

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



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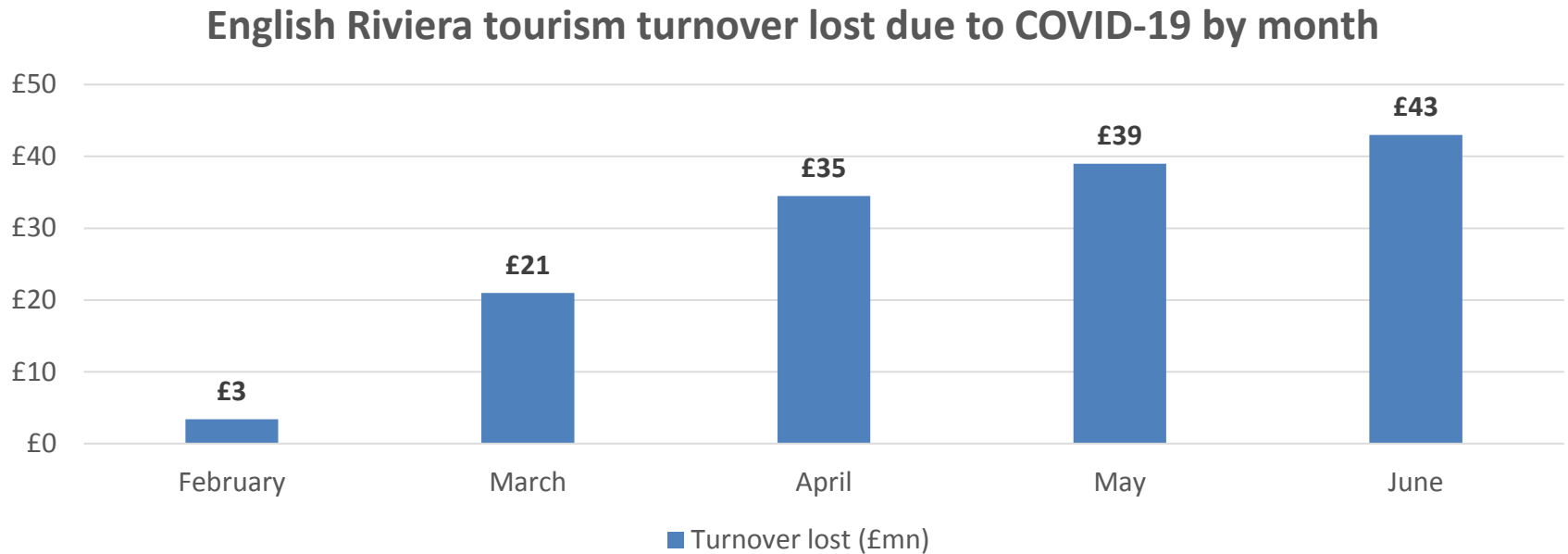
Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of June 2020 undertaken on behalf of The English Riviera BID during July 2020. It is worth noting that since the survey went live tourism and hospitality businesses were permitted to reopen from July 4th so it is likely that things may well have changed in terms of the future outlooks since the bulk of data collection took place in early July.
- This months survey has a sample of 91 businesses.
- 81% of businesses responding to the survey were accommodation providers, 9% were food and drink businesses, 5% were visitor/leisure attractions and 1% in each case were a sports or activities-based businesses or a retail business. 2% were an other business type.
- 81% of the accommodation businesses were serviced accommodation providers including 34% who were B&B's, 30% a guest house and 17% who were hotels. 13% were self catering businesses (9% with multiple units and 4% single units). 4% were a holiday park and 1% were an other business type.
- 64% of businesses had a rateable value of under £15k, 12% £15-51k and 13% over £51k.
- 54% of businesses were based in Torquay, 24% in Paignton, 11% in Brixham and 10% in Babbacombe. 1% were based elsewhere on The English Riviera.
- 90% of businesses said their business was closed for the whole of June as a result of the COVID-19 pandemic, 4% had been closed for part of the month and 5% had remained open.
- 77% of businesses said they had now re-opened, 15% hadn't re-opened but planned to in the near future and 8% 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.

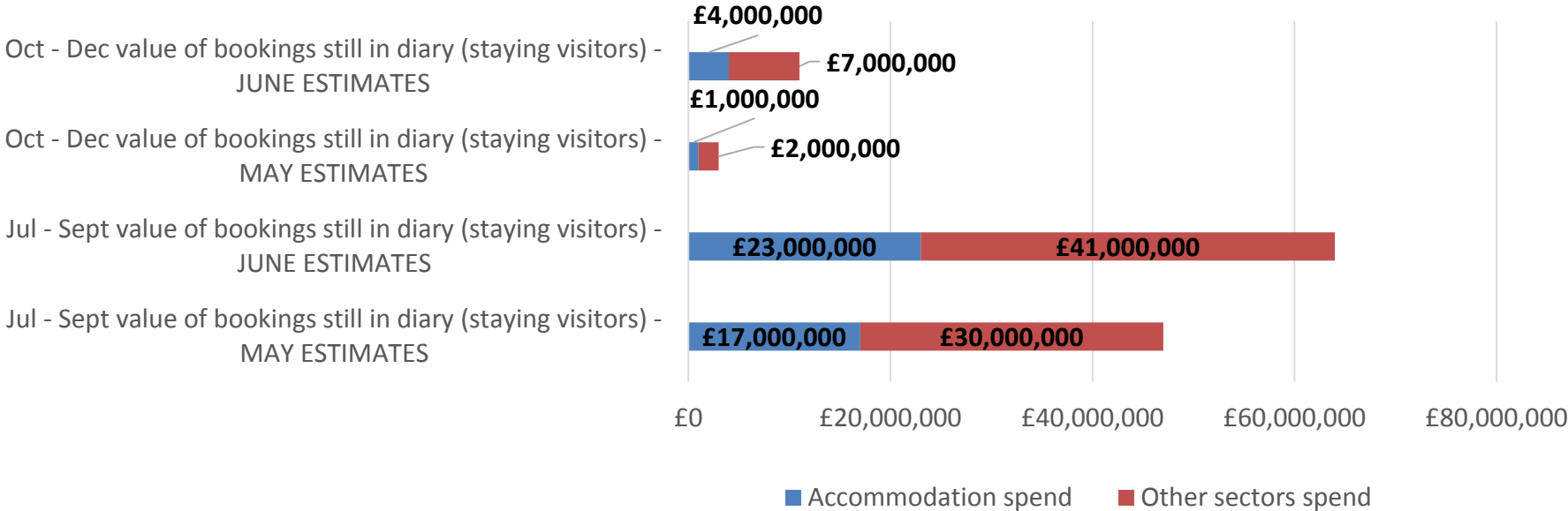
Key results – Economic Impacts



- To the end of June it is estimated that approximately £141 million of anticipated tourism business turnover has been lost on The English Riviera due to COVID-19 since February.
- 95% of turnover was lost in June (£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 June it is estimated that, as a result of the lost tourism spend, approximately £8 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.
- 90% of English Riviera businesses were closed during June as a result of COVID-19 and 78% of those still open to some degree were operating at -48% turnover levels compared to June 2019.

Key results – Economic Impacts

English Riviera value of retained bookings by period – May vs June estimates



- At the time of completing the survey an estimated £64 millions worth of staying visitor bookings for the July to September period were held by accommodation businesses (approximately 49% of the anticipated staying visitor value on The English Riviera during this period) and £12 million for the October to December period (approximately 33% 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 survey.

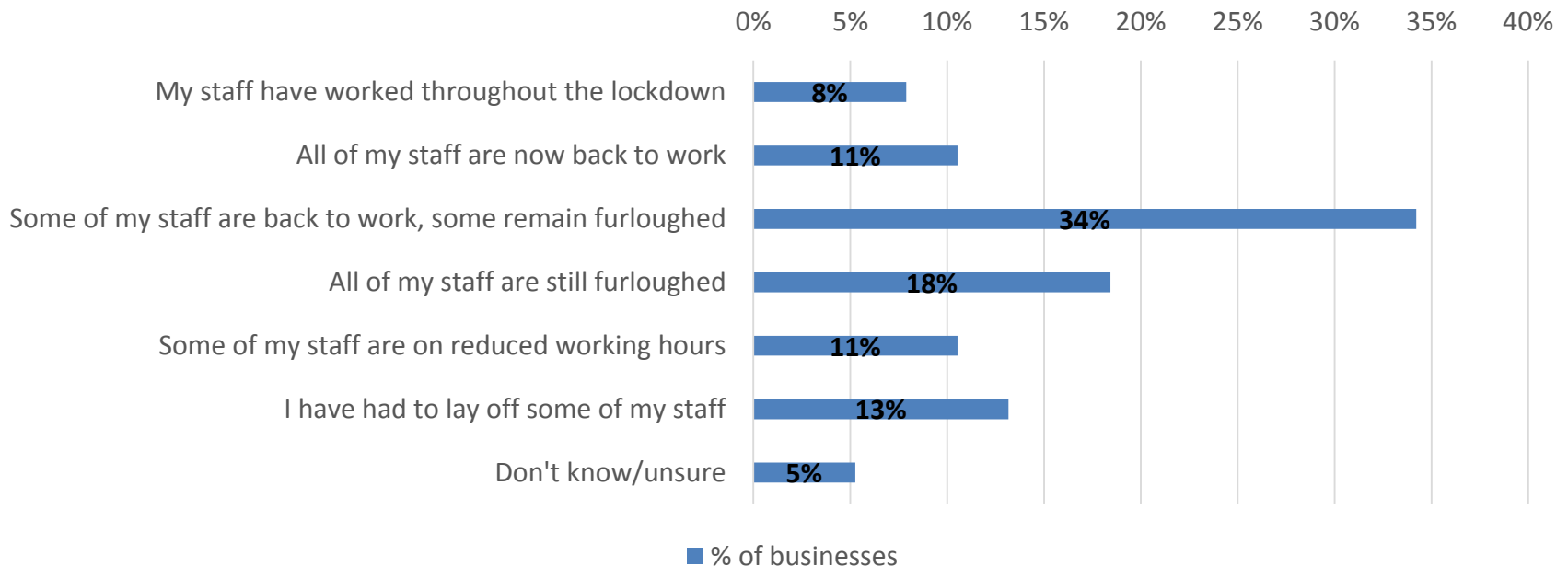
Key results – Economic Impacts

- All of the businesses taking part in the June survey did so before the 17th July when feedback from them still wasn't very optimistic. 91% stated that bookings were lower than expected with the estimated overall actual decrease calculated at -61%. Since then things seem to have changed with anecdotal evidence suggesting apparent limited availability.
- It is estimated that as a result of the retained tourism spend during July to September approximately £18 million will have been spent in the supply chain by tourism related businesses on the purchase of local goods and services and £3 million during October to December.

Key results – Employment Impacts

- 65% 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.

Impacts on those employed

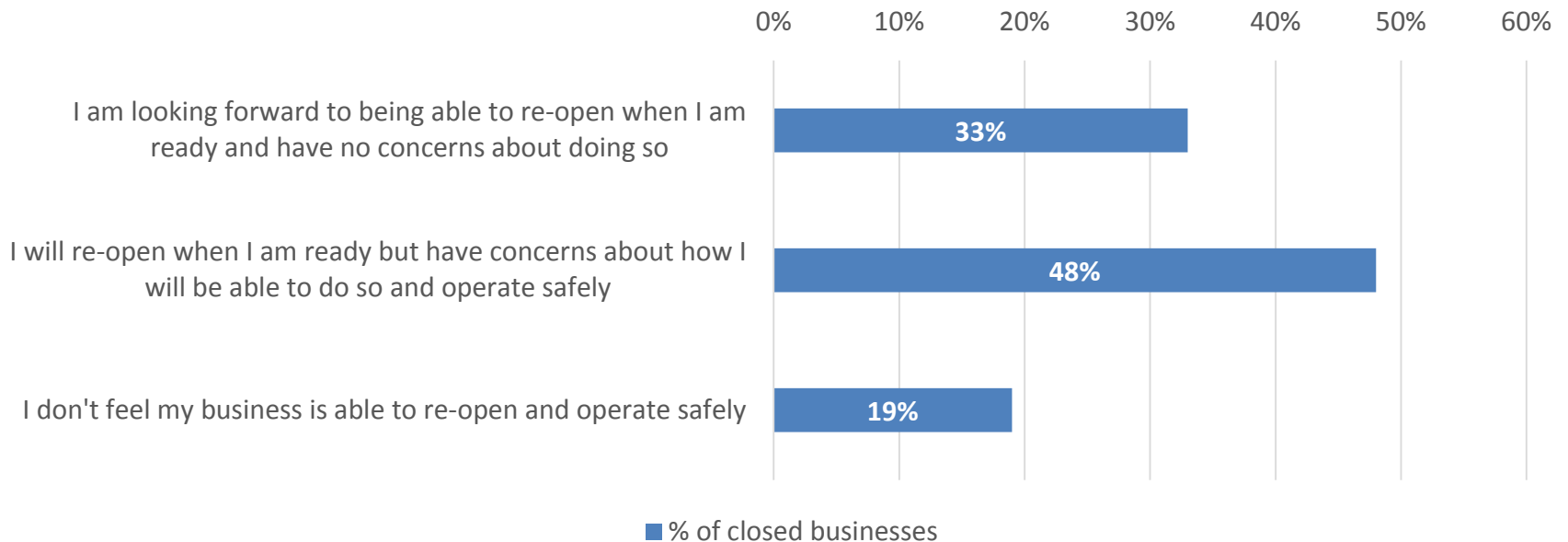


- 34% of businesses said some of their staff were back to work but some remained furloughed, 18% said all of their staff were still furloughed, 13% said they had laid off some of their staff and 11% in each case had brought all their staff back to work or still had some of their staff on reduced working hours. 8% said their staff had worked throughout the lockdown period.
- Just 5% of all businesses said they would be hiring additional seasonal staff now businesses were allowed to re-open.

Key results – Re-opening

- 77% of businesses said they had now re-opened, 15% hadn't re-opened but planned to in the near future and 8% still had no plans to re-open. The feelings about re-opening amongst those businesses who remain closed are shown in the chart below.

How do you feel about your business re-opening?



- 48% of all businesses who remained closed said they will re-open when they are ready but have concerns about how they will be able to do so and operate safely.
- 33% of closed businesses said they were looking forward to being able to re-open when they are ready and have no concerns about doing so whilst 19% said they didn't feel their business was able to re-open and operate safely.

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

Re-opening has gone well so far. Business levels are increasing slowly. Bookings are very last minute and a lot are just for one night which we are reluctantly doing at the moment. Guests don't seem particularly bothered about COVID secure measures in place. They have to be told to use hand sanitiser, they don't do it automatically, and we have started to use face visors as guests seem to ignore social distancing guidelines when talking to us even though there is signage in place and they are advised on arrival about it. Guests are younger than we would normally get at the moment.

Mixed, some guests are great and understand the extra precautions put in place and some of the older guests have shown no interest in what we have to help protect them.

Good, during the last 2 months we were doing about 40% of usual trade as a takeaway, now we're up to perhaps 70%, pretty good given no indoor seating. Very positive reaction from customers and staff.

All new procedures working really well...think guests feel safe....only had one family group so far...
Not many attractions open...most things guests tried to go to were closed.

We have only opened on 6th July and have one person today and one for tomorrow. Things seem to be slow.

A lot of last minute bookings. Of those that have stayed already there doesn't seem to be much concern about cleanliness as we have made our changes quite clear.

Keeping to all rules as best we can.

Slow, but responsible guests so far who enjoyed their stay/the resort. No problems with COVID-19 Secure protocols (digital check-in, social distancing, cleaning etc.) so far....but very early days and low volumes, will get much harder in Aug/Sep and as someone observed the reality is: "we are all having to work twice as hard for half as much."

Key results – Feedback on reopening (Sample of businesses who remain closed)

Business is reliant on schools being able to travel and participate in overnight residential trips - both from UK and overseas. Until government guidance changes to permit schools to travel it is not commercially viable to open over the summer or remainder of this year. We are confident, when this guidance changes, we could operate in a Covid safe manner in the future.

As we are shielding no plans to reopen this year.

Nightclubs still not allowed to open.

I think July is too soon. We are opening on limited bed space to regular guests only. No confidence otherwise. We fear this virus is being disrespected by a lot of people and do not wish to risk that kind of person staying in our home.

We won't make any money this year, we will probably make a loss which we can't afford to do. This will not be enough money for us to live on during the winter and won't cover the extra costs of ongoing PPE for ourselves. We are worried about catching COVID from our guests and very worried about being sued by a guest if they catch COVID whilst staying with us. We are worried we will get bad reviews because we can't provide the usual cleaning/chatty service we normally provide. Both of us are vulnerable (cancer/stroke survivors) and so we feel we have to implement stringent quarantine and cleaning processes once the guests have left in order not to get Covid.

No plans for theatres to re-open. If furlough scheme not extended it is doubtful if we will ever re-open.

Social distancing and the inability to offer everything that we do so well.

We do not trust the public to adhere to all safety measures.

We have been self shielding here since March and now I feel that we will be letting the virus in through the front door. I also feel that I shall look at my guests in a different way.

We have everything in place including "Good to go scheme" but we were due to open this weekend but the guests have cancelled due to health issues regarding Covid 19 so will be opening next weekend now. We both have underlying health conditions so we are a little bit apprehensive but I am sure when we get into things we will be OK. I think this year is going to be very difficult with little trade but a lot of hard work.

Key results – Feedback on cancellations (Sample)

- 74% of businesses were still receiving requests from customers who wish to cancel their booking and 85% 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:

Most have been leaving it to the last minute to cancel to assess the current situation. Reasons for cancelling are either they still don't feel completely safe and fear a 2nd wave of the virus or they feel that next year would be a better time to take a holiday as more amenities and attractions will be more available.

Guests are still nervous about travelling and staying outside of their immediate homes and 'social bubbles'. Some guests from overseas (i.e. Australia) have had to cancel due to travel restrictions due to Covid-19 in their own country of origin. Other guests are still self-isolating due to employment as front line employees or due to looking after elderly/vulnerable relatives.

Some are still very risk averse or in the vulnerable age group.

They are still very worried about covid-19 as we all are especially they way the government are opening everything up too quickly just to boost the economy, boosting the economy does not save lives. People are very afraid.

Most of my customers are aged 40+ and the majority of them say they are just not comfortable to come away yet. Most of them believe that we will have a second wave.

Still worried / shielding / prefer to come when things are more normal / more places open.

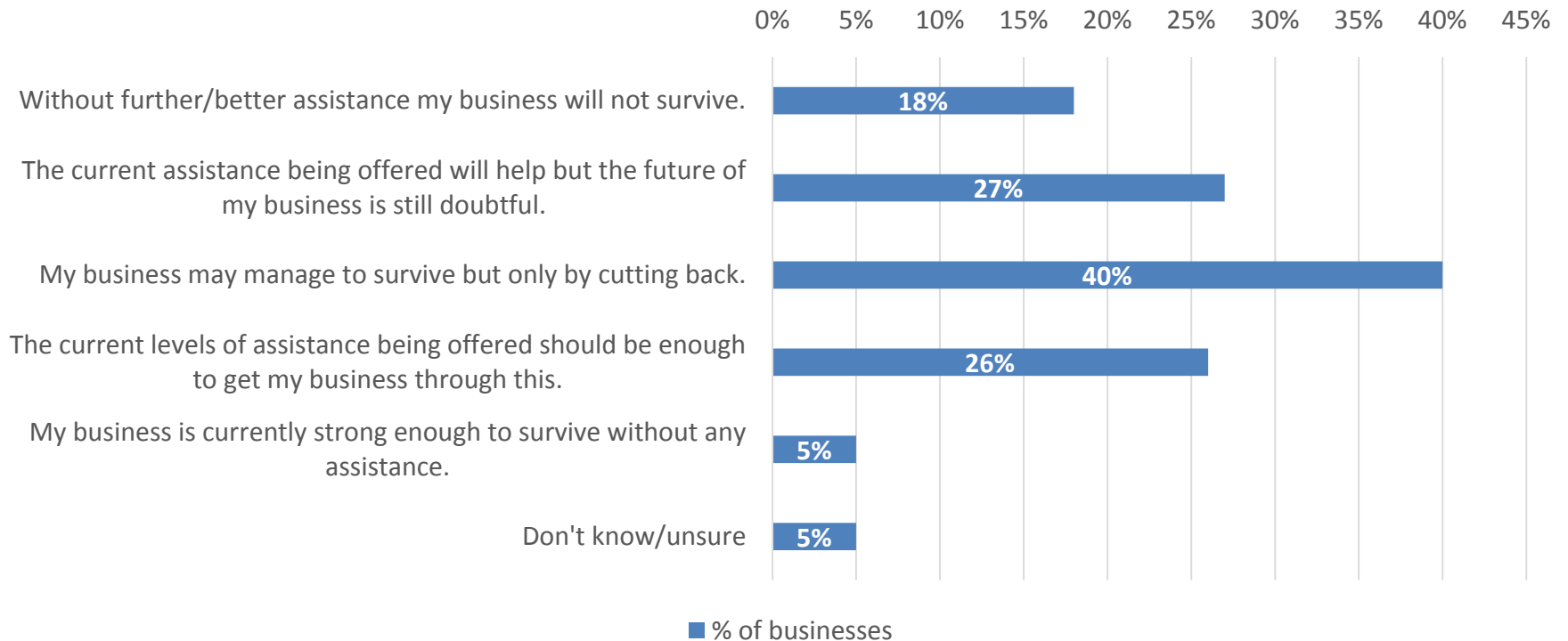
I think normally there would be an amount of cancellations anyway, so nothing different to usual. We have not been getting anything like the amount of cancellations before, which were due to the onset of the virus. Most of the bookings we have now are new, a lot made in June.

Lack of facilities. Don't feel safe.

Frightened to travel.

Key results – The Future

Impacts on the future of tourism businesses



- 45% of businesses were doubtful about surviving the coming months including 18% who said without further/better assistance their business will not survive.
- 31% of businesses were confident of surviving the coming months and 40% felt making cut backs would be their only way to survive.

Key results – Sample of other comments on impacts

Cancelled bookings right up till September and October. The guests that I have spoke to say they have cancelled because, they're just not confident to come away. We are with several online booking channels but nothing is coming through. 2020 season is a complete washout and before we know where we are winter will be here.

Lower turnover, increased costs, cut backs and uncertainty about the future.

I have had to take out a loan to help weather the coming months but after that the reality of paying back the loan is going to be a noose around our necks for years to come and that will determine if we stay in business.

Bookings are not coming in and we are getting worried as these summer months are usually our months where we make our money. It is scary as autumn and winter approaches we may not survive as our bank balance diminishes.

The winter will be very challenging if holding functions is still not allowed.

Insufficient notice given when changes to guidelines are made e.g. one day notice to open out door swimming pool (can take up to a week to ensure the bio-chemistry of the pool meets safety levels) Government detail lags behind change announcements.

Bookings are pretty non existing just hoping things will pick up which we think is doubtful.

Reservations still very low, people still concerned about travelling.

75% down on bookings for the remainder of the summer season which does not fell well to get us through the winter months, it's going to be a very bleak winter.

Putting a brave face on a nightmare scenario for the hospitality industry. Hope the government really do understand this compared with all other industry sectors!

We are getting a sense that people showing an interest in booking are philosophical about the pandemic and prepared to venture and take a risk. That means, probably, those who are more concerned and pessimistic are not even looking to stay away, as no one is asking about the cleaning and hygiene risks and how we are combatting them.

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

