COVID-19 Business Impact Survey

The English Riviera
May 2021

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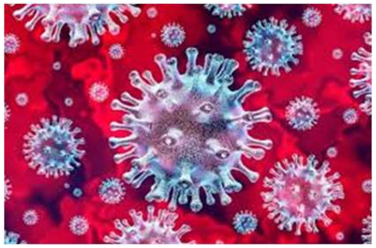
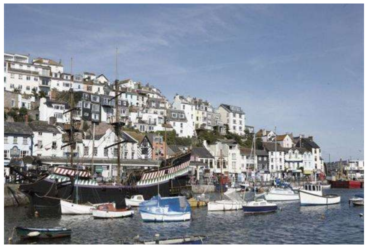
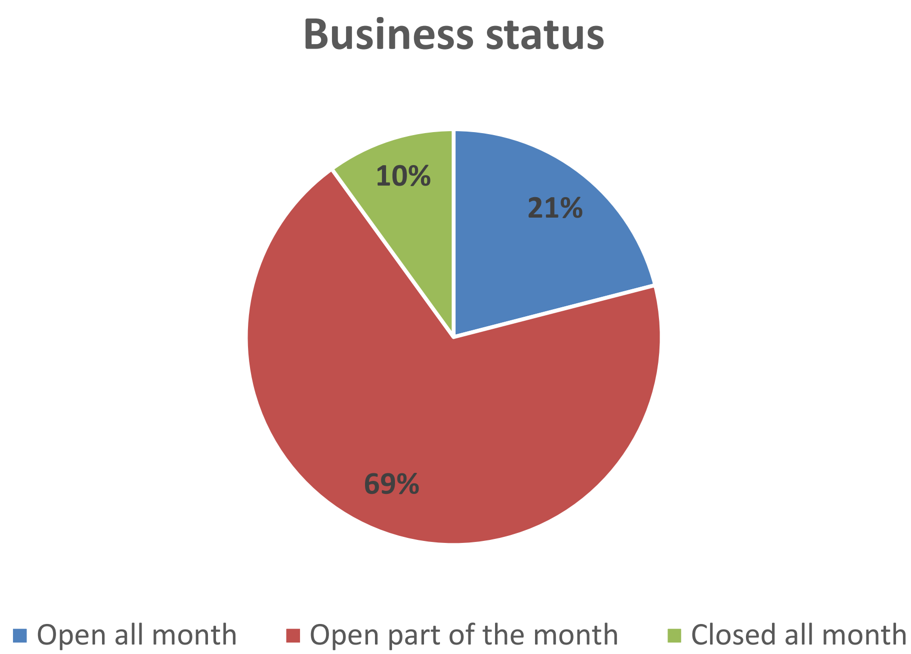




Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of May 2021 undertaken on behalf of The English Riviera BID during June 2021.
- This months survey has a sample of 70 businesses.
- 77% of businesses responding to the survey were accommodation providers, 10% were food and drink businesses and 7% were visitor/leisure attractions. 6% were an other business type.
- 71% of the accommodation businesses were serviced accommodation providers including 28% who were B&B's, 24% who were guest houses and 19% who were hotels. 24% were self catering businesses (15% with multiple units and 9% single units). 6% were a holiday park.
- 71% of businesses had a rateable value of under £15k, 16% £15-51k and 11% over £51k.
- 50% of businesses were based in Torquay, 21% in Paignton, 14% in Brixham and 11% in Babbacombe. 3% were based elsewhere on The English Riviera.
- 69% of businesses said their business had been closed for part of May as a result of the COVID-19 pandemic, 21% were open for the whole month whilst 10% said their business was closed for the whole of May.
- 56% of businesses said they were now fully open whilst 40% said they were now open but operating at reduced capacity. 4% said their business would remain closed for the whole of June.
- 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 May 2021

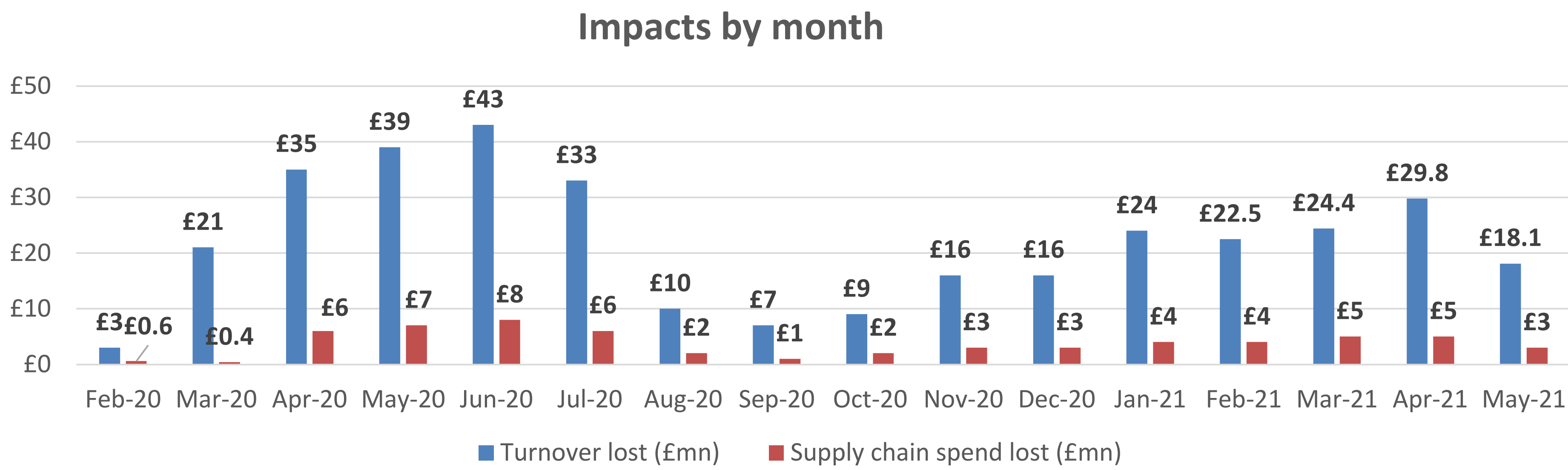


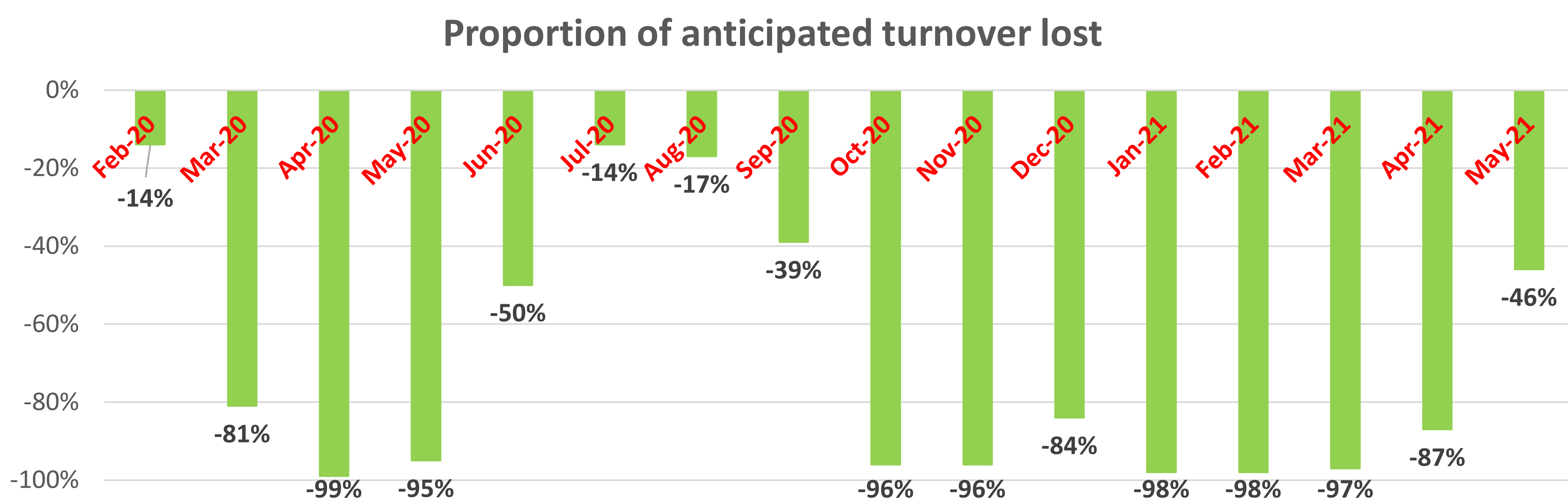
- 69% of businesses said their business had been closed for part of May as a result of the COVID-19 pandemic, 21% were open for the whole month whilst 10% said their business was closed for the whole of May.
- Those businesses still open to some degree were operating at -40% turnover levels compared to May 2019*.

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

May turnover change	**- 46%**
May turnover lost	**£18.1 mn**
May supply chain spend lost	**£3 mn**

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





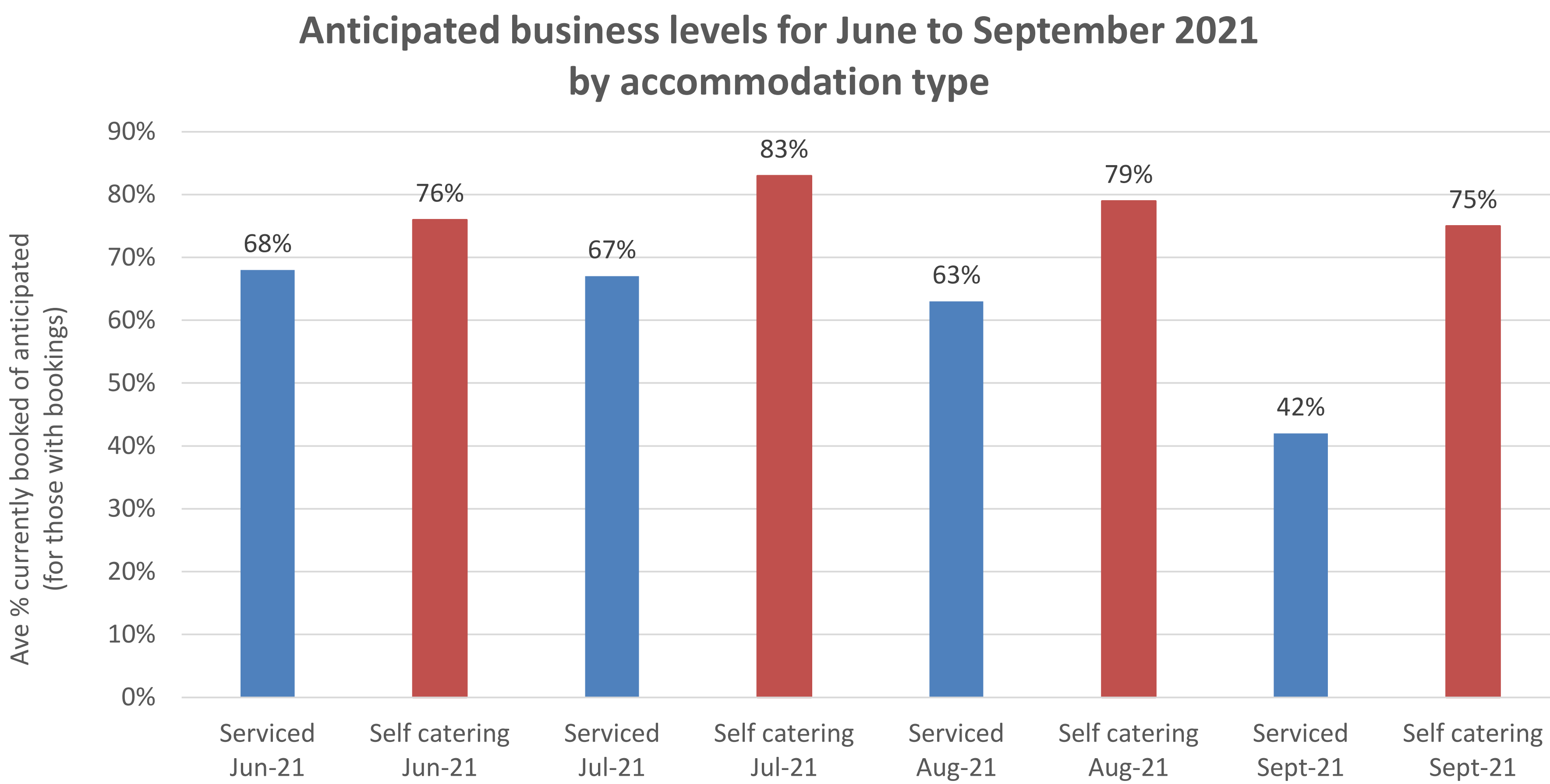
Key results – Economic Impacts Due to Covid (to May 2021)

- 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 £119 million of anticipated tourism business turnover has been lost to the end of May 2021 resulting in a total loss to date on the English Riviera (including 2020) of approximately £351 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 May 2021 resulting in a total loss to date (including 2020) of approximately £60 million.

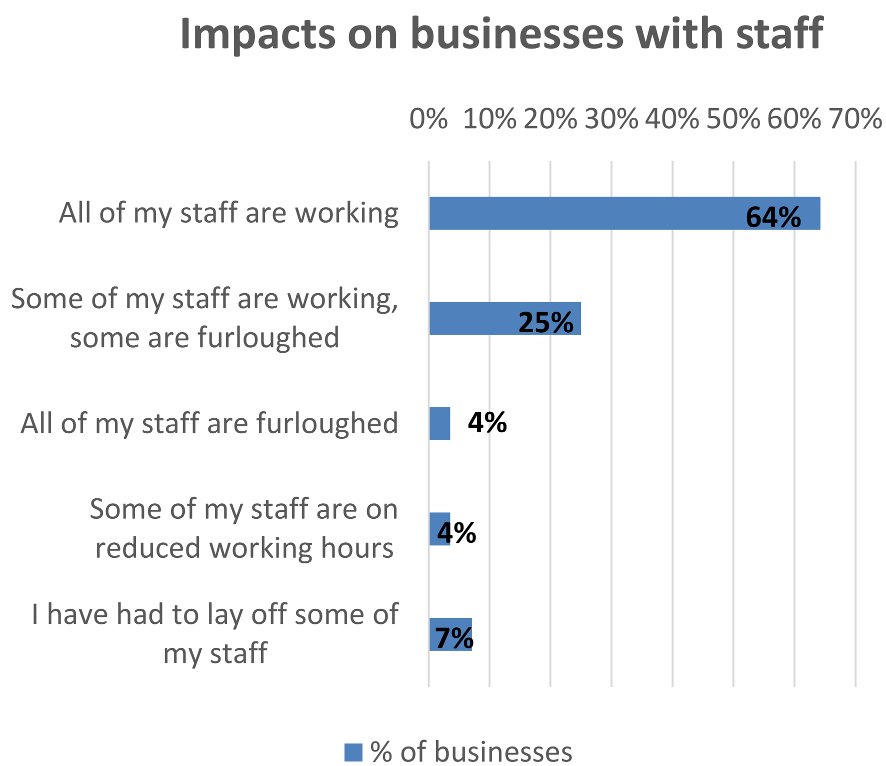
Key results – Anticipated business levels June to September 2021

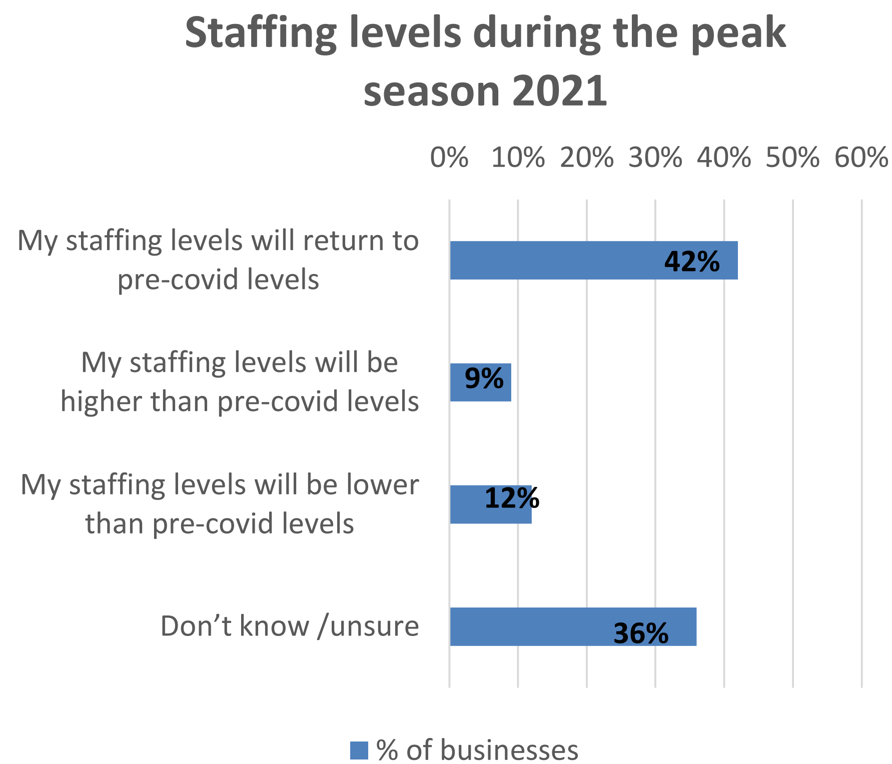
- Businesses were asked to think about the levels of business they expect to achieve overall in a typical year during June to September and to estimate approximately what proportion of this business they currently already have booked in for each of these months.
- Self catering businesses with bookings estimated that they had an average of 75% of their expected business levels already booked in for September, 79% for August, 83% for July and 76% for June compared with 42%, 63%, 67% and 68% of serviced accommodation businesses saying the same in each case respectively.



Key results – Employment Impacts

- 60% 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.

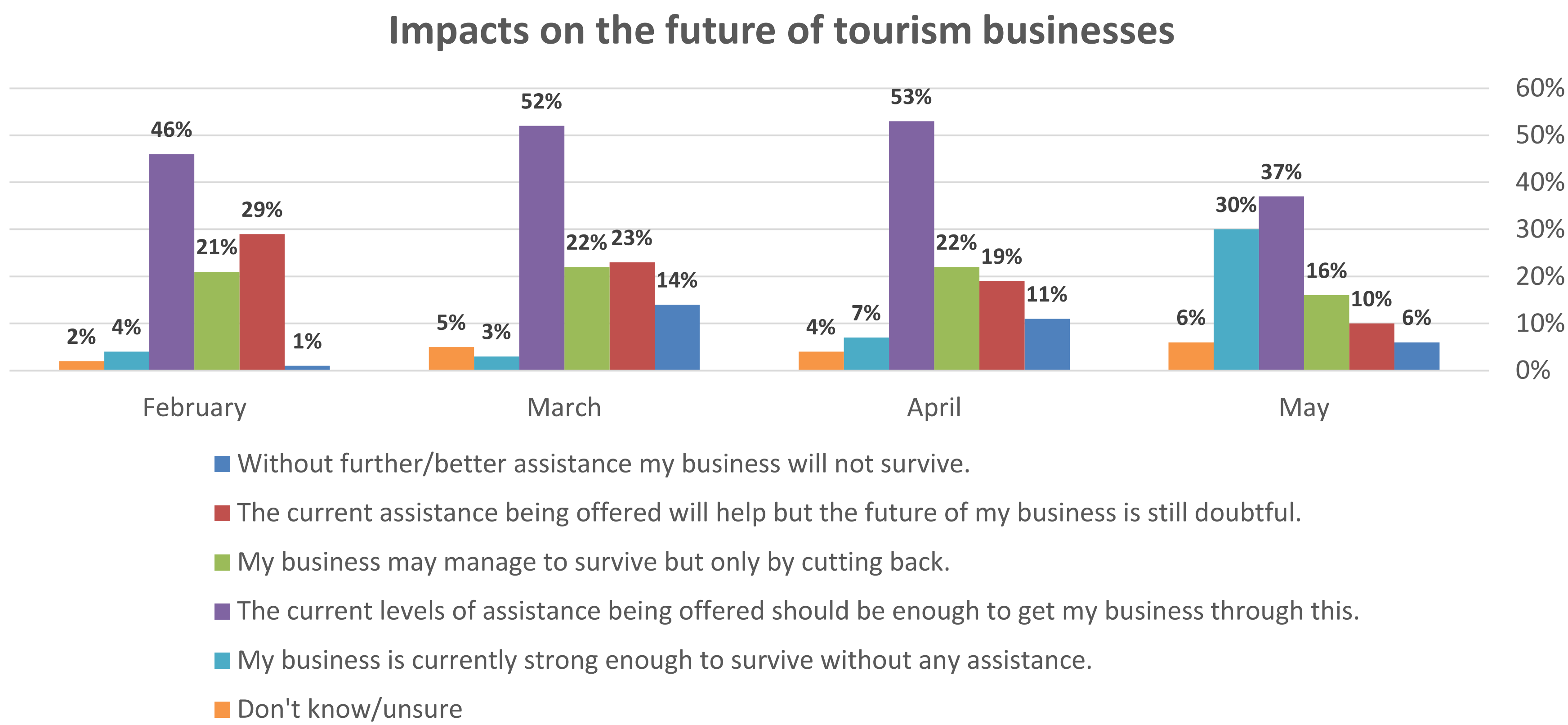




- 64% of businesses said that all of their staff are working and 25% said some of their staff are working, some are furloughed. 7% said that they had to lay off some of their staff and 4% in each case said that some of their staff are on reduced working hours or that all of their staff are furloughed.

- When asked what they envisage will happen to their staffing levels during the peak season this year (July/August), 42% of businesses said their staffing levels will return to pre-covid levels, 12% said their staffing levels will be lower than pre-covid levels and 9% said they would be higher. 36% didn't know/were unsure at the time of data collection what would happen to their staffing levels during the peak season.

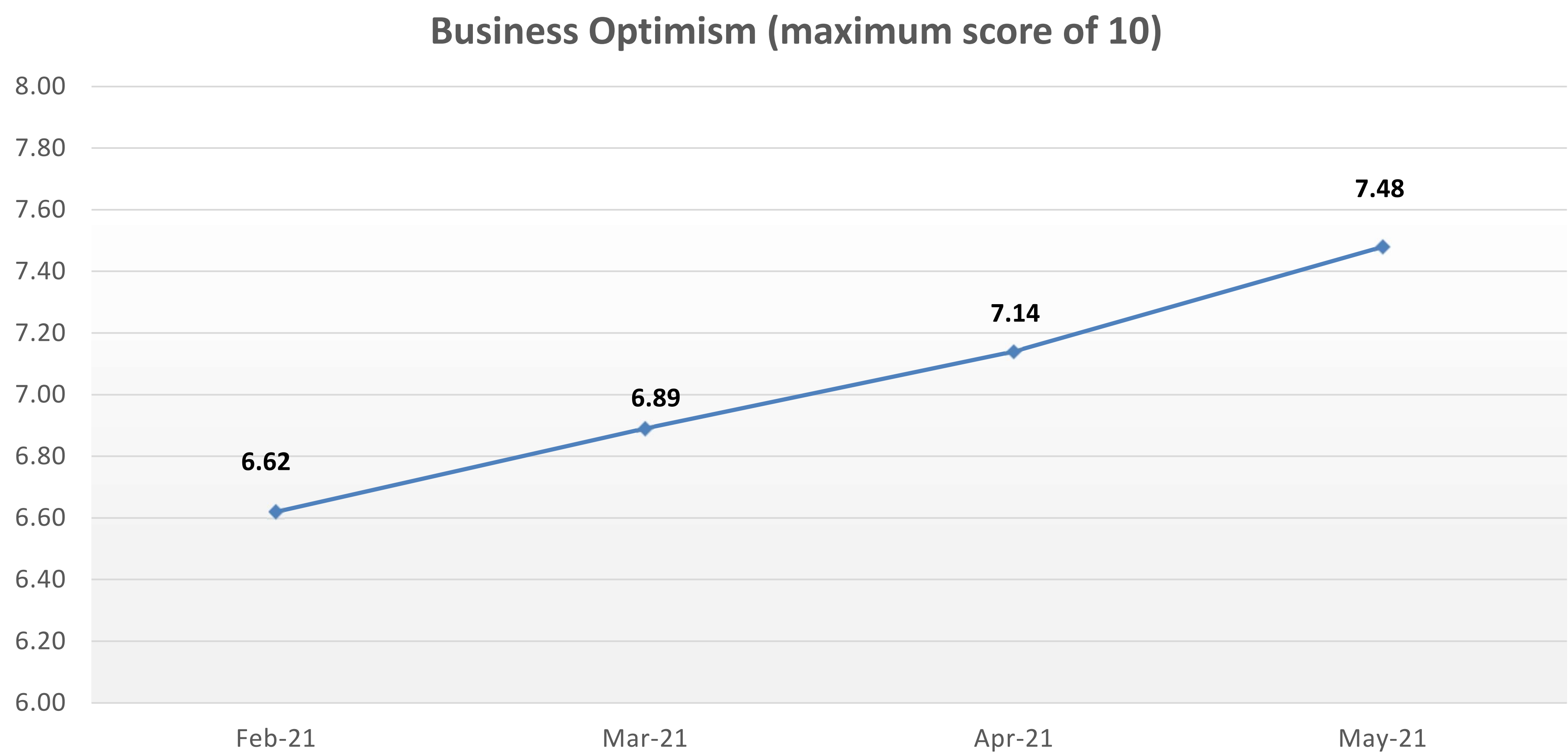
Key results – The Future



- 16% of businesses were doubtful about surviving the coming months (including 6% who said without further/better assistance their business will not survive) compared with 30%, 37% and 30% of businesses saying the same during the April, March and February surveys respectively.

- 67% of businesses were confident of surviving the coming months (60% during April, 55% during March and 50% during February) and 16% felt making cut backs would be their only way to survive (22% in each case during April and March surveys and 21% during the February 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 7.43 out of a maximum of 10 compared with 7.14, 6.89 and 6.62 during the April, March and February 2021 surveys respectively.

Key results – Sample of other comments on impacts

We are trying to take on employees via the government scheme but it's almost impossible for a partnership. Great idea but not in practice.

In general customers seem to be very reluctant to use NHS Track & Trace, "we don't have to do it anywhere else - why here?" is the general response. And I have to say I agree, it needs to become compulsory in supermarkets, shops and all venues so that it becomes second nature.
There is a lot of ignorance regarding the numbers allowed in a group indoors, we have had lots of requests for tables of 10, 12 etc and many guests seem oblivious of social distancing, masks and it is difficult when there are so many people here in Torbay, it looks like August out there!
We have had a number of staff that have not returned despite being paid furlough during the lock down and we have found it extremely difficult to recruit with the number of applicants reduced by 90%, and of those probably 75% failed to turn up or make contact to schedule an interview.

Predominantly a wedding venue, with rooms. The business depends upon all restrictions being lifted on 21st June 2021, we have had to refund many cancelled weddings and postpone others post 21st June 2021. Further delay lifting restrictions may cause further cancellations rather than postponements, we do not have the cash to support the possible refunds.

Upside is increased bookings from guests who are unable or unwilling to travel abroad. Downside is having to continue working harder to maintain covid-secure status, which is taking it's toll. And this often now with little thanks or understanding from our guests, who are frankly "double jabbed" and fed up with the ongoing restrictions.

We do not know what is actually going to happen to the COVID Roadmap until 14th June. Therefore we have assumed that we have to maintain social distancing and special measures so have not sold all rooms. We are running at 50% capacity. Yet, business rates will start up again from July 21 at 2/3rds and VAT increased to 12.5% in September. Reducing capacity to maintain social distancing but increasing rates and VAT is a major Government disconnect.

Staffing are totally impossible to find and bookings not what was expected.

Due to social distancing and not being able to offer any buffet we are only trading 5/6 rooms, which is obviously having a hit on turnover...

We calculate c.35% of business was turned away during half term week due to restrictions, which hopefully has gone to other ER or Devon businesses. Post 21st June, for summer 2021, we hope to operate a better and more efficient experience, achieving pre-Covid footfall, thanks to investments made possible by government support during 2020/21 lockdowns, i.e. retain prebooking to spread visitors evenly throughout the week, resulting in high secondary spend. Rising VAT rates will be highly inflationary and should be retained at 5% for many years. We are planning for difficult trading/cashflow conditions in winter 2021/22 and 2022/23, arising from loss of shoulder group and events business, and an expected decline in UK domestic footfall in 2022 and 2023. Looking for DCMS/VB/VE to support DMOs (ER, Devon and GSW) to deliver effective campaigns to counter. ERBID2 will be a powerful driver to lobby for this.

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