COVID-19 Business Impact Survey

The English Riviera
July 2021

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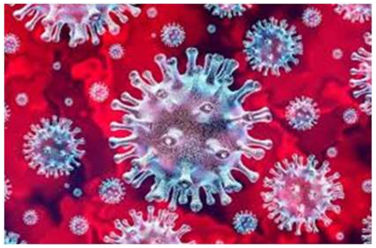
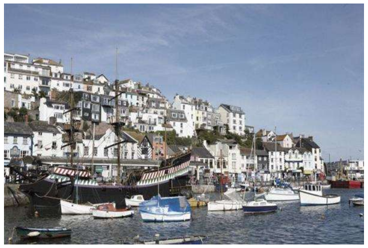
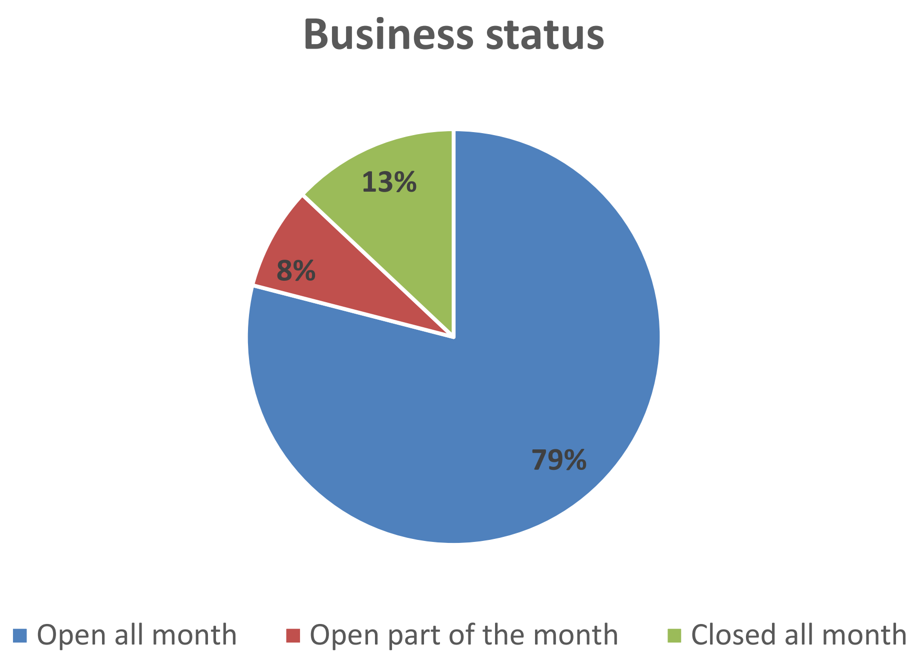




Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of July 2021 undertaken on behalf of The English Riviera BID during August 2021.
- This months survey has a sample of 62 businesses.
- 76% of businesses responding to the survey were accommodation providers, 11% were food and drink businesses and 5% were visitor/leisure attractions. 2% were a sports of activities-based business and 6% categorised themselves as an 'other' business type.
- 57% of the accommodation businesses were serviced accommodation providers including 22% who were guest houses, 21% who were B&B's and 13% who were hotels. 34% were self catering businesses (19% with multiple units and 15% single units).
- 73% of businesses had a rateable value of under £15k, 10% £15-51k and 15% over £51k.
- 42% of businesses were based in Torquay, 29% in Paignton, 13% in Brixham and 15% in Babbacombe. 2% were based elsewhere on The English Riviera.
- 79% of businesses said their business had been open for the whole of July whilst 8% said they had been closed for part of the month and 13% for the whole month as a result of the COVID-19 pandemic.
- 74% of businesses said they were now fully open whilst 24% said they were now open but operating at reduced capacity. 2% said they would be opening but at a reduced capacity later during the month (August)
- National tourism survey data, local area survey data and Cambridge Model data 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 wish everyone the best as the Covid restrictions are lifted and things start to fully re-open and return to normal. 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 Due to Covid July 2021



- 79% of businesses said their business had been open for the whole of July whilst 8% said they had been closed for part of the month and 13% for the whole month as a result of the COVID-19 pandemic.
- Those businesses open to some degree were operating at +2% turnover levels compared to July 2019*.

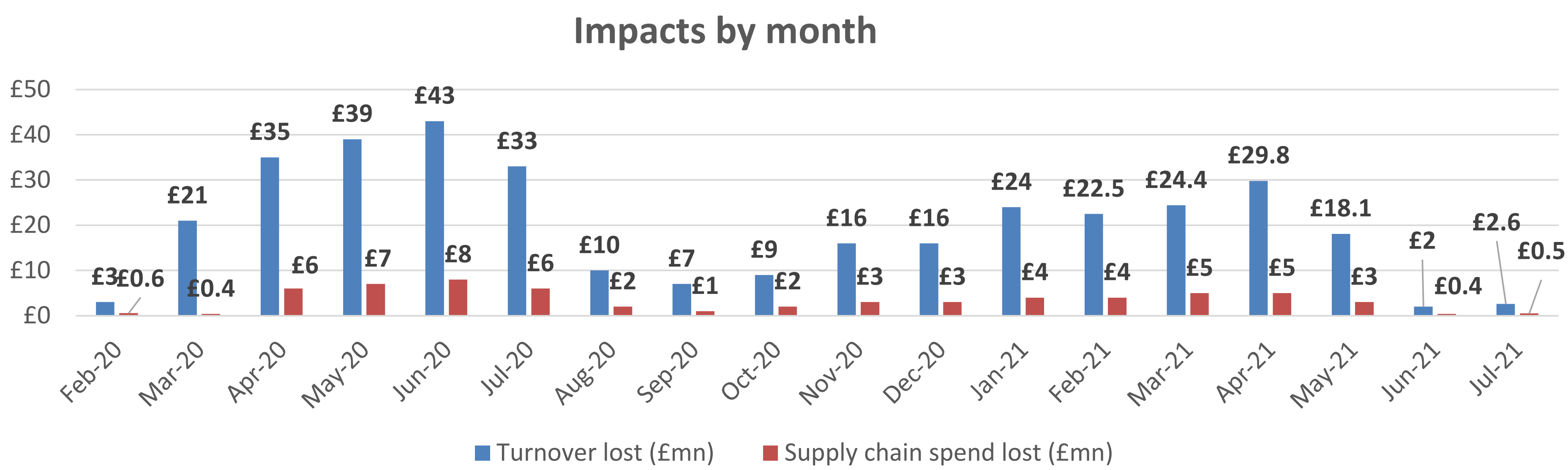
* Please note that a comparison with July 2019 was used as it was not affected by the impacts of Covid-19 (unlike July 2020).

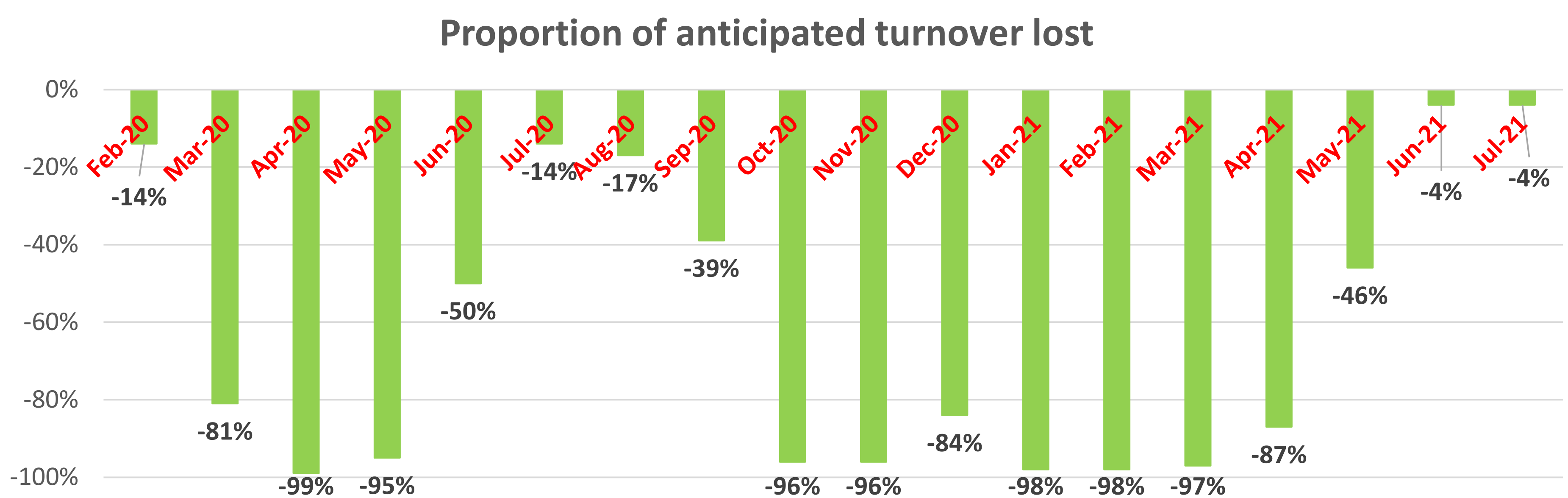
July turnover change **-4%**

July turnover lost **-£2.6 mn**

July supply chain spend lost **-£500,000**

Key results – Economic Impacts Due to Covid by Month 2020 & 2021





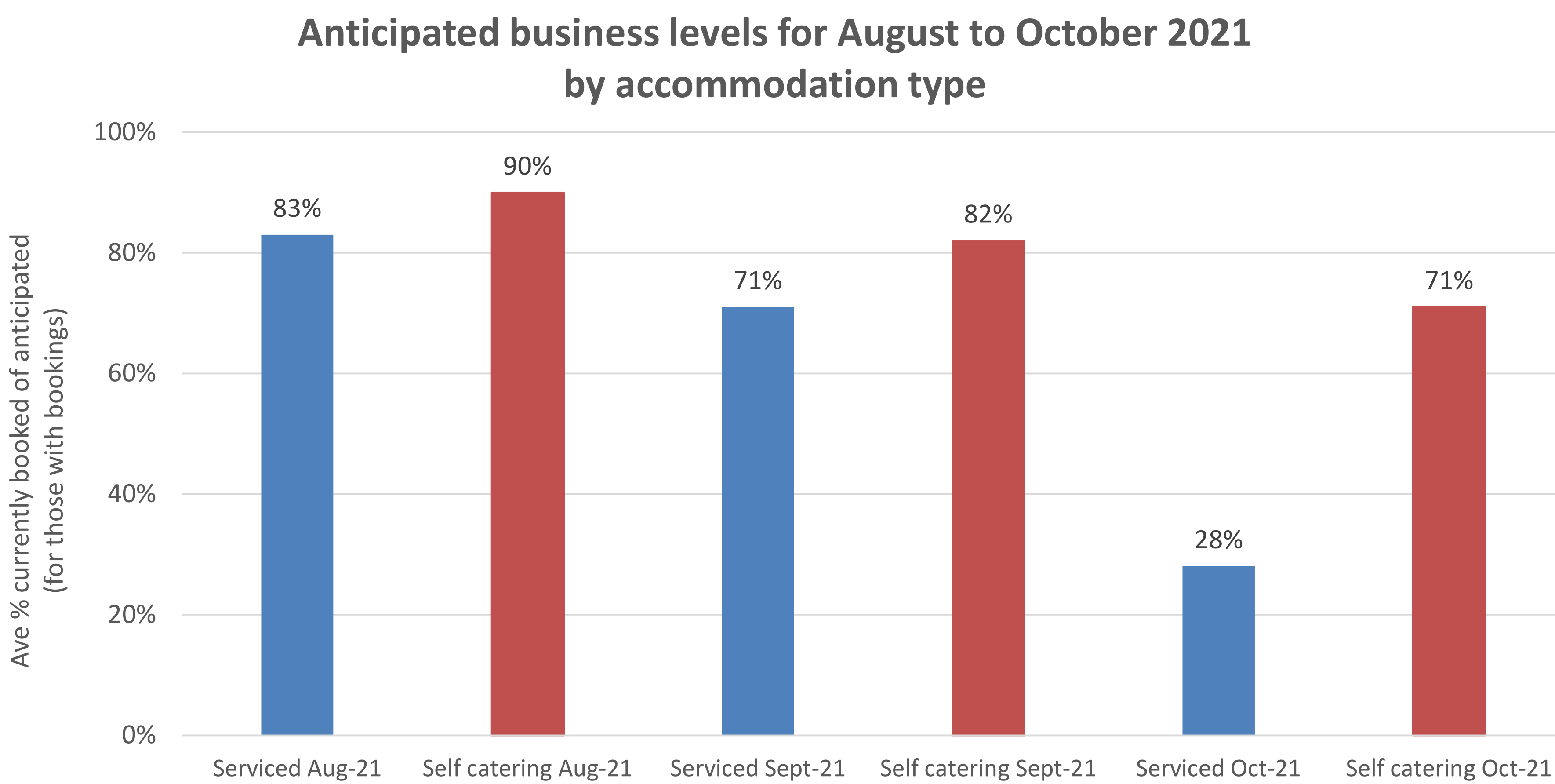
Key results – Economic Impacts Due to Covid (to July 2021)

- It is estimated that approximately £232 million of anticipated tourism business turnover was lost on the English Riviera during 2020 due to COVID-19, 55% of the total anticipated turnover for the year. An additional £123.6 million of anticipated tourism business turnover has been lost to the end of July 2021 resulting in a total loss to date on the English Riviera (including 2020) of approximately £355.6 million.

- In addition, it is estimated that, as a result of the lost tourism spend, approximately £39 million that would have been spent in the supply chain by tourism related businesses on the purchase of local goods and services during 2020 is unlikely to have occurred. An additional £21.5 million of supply chain spend has been lost to the end of July 2021 resulting in a total loss to date (including 2020) of approximately £60.5 million.

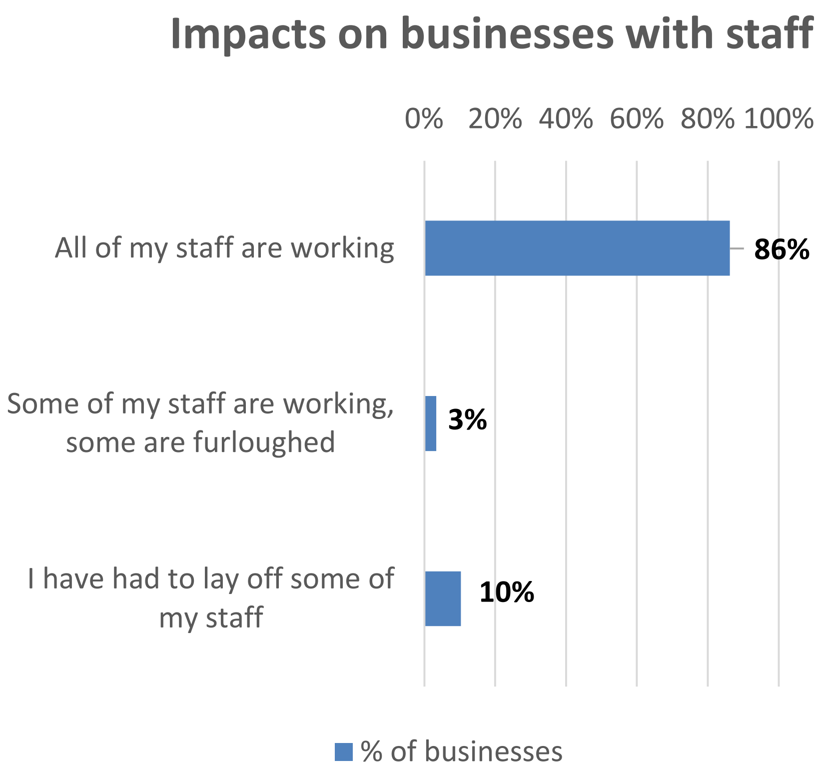
Key results – Anticipated business levels August to October 2021

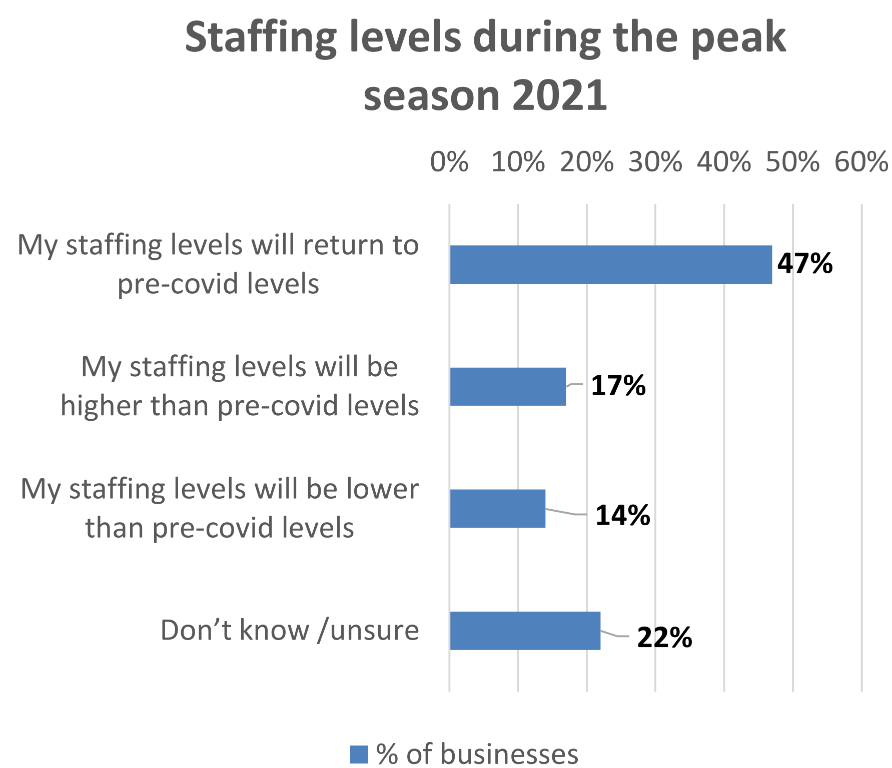
- Businesses were asked to think about the levels of business they expect to achieve overall in a typical year during August to October and to estimate approximately what proportion of this business they currently already have booked in for each of these months.
- Self catering businesses with bookings estimated that they had an average of 71% of their expected business levels already booked in for October, 82% for September and 90% in August compared with 28%, 71% and 83% of serviced accommodation businesses saying the same in each case respectively.



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.

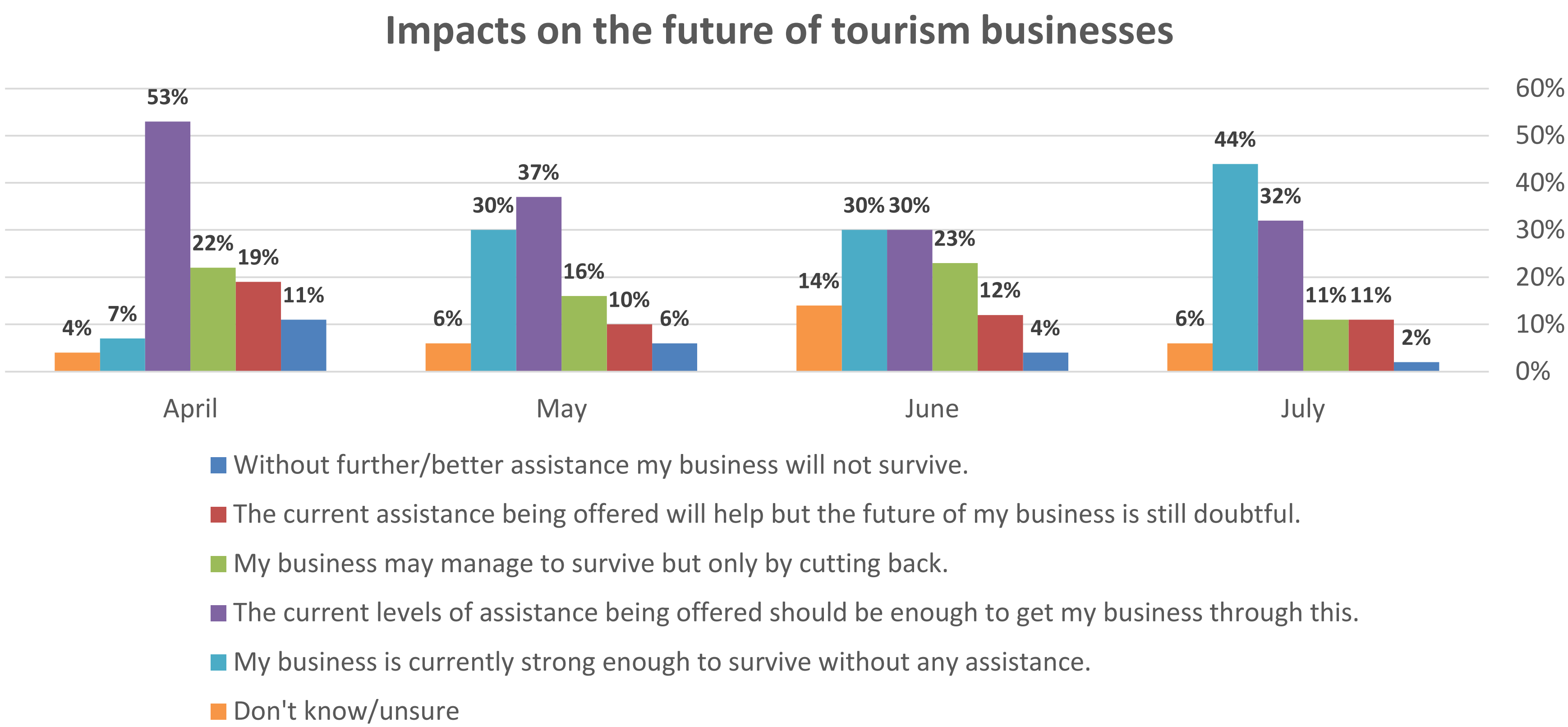




- 86% of businesses said that all of their staff are working and 10% said that they had to lay off some of their staff. 3% said some of their staff are working, some are furloughed.

- When asked what they envisage will happen to their staffing levels during the peak season this year (July/August), 47% of businesses said their staffing levels will return to pre-covid levels, 17% said their staffing levels will be higher than pre-covid levels and 14% said they would be lower. 22% didn't know/were unsure at the time of data collection what would happen to their staffing levels during the peak season.

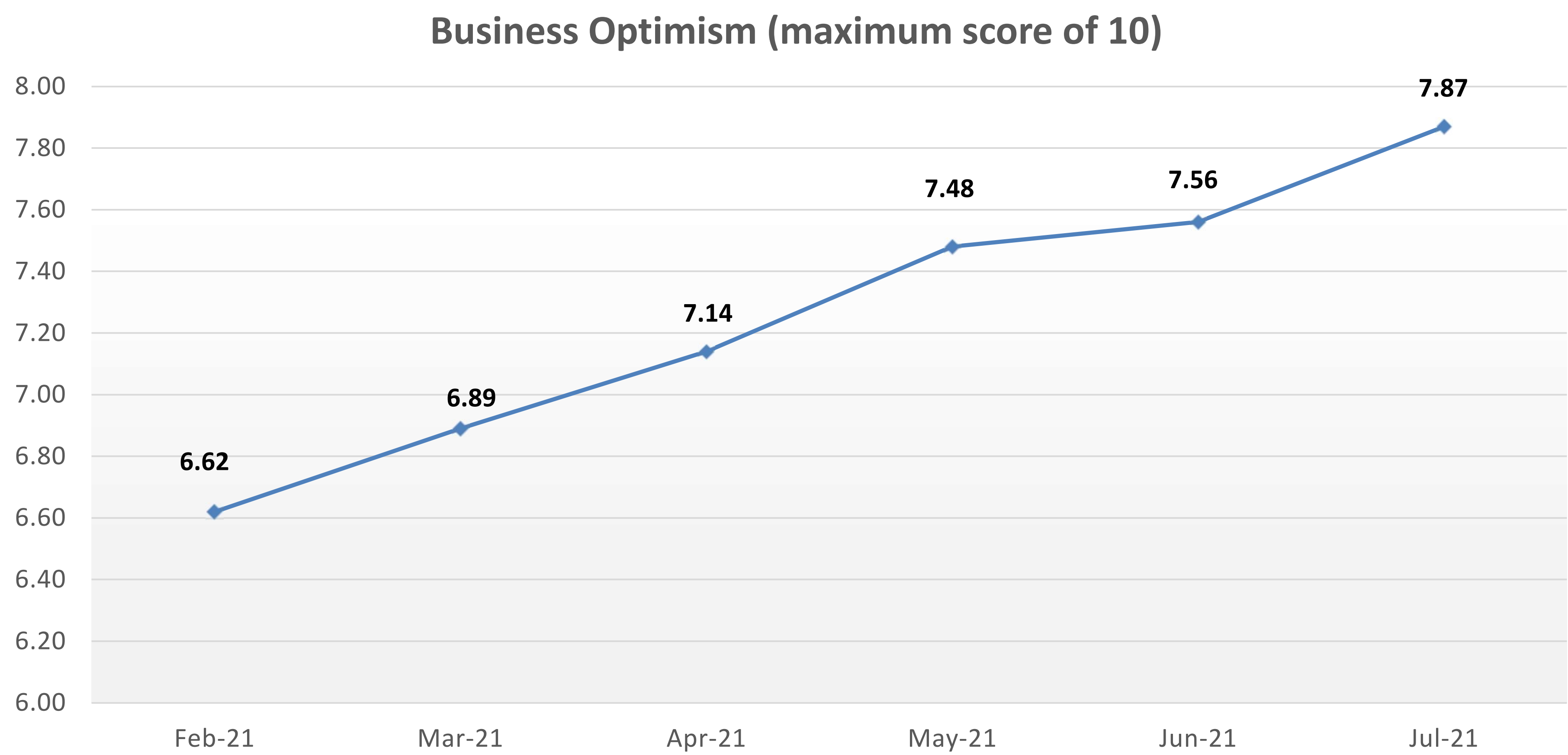
Key results – The Future



- 13% of businesses were doubtful about surviving the coming months (including 2% who said without further/better assistance their business will not survive) compared with 16% of businesses saying the same in each case during the June and May surveys and 30% during the April survey.

- 76% of businesses were confident of surviving the coming months (60% during June, 67% during May and 60% during April) and 11% felt making cut backs would be their only way to survive (23% during June, 16% during May and 22% during the April survey).

Regional performance – Business optimism and performance feedback



- When asked how optimistic they were for the prospects of the tourism industry in their area during 2021 businesses gave an average score of 7.87 out of a maximum of 10, the highest optimism score achieved during 2021 to date.

Key results – Sample of other comments on impacts

Staffing levels are really difficult at the moment. We cannot get staff for cleaning or bar work. Staff are having to self isolate meaning there is more stress on the staff to cover. We have had to increase our pay schedule to encourage staff from other sectors who may have been furloughed or redundant.

It is proving to be positive for us. People clearly want a break and get away from home. With foreign holidays under constraint that is making people look to home areas and where better than the south-west! Our cost base has increased (due primarily to cleaning costs and shortage of staff with our contractors having to pay higher wages) and inevitably we have had to pass those costs onto our customers. We have taken a decision not to exploit this demand though so our price increases are modest compared with many of our competitors.

We are severely short of experienced staff. The reopening of the job market this summer led to 7 full time staff moving on to new roles (5 outside of hospitality, 2 promotions into other businesses). I have found a complete lack of available experienced chefs or baristas in this area and have failed to recruit anyone into these roles other than one chef in March. We are closed on Wednesdays and had to reduce our hours on other days and drop any plans to develop our business this summer as a result.

Still battling against the VAT threshold which will affect our livelihood in 20/21 and 21/22. We will likely need to close end of September and then not re-open until May next year. This will also affect our ability to refurbish - knock on effect being tradesmen will lose business over the winter.

We have only survived because of the assistance with VAT rate reductions. It is critical this is allowed to continue to at least Sept 2022 in order to restore the income lost during the closures and to help pay for the Bounce Back loan.

Guests are having a negative experience due to lack of availability to eat/drink (staff shortages & closures/opening hours restrictions) and, of course, guests being reluctant to book ahead/organise themselves. We (and the restaurants) get the brunt of this. Bizarrely, it was actually better for us operating last year than this year!

Hiring staff is a real struggle at the moment. We have people leaving and we are trying our hardest to replace them but hiring is the hardest it has ever been! We have been trying to poach staff from other companies by offering a sign on bonus of £200-£300.

The 'Pingdemic' really hit us hard and we had to work from home and partially close our taxi office for a week and a half of July.

With places open and not offering the full service our customers are very disappointed. A lot of customers are finding that even when booking for dinners when they arrive restaurants are not able to cope due to staffing levels and a lot of our customers have left after an hour of waiting to be served.

Due to staycations being the thing this year we have definitely seen a lot more visitors during July & August.

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