ERBID How's Business Survey

October 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 October 2021 undertaken on behalf of The English Riviera BID during November 2021.

- This months survey has a sample of 73 businesses.

- 71% of businesses responding to the survey were accommodation providers and 25% were food and drink businesses. 1% were visitor/leisure attractions and 3% categorised themselves as an 'other' business type.

- 66% of the accommodation businesses were serviced accommodation providers including 29% who were B&B's, 23% who were guest houses and 14% who were hotels. 30% were self catering businesses (15% in each case with multiple units and single units). 4% were a holiday park.

- 51% of businesses were based in Torquay, 25% in Paignton and 11% in each case in Brixham and Babbacombe. 3% were based elsewhere on The English Riviera.

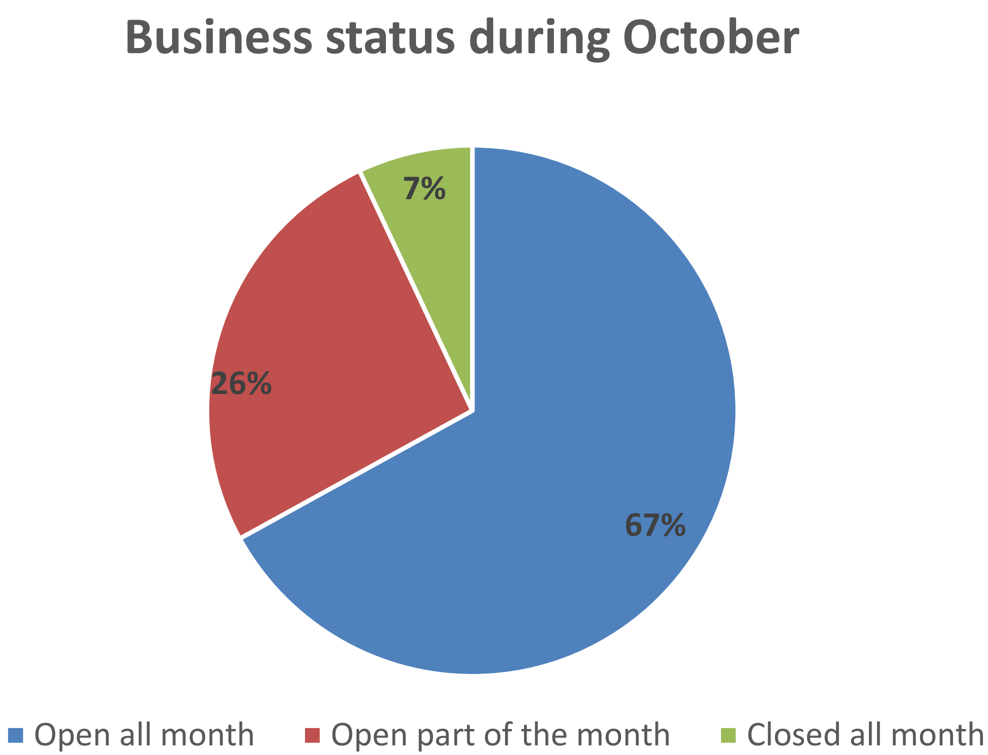
- 67% of businesses said their business was open for the whole of October whilst 26% said their business had been closed for part of the month and 7% for the whole of the month.

- 49% of businesses said they were now fully open, 23% said they were now open but operating at reduced capacity and 27% said their business was currently closed. 38% of closed businesses or those operating at reduced capacity said they only operated a seasonal business anyway, 14% because of Covid protocols, 11% because of the VAT threshold and 8% in each case because of staff shortages or due to their own personal health issues and fear of contracting Covid.

- National tourism survey data, local area survey data and Cambridge Model data has been used to model the outputs in this report.

- Our thanks 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. 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 – October 2021 overview

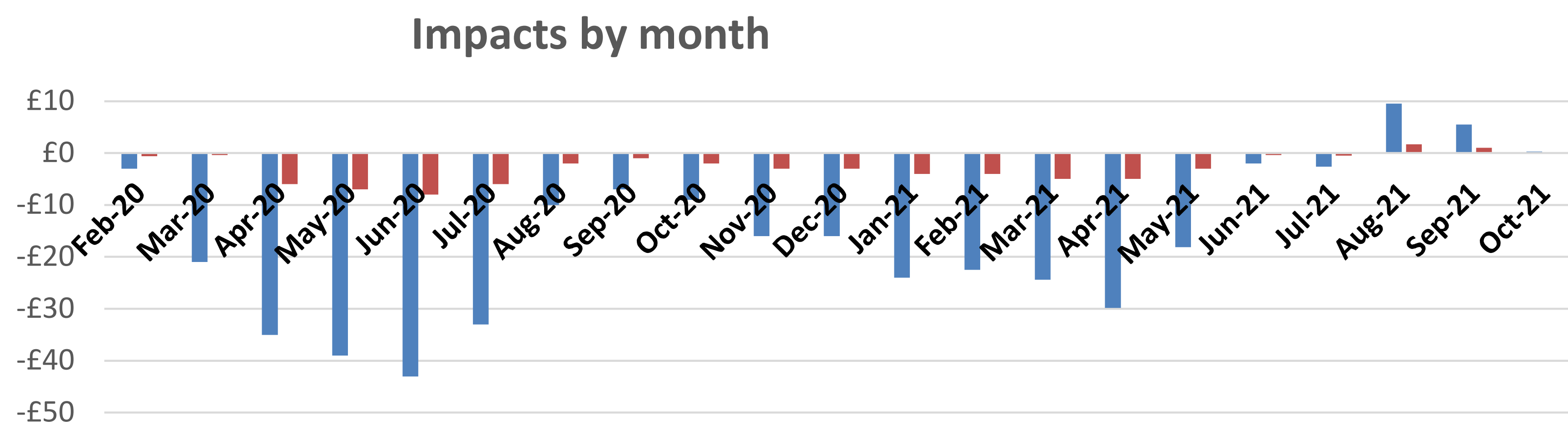


- 67% of businesses said their business had been open for the whole of October whilst 26% said they had been closed for part of the month and 7% for the whole of the month.
- Businesses were operating at +4% turnover levels compared to October 2019*.

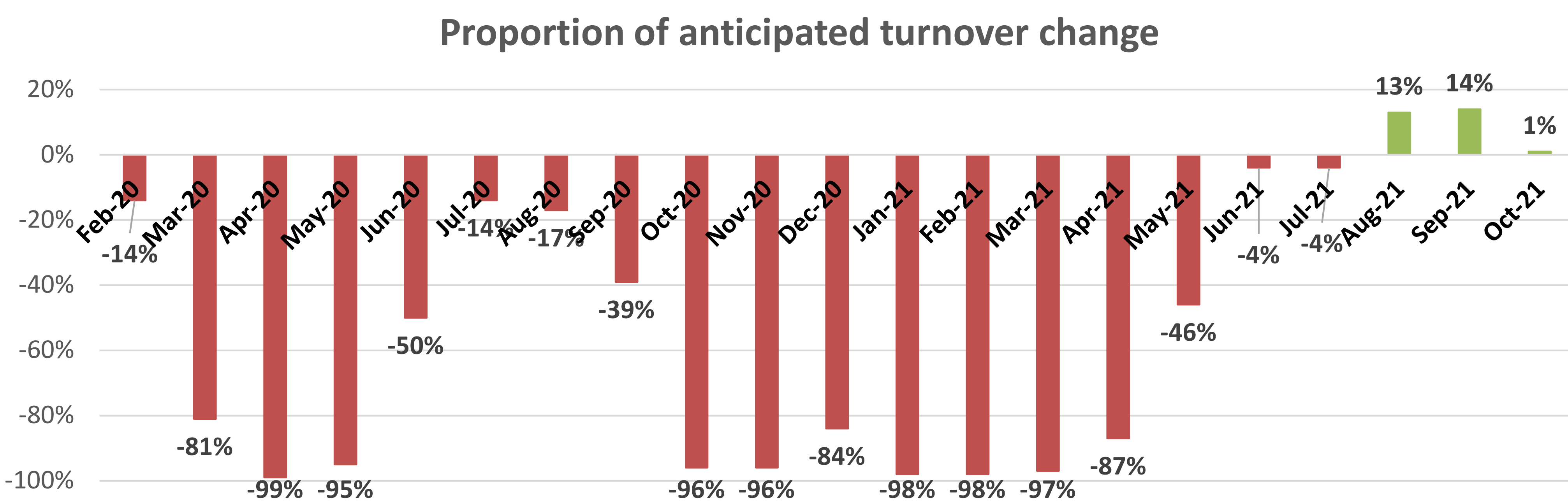
* Please note that a comparison with October 2019 was used as it was not affected by the impacts of Covid-19 (unlike October 2020).

October turnover change	**+1%**
October turnover change	**+£300,000**
October supply chain spend change	**+£100,000**

Key results – Economic Impacts by Month 2020 & 2021 (compared with 2019)

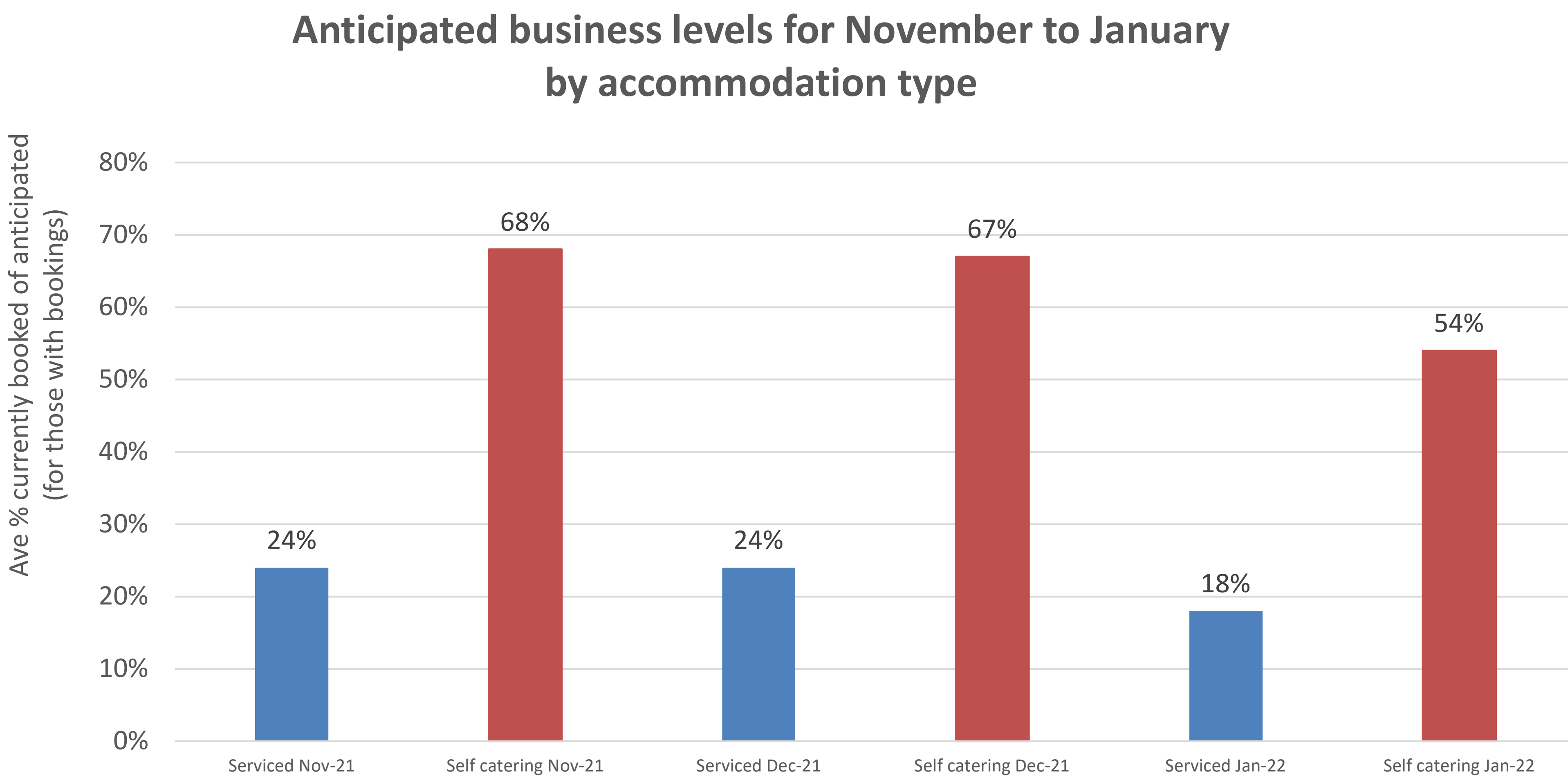


	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21
Turnover change (£mn)	-£3	-£21	-£35	-£39	-£43	-£33	-£10	-£7	-£9	-£16	-£16	-£24	-£22.5	-£24.4	-£29.8	-£18.1	(£2)	-£2.6	£9.5	£5.5	£0.3
Supply chain spend change (£mn)	-£0.6	-£0.4	-£6	-£7	-£8	-£6	-£2	-£1	-£2	-£3	-£3	-£4	-£4	-£5	-£5	-£3	-£0.4	-£0.5	£1.7	£1	£0.1

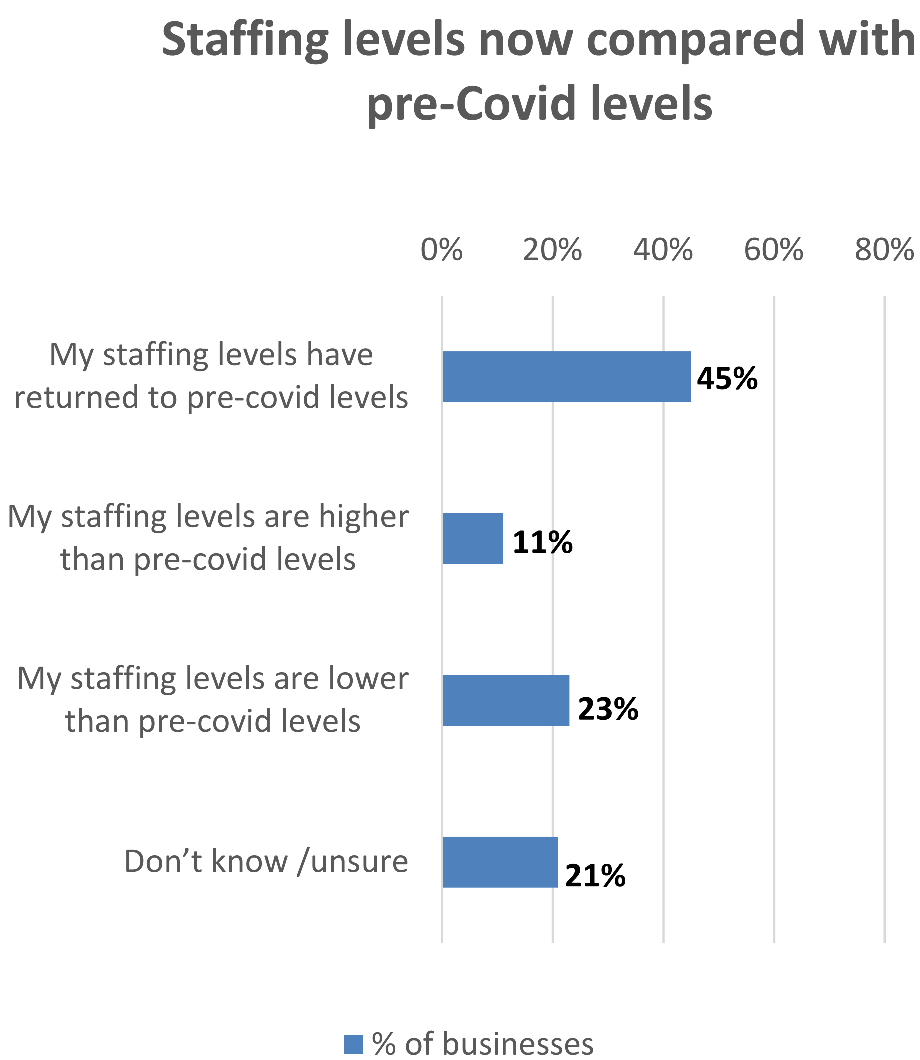


Key results – Anticipated business levels November to January

- Businesses were asked to think about the levels of business they expect to achieve overall in a typical year during November to January 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 68% of their expected business levels already booked in for November, 67% for December and 54% for January compared with 24% in each case of serviced accommodation businesses saying the same for November and December and 18% for January.

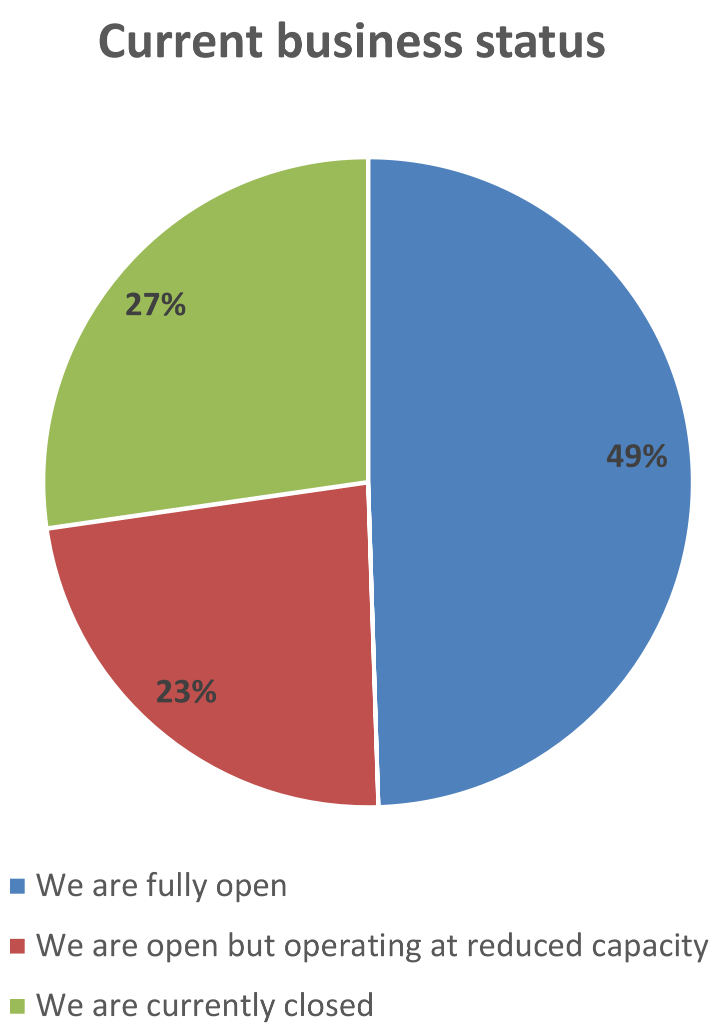


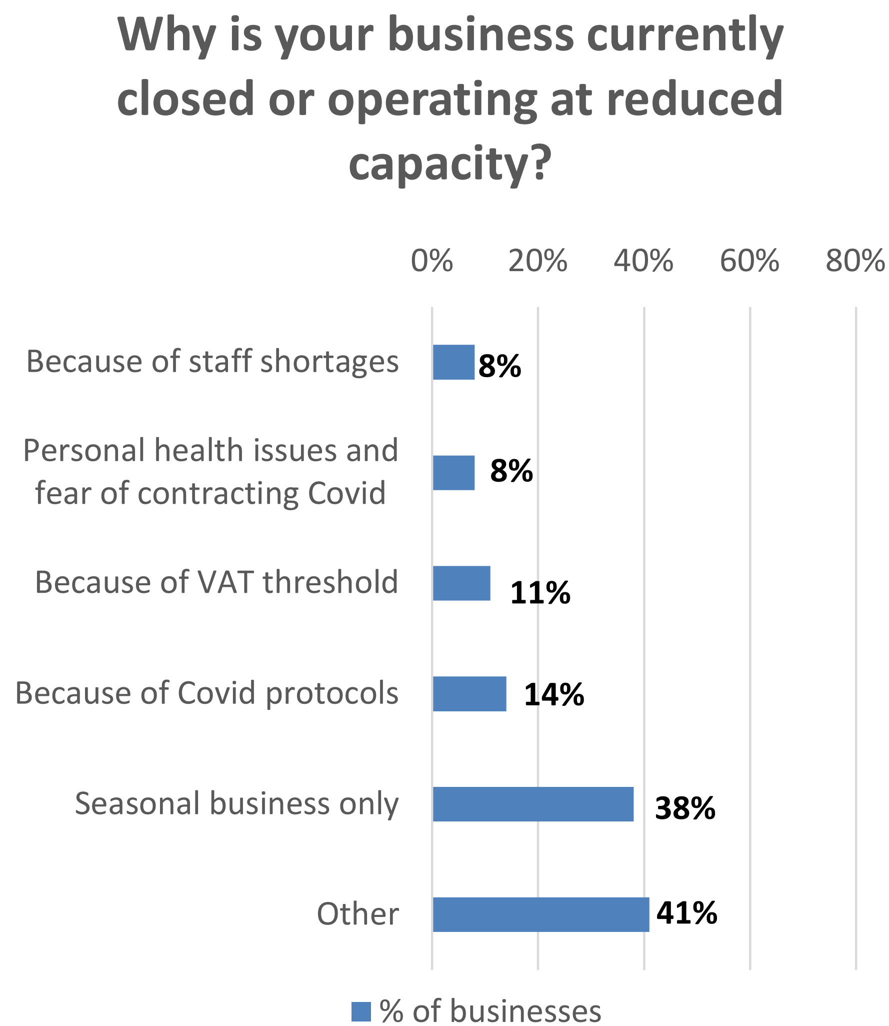
Key results – Employment Impacts



- 45% of businesses said that their staffing levels had returned to pre-Covid levels whilst 23% said their staff levels were now lower than before Covid and 11% said they are now higher. 21% did not know/were unsure.
- Around a fifth of businesses (19%) said they were currently recruiting. 57% of those recruiting had vacancies for chefs, 50% for front of house/reception staff, 36% for cleaning/housekeeping staff, 29% for customer services positions and 21% for kitchen porters.

Key results – November 2021 overview

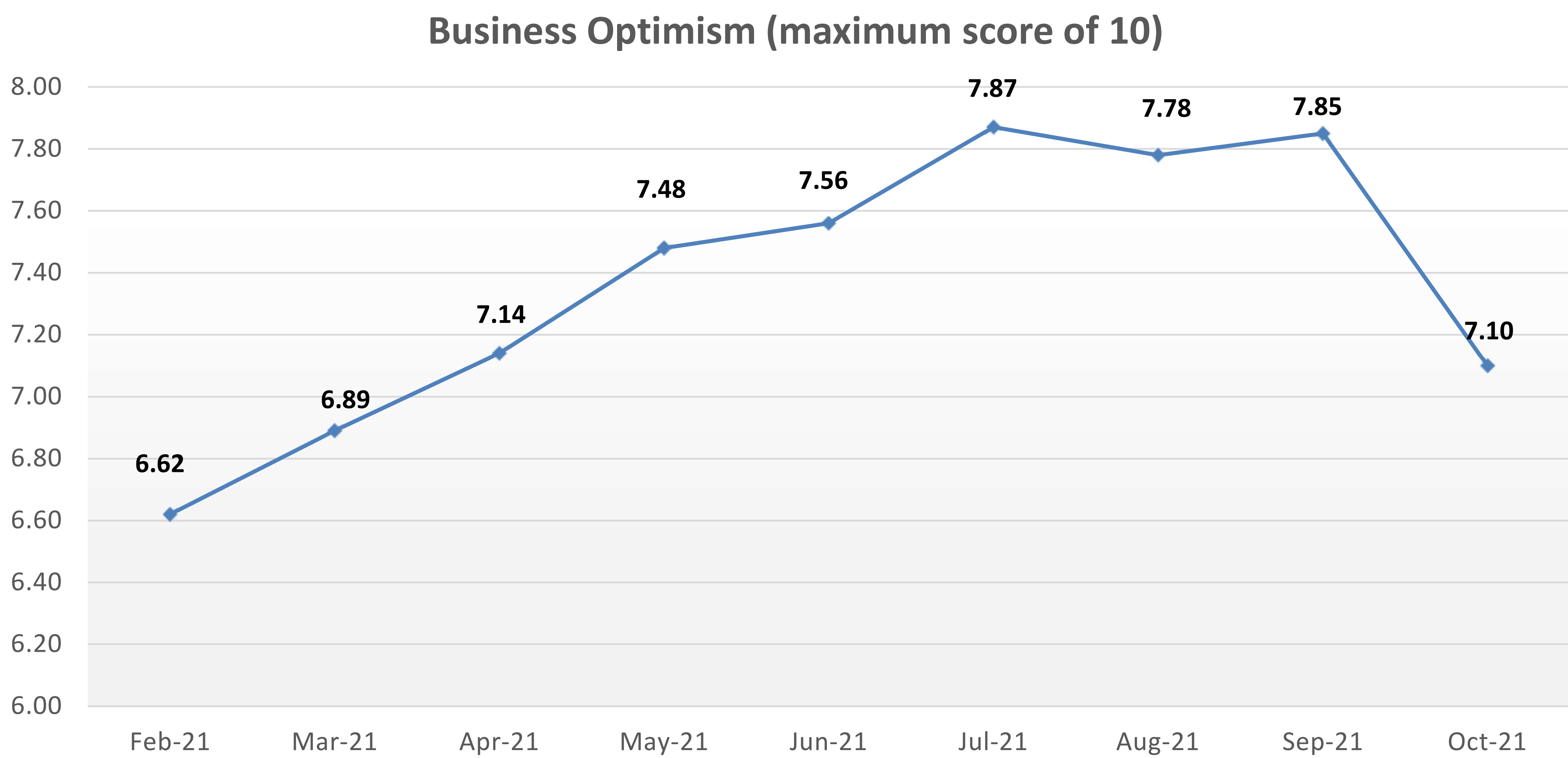




- 49% of businesses said they were now fully open, 23% said they were now open but operating at reduced capacity and 27% said their business was currently closed.

- 38% of closed businesses or those operating at reduced capacity said they only operated a seasonal business anyway. 14% said it was because of Covid protocols, 11% because of the VAT threshold and 8% in each case said it was because of their own personal health issues and fear of contracting Covid or because of staff shortages.

Key results – 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 7.10 out of a maximum of 10, a significant decrease compared with the last few months and the third lowest optimism score since February 2021.

Key results – Sample of other comments on impacts

Lack of staff means we are unable to operate at anything like the levels we could, it is obviously far too easy to not work and this needs addressing by government, by incentivising people on benefits to enter the employment market, or for those with degrees and or higher aspirations to take a job outside of their field.

We are new owners of the bed and breakfast and it is worrying to see no business coming our way for next year as yet. We are reliant on the OTAs at present but was hoping to already have some bookings for next year. Despite our own marketing plans already done.

Very low level of enquiries and bookings for November and December and first half of 2022.

Have concerns about the return to full VAT rates for next financial year.

VAT threshold means we have to make a difficult choice of closing during winter months and affecting our customer 'goodwill' or opening and having to make minimum 20% more bookings through a quiet season...
Staying at the VAT threshold means we have less monies to re-invest back into the business (affecting other trades people) and affects our employing opportunities. Neither helps the economic benefit to the Bay or to the Government.
We do not yet know how 2022 season will be impacted by foreign holiday bookings and also the opening of the multi-room 2 x hotels on Paignton seafront, so are having to make careful choices.

Inability to get repairs and maintenance accomplished. This is due to visitors fears of allowing workmen in the premises during their visit. Also, maintenance companies being unable to operate due to staff coming down with COVID or having to self-isolate.

With the current staffing crisis, which is a constant battle to recruit and retain good people, things are not looking optimistic for the future. Now that the hourly rate goes up again next year this is even yet another blow and challenge to the industry. Appreciate my costs will have to go up to accommodate this but how do I remain competitive in an already challenging market. This really doesn’t bode well for a lot of cafes or the hospitality industry as a whole.

As before, no one is concerned about what Covid hygiene processes we adopt. There has been an increase in bookings from people who have not "done" self-catering before but who want a break. Brixham featuring on some TV shows recently (e.g. Cornwall and Devon with John Nettles, Saving Lives at Sea) seems to have encouraged people to visit Brixham. We have not put our prices up exponentially like some of our competitors, so provide much better value to visitors who don't feel they are being exploited by greedy people. But our costs have certainly gone up by much more than headline inflation.

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