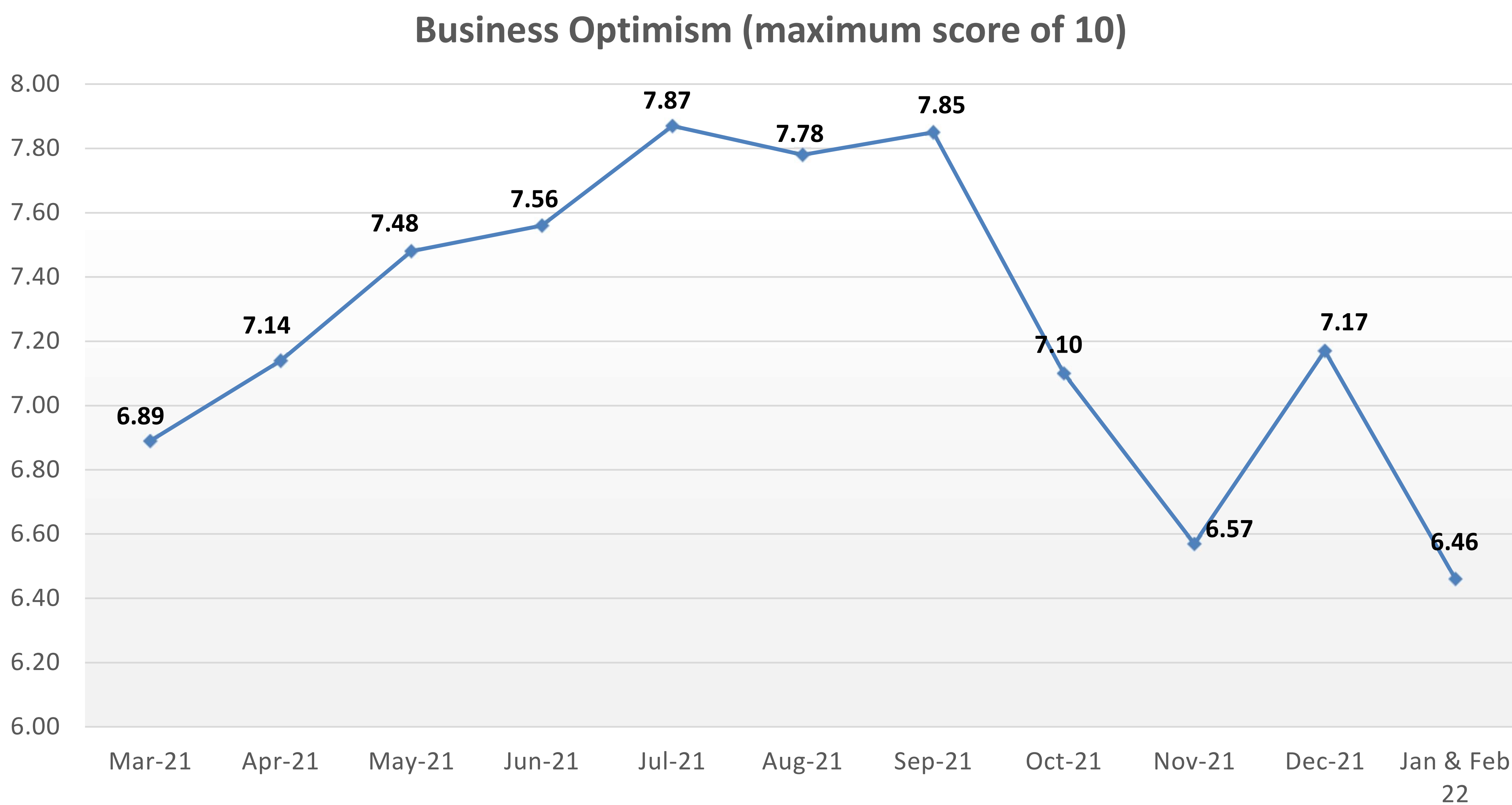




- 78% of businesses said they were now fully open, 13% said they were now open but operating at reduced capacity and just 9% said their business was currently closed.

- 73% of closed businesses or those operating at reduced capacity said they only operated a seasonal business anyway, 13% said it was because of Covid protocols and 7% in each case because of staff shortages or the VAT threshold. 20% said it was due to another reason.

Key results – Business optimism and performance feedback



- When asked how optimistic they were for the prospects of the tourism industry in their area during 2022 businesses gave an average score of 6.46 out of a maximum of 10, the lowest score recorded since February 2021.

Key results – Sample of other comments on impacts

Worrisome increases in energy prices. This could make winter business uneconomical.

Generally we are seeing wholesale prices increase and staff complaining about the cost of living crisis. We are also struggling to recruit staff for the food and beverage side of the business.

I believe the concerns about the rising energy costs and the uncertainty about foreign travel due to the invasion of Ukraine are responsible for the slow down in bookings for the season.

A wedding venue - bookings are down by 75% on those planned for 2020 (40 weddings booked in 2020, most then cancelled, only 11 weddings booked for 2022).

I'm passed worrying and crying. It doesn't help. We had Covid restrictions for 2 years and now we have inflated fuel prices. I think this year is going to be a write off and without help we will go under.

Significantly fewer bookings until mid July 22 compared with this time in 2021. Currently estimate turnover will be 50% down year on year. This is extremely concerning and may lead to business closure.

After a flurry of bookings in January and February and March for the season, our bookings seem to have come to a halt since the commencement of the Russian aggression and war with Ukraine. Is it that people are more nervous about booking a holiday, is the spike in the Pandemic in the South West to blame? I don't know the answer but I do know that Covid is rising again because of this government's slap-happy attitude towards isolation. We have had a few overseas bookings this year, one for a language school, a pair of walkers from Germany and a couple from Australia who had to cancel two years ago. We, ourselves, are not fearful of travelling but we only go to places where we feel very safe and can mostly impose our own self-isolation. I rather fear that this may be the year when more people are going to have a go at getting back abroad again. They have missed it. Many of our guests in the last two years would normally have gone to Spain or southern France.

Struggling with customer visits due to Covid and also now maybe due to less funds due to the fuel increases which stops our day visits. We also have customers who know home gas etc. will increase they are reluctant to spend what they may not have.

It seems very slow to fill the weeks this year so far. Whether prospective guests are going abroad, anxious re what's going on in Ukraine or are feeling the pinch regarding their finances?
I'm currently not looking to achieve a very good year at all unfortunately!

Energy cost increases are going to have a major impact as we cannot pass all of those increases on. We have seen our direct energy costs increase by nearly 70% and other costs which themselves are dependent upon energy (e.g. laundry) increase by over 40%.

I have concerns about the reintroduction of full VAT rate and the increasing costs of energy, transport and food which indicate significant price increases for guests may not go down too well.

ERBID How's Business Impact Survey

January and February 2022

ENGLISH RIVIERA BID COMPANY

The South West Research Company