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

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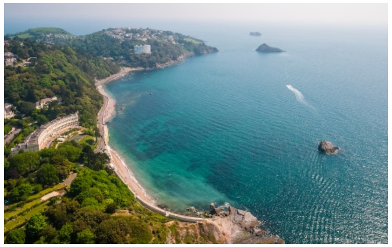




Summary

- This report contains a summary of the findings from the COVID-19 Business Impact Survey for the month of September 2020 undertaken on behalf of The English Riviera BID during October 2020.

- This months survey has a sample of 100 businesses.

- 73% of businesses responding to the survey were accommodation providers, 16% were food and drink businesses, 9% were visitor/leisure attractions and 1% were a sports or activities-based business. 1% were an other business type.

- 77% of the accommodation businesses were serviced accommodation providers including 29% who were B&B's, 25% guest houses and 23% who were hotels. 21% were self catering businesses (18% with multiple units and 3% single units). 3% were a holiday park.

- 64% of businesses had a rateable value of under £15k, 14% £15-51k and 13% over £51k.

- 44% of businesses were based in Torquay, 28% in Paignton, 15% in Brixham and 9% in Babbacombe. 4% were based elsewhere on The English Riviera.

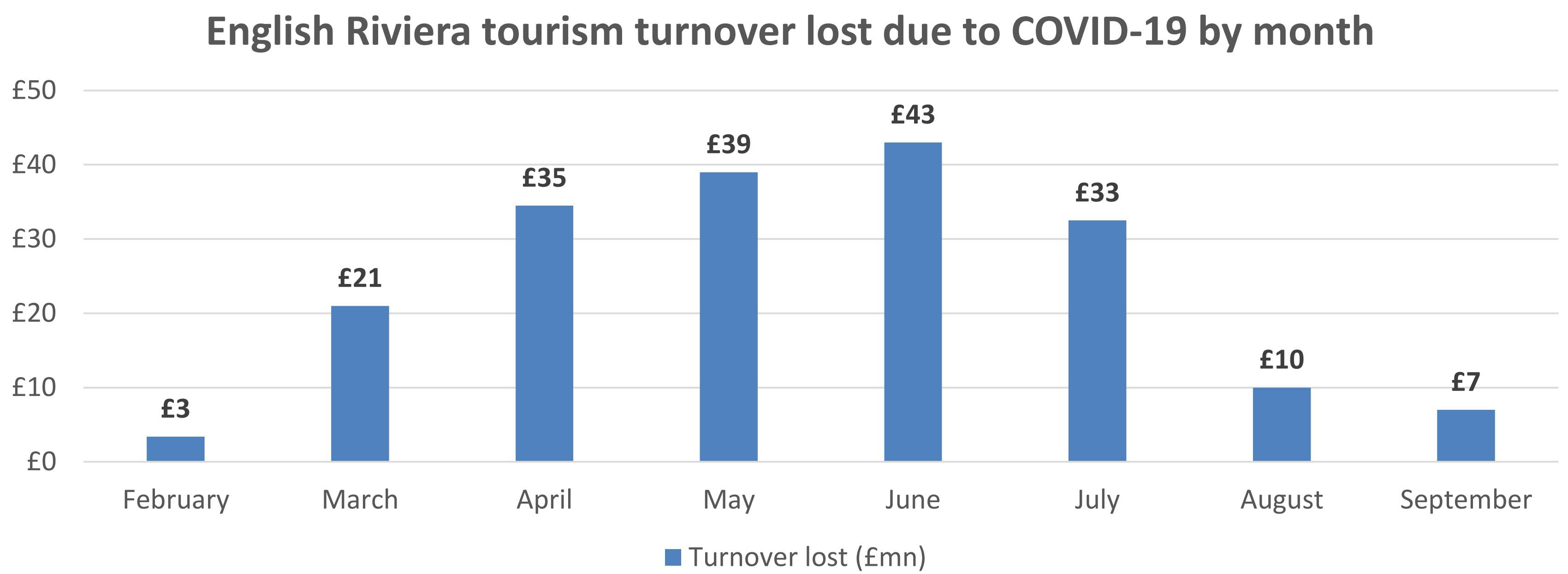
- 10% of businesses said their business was closed for the whole of September as a result of the COVID-19 pandemic, 10% had been closed for part of the month and 80% were open for the whole month.

- 90% of businesses said they had now re-opened, 6% hadn't re-opened but planned to in the near future and 4% still had no plans to re-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.

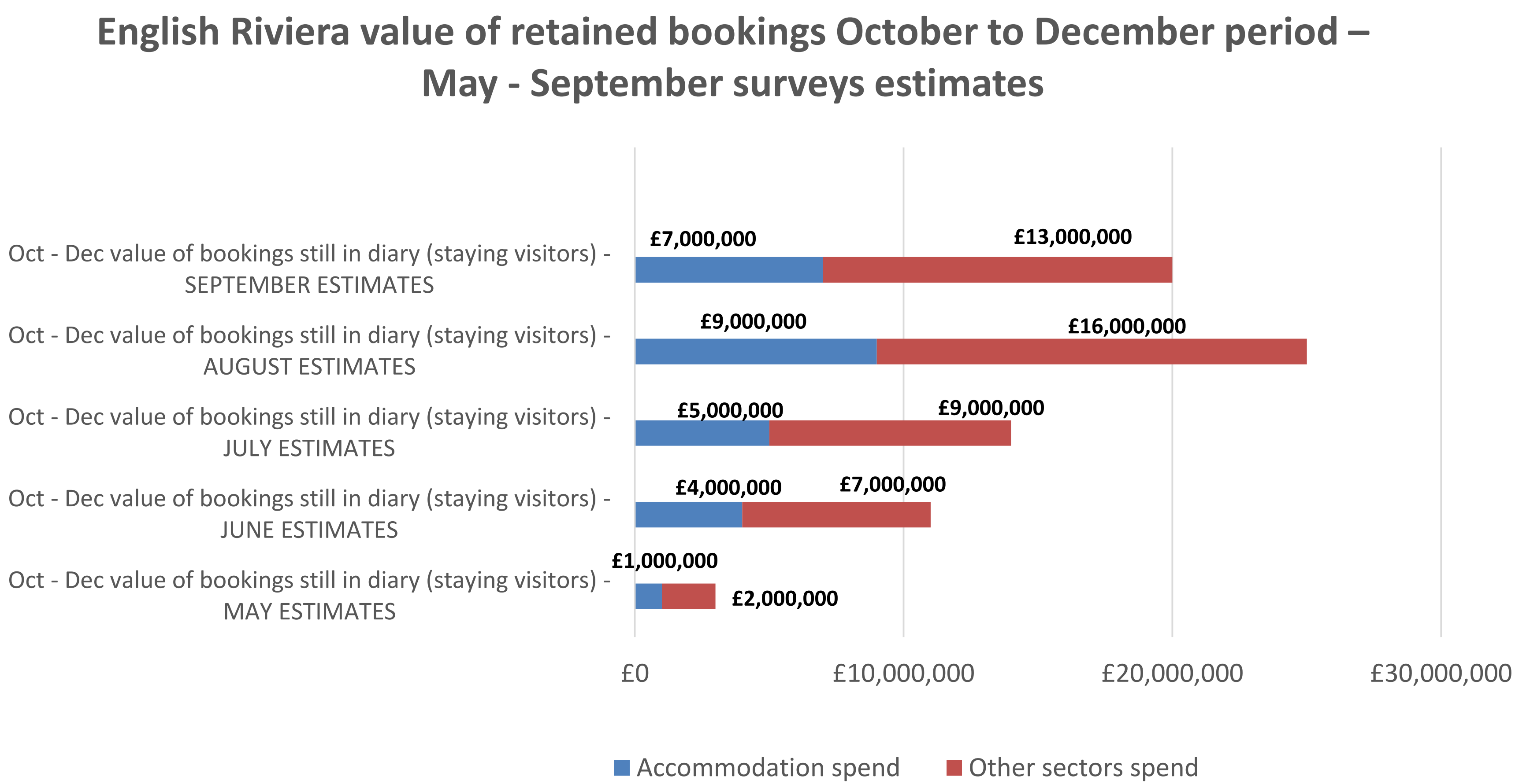
- Our thanks again go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated. We send everyone our best wishes at this very difficult time and the best of luck for the challenging months 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.

Key results – Economic Impacts



- To the end of September it is estimated that approximately £191 million of anticipated tourism business turnover has been lost on The English Riviera due to COVID-19 since February.
- 17% of turnover was lost in September (£7 mn), 14% of August turnover (£10 mn), 50% of July turnover (£33 mn), 95% of June turnover (£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 September it is estimated that, as a result of the lost tourism spend, approximately £1 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.
- 10% of English Riviera businesses were closed during September as a result of COVID-19 and 37% of those still open to some degree were operating at increased turnover levels compared to September 2019. The overall change in turnover for all businesses trading was -8% compared to September 2019.

Key results – Economic Impacts



- At the time of completing the survey an estimated £20 millions worth of staying visitor bookings for the October to December period were held by accommodation businesses (approximately 56% 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 previous surveys where applicable.

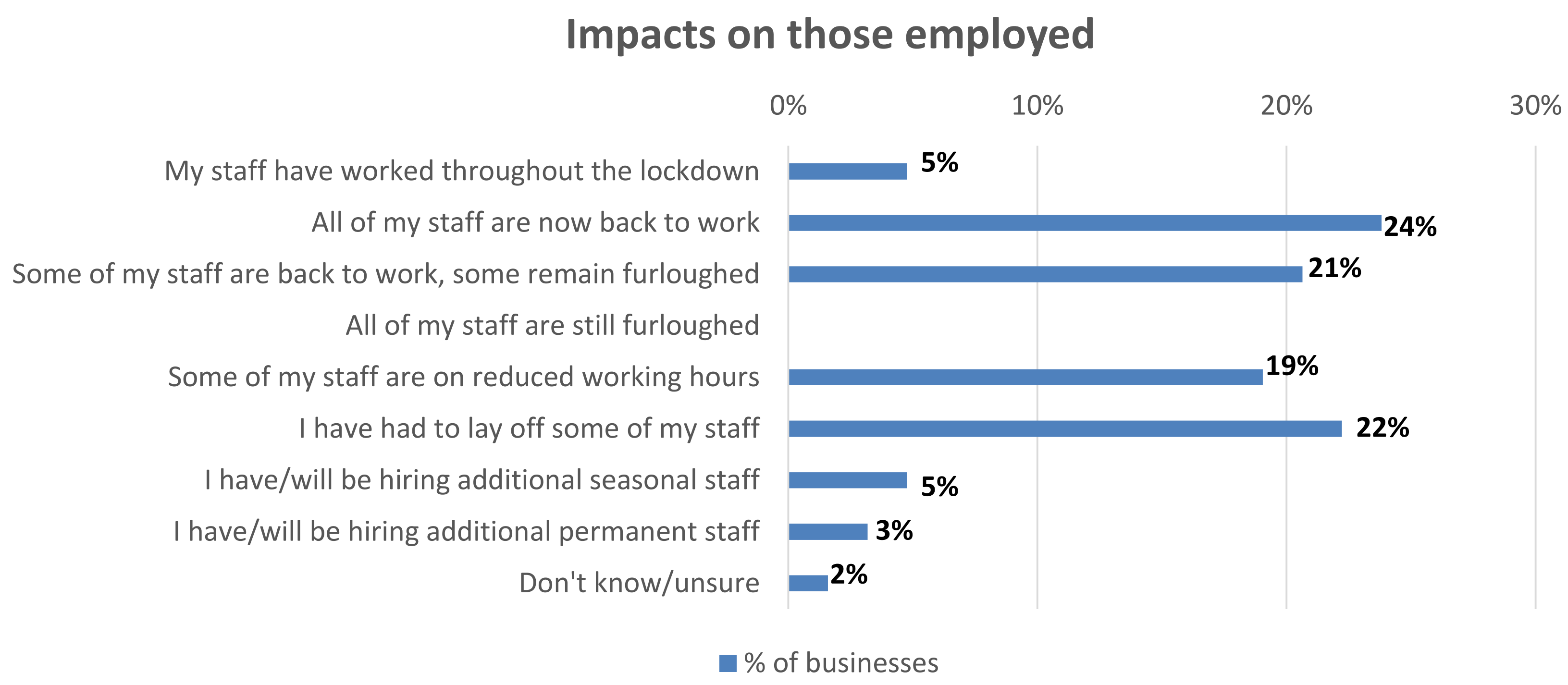
Key results – Economic Impacts

- 75% of businesses stated that their bookings for October were lower than expected, 14% said they were higher than expected and 11% about what they expected with the estimated overall actual decrease calculated at -23%.

- It is estimated that as a result of the retained tourism spend during October to December approximately £5.5 million will be spent in the supply chain by tourism related businesses on the purchase of local goods and services.

Key results – Employment Impacts

- 51% 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.



- 24% of businesses said all of their staff were back to work and 21% that some of their staff were back to work but some remained furloughed. 19% said some of their staff were on reduced working hours and 22% that they had laid off some of their staff. 5% said their staff had worked throughout the lockdown period.

- 5% of all businesses said they would be hiring additional seasonal staff now their business had re-opened and/or 3% that they would be hiring additional permanent staff.

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

- 90% of businesses said they had now re-opened, 6% hadn't re-opened but planned to in the near future and 4% still had no plans to re-open. A selection of comments from businesses who had re-opened are shown below.

The government rules of having to cancel bookings free of charge or refund guests if they cancel is ridiculous. Guests are simply looking at the weather and changing their mind, blaming it on track and trace etc. We're not allowed to ask for evidence either, we're just left to take the hit. We've lost nearly £5k of bookings this week based on this criteria.

After what has been a hectic and successful season, bookings have now dropped off completely. Whilst we have picked up some last minute bookings, the anticipated lengthening of the season has not happened, so far.

It continues to be busy. Sept and Oct together are about double what we would normally expect. We have a couple of bookings for November but none for December, when we might have expected Christmas and New Year to have been booked by now. Vast majority of stays are three or four nights so heavy on changeover and related costs

Our guests have been happy with all the measures we have put in place in order to make them feel safe. Clear signage has helped with this and the decision not to service rooms whilst guests are here. Procedures have been put in place for any tea/coffee/milk to be replenished as well as towels being changed safely.

Good July, best August and September in 6 years of trading - rest of the year fallen off a cliff. No confidence in travelling with increasing Covid cases, increasing lockdown/restrictions, early closures of pubs/restaurants which mean many have closed up for winter already.

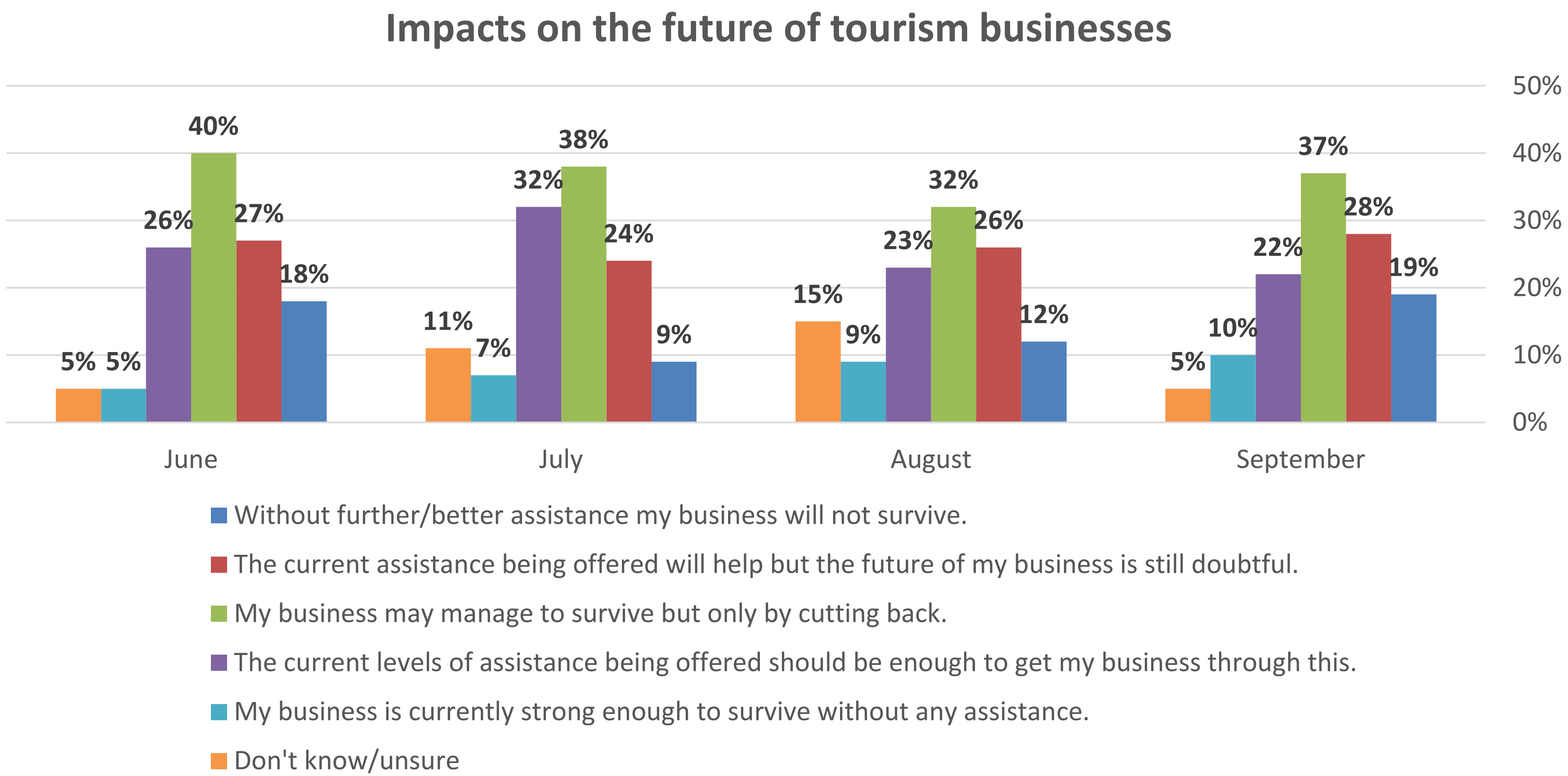
Numbers of guests high but still having to restrict numbers of rooms due to the amount of extra cleaning when a guest has been in a room for several days. We can only turn over a certain amount of rooms per day. We have decided to open weekends only in November when we are usually closed and have a small amount of bookings so far.

Very difficult managing all the local lockdown restrictions for each area, no real help or guidance on what to do if someone travels from an area where travel is restricted.

The volume of work has increased greatly due to the Covid regulations we have to adhere to. Rooms take longer to clean and sanitize after check out. Breakfast has to be staggered by sittings and is all served taking much longer to do.

Screens between tables are a hit and outside seating is a godsend.

Key results – The Future



- 47% of businesses were doubtful about surviving the coming months (including 19% who said without further/better assistance their business will not survive) compared with 38%, 33% and 45% of businesses saying the same during the August, July and June surveys respectively.
- 32% of businesses were confident of surviving the coming months (32% August, 39% July and 31% June) and 37% felt making cut backs would be their only way to survive (32%, 38% and 40% during the August, July and June surveys respectively).

Key results – Sample of other comments on impacts

We will need help to survive the winter.

Want to be able to finish the year without further lockdowns. Even local lockdowns and restrictions on bars and restaurants are affecting confidence.

Continued frustration with the banks and the insurance companies who are still behaving very badly. Our claim under Business Interruption remains unresolved despite the High Court procedures and another claim for something unrelated to Covid is supposedly 'held up' because Covid is causing the insurance companies so much extra work!!!

We have put our site up for sale with the aim of releasing capital to allow us to diversify/make our business model more 'coronavirus proof'

If we are forced to lockdown again than we are going to need more financial assistance to get us through the winter. Taking on more debt in the form of loans is not the answer. If the Government shut the hospitality sector down again, as they are now in other parts of the country, no-one will want to visit and stay in accommodation if nothing else is open. If they take this decision then they will need to support the sector as well. Our business will only survive if we are able to continue to trade without restrictions.

Guests are being very careful when they book, we get a lot of people coming from Wales and the Midlands, with Wales in lockdown down at present and the Midlands looking close to being the same the outlook for the winter months is not looking good. A small grant to get us through the winter months would really help us maybe half the amount the government gave in April to see us through to spring would be enough.

We will need further government financial assistance to cover the next 6 months of virtually no bookings.

We are unable to make future plans and are unable to re-invest in hotel improvements, as income this year has been VERY minimal (only enough to pay essential utility bills). We are unable to plan for seasonal events (Christmas /New Year) as we do not know what the future Government rulings will be

Reduced covers due to the social distancing rules, equates to reduced daily taking! Having to turn people away!

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

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