Great South West Tourism Partnership Coronavirus (COVID-19) Business Impact Survey - No. 3 June 2021 (covering 1st January to end of June 2021)

Key Findings Summary

Published by The South West Research Company Ltd

August 2021

Sample summary

- This report contains a summary of the findings from third Great South West Tourism Partnership Coronavirus (COVID-19) Business Impact Survey undertaken by The South West Research Company Ltd. during July 2021 covering business performance between the 1st January and the end of June 2021. The survey builds upon the data collected during surveys 1 and 2 which covered business performance between January and end of July 2020 and 1st August and end of December 2020 undertaken during August 2020 and January 2021 respectively.

Sample profile

- Total of 393 businesses responded to the survey although actual business representation will be larger due to a number of self-catering agencies responding. National tourism survey data, local areas survey data and Cambridge Model data from 2019 has been used to model the outputs in this report.

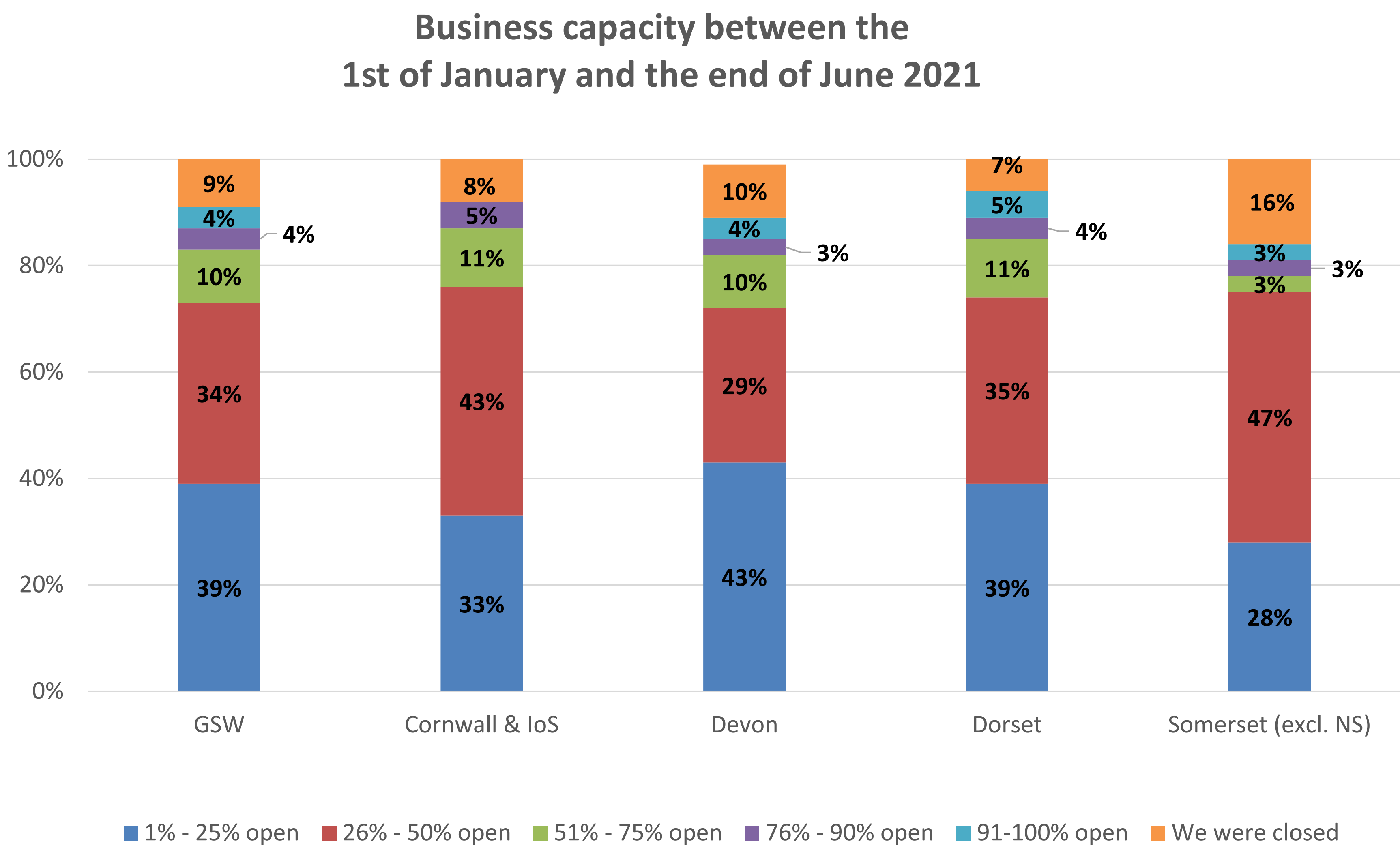
- 70% of businesses responding to the survey were accommodation providers, 9% were food and drink businesses and 8% were a visitor/leisure attraction. 3% in each case were a sports or activities-based business or a retail business and 1% in each case were a tourist information centre, a self-catering agency or an event organiser. 4% categorised themselves as on 'other' business type including a tour guide/company, theatre, a language school, a finance business and a transport business etc.

- 58% of the accommodation businesses were self catering operators and 31% serviced accommodation providers. 6% were a holiday park and 5% were a caravan/camping site. 1% were an ‘other’ type of accommodation.

- 37% of the visitor/leisure attraction businesses were predominantly based indoors, 32% in each case had a good mix of both indoor and outdoor attractions/entertainment/activities or were predominantly based outdoors.

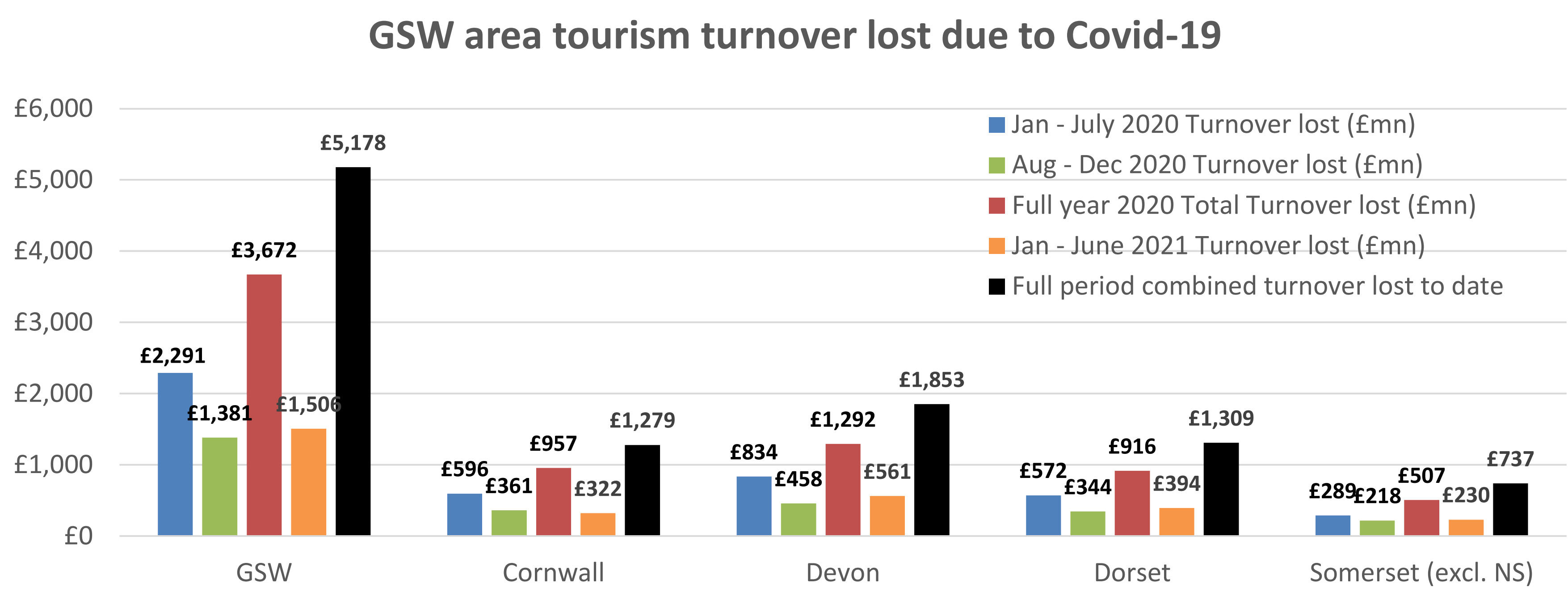
- 52% of businesses responding to the survey were based in Devon including 22% in Torbay, 5% in Plymouth and 25% elsewhere in the county. 18% were based in Cornwall, 21% in Dorset, 8% in Somerset (excluding North Somerset) and 1% on the Isles of Scilly.

83% of businesses had been operating at 75% capacity or less during the January to June 2021 period.



A total of approximately £5.2 billion of anticipated tourism business turnover has been lost in the GSW region due to the Covid-19 pandemic between January 2020 to the end of June 2021.

The average percentage change in turnover for the full combined period was -50%.



% Change in turnover	GSW	Cornwall & IoS	Devon	Dorset	Somerset
Combined turnover lost to date	**-50%**	-45%	-52%	-51%	-56%
January to June 2021	**-47%**	-37%	-50%	-50%	-55%
Full year January to December 2020	**-52%**	-48%	-53%	-52%	-57%
August to December 2020	**-46%**	-41%	-47%	-43%	-57%
January to July 2020	**-56%**	-52%	-57%	-58%	-56%

In addition, for the full period combined it is estimated that approximately £1.5 billion would have been the usual amount of supply chain spend associated with the amount of turnover lost*

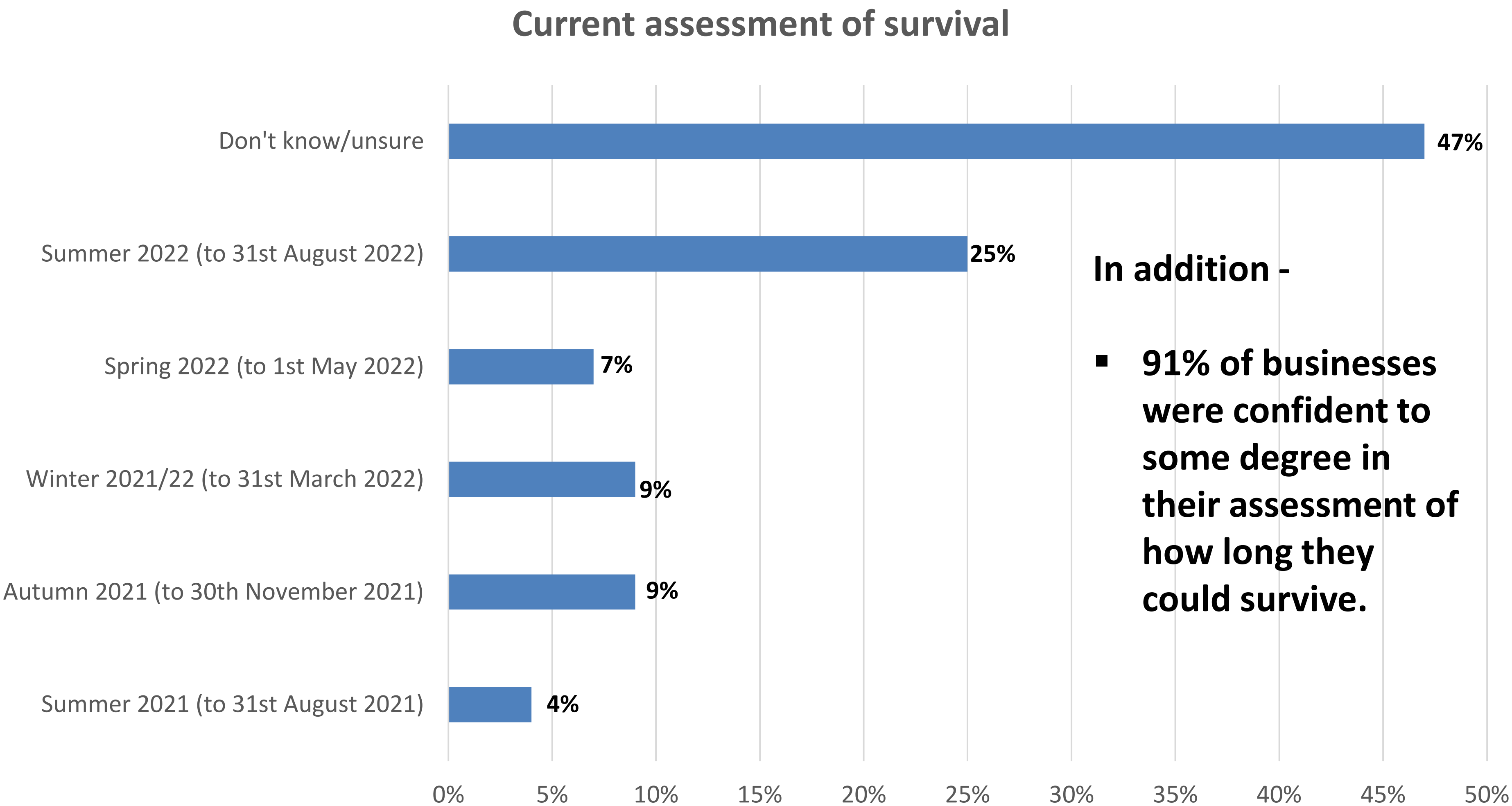
Full combined period January 2020 to June 2021	Estimated usual supply chain spend associated with turnover lost (£mn)	Scenario 1 – 75% did not occur	Scenario 2 – 50% did not occur	Scenario 3 – 25% did not occur
GSW	**£1,499**	**£1,124**	**£749**	**£375**
Cornwall & IoS	£394	£295	£197	£98
Devon	£531	£399	£266	£133
Dorset	£369	£276	£184	£92
Somerset	£206	£154	£103	£51

However, businesses will still have had some overheads during the year that they would still have had to cover. For the full period combined If 75% of the supply chain spend did not occur the additional lost tourism spend in the GSW area would have been £1.1 billion million, at 50% it would have been an additional £749 million lost or at 25% it would have been an additional loss of £375 million**

** Supply chain spend is the money spent by businesses in receipt of visitor expenditure on the purchase of local goods and services.*

*** These figures represent the spend on overheads that tourism businesses will still have had to cover during this period based on scenarios of 75%, 50% and 25% of usual supply chain spend levels.*

77% of businesses said they didn't know/were unsure the furthest that their business will be able to survive until without further support. Half of all businesses currently anticipate that they will now be able to survive beyond the Summer of 2021. Only 4% of businesses felt they could only survive through until the Summer of 2021 (to 31st August 2021).



In addition -

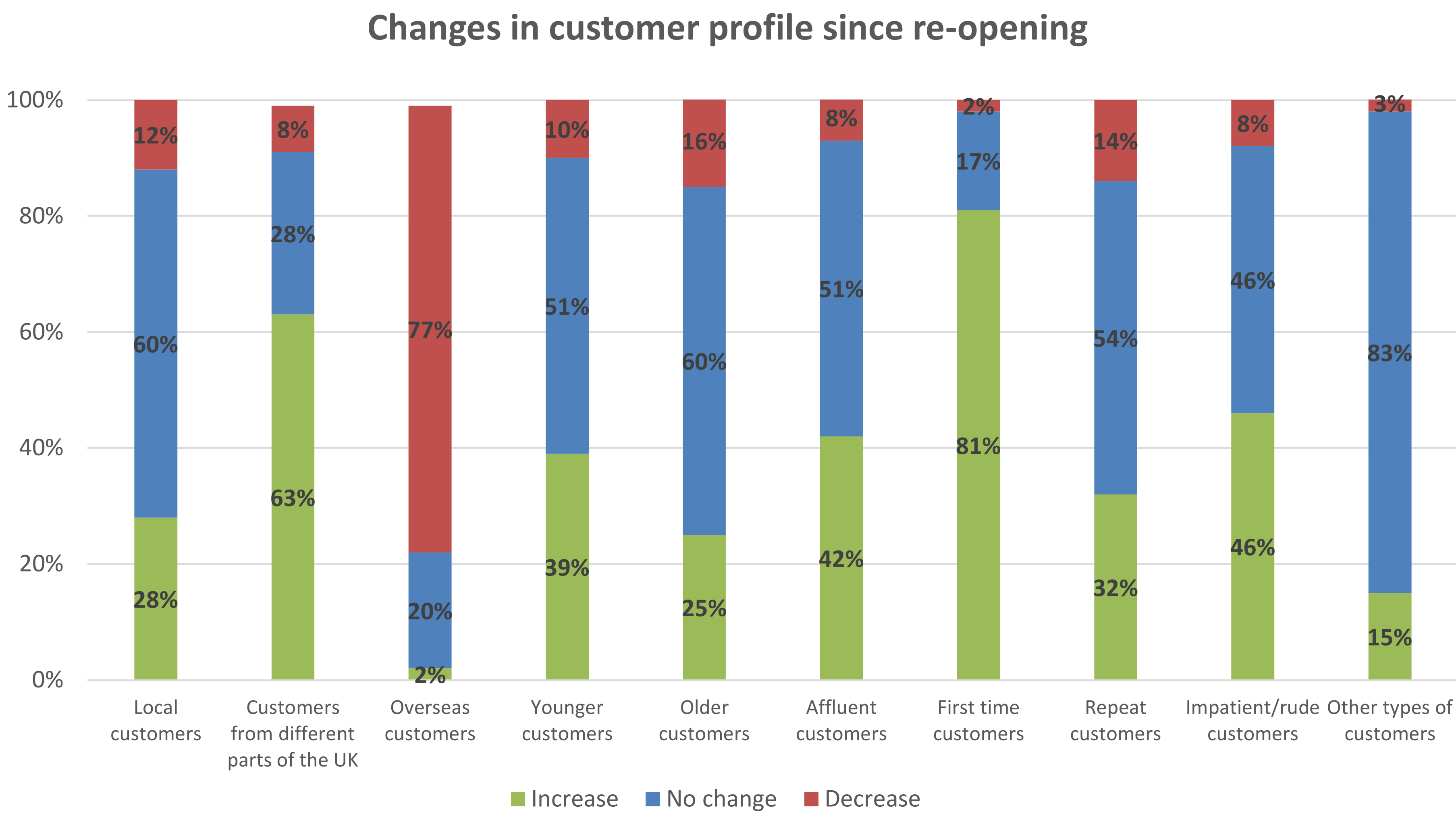
- **91% of businesses were confident to some degree in their assessment of how long they could survive.**

26% of businesses said they are currently recruiting.

To try and resolve shortages, 54% of those businesses currently recruiting were now paying higher wages, 41% had reduced their capacity, services or hours of opening, 39% had hired unskilled staff and provided them with training, 25% were offering retention incentives and 22% were taking on apprentices.

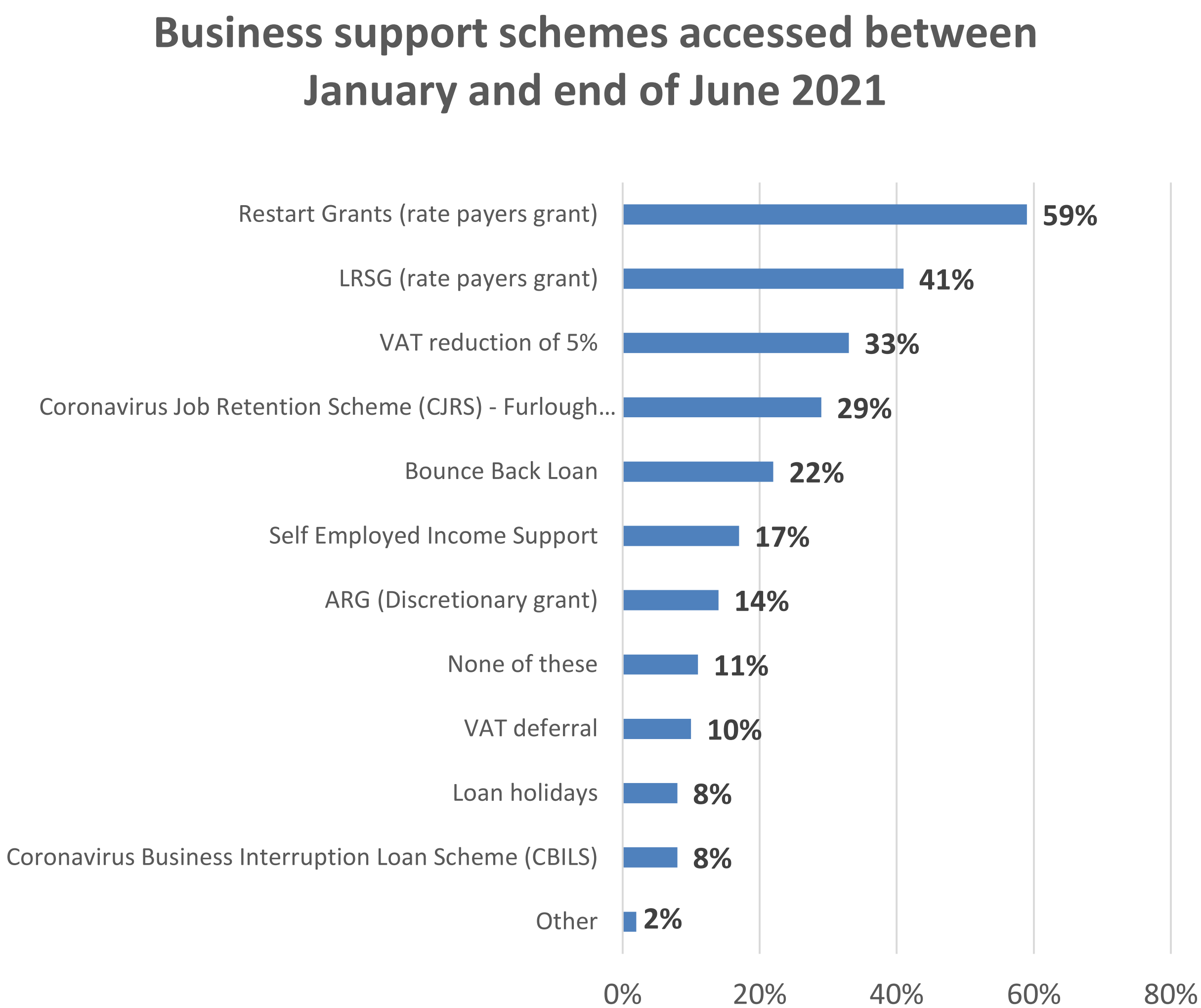
What are you doing to try and resolve any staff shortages?	GSW
Paying higher wages	54%
Reducing capacity, services or hours of opening	41%
Hiring unskilled staff and providing training	39%
Offering retention incentives – e.g. bonus, refer a friend	25%
Taking on apprentices	22%
Forging links with educational institutions	16%
Working with job centres	15%
Other	13%
Introducing benefits packages	12%
Not Applicable - we have all the staff we need	4%

The largest net increases were seen in first time visitors and customers from different parts of the UK. The only net decrease was in overseas visitors.



Net change	+16%	+55%	-75%	+29%	+9%	+34%	+79%	+18%	+38%	+12%

59% of businesses had accessed a Restart Grant (rate payers grant). 41% had accessed a LRSG (rate payers grant), 33% had accessed the VAT reduction of 5% and 29% the Coronavirus Job Retention Scheme (CJRS) - Furlough scheme. 22% had taken out a Bounce Back Loan.



In addition –

64% of businesses had accessed the Visit England 'We're Good to Go' scheme in preparation for Covid-secure reopening.

21% had accessed the AA 'Covid Confidence' and 10% the Quality in Tourism 'Safe, Clean and Legal'.

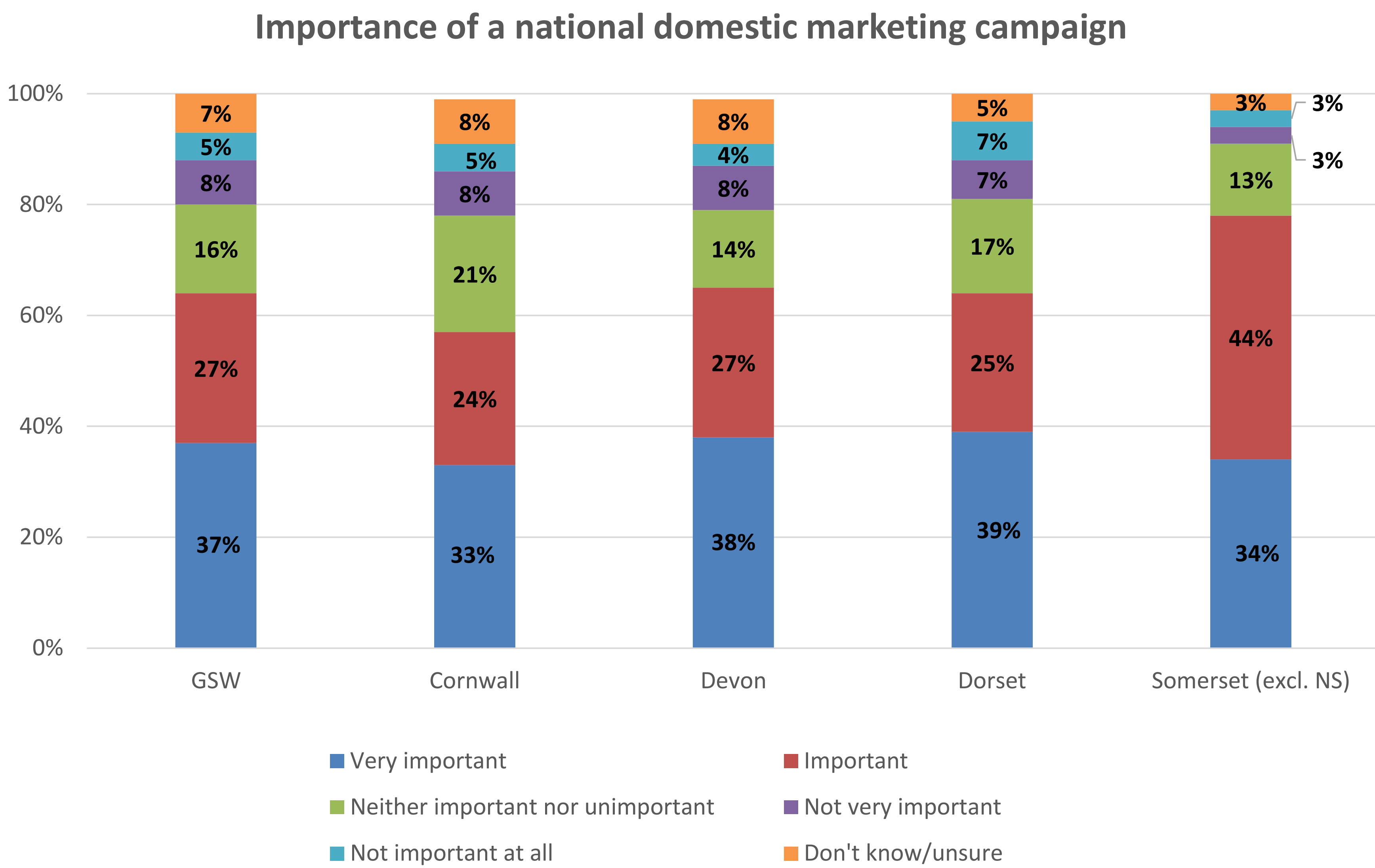
54% of businesses would like to see the continuation of the business rates holiday to March 2022. 53% would like to see the 5% VAT reduction rate maintained until December 2022.

	GSW
Continue business rates holiday to March 2022	54%
Maintain the 5% VAT reduction rate to December 2022	53%
Encourage UK workers to enter the industry	48%
Lift travel restrictions	33%
Develop retraining programmes to support people from other sectors entering the tourism industry	28%
Introduce a new discretionary grant for those who haven't benefited from any previous support	25%
Introduce a scheme for low skilled workers to enter the UK	24%
Support EU nationals in the UK gaining Settled Status	22%
Extend Bounce Back Loans re-payment terms	19%
Hold tourism job fairs	16%
Incentivise the movement of workers around the UK	12%
Other (please tell us any other ideas you have)	12%
Introduce a Youth Mobility Scheme with the EU	10%
Extend CIBIL re-payment terms	6%

- The top 5 priorities which businesses would like to see become available to help their business survive and grow over the next 12 months were:

- 54% would like to see the continuation of the business rates holiday to March 2022.
- 53% would like to see the 5% VAT reduction rate maintained until December 2022.
- 48% would like to see UK workers encouraged to enter the industry.
- 33% would like to see travel restrictions lifted.
- 28% would like to see the development of retraining programmes to support people from other sectors entering the tourism industry.

64% of businesses said a national domestic marketing campaign is ‘very important’ (37%) or ‘important’ (27%) to the success of their business.



Great South West
Coronavirus (COVID-19) Business Impact Survey – No. 3 June 2021
(covering 1st January to end of June 2021)

The South West Research Company Ltd

www.tswrc.co.uk