COVID-19 Business Impact Survey

The English Riviera
June 2021

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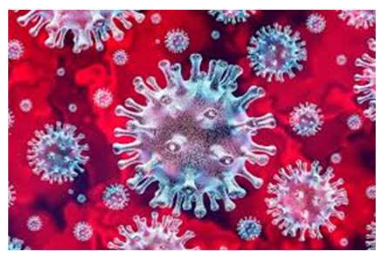
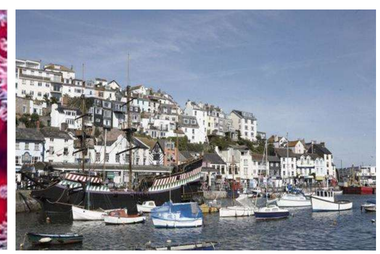
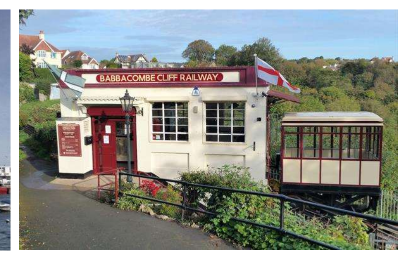
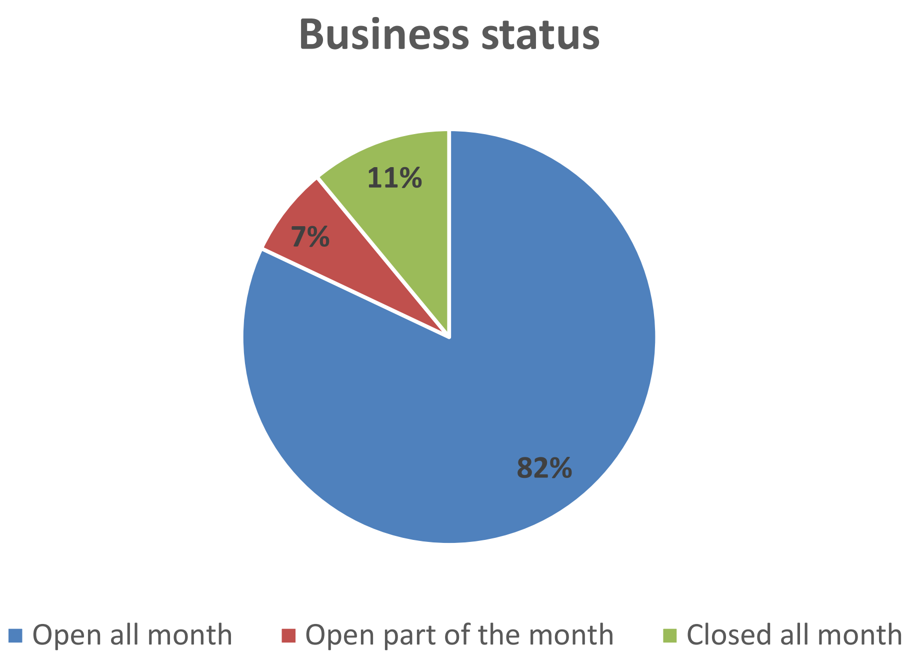




Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of June 2021 undertaken on behalf of The English Riviera BID during July 2021.
- This months survey has a sample of 57 businesses.
- 74% of businesses responding to the survey were accommodation providers, 12% were food and drink businesses and 11% were visitor/leisure attractions. 4% were an other business type.
- 69% of the accommodation businesses were serviced accommodation providers including 36% who were B&B's, 12% who were guest houses and 21% who were hotels. 31% were self catering businesses (19% with multiple units and 12% single units).
- 72% of businesses had a rateable value of under £15k, 19% £15-51k and 5% over £51k.
- 46% of businesses were based in Torquay, 32% in Paignton, 12% in Brixham and 9% in Babbacombe. 2% were based elsewhere on The English Riviera.
- 82% of businesses said their business had been open for the whole of June whilst 7% said they had been closed for part of the month and 11% for the whole month as a result of the COVID-19 pandemic.
- 65% of businesses said they were now fully open whilst 32% said they were now open but operating at reduced capacity. 4% said their business would remain closed for the whole of July.
- 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 June 2021

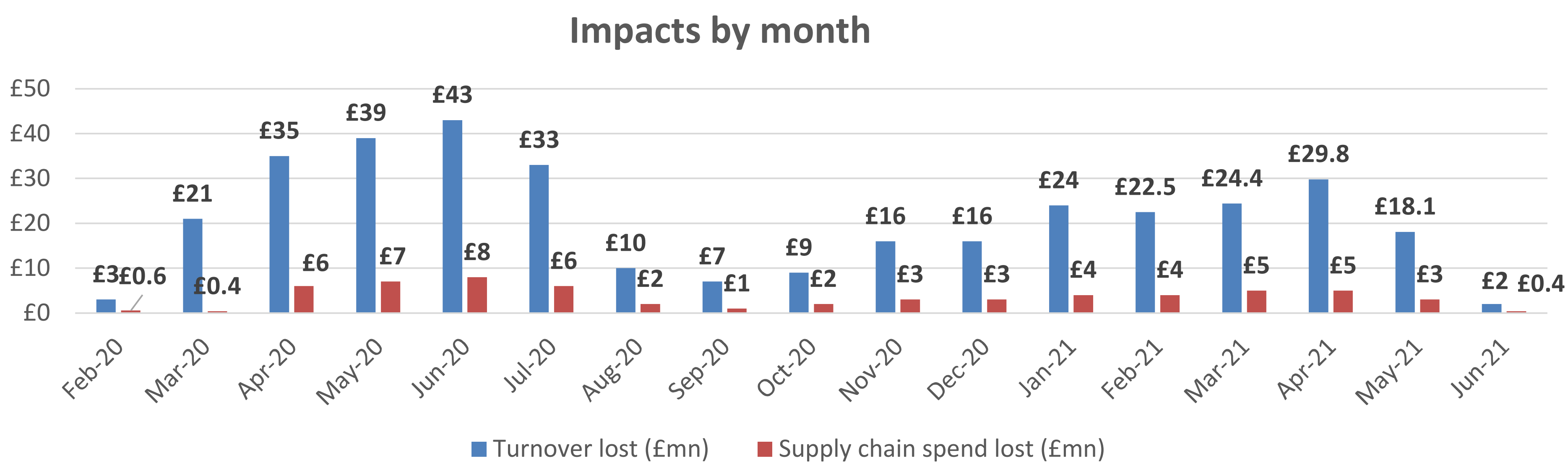


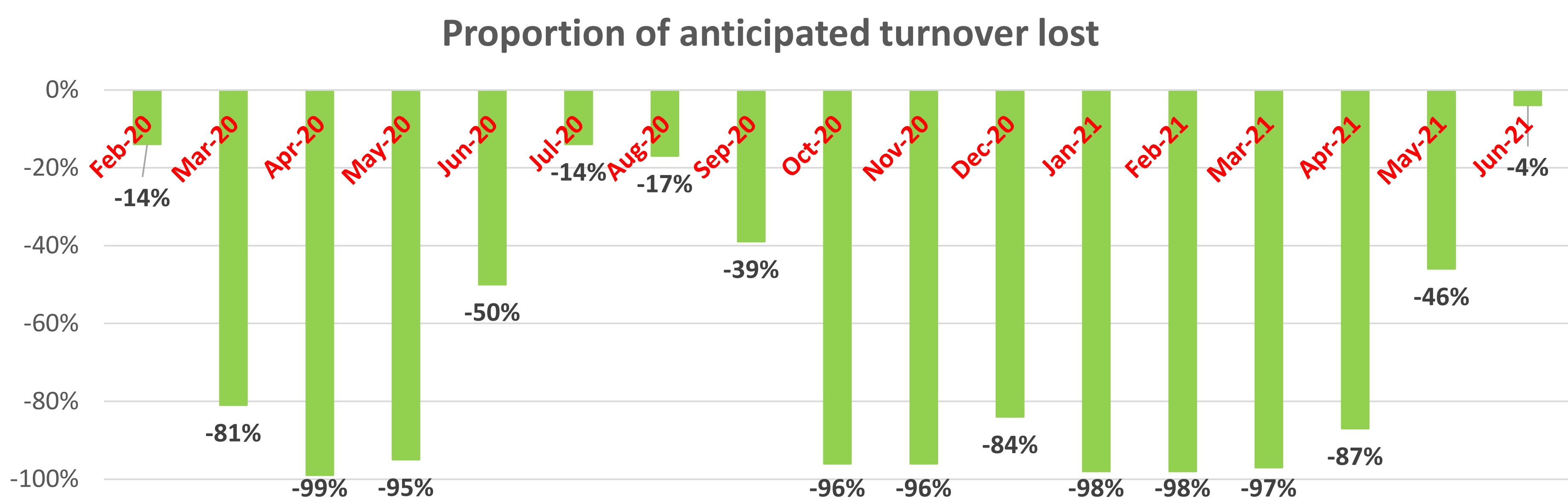
- 82% of businesses said their business had been open for the whole of June whilst 7% said they had been closed for part of the month and 11% for the whole month as a result of the COVID-19 pandemic.
- Those businesses open to some degree were operating at +6% turnover levels compared to June 2019*.

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

June turnover change	**-4%**
June turnover lost	**-£2 mn**
June supply chain spend lost	**-£400,000**

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





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

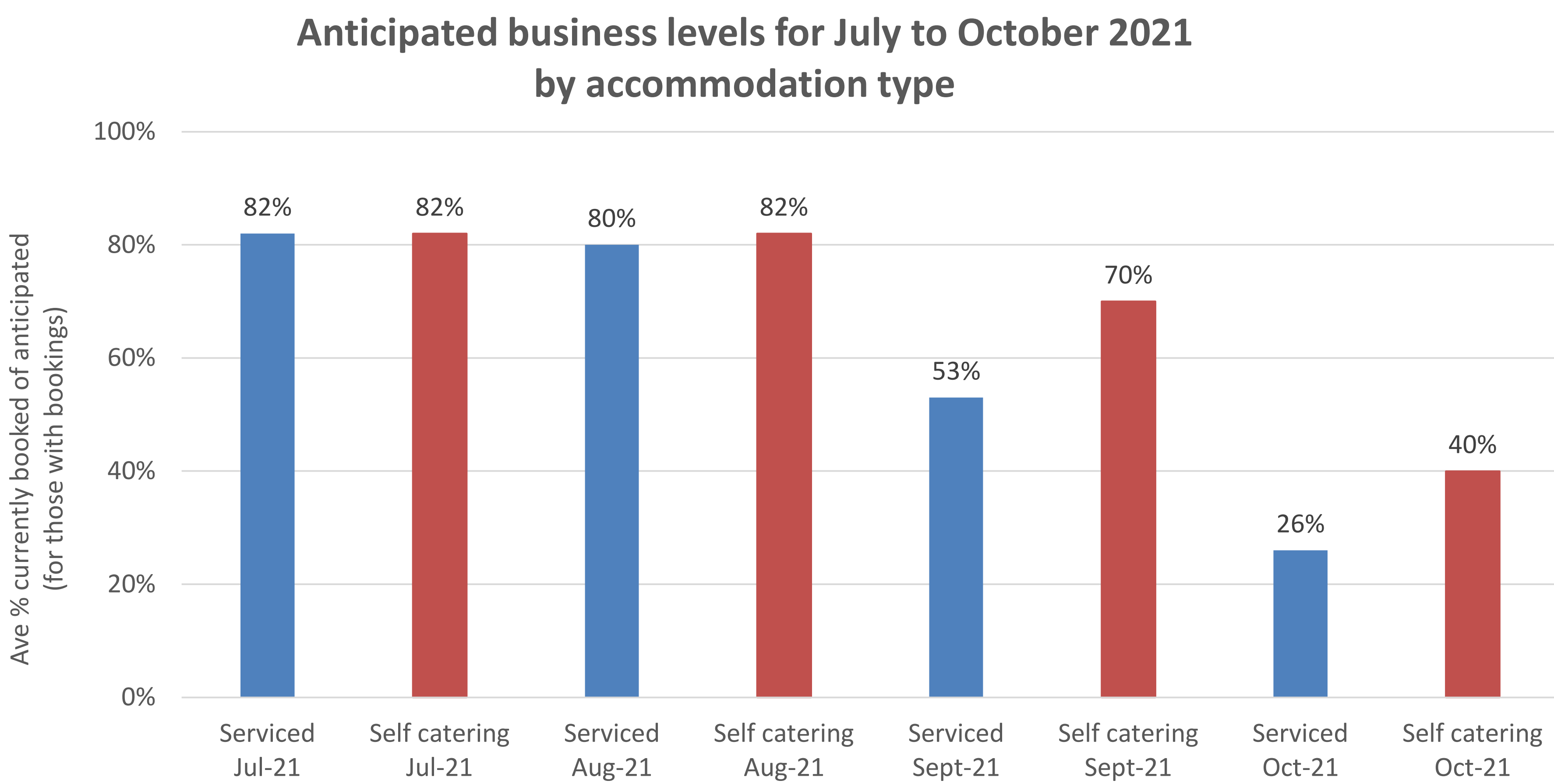
- It is estimated that approximately £232 million of anticipated tourism business turnover was lost on the English Riviera during 2020 due to COVID-19, 55% of the total anticipated turnover for the year. An additional £121 million of anticipated tourism business turnover has been lost to the end of June 2021 resulting in a total loss to date on the English Riviera (including 2020) of approximately £353 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 million of supply chain spend has been lost to the end of June 2021 resulting in a total loss to date (including 2020) of approximately £60 million.

Key results – Anticipated business levels July to October 2021

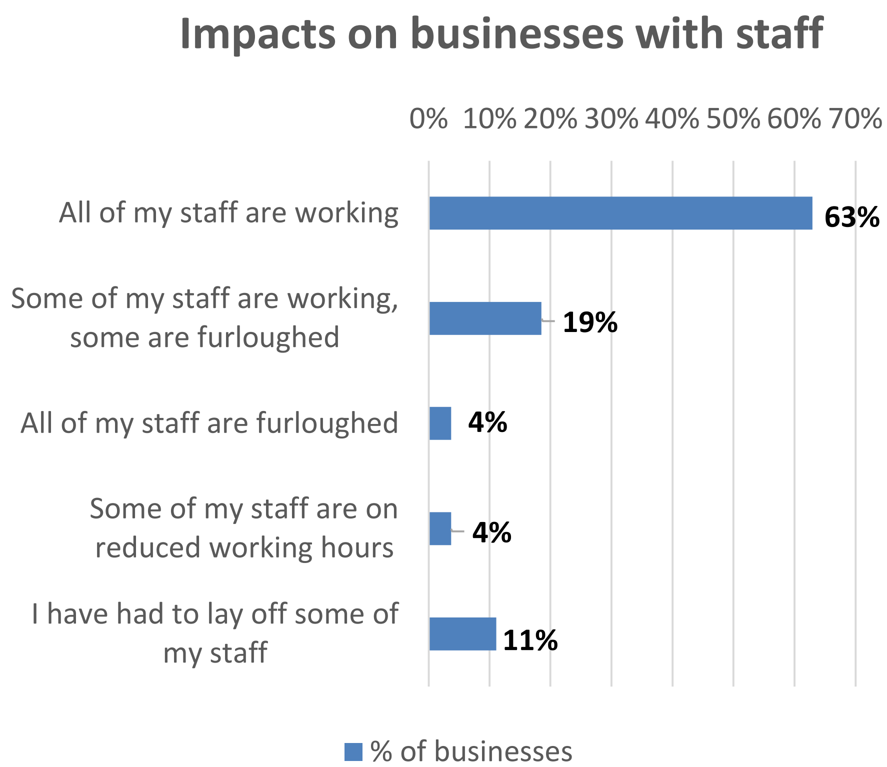
- Businesses were asked to think about the levels of business they expect to achieve overall in a typical year during July to October and to estimate approximately what proportion of this business they currently already have booked in for each of these months.

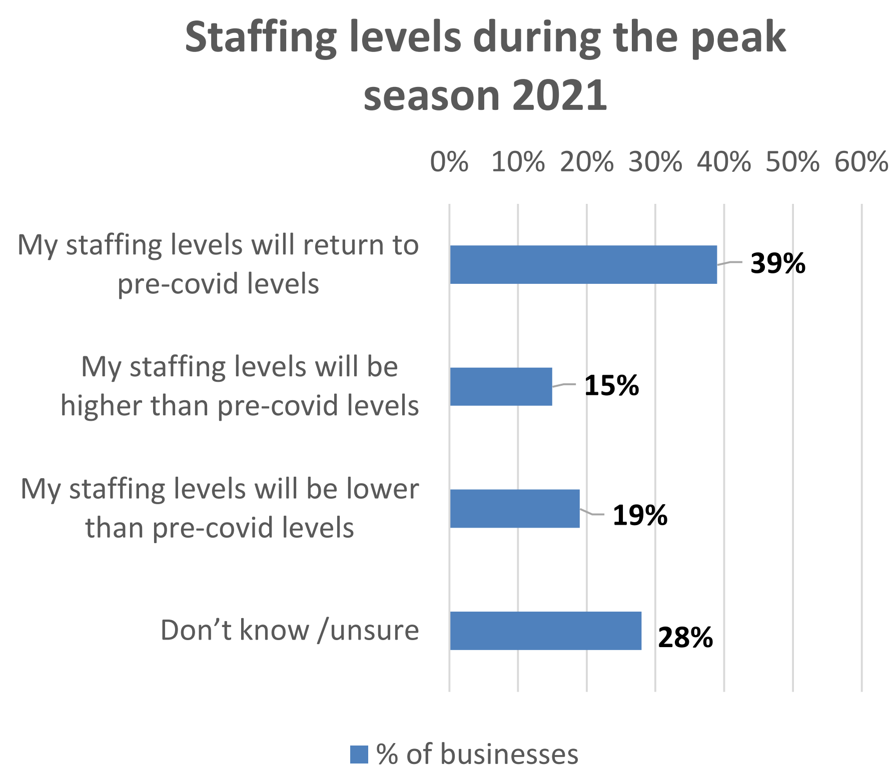
- Self catering businesses with bookings estimated that they had an average of 40% of their expected business levels already booked in for October, 70% for September and 82% in each case for August and July compared with 26%, 53%, 80% and 82% of serviced accommodation businesses saying the same in each case respectively.



Key results – Employment Impacts

- 56% 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.

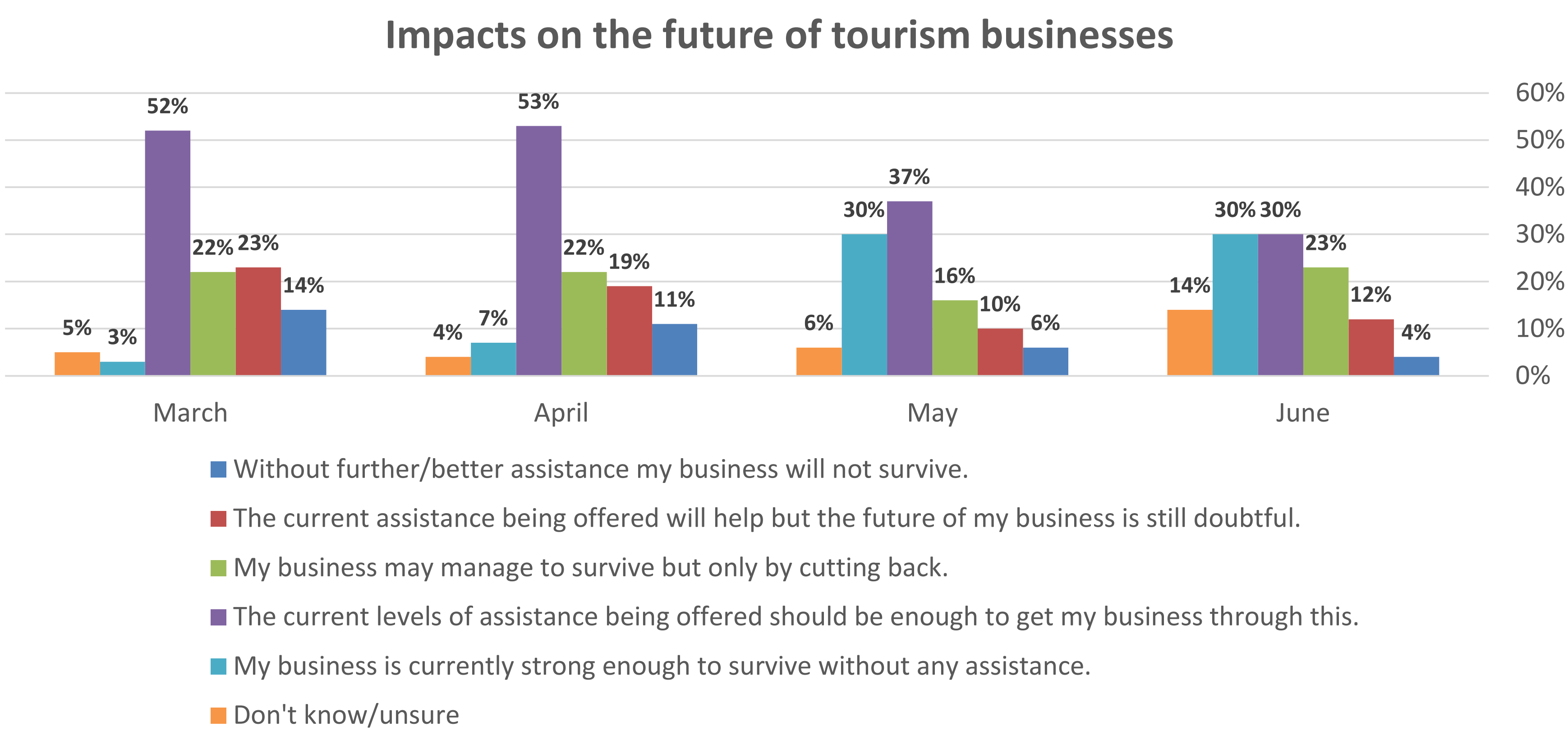




- 63% of businesses said that all of their staff are working and 19% said some of their staff are working, some are furloughed. 11% said that they had to lay off some of their staff and 4% in each case said that some of their staff are on reduced working hours or that all of their staff are furloughed.

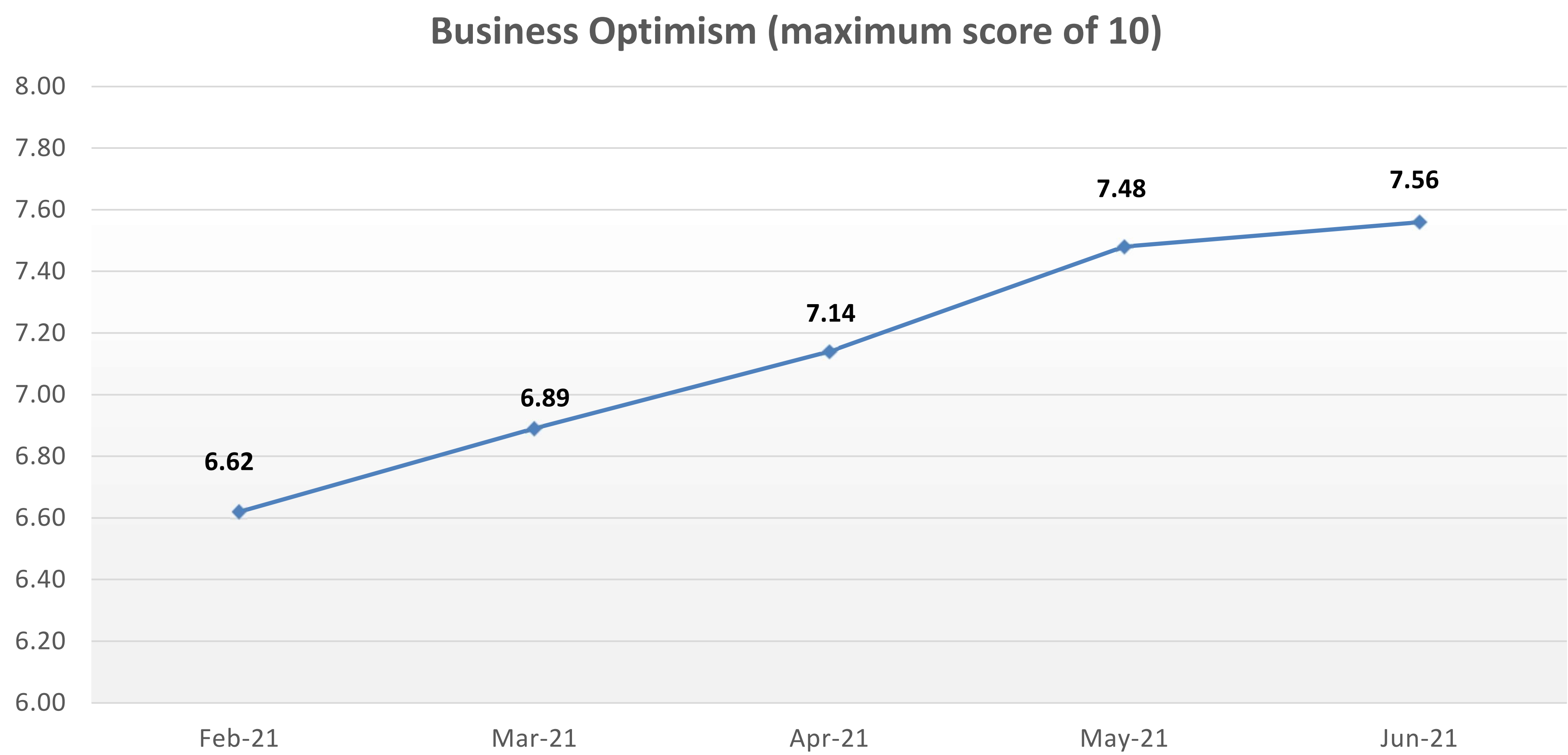
- When asked what they envisage will happen to their staffing levels during the peak season this year (July/August), 39% of businesses said their staffing levels will return to pre-covid levels, 19% said their staffing levels will be lower than pre-covid levels and 15% said they would be higher. 28% 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



- 16% of businesses were doubtful about surviving the coming months (including 4% who said without further/better assistance their business will not survive) compared with 16%, 30% and 37% of businesses saying the same during the May, April and March surveys respectively.
- 60% of businesses were confident of surviving the coming months (67% during May, 60% during April and 55% during March) and 23% felt making cut backs would be their only way to survive (16% during May and 22% in each case during the April and March surveys).

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 7.56 out of a maximum of 10, a slight decreased compared with the previous month.

Key results – Sample of other comments on impacts

Bumper year but not enough places to eat - some are now booked for Saturday nights in September. Causes huge issues when our guests have booked up all their meals as we told them to months in advance then get here and find some of them closed due to Covid outbreaks.

We will be extremely busy this summer but when foreign travel returns to some sort of normal I believe the demand will diminish somewhat. It has been good for UK travellers to see what we have on offer in Torbay and I hope we will have converted some new visitors to the bay for the future.

We are operating at 75% capacity in order to maintain social distancing. We will continue to work within Working Safely and guidance for hospitality despite the Step 4 relaxations. The failure of insurance companies to provide business interruption insurance payouts despite "required wording" following the test case has put many businesses under pressure.

Have already raised the URGENT issue of VAT threshold. All 2020 income was mid-July to end-Sept and all 2021 income so far is late-May to mid-July. We are now closing out rooms and turning away business/ income which we need, because we are hitting the VAT threshold (and won't work for another £8,800 just to pay the tax man). This is not just a pinch-point. If booking levels in August and September 21 are the same as 2020, we will also have to close at the end of September and not re-open until May. That impacts our ability to survive the winter (effectively means our turnover across 20/21 and 21/22 will be approx. half of the £85k threshold). We need more than that to survive being closed from October to May. In addition, if we cannot do winter improvements then there is a knock-on effect to local tradesmen.

We are operating under reduced capacity as we are unable to fully reopen. With infections increasing we will continue to operate at this capacity for the rest of the year and implement face coverings and social distancing measures, especially in the dining room, communal areas. The risk of further lockdowns has not been ruled out and therefore we have adapted our business model to reflect this.

Track and trace pinging our staff is leading us to massively reduce capacity and sometimes closure. Tourists are coming in their swarms and bringing the virus down here. I don't think the easing of restrictions by the Government was a good idea!

If we continue to have staff sending in NHS Track & Trace 10 Day Self Isolation notifications we will not be able to run our business. This is our biggest hurdle currently.

Guests have had to leave early because they were pinged by NHS app - all tests were negative, but they still have to go home. This needs to be altered plus staff shortages everywhere because staff being pinged and have to self isolate.

The lack of available staff across the whole area is impacting us negatively.

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ENGLISH RIVIERA BID COMPANY

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