

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



Published by The South West Research Company Ltd

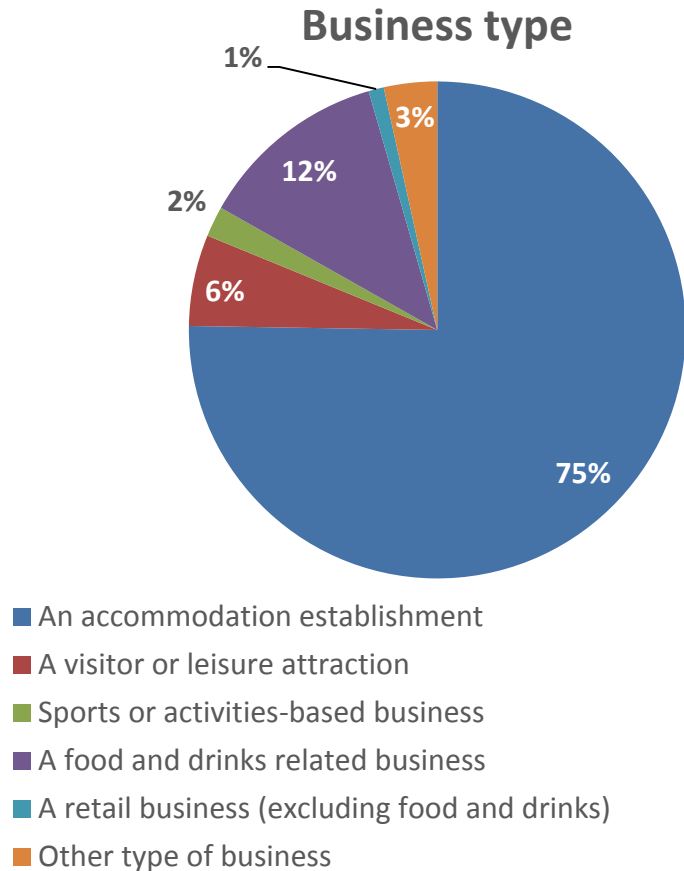
June 2020



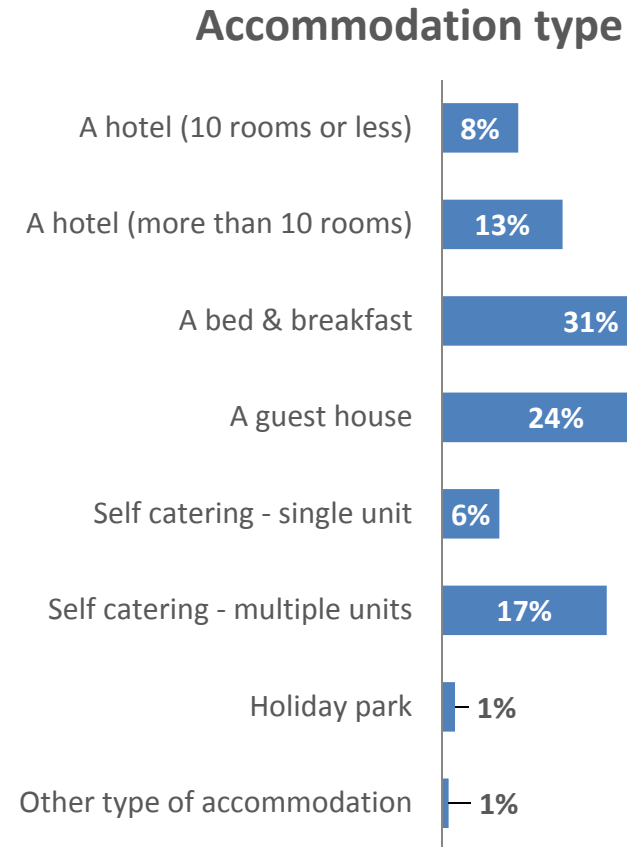
Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of May 2020 undertaken on behalf of The English Riviera BID during the first two weeks in June 2020. It is worth noting that since the survey closed to submission the government announced that tourism and hospitality businesses are permitted to reopen from July 4th so it is likely that things may swiftly move on from here in July in terms of the future outlook/impacts. A total of 203 English Riviera businesses responded to the survey.
- Three quarters of businesses responding to the survey were accommodation providers, 12% were food and drink businesses, 6% were visitor/leisure attractions, 2% were a sports or activities-based businesses and 1% were a retail business. 3% were an other business type.
- 76% of the accommodation businesses were serviced accommodation providers including 31% who were B&B's, 24% a guest house and 21% who were hotels. 23% were self catering businesses (17% with multiple units and 6% single units). 1% in each case were either a holiday park or were an other business type.
- 62% of businesses had a rateable value of under £15k, 18% £15-51k and 11% over £51k.
- 47% of businesses were based in Torquay, 30% in Paignton, 14% in Brixham and 7% in Babbacombe. 2% were based elsewhere on The English Riviera.
- 96% of businesses said their business was closed for the whole of May as a result of the COVID-19 pandemic, 3% had been closed for part of the month and just 1% had remained open.
- 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.

Sample profile

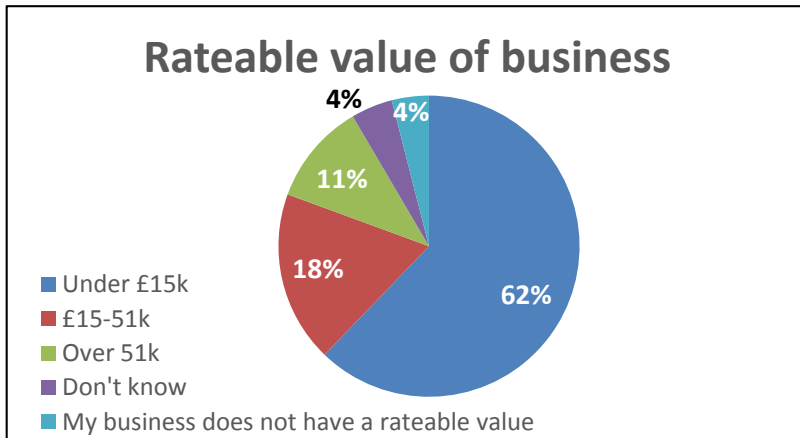


- Three quarters of businesses responding to the survey were accommodation providers, 12% were food and drink businesses, 6% were visitor/leisure attractions, 2% were a sports or activities-based businesses and 1% were a retail business. 3% were an other business type.



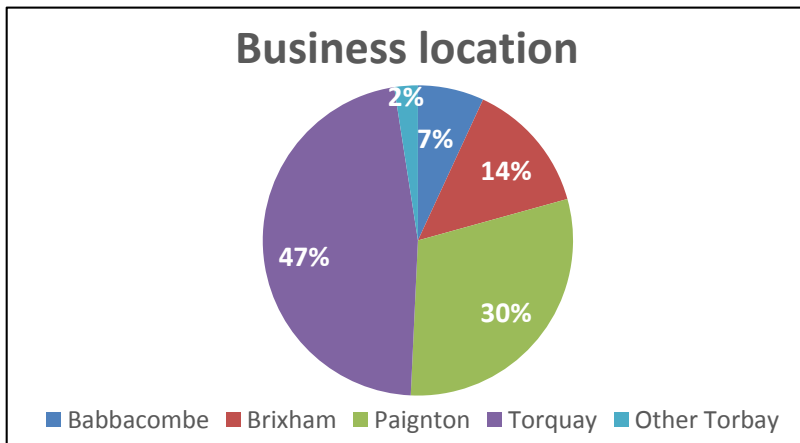
- 76% of the accommodation businesses were serviced accommodation providers including 31% who were B&B's, 24% a guest house and 21% who were hotels. 23% were self catering businesses (17% with multiple units and 6% single units). 1% in each case were either a holiday park or were an other business type.

Rateable value and business location



Rateable value by business type	Under £15k	£15-51k	Over £51k	Don't know	My business does not have a rateable value	I would prefer not to answer this question
Hotel	45%	26%	23%	6%	-	-
B&B	81%	4%	2%	6%	4%	2%
Guest house	83%	6%		6%	3%	3%
Self catering	83%	9%	3%	-	6%	-
All non-accommodation businesses combined	27%	43%	20%	4%	6%	-

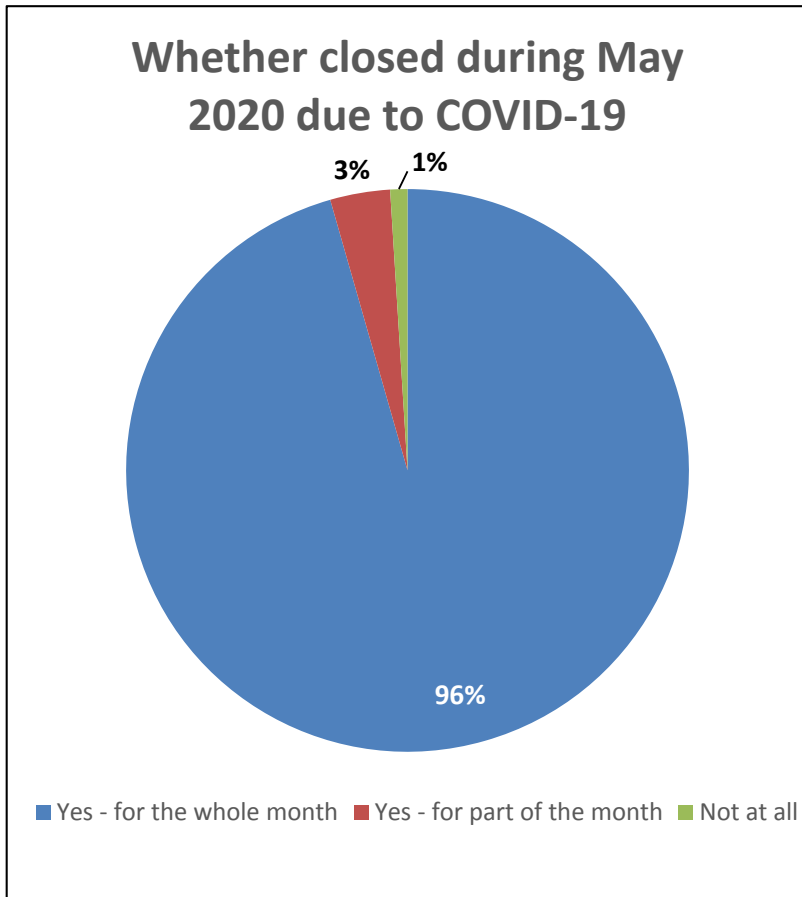
- 62% of businesses had a rateable value of under £15k, 18% £15-51k and 11% over £51k. The largest proportion of accommodation businesses across the board had a rateable value of under £15k. 43% of non-accommodation businesses had a rateable value of £15-51k.



Location by business type	Babbacombe	Brixham	Paignton	Torquay	Other Torbay
Hotel	6%	13%	35%	45%	-
B&B	2%	9%	36%	53%	-
Guest house	3%	17%	36%	44%	-
Self catering	3%	17%	29%	43%	9%
All non-accommodation businesses combined	18%	16%	16%	47%	4%

- 47% of businesses were based in Torquay, 30% in Paignton, 14% in Brixham and 7% in Babbacombe. 2% were based elsewhere on The English Riviera. The largest proportion of businesses across the board were based in Torquay.

Whether business closed during May due to the Coronavirus (COVID-19)

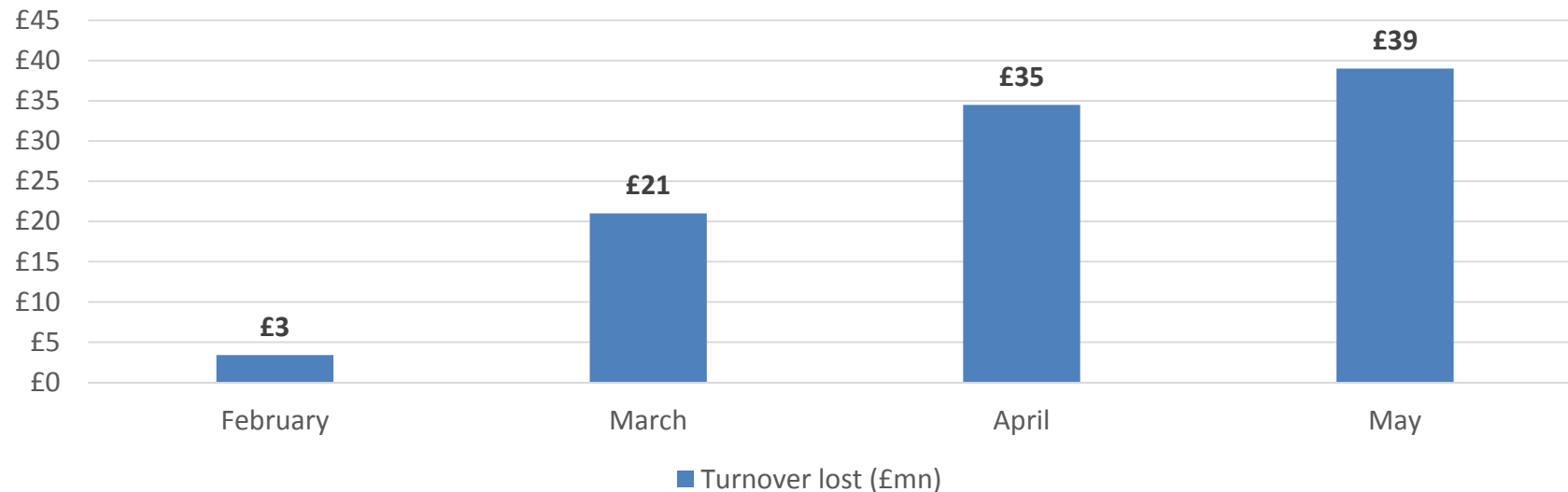


Whether business closed during May due to the Coronavirus (COVID-19) by business type	Yes – for the whole month	Yes – for part of the month	Not at all
Hotel	90%	10%	-
B&B	100%	-	-
Guest house	100%	-	-
Self catering	94%	3%	3%
All non-accommodation businesses combined	92%	6%	2%

- 96% of businesses said their business was closed for the whole of May as a result of the COVID-19 pandemic, 3% had been closed for part of the month and just 1% had remained open.
- 90% or more of businesses across all types had been closed for the whole of May due to COVID-19. 10% of hotels had been closed for part of the month along with 6% of all non-accommodation businesses. 3% of self catering accommodation businesses had remained open for the month along with 2% of all non-accommodation businesses.

Key results – Economic Impacts

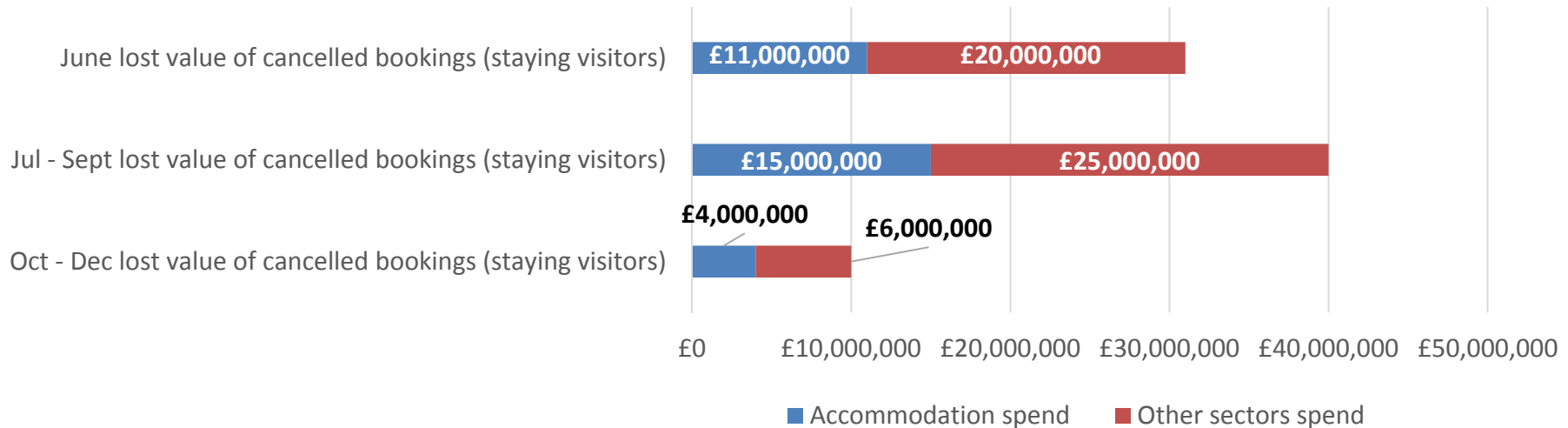
English Riviera tourism turnover lost due to COVID-19 by month



- To the end of May it is estimated that approximately £98 million of anticipated tourism business turnover has been lost on The English Riviera due to COVID-19 since February.
- 99% of turnover was lost 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 May it is estimated that, as a result of the lost tourism spend, approximately £7 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.
- 96% of English Riviera businesses were closed during May as a result of COVID-19 and all of those still open to some degree were operating at decreased turnover levels compared to May 2019.

Key results – Economic Impacts

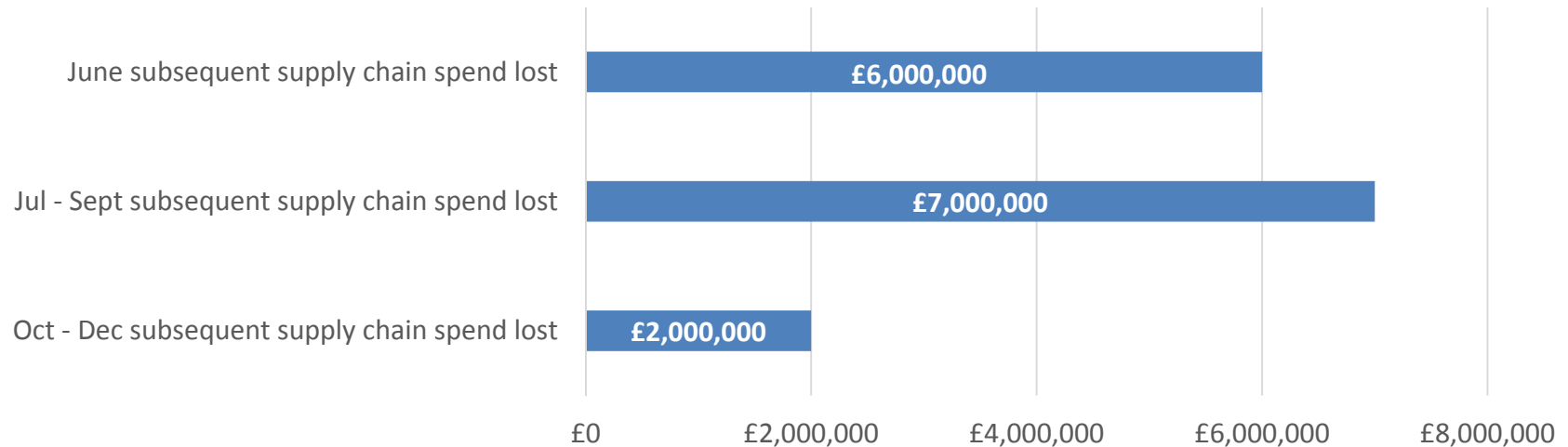
English Riviera visitor turnover lost due to cancelled bookings by period



- An estimated £31 million of staying visitor turnover for June has been lost due to cancelled bookings (approximately 86% of the anticipated staying visitor value on the Riviera for the month), £40 million for cancellations of July – September bookings (approximately 31% of the anticipated staying visitor value on the English Riviera between July and September) and £10 million for cancellations of October to December bookings (approximately 28% 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.
- Please note that the above value of forward bookings lost only relates to bookings that have been cancelled plus the money that those visitors would have spent whilst on holiday. It remains to be seen how many of these bookings after June are recovered when businesses re-open in July.

Key results – Economic Impacts

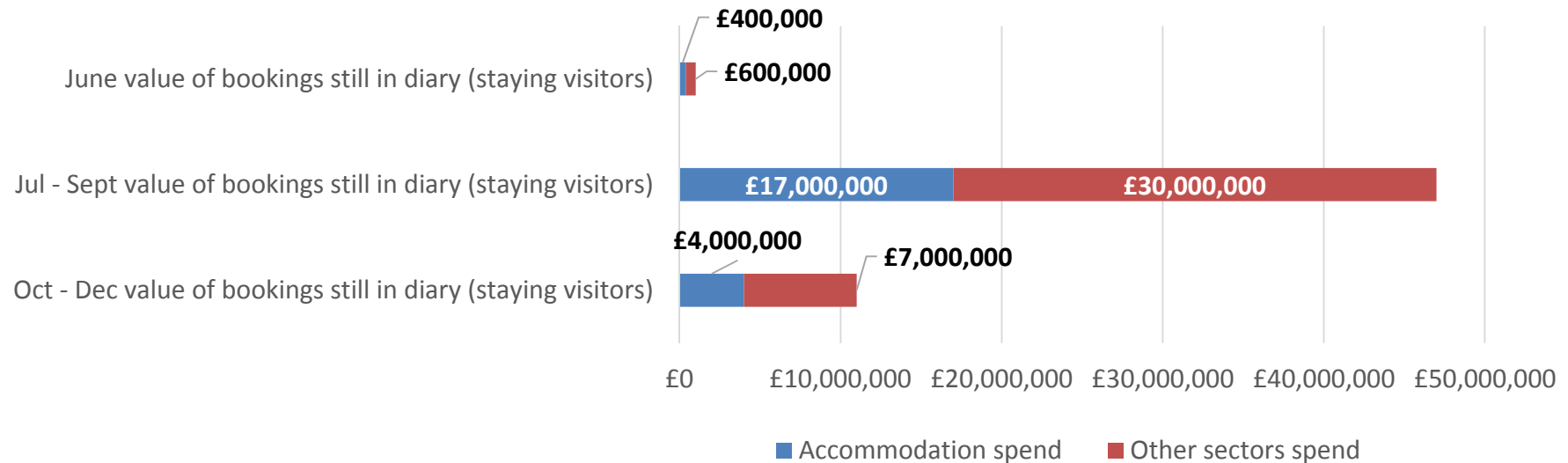
English Riviera supply chain spend lost due to COVID-19 by period



- It is estimated that as a result of the lost tourism spend in June 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 occur, along with £7 million during July to September and £2 million during October to December. There is still time though for this to be rectified in the case of the latter two periods.
- Day visitor value lost is not accounted for in future value impacted calculations, however, the value of English Riviera day visits during June is likely to be in the region of £8 million.
- It is estimated that £10 million day visitor value could be lost during July, £17 million during August and £15 million during September if things remained unchanged but these losses may not occur as businesses start to reopen from the 4th July.

Key results – Economic Impacts

English Riviera value of retained bookings by period

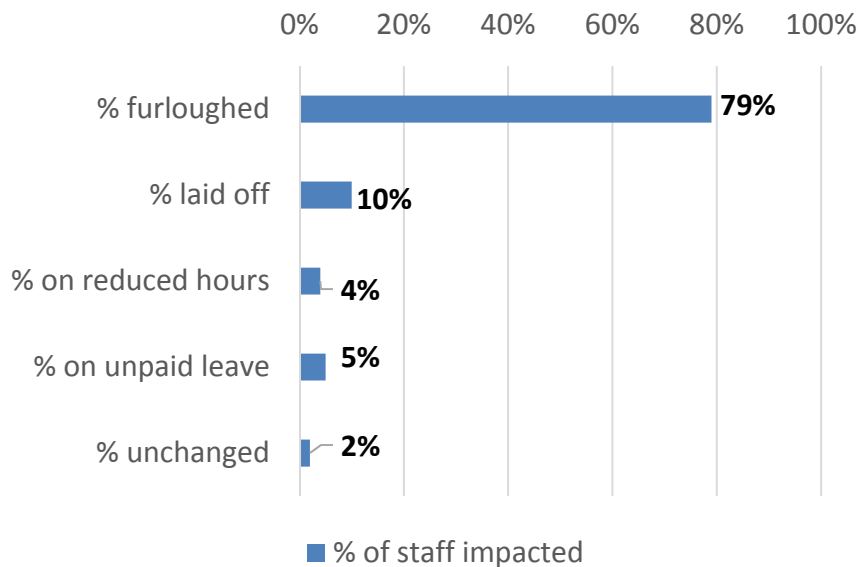


- At the time of completing the survey an estimated £1 millions worth of staying visitor turnover for the month could still occur through bookings still in businesses diaries/bookings systems (approximately 3% of the anticipated staying visitor value on the English Riviera during June), £47 million during July – September (approximately 36% of the anticipated staying visitor value on the English Riviera between July and September) and £11 millions worth during October to December (approximately 32% 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.
- It is estimated that as a result of the retained tourism spend in June approximately £300,000 will have been spent in the supply chain by tourism related businesses on the purchase of local goods and services, £12.9 million during July to September and £3.1 million during October to December.

Key results – Employment Impacts

- 61% of English Riviera businesses responding to the survey didn't have any staff. The employment impacts of those with staff are shown in the chart below and in the table below by business type.

Impacts on those employed in tourism businesses

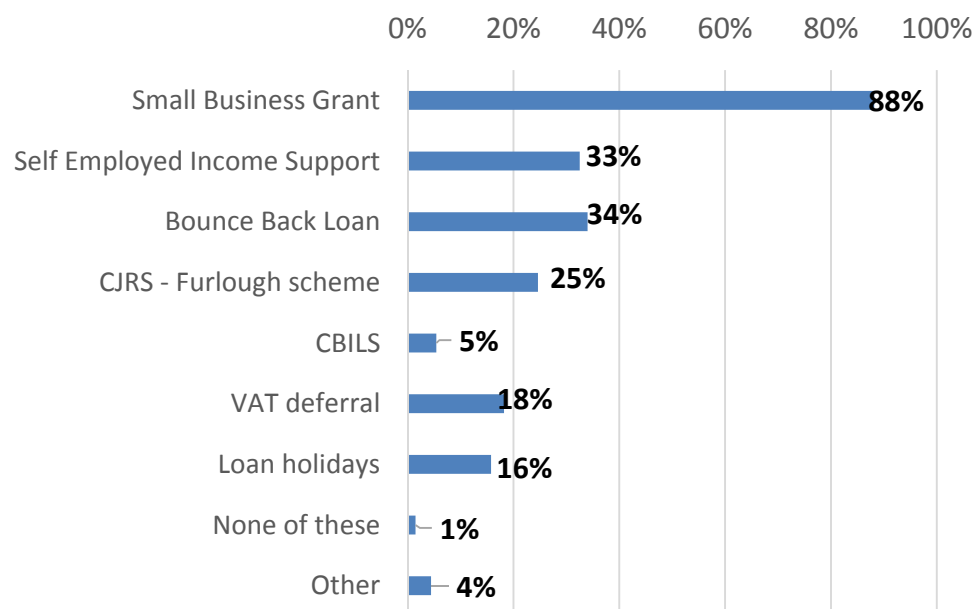


Impacts on those employed by business type	% furloughed	% laid off	% on reduced hours	% on unpaid leave	% unchanged
Hotel	84%	13%	1%	-	3%
B&B	55%	45%	-	-	-
Guest house	100%	-	-	-	-
Self catering	15%	17%	33%	33%	1%
All non-accommodation businesses combined	88%	4%	2%	4%	3%

- 79% of those employed by tourism businesses were furloughed, 10% laid off, 5% on unpaid leave and 4% on reduced hours. The remaining 2% were working unchanged hours. With the exception of self catering businesses, the largest proportion of staff across all business types had been furloughed. 33% of self catering staff in each case were either working reduced hours or on unpaid leave.
- 78% of all English Riviera businesses said they had suspended any plans to hire additional seasonal staff as a result of COVID-19.

Key results – Business support

Direct or indirect business support schemes accessed to date



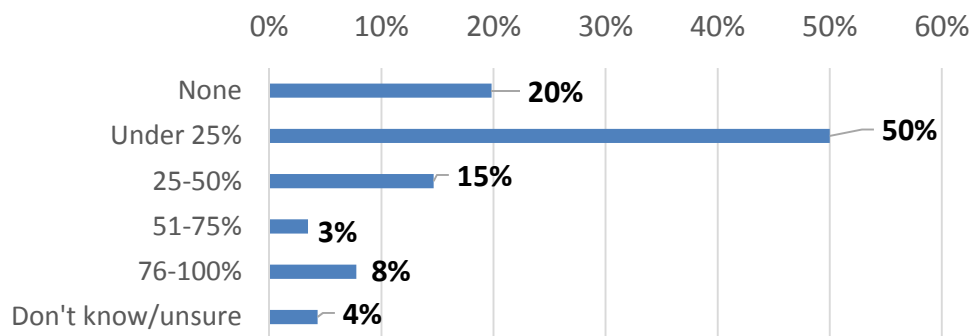
- 88% of all businesses had accessed a small business grant, 34% a bounce back loan and 33% self employed income support. 25% had accessed the furlough scheme (CJRS).
- 18% of businesses had deferred their VAT payment, 16% had taken a loan holiday and 5% had taken out a Coronavirus Business Interruption Loan (CBILS).
- The results by business type are shown in the table below.

Direct or indirect business support schemes accessed to date by business type	Small Business Grant	Self Employed Income Support	Bounce Back Loan	CJRS - Furlough scheme	CBILS	VAT deferral	Loan holidays	None of these	Other
Hotel	74%	32%	45%	32%	6%	23%	35%	3%	6%
B&B	100%	47%	38%	2%	2%	9%	19%	-	9%
Guest house	97%	47%	28%	3%	6%	3%	14%	-	-
Self catering	94%	23%	20%	-	-	6%	3%	-	3%
All non-accommodation businesses combined	80%	18%	39%	69%	10%	43%	10%	4%	4%

Key results – Grants/cancelled bookings

- 76% of English Riviera accommodation businesses responding to the survey said they have had to refund cancelled bookings. The approximate percentage of any grants they have received to date which have been used to refund these cancellations is shown in the graph below.

Approximate percentage of any grants received to date used to refund cancellations

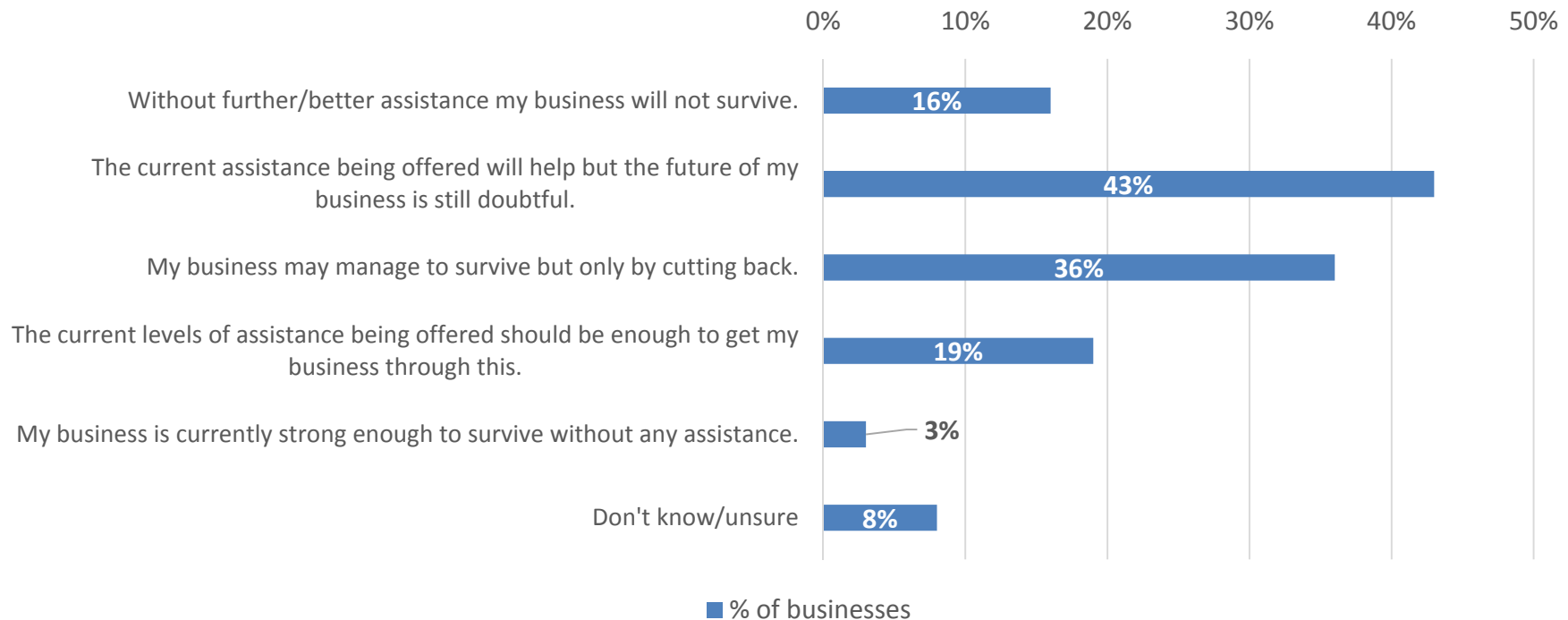


- Half of all businesses said they had used under 25% of any grants they have received to refund cancelled bookings. 20% said they haven't used any of it to do so. 15% have used 25-50%, 8% 76-100% and 3% 51-75%.
- The results by accommodation type are shown in the table below and display a broadly similar picture by business type.

Approximate percentage of any grants received to date used to refund cancellations by business type	None	Under 25%	25-50%	51-75%	76-100%
Hotel	25%	54%	8%	4%	8%
B&B	21%	53%	12%	3%	6%
Guest house	5%	62%	19%	-	5%
Self catering	21%	41%	21%	6%	12%

Key results – The Future

Impacts on the future of tourism businesses



- 59% of businesses were doubtful about surviving the coming months including 16% who said without further/better assistance their business will not survive.
- 22% of businesses were confident of surviving the coming months and 36% felt making cut backs would be their only way to survive.

Key results – The Future – business type

Impacts on the future by business type	Without further/better assistance my business will not survive.	The current assistance being offered will help but the future of my business is still doubtful.	My business may manage to survive but only by cutting back.	The current levels of assistance being offered should be enough to get my business through this.	My business is currently strong enough to survive without any assistance.	Don't know/unsure
Hotel	23%	45%	23%	6%	3%	19%
B&B	26%	36%	36%	15%	-	11%
Guest house	19%	64%	25%	11%	3%	6%
Self catering	6%	31%	34%	29%	6%	9%
All non-accommodation businesses combined	8%	45%	51%	31%	6%	2%

- 83% of guest houses, 68% of hotels and 62% of B&B's were doubtful about surviving the coming months compared with 37% of self catering accommodation businesses and 53% of non-accommodation businesses.
- 37% of non-accommodation businesses and 35% of self catering accommodation businesses were confident of surviving the coming months compared with 9% of hotels, 14% of guest houses and 15% of B&B's.

Key results – Opinions on Assistance and Guidance Being Offered (Sample)

The Government guidance at times can be very misleading and sparse. More detailed information would be very helpful as we do not know what to prepare for.

Very useful and keeps us up to date with what's going on locally and nationwide.

The draft guidelines sent for possible re-opening are vague. No guide on numbers, % of stays allowed to keep people safe. Do we close if a guest or ourselves get infected? We are grateful for the grant and able to get the business interruption loan, however new businesses like ours that don't take a salary and have re-invested all our money back into the business to improve it further and have not shown a profit, have fallen through the loop. We cannot claim furlough or the self employment grant. Many are able to claim up to £2.5K per month per person and we have to get in to debt. Many businesses will go under.

As long as we reopen in July and have guests then the assistance we have received will ensure our business will survive.

Struggling and worried about reopening with unclear government guidance, risk assessment whilst taking bookings from July 4th onwards.

Very helpful as we need to change almost everything we do so as to make it as safe as possible for all our guests and ourselves. It will mean a lot of work to sort all this out but in the long run it is the safest route to take.

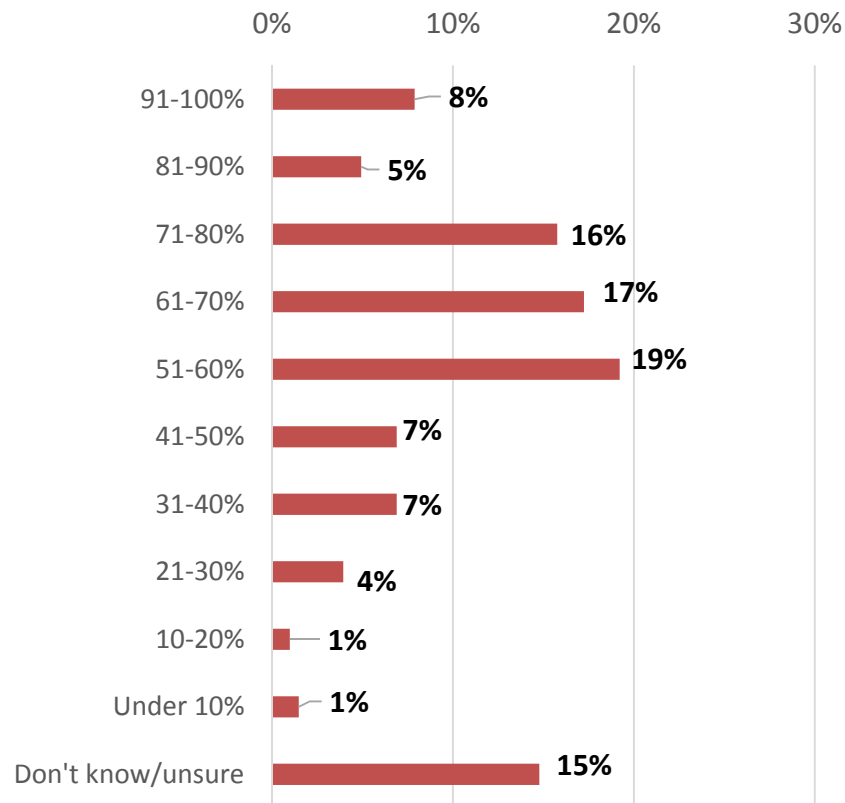
The assistance has been helpful but more financial assistance will be needed to see seasonal businesses through the winter months as we cannot simply catch up on lost revenue. I've had to defer 6 months mortgage payments, take a loan and lose almost all revenue for the year. All of which is not sustainable unless more help / grants are made available.

Not sufficient clear information. Varied communications from different sources with draft guidelines.

The information regarding accommodation is very poor, vague and uncertain.

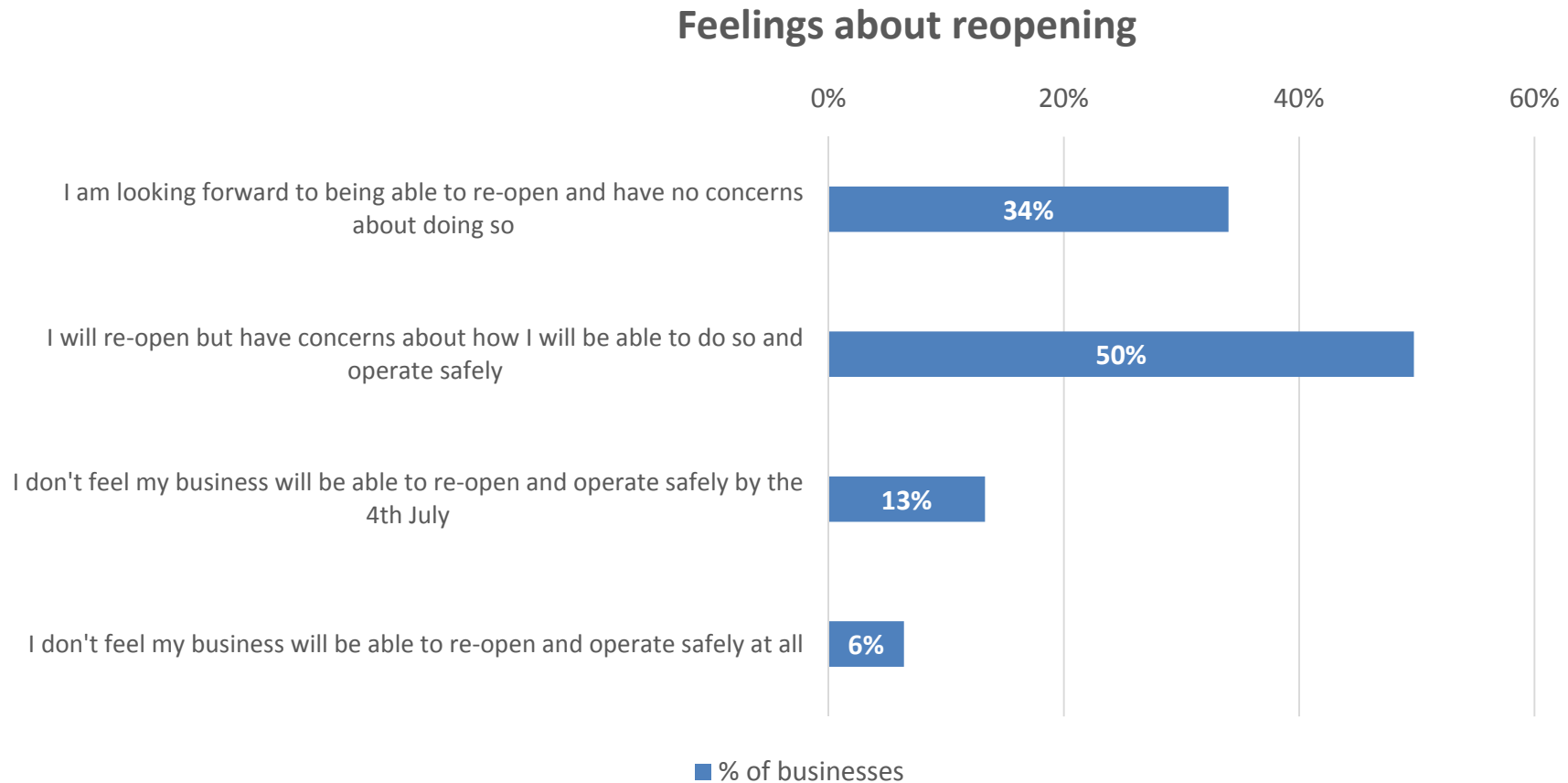
Key results – Turnover needed for survival

Proportion of 2019 turnover needed to achieve in the remainder of this year in order to sustain business and continue to make it viable



- Businesses were asked what proportion of their 2019 business turnover they will need to achieve in the remainder of this year in order to sustain their business and continue to make it viable.
- In answering this question they were asked to make sure they took into consideration all levels of support they have accessed to date including any loans, grants, furlough funds etc., the probable levels of cancellation refunds they have to make and assuming their business receives no further direct or indirect support over and above that already received/announced.
- The average 2019 turnover needed to sustain businesses for the remainder of this year was 61%.
- The analysis from this survey estimates annual turnover available at usual operating levels (Jul - Dec) for businesses to currently be 55%.

Key results – Views about reopening



- Half of all businesses said they will re-open on 4th July but have concerns about how they will be able to do so and operate safely. 34% are looking forward to being able to re-open and have no concerns about doing so.
- 19% of all businesses don't feel able to re-open on 4th July (36% of hotel accommodation providers) including 13% who have concerns about being able to operate safely and 6% who don't feel they will be able to operate safely at all.

Key results – Views about reopening – business type

Feelings about reopening by business type	I am looking forward to being able to re-open and have no concerns about doing so	I will re-open but have concerns about how I will be able to do so and operate safely	I don't feel my business will be able to re-open and operate safely by the 4th July	I don't feel my business will be able to re-open and operate safely at all
Hotel	29%	42%	26%	10%
B&B	21%	70%	13%	6%
Guest house	44%	36%	14%	6%
Self catering	51%	43%	3%	3%
All non-accommodation businesses combined	29%	49%	14%	8%

- 70% of B&B's said they will re-open on 4th July but have concerns about how they will be able to do so and operate safely compared with 49% of non-accommodation businesses, 43% of self catering accommodation providers, 42% of hotels and 36% of guest houses. 51% of self catering businesses are looking forward to being able to re-open and have no concerns about doing so compared with 44% of guest house operators, 29% in each case of hotel accommodation providers and non-accommodation businesses and 21% of B&B operators.
- 36% of hotel operators don't feel able to re-open on 4th July (compared with 22% of non-accommodation businesses, 20% of guest houses, 19% of B&B's and just 6% of self catering accommodation providers) including 26% who have concerns about being able to re-operate and operate safely and 10% who don't feel they will be able to open and operate safely at all.

Key results – Opinions on reopening (Sample)

There is an impact on costs regarding additional kit and equipment required to operate safely. Some stock held for guests rooms and breakfast service is now out of date. New cleaning regimes will impact housekeeping costs and we may need to reduce operating capacity. Most importantly, we are concerned about the impact if any guest becomes infected.

Social distancing could be difficult in hallways and for arrival and departures. If someone shows signs of the virus, the next steps are still unclear.

Even though we have tried to reduce our risks we are really worried about if we have anyone become ill with COVID -19 whilst staying with us and unable to return home. The impact will be costly, having to close for 14 days to isolate guests and ourselves and to feed whoever is isolating for 14 days at the cost of ourselves and also lose the next 14 days of bookings. If this happens several times over the summer period it could be devastating.

Needs to be more direct support about what we can and can't do. Many accommodation providers say they can do what they want as no one will check because the guidance is woolly.

The fear of people entering your premises as carriers of the virus but showing no symptoms whilst family members living in another household are still not allowed inside each others homes so how will this work?

We both have underlying health problems and therefore we initially will not reopen on the 4th July . Even though we have COVID-secure measures ready in place we will wait a little longer until it is safer to do so. We are concerned that on reopening not all guests will be careful when they are out and about and if we were to catch the virus we would have to close and also with the track and trace we could be self isolating every other week. So very anxious.

Staffing levels to maintain Social Distancing requirements are too low to meet customer demand.

If we reopen in July we are not confident that there will be an instant pick up and therefore stand to lose a further £5,000 per week.

Key results – Sample of Other Comments on Impacts

The virus is currently having a massive effect on my business with zero income for almost 5 months. I believe the public will return after the lock down when we are allowed to reopen. I don't think the pandemic will have a long term effect on my business as I believe the public totally understand the whole situation.

If the insurance we had for business interruption paid out we would not be in such a situation.

Biggest concern is reopening and then having to/being forced to close again. That will probably mean refunding many bookings/deposits which would likely drive us under.

We entered this year with £39,000 in bookings, we are now down to about £20,000 and these are still being impacted as our guests are reporting that they don't feel comfortable coming yet. Our intention was to take on a part time staff member for the summer months this year but now this cannot happen. New business venture has also been cancelled for the indefinite future.

We do not want to have to sacrifice our moral imperative to stop the spread of the virus in order to save our business from insolvency. No business should be put in this position - small business grants and the furlough scheme need to be extended until businesses are able to stand on their own safely, otherwise this will all have been for nothing. For many businesses this will likely be possible soon, but for others it may still be months.

Lack of confidence in general public to travel. Concerns that our usual product has to be dumbed down to provide COVID19 safety. Worried there won't be capacity in restaurants to serve the amount of tourists.

The Coronavirus is having no impact on my business - the stupidity surrounding it is and will continue to do so long after it has ceased to be even newsworthy.

Substantial uncertainty about the future of the business even if we are able to survive the next 6-12 months, due to the potential of a second wave of virus and also customer willingness to return to public houses.

Stress and anxiety worrying about it all.

We have been closed since March 23rd.... that's what the Grant was for.

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

