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

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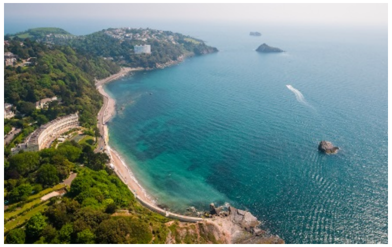




Summary

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

- This months survey has a sample of 136 businesses.

- 79% of businesses responding to the survey were accommodation providers, 13% were food and drink businesses, 5% were visitor/leisure attractions and 1% were a retail business. 3% were an other business type.

- 77% of the accommodation businesses were serviced accommodation providers including 27% who were B&B's, 28% a guest house and 22% who were hotels. 20% were self catering businesses (16% with multiple units and 4% single units). 4% were a holiday park.

- 64% of businesses had a rateable value of under £15k, 15% £15-51k and 14% over £51k.

- 43% of businesses were based in Torquay, 28% in Paignton, 16% in Brixham and 13% in Babbacombe. 1% were based elsewhere on The English Riviera.

- 18% of businesses said their business was closed for the whole of July as a result of the COVID-19 pandemic, 66% had been closed for part of the month and 15% were open for the whole month.

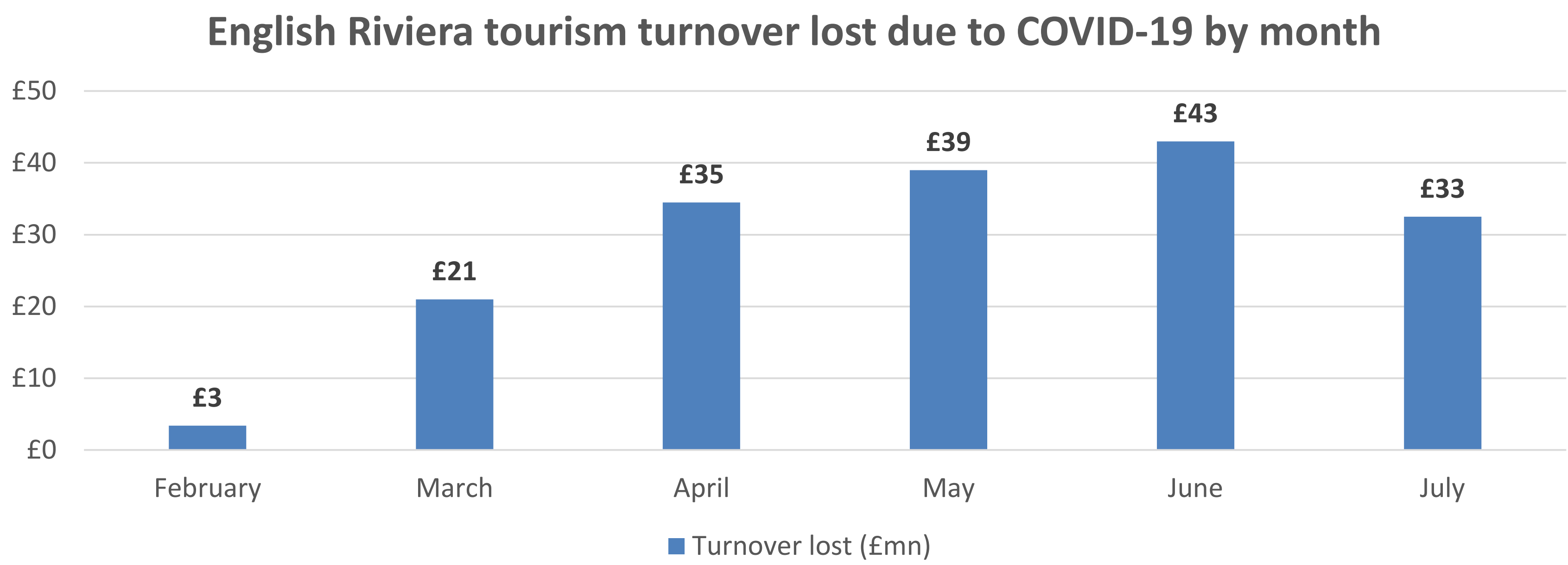
- 91% of businesses said they had now re-opened, 6% hadn't re-opened but planned to in the near future and 3% still had no plans to re-open.

Summary

- 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



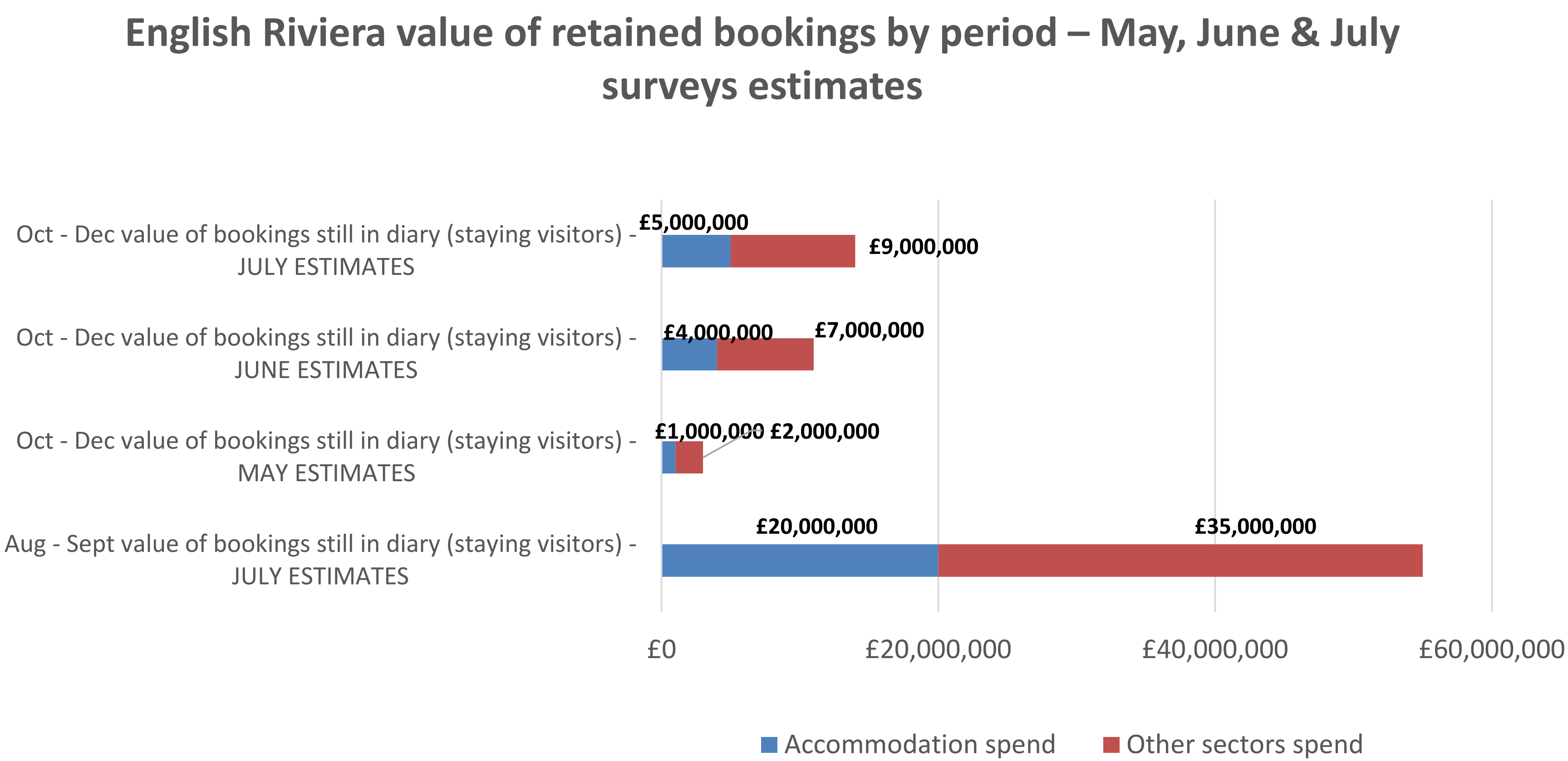
- To the end of July it is estimated that approximately £174 million of anticipated tourism business turnover has been lost on The English Riviera due to COVID-19 since February.

- 50% of turnover was lost in July (£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 July 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.

- 18% of English Riviera businesses were closed during July as a result of COVID-19 and 84% of those still open to some degree were operating at -39% turnover levels compared to July 2019.

Key results – Economic Impacts



- At the time of completing the survey an estimated £55 millions worth of staying visitor bookings for the August to September period were held by accommodation businesses (approximately 72% of the anticipated staying visitor value on The English Riviera during this period) and £15 million for the October to December period (approximately 41% 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 and June surveys where applicable.

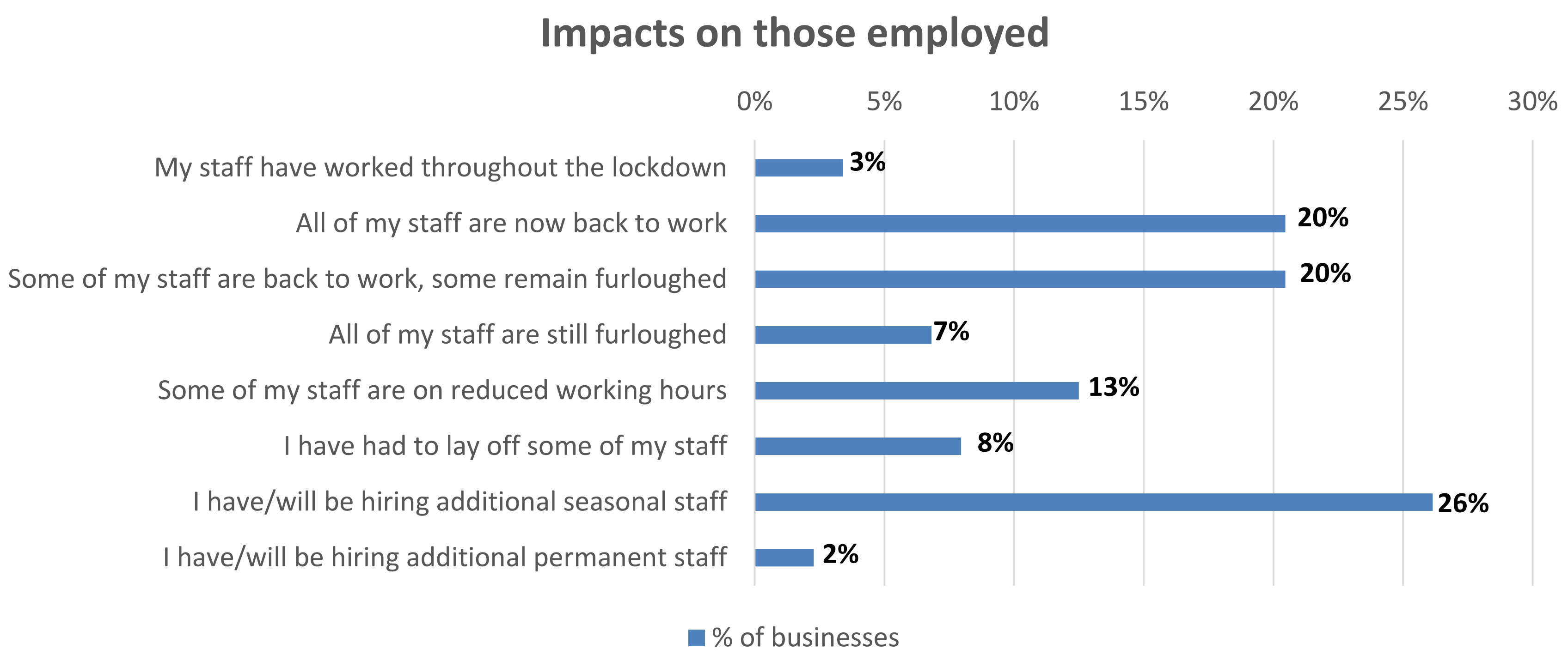
Key results – Economic Impacts

- 49% of businesses stated that their bookings for August were lower than expected with the estimated overall actual decrease calculated at -19%.

- It is estimated that as a result of the retained tourism spend during August to September approximately £15 million will have been spent in the supply chain by tourism related businesses on the purchase of local goods and services and £4 million 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.



- 20% of businesses in each case said all of their staff were back to work or that some of their staff were back to work but some remained furloughed, 13% said some of their staff were on reduced working hours and 8% that they had laid off some of their staff. 7% said all of their staff were still furloughed. 3% said their staff had worked throughout the lockdown period.

- 26% of all businesses said they would be hiring additional seasonal staff now their business had re-opened and 2% that they would be hiring additional permanent staff.

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

- 91% of businesses said they had now re-opened, 6% hadn't re-opened but planned to in the near future and 3% still had no plans to re-open. A selection of comments from businesses who had re-opened are shown below.

Reopening has proved to be a lot of hard work for little return. We can only safely trade on 5 rooms. We are responsible for providing as safe an environment as we can for our guests and ourselves. Laundry and cleaning materials bill a lot higher due to increased cleaning.

We are socially distancing without any issues. People have concerns about not be able to book in restaurants easily.

Very well - despite us having no functions our F&B business is about 20% up on last July and that promises to continue. We are currently averaging around 300 to 400 covers per day.

So far feedback from guests has been very positive in terms of being open, cleanliness, facilities provided and enjoyment of their break. None have made any negative comment about their experience and none have made any enquiries about our cleaning regime for Covid Security.

50% occupancy aimed for. Good feedback on additional measures in house. General feeling of 'we are on holiday' in towns etc....forget about distancing. Invested heavily in sanitiser, PPE etc.

VERY busy at present.
The Eat out to Help Out scheme (first week) led to a big increase in customers, perhaps a 50% increase and making it more like bank holidays.

Overwhelmingly guests have felt grateful just to get away and the reaction has been extremely positive. They have been appreciative of efforts made to welcome them and re-assure them that all is fine and safe.

Lots of last minute bookings. Having to block out for a minimum of 72 hours between guests using the same room which causes lots of problems. Guests do not like wearing face masks.

We are being cautious and only half full, others are full and this may lead to being shut down.

Key results – Feedback on cancellations (Sample)

- 57% of businesses were still receiving requests from customers who wish to cancel their booking and 77% of these businesses were still offering full refunds to any customers who wish to cancel their booking. Some of the reasons why customers still wanted to cancel their booking are summarised below:

Still feeling uneasy about the possibility of a second spike. Some not wanting to travel by public transport as they usually do and they don't drive. Some having underlying health conditions and don't want to put themselves at risk.

People were thinking of going abroad now they are worried about having to quarantine when they return.

Functions and weddings are our main concern. We have had to move our September weddings and October are starting to be jittery. I am concerned about winter business if functions are not allowed to take place. A high proportion of our functions include associated accommodation.

Uncertainty, lack of confidence in guidance re Covid and unemployment or the possibility of it.

Customers remain concerned about a second wave.
Customers do not want to wear a mask throughout their holiday.
Customers are concerned attractions may be closed and entertainment limited.

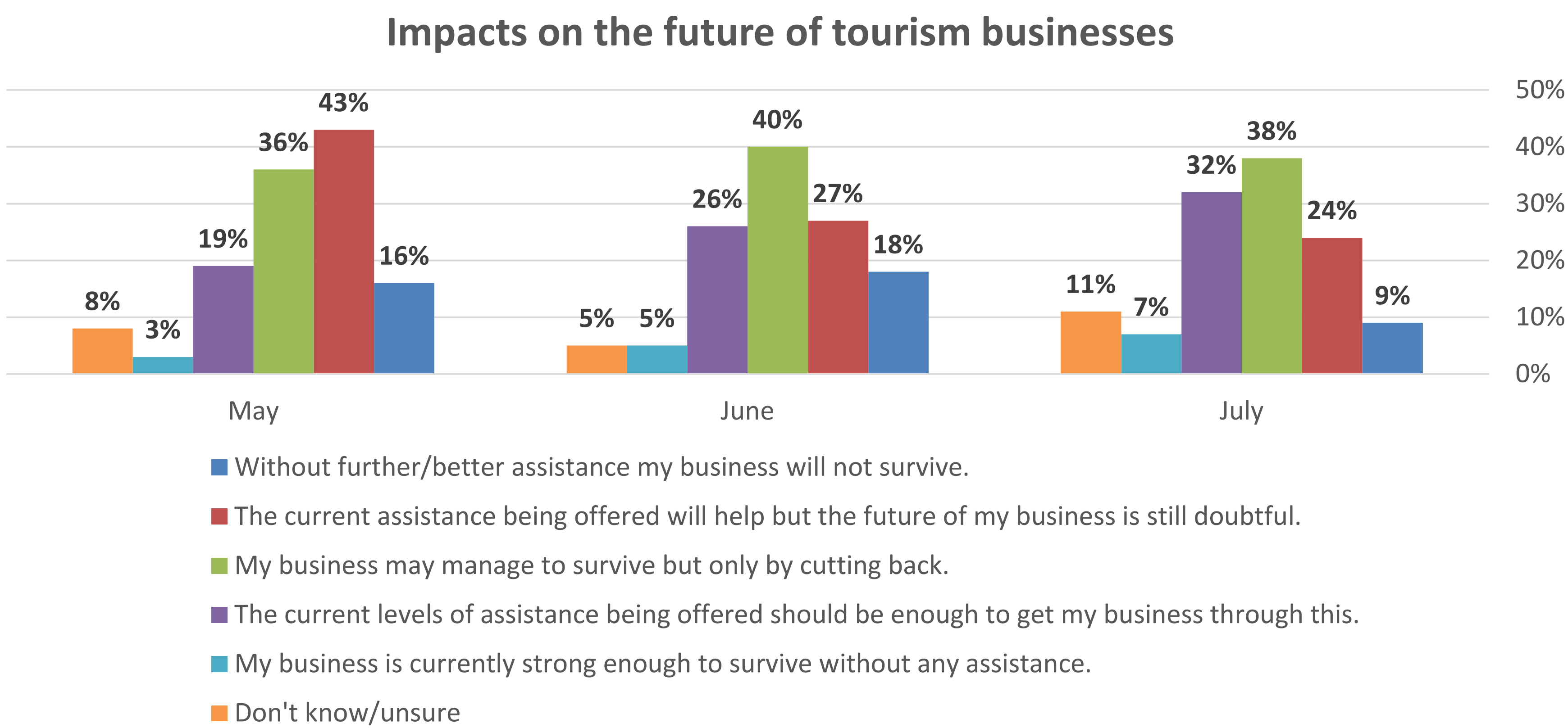
Still worried about travelling as cases are rising.

People are still nervous about travelling and they see news reports showing the vast numbers pf people visiting beach resorts.
We also have guests with health issues that don't feel comfortable staying in a small guest house.

Shielding, illness, age related issues with Covid.

Insecurity about the situation and a lack of stability on advice from the government. With the constantly changing advice people just have no confidence.

Key results – The Future



- 33% of businesses were doubtful about surviving the coming months (including 9% who said without further/better assistance their business will not survive) compared with 45% and 59% of businesses saying the same during the June and May surveys respectively.

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

Key results – Sample of other comments on impacts

Expenses are higher than normal as 3rd parties are involved in the receiving and delivering of orders which will have a significant impact on our net profit.

Desperately chasing insurance. Winter is incredibly long - lots of us will find it challenging to meet our outgoings - potential for another lockdown is very concerning too.

Reduced occupancy due to social distancing will reduce the levels of staff cover needed.

Getting through the winter months for a seasonal business will be hard.

We are attempting to claw back money lost during March, April, May and June by upselling as much as possible offering meals, teas and have noticed guests making more use of our bar.

This is supposed to be the profitable part of the year and we are just breaking even. We will have limited reserves for the winter off season. The question is what assistance will there be during the off season?

We will be OK if the second wave does not happen. Should a second wave happen the only way we can survive would be a further grant or hardship in taking out a loan.

Pleased to be trading again. Hope for no further outbreak and lockdown.

Since April we have already lost £5 million in income and this will never recover, unfortunately some redundancies will have to happen.

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

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