



VISIT HERTS

COVID-19 BUSINESS IMPACT SURVEY

MAY 2020



GO TO PLACES



Credit: Nigel Moore



Credit: Chris Orange





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Introduction

Due to the impact of the COVID-19 pandemic and with many businesses being closed during March, instead of collecting visitor footfall as part of our monthly Business Barometer, Visit Herts invited businesses from across Hertfordshire to complete a short survey, to gain an insight into how the COVID-19 pandemic is impacting businesses.

This report aims to summarise the challenges that are currently being faced by businesses in the county and identify what support and guidance businesses need, whether that be financial assistance or guidance around cleaning and hygiene. The report also looks to identify which financial schemes businesses are accessing, alongside highlighting any operational difficulties businesses felt they may have with a staggered reopening and with social distancing measures in place.

In addition, the report will also outline ways in which businesses felt the tourism and hospitality sector could be boosted in the immediate aftermath of COVID-19 and what steps the Government should take to boost UK inbound tourism when social distancing measures are lifted.

We would also like to thank those businesses who took the time to complete the survey during this difficult time. The findings from this survey are valuable not only to help ensure businesses are getting the support they need but also to help build a strategy for recovery.



Image credit: Champneys



Survey Overview

Aims and methodology

- Visit Herts invited visitor economy businesses from across Hertfordshire to complete a short survey, to gain an insight into how the COVID-19 pandemic is impacting businesses across the county and the challenges they are currently facing. The survey also looked to identify what support and guidance businesses are in need of, whether that be financial assistance or guidance around cleaning and hygiene.
- Findings from this survey will be fed into various Government committees and will also be included in Visit Herts' response to the DCMS Select Committee, into the support needed by the industry.

Sample

- The survey was sent out to businesses across the county from 22nd April - 8th May and all answers given were completely confidential and the survey had a total of 16 responses.
- The majority of businesses who completed the survey were accommodation providers (31%) and attractions (31%). The remaining business were made up of those from destinations and local authorities, conference and event venues and 'other', which included businesses such as pubs, restaurants and sport and leisure facilities.

'The findings from this survey are valuable not only to help ensure businesses are getting the support they need but also to help build a strategy for recovery'



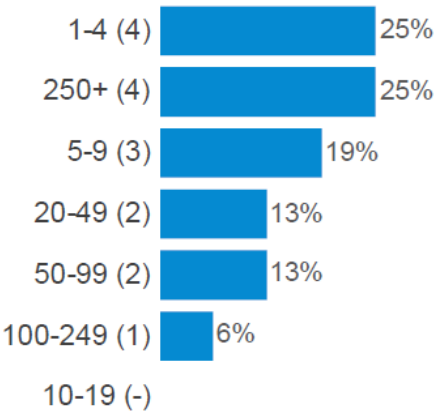
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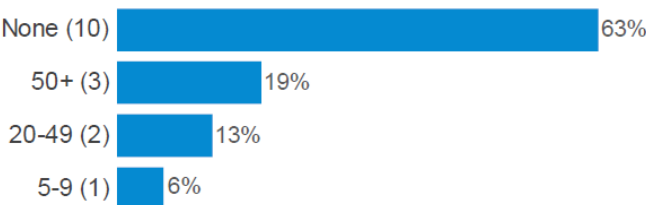
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- The survey firstly asked businesses to specify how many employees or volunteers their business has.
- Findings show that the majority of businesses have between **1-4 employees (25%)** and **250+ (25%)**, followed by those with **5-9 employees (19%)**.
- In terms of number of volunteers, **63%** specified they did not have any, this was then followed by those with **50+ (19%)**.
- Looking at the size of attractions by annual footfall, they majority of business stated they receive **under 20,000 visitors per year (60%)**.

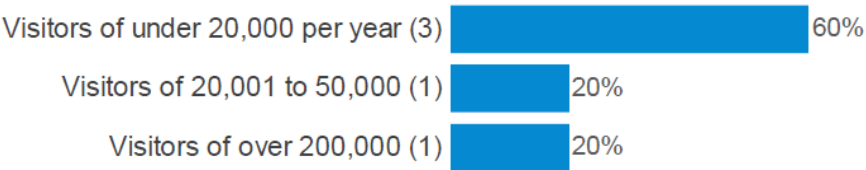
Number of employees



Number of volunteers



Attraction size- visitors per year





Business Impact

How has your business been impacted so far?

- The survey looked to identify ways in which businesses have been impacted by COVID-19, with the most common being general footfall loss (94%), followed by impact on cash flow (88%) and impact on domestic group visits (63%).



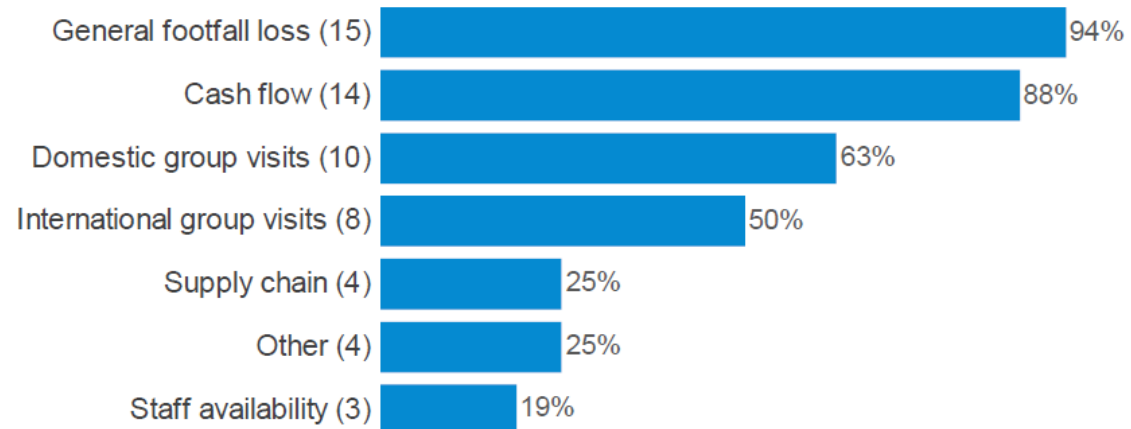
Footfall loss



Cash flow



Domestic group visits



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Loss of footfall and revenue

What percentage of footfall and revenue did you lose as a result of Covid-19 in March and April, compared to the same months of 2019?

- Looking at how the COVID-19 pandemic has impacted on business footfall and revenue, as shown below businesses experienced an average loss of **-63%** in March in terms of footfall compared to March 2019 and an average loss of **-61%** in revenue compared the same period the previous year.
- The findings also show that this impact worsened into April as the lockdown progressed, with businesses seeing an average loss of **-96%** in footfall and a **-95%** loss in revenue compared to April 2019.



March 20/19

Footfall
-63%

Revenue
-61%



April 20/19

Footfall
-96%

Revenue
-95%



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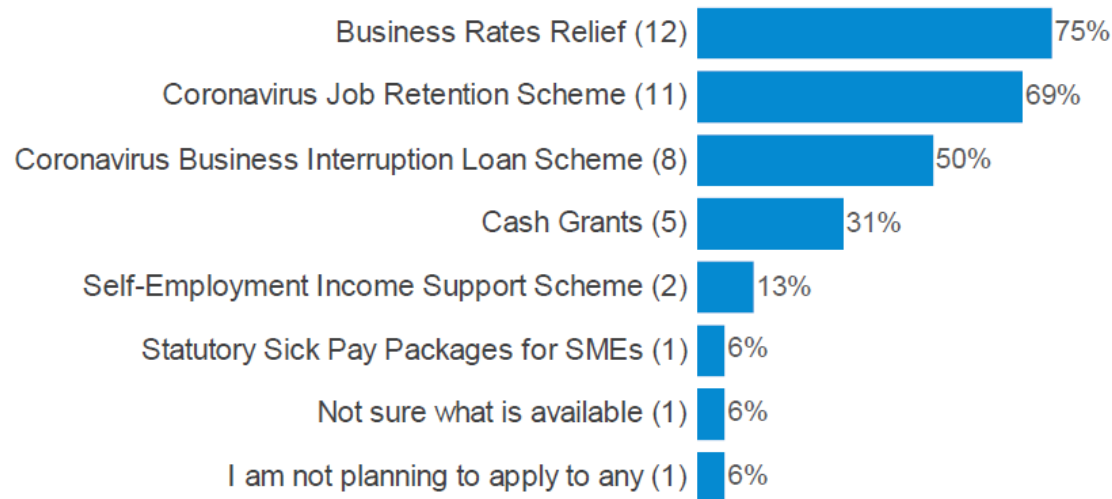


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Financial support schemes

Which of the following financial support schemes have you, or are you planning to access?

- The survey then asked businesses about which financial schemes they have or are planning to access. The findings show that the most popular scheme was Business Rates Relief with **75%** of businesses selecting this, followed by the Job Retention Scheme (**69%**) and the Coronavirus Business Interruption Loan Scheme (**50%**), as seen in the graph below.





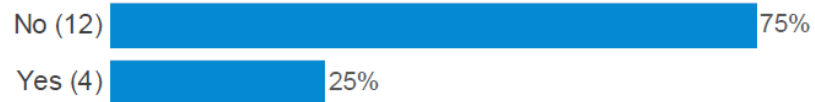
Financial support schemes

Have you had any challenges applying for a financial support scheme?



- 63% of businesses stated they had not experienced any challenges when applying for a financial support scheme. However, for those that had, challenges included delays in responses to applications, more specifically the Coronavirus Business Interruption Loan Scheme.

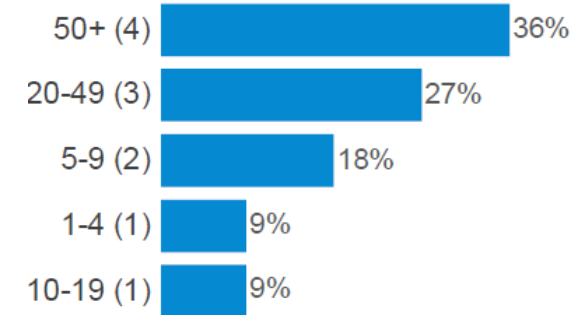
Have you had any insurance claims refused?



- Overall, 75% of businesses stated they have not had any insurance claims refused during the COVID-19 period.

How many employees has your organisation placed on furlough?

- For those businesses that had or are planning on accessing the Job Retention Scheme, overall, the largest proportion of businesses (36%) have placed 50+ employees within their organisation on furlough.



- Looking at the percentage of furloughed staff in relation to the number of total employees, overall the majority of businesses indicated that their number of furloughed employees is in the same bracket as their total employees, indicating that most businesses have furloughed the majority of staff members.

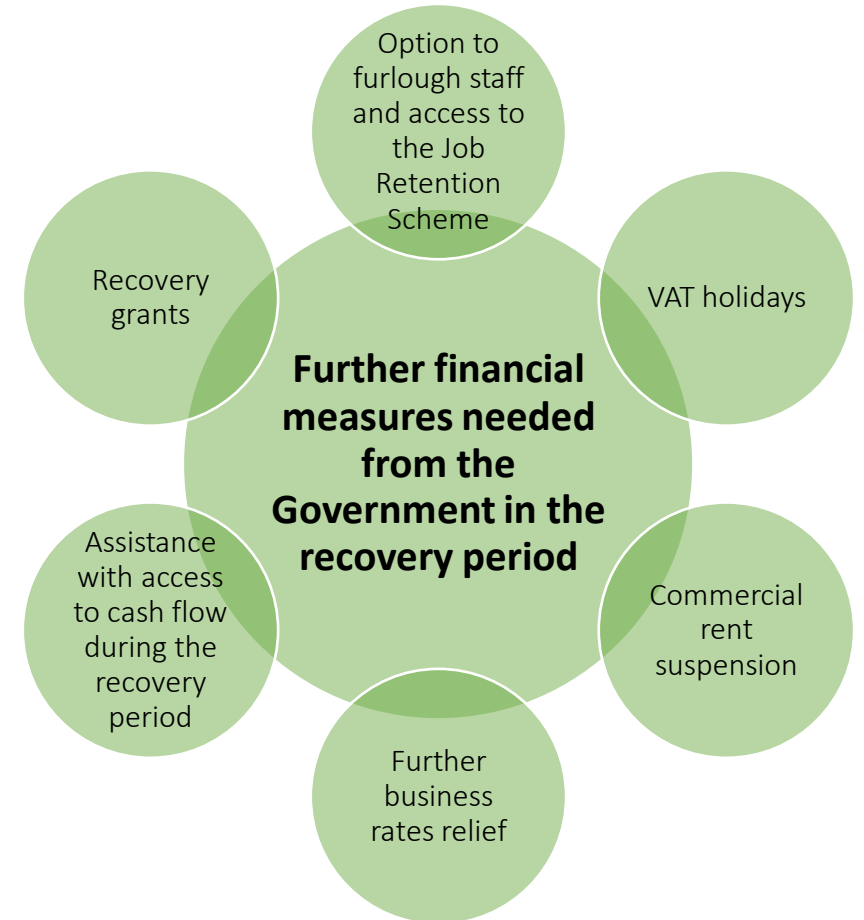


£ Further Financial Measures

What further, or continued, financial measures do you envisage your business needing from Government in the recovery period when restrictions begin to be lifted?

Businesses were also asked what financial measures their business would need from the Government during the recovery period when restrictions begin to be lifted. Answers given were analysed and grouped together thematically, from this the following **four key areas** were identified.

- 1 The most cited answers focused on the importance of extending the **Job Retention Scheme** and the need for support to be available until businesses can open fully.
- 2 Businesses also stressed the need for **recovery grants** to cover loss of earnings especially if strict prolonged social distancing measures remain in place, as this will limit footfall and revenue.
- 3 A number of businesses cited the need for **further business rates relief**, as businesses particularly in the tourism and hospitality sector will take time to recover and rebuild their customer base.
- 4 Other financial measures cited by business included, **VAT holidays**, assistance with access to **cash flow** during the recovery period and **commercial rent suspension**.





Impact of a staggered reopening

What impact would a staggered reopening have on your business?

Businesses were then asked what impact a staggered reopening would have on their business, for example, if businesses are permitted to reopen but with existing social distancing measures retained; hotels open with no bar or restaurant area; or a cap being introduced on venue numbers.

- The most common response to this question was that businesses felt that a staggered reopening would result in **loss of revenue**. With social distancing measures in place, a number of businesses felt that operational costs may outweigh revenue generated, as footfall would be restricted.
- A number of businesses also felt that implementing social distancing measures would be **impractical due to the nature of their business offering or venue**. In particular, this was felt by those businesses that operate indoor spaces such as, leisure centres, cinemas and theatres, with concerns around the practicality of implementing distancing measures.
- There was also an emphasis placed on the **reliance of the summer months** for the tourism and hospitality sector in particular. And certain businesses felt concerned that loss of revenue during this normally busier period could not be regained during the winter months.
- However, some businesses felt that it may too difficult for them to reopen, until social distancing measures and restrictions had been lifted and some businesses cited their heavy **reliance on group visits**.



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Operational difficulties

What specific operational difficulties do you anticipate when looking to reopen your business and will you need Government assistance and guidance ahead of this?

The survey also aimed to identify what specific operational difficulties businesses may have when looking to reopen and if they would require Government assistance ahead of this. Answers given were analysed and grouped together thematically, from this the following areas were identified.

- The most commonly cited operational difficulty centred on managing staff, with a heavy dependence placed on the continuation of the **Job Retention Scheme** to be able to furlough staff. Particular businesses expressed the desire for the scheme to have a **gradual withdrawal**, in line with the gradual return of the public.
- Businesses once again felt access to **cash flow** would be a challenge, alongside the added **costs of cleaning supplies and equipment** needed to adhere to hygiene requirements. Alongside this, concerns around being able to access a sufficient supply of PPE for staff was also raised by businesses.
- In terms of guidance, businesses felt that they needed clearer guidance from the Government on **how to welcome back visitors**, in addition to other operational areas such as **management of queuing and catering areas**.

“If there is a staggered reopening, there would need to be a staggered Coronavirus Job Retention Scheme to accompany it.”- Hertfordshire Tourism Business





Guidance on cleaning and hygiene

What, if any, additional guidance do you feel that you need on cleaning and hygiene measures ahead of reopening?

- Businesses were asked if they felt they needed additional guidance on cleaning and hygiene measures ahead of reopening. Overall, findings show that a number of businesses felt that they needed clearer Government guidelines outlining requirements, alongside examples of best practice. It was also felt that guidance was needed that caters for different types of businesses.
- Alongside the above, businesses also cited the need for advice on the best cleaning methods and types of cleaning products and equipment that should be purchased, specific to virus control. Finally, a number of businesses expressed the desire for financial assistance to acquire the cleaning supplies, equipment and PPE required.

1



Government guidelines with business requirements for cleaning and hygiene and examples of best practice

2



Ensure that guidance caters for **different types of businesses**

3



Advice and guidance on **cleaning methods** and supplies that are specific to virus control

4



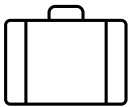
Financial assistance with increased costs of purchasing cleaning supplies and PPE



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Boosting the Hospitality & Tourism Sector

What fiscal measures should be taken to boost business in the hospitality and tourism sectors in the immediate aftermath of COVID-19 restrictions being lifted?

Looking to the future the survey asked businesses what measures should be taken by the Government to boost business in the tourism and hospitality sector after COVID-19 restrictions are lifted. Responses given by businesses were analysed thematically.

- A number of businesses stated that the sector could be boosted by further **financial support** through reliefs around VAT, business rates and tax breaks.
- Alongside this, businesses reinforced their need for a **phased withdrawal of the Job Retention Scheme**, alongside further **grants** to aid business recovery.
- Findings also highlighted the importance of ensuring that the **public feels safe** to travel and engage with tourism and hospitality venues and experiences once again.

1

Reduce VAT and business rates

2

Tax breaks and more flexibility from HMRC

3

Phased withdrawal of furlough scheme and further grants

4

Ensure that the public feels safe to visit tourism and hospitality venues



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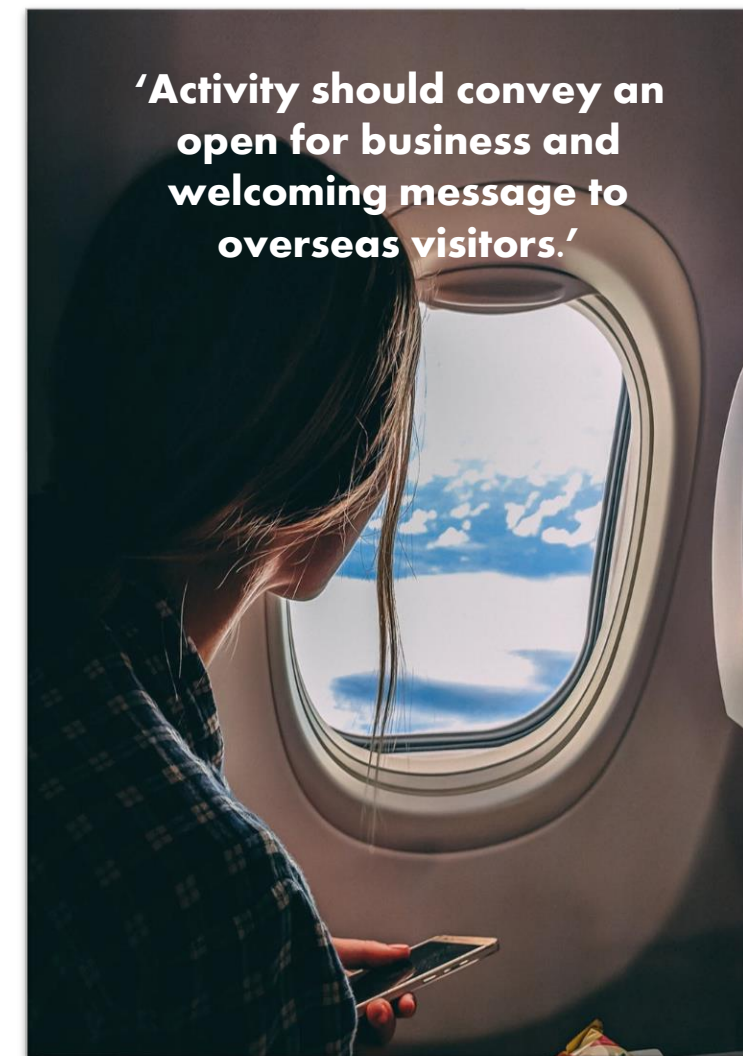


Boosting UK Inbound Tourism

What steps should the Government take to boost UK inbound tourism when social distancing measures are lifted?

The survey also asked businesses what steps the Government could take to boost UK inbound tourism when social distancing measures are lifted. Responses given by businesses were analysed and grouped thematically. The following areas emerged as the most common responses given by businesses

- 1 Reassure overseas visitors that the UK is a safe destination to visit when appropriate.
- 2 Activity should convey an open for business and welcoming message to overseas visitors.
- 3 Offering overseas visitors incentives to visit through offers and promotions.
- 4 Investment in marketing and advertising campaigns to both an international and domestic audience to encourage holidays within the UK.
- 5 Tax and VAT relief.



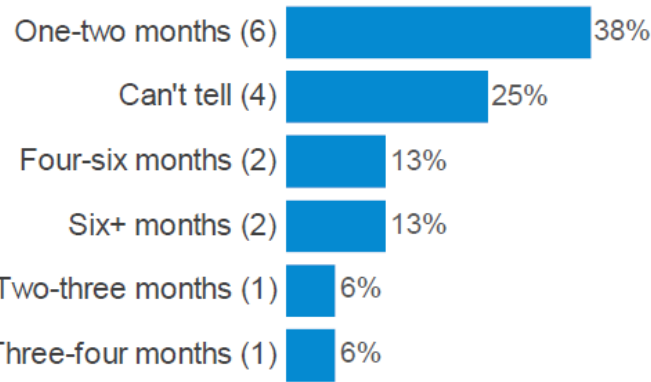
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Reactivating supply chains & advice needed

How long do you envisage that it will take you to reactivate your supply chain once the guidelines are relaxed?



Findings show that the largest proportion of businesses (38%) stated that they would need **1-2 months** to reactivate their business supply chain once guidelines are relaxed. This was then followed by **25%** who said that they ‘can’t tell’, demonstrating some uncertainty among businesses at this stage regarding exact timeframes.

What advice would you most value at present from Visit Herts and wider regional and national bodies?

- Findings show that advice on the following areas were identified as being the most valuable to businesses currently from Visit Herts and wider regional and national bodies.



1 **Health and safety measures & communicating this to customers**



2 **Advice on how to build a recovery strategy**



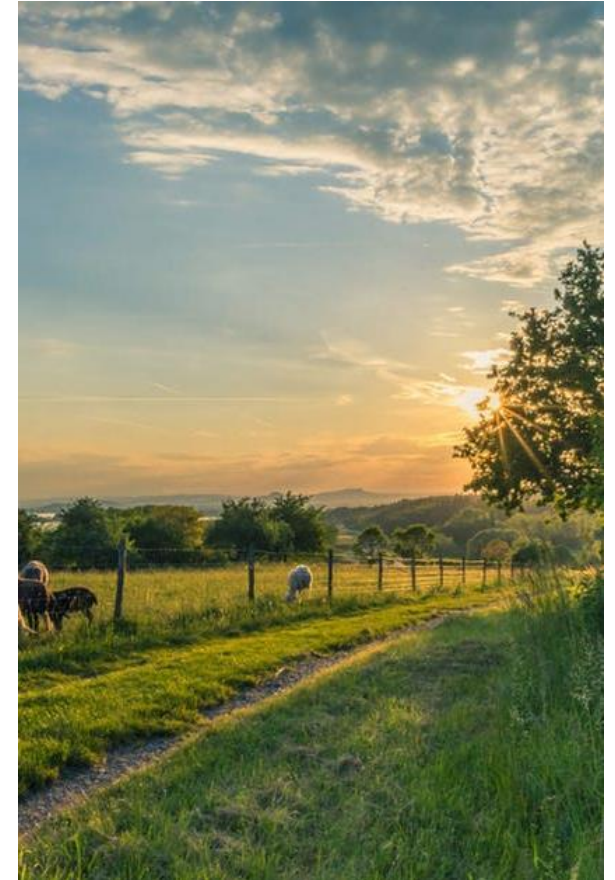
3 **Insights**



4 **Financial advice on cash flow and recovery**

Key Findings

- Aspects of businesses that have been most affected by COVID-19 included general footfall loss (94%), followed by impact on cash flow (88%) and impact on domestic group visits (63%).
- Businesses experienced an average loss of -63% in March in terms of footfall compared to March 2019 and an average loss of -61% in revenue generated compared the same period the previous year. This impact worsened into April as the lockdown progressed, with businesses seeing on average a -96% loss in footfall and a -95% loss in revenue compared to April 2019.
- The most popular financial schemes that businesses had or are planning on accessing were Business Rates Relief (75%), the Job Retention Scheme (69%) and the Coronavirus Business Interruption Loan Scheme (50%).
- Businesses expressed the importance of extending the Job Retention Scheme during the recovery phase and for support to be available until businesses can open fully, alongside recovery grants and further business rates relief.
- Some businesses felt that operational costs may outweigh revenue generated and therefore were concerned about loss of revenue if they were to have a staggered reopening with social distancing measures in place.
- A number of businesses felt that implementing social distancing measures would be impractical due to the nature of their business offering, in particular businesses that operate indoor spaces such as, leisure centres, cinemas and theatres.
- Businesses placed an emphasis on the reliance of the summer months for the tourism and hospitality sector in particular, with concerns that loss of revenue during the busier summer months could not be regained during the winter period. This also shows the importance of working to extend the tourism season and seasonal marketing campaigns, alongside looking at ways to diversify and adapt product offering and create additional experiences.



Key Findings

- Businesses expressed a heavy dependence on the continuation of the Job Retention Scheme and a desire for the scheme to have a gradual withdrawal in line with the gradual return of the public.
- Overall, businesses expressed the urgency of Government guidelines with business requirements for cleaning and hygiene and examples of best practice, that caters for different types of businesses.
- In terms of boosting the UK tourism and hospitality sector, businesses voiced the need to reassure overseas visitors that the UK is a safe destination to visit when appropriate, and that activity should convey an open for business and welcoming message.
- The largest proportion of businesses (38%) stated that they would need 1-2 months to reactivate their business supply chain once guidelines are relaxed.
- The top four areas of advice that businesses would most value from Visit Herts and wider regional and national bodies included health and safety measures & communicating this to customers, advice on how to build a recovery strategy, insights and financial advice on cashflow and recovery.
- Overall, the sector will need sufficient support during the recovery phase as consumers gradually begin to re-engage. Although, consideration needs to be given to the impact of seasonality and its prominence within the tourism and hospitality sector. In the short term consumers may look towards more outdoor, rural areas, with less perceived crowds- which does offer an opportunity to promote lesser known destinations and venues that offer this. However, it is vital that businesses are given the guidance and support they need to navigate through this phase and to adapt and protect their business.



Other News



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Latest COVID-19 business support updates

- Visit [our website](#) for the latest COVID-19 updates, from financial support information to the latest global news.
- Visit the [Hertfordshire Growth Hub](#) for further support and guidance
- [VisitBritain](#) and the [Government](#) have also launched business support hubs.
- We're also working in partnership with Hertfordshire LEP and Crowdfunder to offer small and micro businesses within the tourism, leisure, hospitality, retail, arts and cultural sectors the chance to unlock between £2000 and £5000 in match funding to help overcome the challenges of COVID-19. For more information click [here](#).

Tracking Consumer Sentiment on the Impact of COVID-19

- BVA BDRC are conducting an ongoing weekly tracker on consumer sentiment surrounding the impact of COVID-19. The following key findings emerged from the latest report published on 11th May.
- For the third consecutive wave, around 1 in 5 expect to visit an attraction in the next 3 months, pushing back the anticipated return another week.
- Zoos and theme parks have a particular challenge in convincing the public to return in the next few months. Indoor attractions face similar challenges to zoos and theme parks –they too will need to reassure visitors of their safety when visiting.
- Social distancing is the most important priority for visitors when attractions reopen, followed closely by steps that maximise cleanliness.
- Although all types of destinations are likely to receive fewer UK holiday-makers, rural destinations are likely to suffer the least –benefiting from the desire to avoid large crowds in confined spaces.

To view the full report click [here](#)

Glossary

VICs- Visitor Information Centres

CTR- Click through rate

AVE- Advertising Value Equivalent

GTOs- Group Travel Organisers

DMOs- Destination Management Organisations

OP- On par

ADR- Average Daily rate

RevPAR- Revenue per available room

YTD- Year to date



Ruby Russ

Research and Insights Executive

ruby.russ@visitherts.co.uk

01227 812916

Previous reports

To view our other research resources please

visit www.visithertsbusiness.co.uk

Acknowledgements

If you wish to use any figures or information within this report, please acknowledge the source as Visit Herts COVID-19 Business Impact Survey. Thank you.



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