

Scrutiny Briefing Note

The TVE Panel have asked to monitor progress on the following issue. This briefing contains the latest position regarding the 'COVID's Effects on Tourism and Planning for 2021-2022', as at 8th April 2021.

Subject:

COVID'S EFFECT ON TOURISM IN NORTH EAST LINCOLNSHIRE AND PLANNING FOR 2021-22

1.0 COVID's Effect on Tourism in North East Lincolnshire – Background

During the pandemic, North East Lincolnshire's (NEL) tourism and hospitality businesses have endured the most challenging economic crisis of recent times. In order to help understand the impact of COVID on tourism businesses in NEL, a local tourism survey was carried out. Sent out to 230 businesses and receiving circa 36 full responses, the key findings are detailed in the accompanying report.

Despite the impact of COVID, there are good reasons to be optimistic and look forward to the sector's recovery, through staycations for example. So, as well as continuing to support local businesses through grants, business advice and accredited schemes, NEL's tourism plans for 2021-22 focus on those positive opportunities. By providing a safe and welcoming place to live and visit, we will work with tourism businesses to help achieve economic recovery.

1.1 COVID's Effect on Tourism - The National Picture

Tourism is crucial to the UK economy. In 2017, tourism supported around 1.6 million jobs which is almost 5% of total UK jobs. Since 2010, tourism has been the fastest growing sector in the UK in employment terms and Britain was forecast to have a tourism industry worth over £257 billion by 2025. The pandemic has significantly impacted that optimistic picture. HMRC published data on the number of people furloughed as of 15 February 2021 and it shows that tourism-related businesses have been impacted more than any other sector. There were 4.7m people on furlough at the end of January 2021 and 1.15m of these were in the accommodation and food services sectors.

Since the November 2020 lockdown alone, North East Lincolnshire Council has distributed approximately £8.2m of various COVID grants (according to the Standard Industry Classification (SIC) which include hotels, catering, recreation and culture businesses) and that support continues. In terms of other national support, the following financial interventions were confirmed in the March Budget:

- VAT 5% rate extended for another six months followed by a 12.5% rate for a further six months.
- 100% businesses rates holiday until June, followed by a two-thirds discount for the rest of the year.
- The government will legislate to ensure that the business rates relief repayments that have been made by certain businesses are deductible for corporation tax and income tax purposes.
- Furlough is to be extended until the end of September at the 80% rate until July.
- From July, the government will introduce an employer contribution towards the cost of unworked hours of 10% in July, 20% in August and 20% in September.
- New 'Restart Grants' in place from 1 April.



Despite the negative impact of the pandemic, trade bodies agree that there is forecast growth in domestic tourism and the country stands at a pivotal moment. Visit England has reinforced its position to, “drive immediate tourism recovery through building back visitor spend as quickly as possible and supporting the Industry.” It aims to do this through domestic marketing campaigns such as ‘Escape the Every Day’ and these opportunities are just one way that NEL can get involved to help boost local tourism. ‘English Tourism Week’ is another opportunity which will take place in May, after the elections.

1.2 COVID’s Effect on NEL Tourism - Survey Findings and Next Steps

Over the past year a wide range of business support and grants have been distributed to help support local tourism businesses. It was necessary to understand in more detail however the current economic position and general sentiment of NEL’s tourism sector and help inform our thinking with regard to our tourism plans for the forthcoming season. A local tourism survey was therefore sent out to accommodation providers, hospitality businesses and tourism attractions. The key findings of the survey cover a range of information including, impact on revenue; experiences and outlook; changes and adaptations; challenges; and business support needed.

In terms of next steps, the survey will be shared with E-factor and the Business Lincolnshire Growth Hub, both of which employ dedicated Visitor Economy Business Advisors. They will look into how any gaps in support can be addressed, for example, through interventions such as webinars, training sessions and other direct engagement. One gap in skills and knowledge that the survey has highlighted is digital engagement, which is a priority for the sector. The survey showed that a number of businesses cannot take online bookings. A digital study carried out by Business Lincolnshire backs up this finding as it recorded that 47% of businesses who participated said they were not interested in digital technology or interventions. Given that ‘digital clickability’ (i.e., the ability to click and book) is now the expected ‘norm’ by the public, business support colleagues will try to address this issue and encourage businesses to engage on this matter.

2.0 Tourism Planning for 2021-22

COVID has created a number of challenges for the local tourism sector, and these will remain an important consideration over the next year in terms of keeping people safe and encouraging economic recovery. There will be opportunities however from increased day visitors and an increase in the number of people taking staycations. The 2019 NEL STEAM report showed that only 6% of visitors stayed over and so in order to generate more visitor spend in the local economy it is a priority to increase this figure. Another key priority is to try and extend the traditional tourism season, to encourage more year-round visitors. Taking all this into consideration, and building on the support provided for the sector over the last year therefore, NEL’s Tourism Plans for 2021-22 will focus on the following activities.

- **COVID safety messages and communication.**

Working with cross-Council colleagues, and in line with Government guidance, officers have carefully planned the reopening of the resort and the borough, to ensure that local residents, businesses and visitors are safe. Responsible tourism messaging is key to managing pent up demand and encouraging positive behaviours. A ‘visitor charter’ has therefore been devised which encourages people to take responsibility and ‘Visit Cleethorpes safely’. COVID messages will continue to be communicated across NEL through digital signage at key gateways, bollard covers, bus stop and car park posters and banners.



- **Local tourism support, grant schemes and accreditation.**

By providing advice and guidance, we will continue to work with businesses to promote the message that NEL is safe to visit and stay. The Reopening High Street Safely Fund has led to the production of free materials for businesses including posters, floor vinyls, bus stop and car park signage to help give confidence to the public to return to the high street. Businesses and accommodation providers are also being encouraged to demonstrate their adherence to public health and regulatory guidance by taking part in industry recognised schemes such as the Visit England 'We're Good to Go' scheme.

With 1,500 retail followers, support for the LoyaltyLocal campaign will continue to encourage people to shop locally. This includes the Council's support for ShopAppy, which is a click and collect system and the Virtual High Street platform which allows businesses to register and promote their service/products. Tourism officers will also continue to engage with Greater Lincolnshire colleagues to ensure that tourism businesses are kept updated on core guidance changes and the full range of support available to them.

- **NEL's tourism offer includes outdoor experiences and activities.**

With regard to NEL's tourism offer, activities will be organised and new attractions and experiences introduced which will help to increase footfall and extend the traditional tourism season. This includes, for example, the Cleethorpes Meridian Showground events schedule and the Grimsby Creates creative programme which, subject to COVID rules, will deliver events to increase footfall in Grimsby town centre. Promotion of the area's tourism offer will be achieved through the redesigned destination and visitor website, www.discovernortheastlincolnshire.com which complements the also recently revamped Visit Lincolnshire website (www.visitlincolnshire.com).

Building on the area's current offer, there will be a focus on health and well-being and outdoor activities for everyone using the many outdoor public spaces across the borough. New activities include:

Cycle Lincolnshire:

In collaboration with other Lincolnshire local authority areas, a new cycle route will be devised to come into the area. On a local basis we will develop activity packages for the cycling offer and work with local accommodation providers to encourage more overnight stays.

Lincolnshire Wolds Outdoor Festival:

This is another new collaboration which will help to showcase and encourage participation in NEL's wide range of outdoor activities and entice people from outside our area to visit and stay.

Eco-tourism:

Working with colleagues from the Council's Environment team a new eco-tourism offer is being developed which highlights the nature and wildlife.

Love Exploring App:

Using augmented reality, this digital App is designed to create family fun activities which are interactive and educational. Established trails in well-known public places across the borough, such as Pier Gardens, Cleethorpes Country Park and Weelsby Woods will be used to encourage safe outdoor activities, exercise and an opportunity learn about the area. The Cleethorpes Dinosaur Safari in Pier Gardens is the first trail to be launched.

- **The Greater Lincolnshire tourism offer.**

A version of the NEL survey is currently being used and circulated by Visit Lincoln and Lincolnshire tourism officers and once completed it will be possible to make some wider comparisons about the sector.



The findings of the survey are important for providing direct evidence from the sector which can then be used to lobby the Greater Lincolnshire Local Enterprise Partnership (LEP), local MPs and the Government for further support.

The Council's tourism officers will continue to work closely with tourism colleagues across Greater Lincolnshire. Although the Government has paused the Tourism Sector Deal during the pandemic, work has continued to develop a Greater Lincolnshire Tourism Action Plan which will help with any future application to become a UK Tourism Zone. As tourism is a priority sector for the Greater Lincolnshire LEP, our close involvement will therefore ensure that we can fully represent the needs of NEL tourism businesses in the future.

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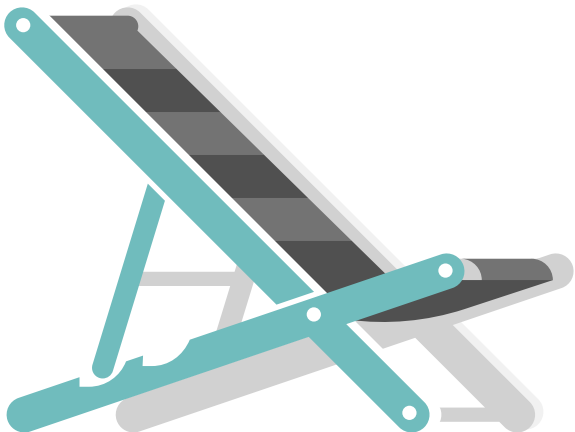


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Tourism Scrutiny Panel

8 April 2021

North East Lincolnshire Tourism Survey Findings



Tourism Business Survey

Key Findings

Survey carried out February 2021



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Sent to approximately
230 tourism businesses
located in North East
Lincolnshire

71 Responses
32-36 Completed
Surveys

 **58%** are
located in
Cleethorpes

83% said they are ready
for a potential influx of
visitors looking for a
staycation this year

Types of tourism businesses:

-  19% Accommodation providers (without restaurant)
-  17% Accommodation providers (with restaurant)
-  11% Visitor Attractions
-  11% Leisure facility
-  8% Sports facility
-  8% Restaurant
-  6% Café/Coffee Shop/Tea Room
-  6% Self-catering accommodation
-  5% Tour Operator
-  3% Camping sites
-  3% Heritage venue
-  3% Takeaway



84% of responders say they are totally reliant
on their business's income
14% do have another income
3% have retired/semi retired

Just **19** businesses said they had the
ability to take online bookings
10 said they didn't have that capability

Tourism Business Survey

Key Findings - Impact on Revenue

Survey carried out February 2021



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How much revenue has your business lost so far due to COVID-19?

(34 responses):

- 3% said they haven't lost any revenue
- 3% said they have lost up to £2,500
- 3% said they have £2,501 - £10,000
- 17.5% said they have lost £10,001 - £25,000
- 9% said they have lost £25,001 - £50,000
- 17.5% said they have lost £50,001 - £100,000
- 17.5% said they have lost £100,001 - £250,000
- 6% said they have lost £250,001 - £500,000
- 12% said they have lost £500,001 - £1,000,000
- 12% said they don't know

If the crisis continues to restrict business during 2021, how long do you think your cash reserves will last?

(35 responses):

- 17% said their cash reserves had already run out
- 26% said they would run out in the next 3 months
- 14% said they would run out in the next 6 months
- 14% said they would run out in the next 12 months
- 28% said they don't know

Tourism Business Survey

Key Findings - Experiences and Outlook

Survey carried out February 2021



How did the re-opening of tourism in the Summer/early Autumn go? (36 responses):

36% said they did worse than expected
28% said they did better than expected
17% said their turnover was around the level they expected
14% said their business did not re-open
5% were not sure

'Massively restricted by social distancing.'
'Better with regard to tourism accommodation.'
'We saw increased occupancy growth at weekends on 2019 figures.'
'Better, but still lost thousands with only being open for 5 months all year.'

Tourism Business Survey

Key Findings - Experiences and Outlook

Survey carried out February 2021



How many more months do you think your business can survive given the current situation of Tiers/Lockdown, taking into account government schemes? (35 responses):

3% said they thought they could only last another month
11% said they thought they could only last another 2 months
8.5% said they thought they could only last another 3 months
8.5% said they thought they could only last another 4 months
20% said they thought they could only last another 6 months
20% said they thought they could last more than 6 months
29% said they don't know

Tourism Business Survey

Key Findings - Experiences and Outlook

Survey carried out February 2021



Overall outlook felt by business owners going forward (36 responses):

2 said they think they will get through the crisis continuing as they are.

12 businesses said they think they will get through the crisis with some changes.

4 said they think they will have the opportunity to grow their businesses.

1 said they did not think their business will survive.

10 businesses were unsure about the outlook for their business.

7 said they think their business will survive.

Tourism Business Survey

Key Findings - Changes and Adaptions

Survey carried out February 2021



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What have businesses done during 2020 as a result of the pandemic?

21 temporarily closed during lockdown/Tier restrictions

5 temporarily closed but intend to re-open when they deem it safe to do so

19 took advantage of the job retention scheme and furloughed some staff

11 diversified their product or service in order to survive

9 implemented or increased flexible working for staff

9 have laid staff off permanently

1 hired more staff and expanded to meet new market demand, eg online/home delivery

7 changed access arrangements for customers, moving to online or home delivery

7 businesses now have an online platform that they didn't have prior to COVID

1 remained open to key workers and business travel, closed dining and offered room service instead.

1 business has closed permanently

Tourism Business Survey

Key Findings - Changes and Adaptions

Survey carried out February 2021



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What changes have businesses made or planning to make post COVID?

16 are targeting different types of customers (new markets)

10 are creating new products and services for their current market

18 are looking for different ways to promote and sell their products

5 are using new distribution channels to sell products

83% said they are ready for a potential influx of visitors looking for a staycation this year

17% said they weren't!

'There is a huge recruitment crisis! Worse than pre-pandemic, yet the demand from consumers is going to be greater. 30% of chefs have left the industry, as well as front facing Operations management/general roles.'

'We need to hire and train additional staff'

'Recruitment of staff and training. We have little time to train staff so we will have to limit footfall, adding further pressures on cash flow'

'We need to reinvent food options'

'Financial investment is needed'

Tourism Business Survey

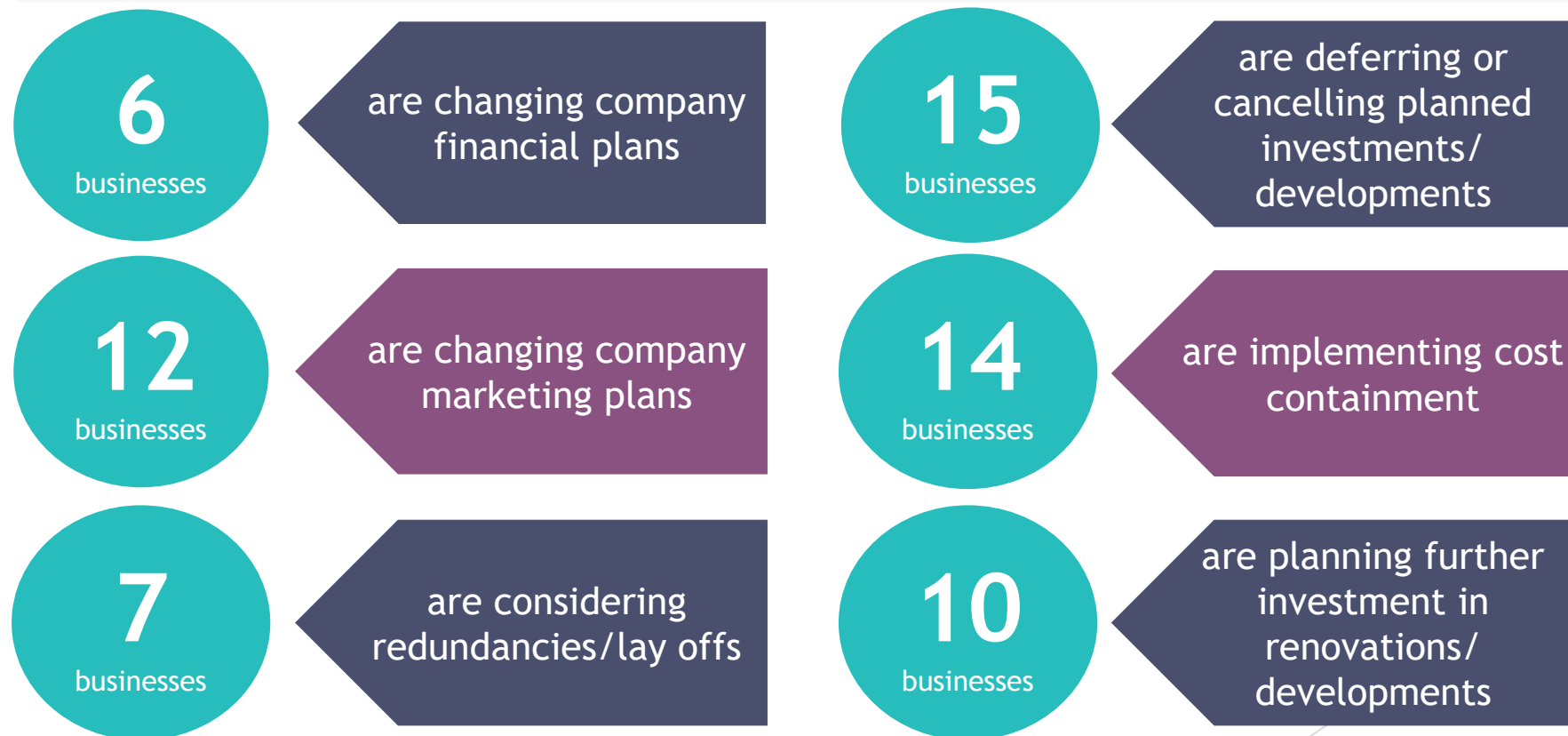
Key Findings - Changes and Adaptions

Survey carried out February 2021



Actions being considered by tourism businesses as a result of COVID

64 responses



Tourism Business Survey

Key Findings - Changes and Adaptions

Survey carried out February 2021



Key Challenges felt by local tourism businesses



Tourism Business Survey

Key Findings - Changes and Adaptions

Survey carried out February 2021



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Tourism Business Survey

Key Findings - Challenges

Survey carried out February 2021



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Key concerns of business owners at the moment?

26 businesses
are concerned about
loss of revenue

8 businesses
are concerned about
premises
closure

8 businesses
are concerned about
cessation of
trading

7 businesses
are concerned
about loss of
productivity

Tourism Business Survey

Key Findings - Business Support Needed

Survey carried out February 2021



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Support businesses say they need to help them plan for the new tourism season and going forward

11 Cashflow/
profitability/finance
management &
analysis

4 Health & Safety
Support

2 HR Advice
& Support

5 Creating an online
booking system for
their business

2 HR Advice & Support

8 Creating a
marketing plan

9 General marketing
& communications
with potential visitors

10 Using social media
to promote my
business

1 Support with Brexit
regulations