

Impact of Covid-19 on coast to date [December 2020]

Coastal Tourism pre-Covid was valued at £13.7bn in England and £17.1bn for Great Britain. 32% of all visits take place in July and August, 84% between March and October. As such, the Covid-19 outbreak happened at the worst possible time for Coastal Tourism.

Key headlines:

- **The reduction in tourism spend for 2020 is forecast to be £8.27bn in England (£10.3bn GB).**
- **At least 7% of businesses have permanently closed on the coast**
- Three quarters of businesses are operating at less than 75% capacity
- **62.5% of businesses say it will take more than a year before they can return to a profit.**
- **68.4% of businesses feel ongoing Government support (beyond existing measures) will make “a significant difference between survival and collapse”**
- **33.8% of businesses are unsure about their survival until March 2021**
- Changes to business model:
 - 30.5% of businesses have reduced their staffing levels, 5.2% have increased their staffing
 - 16.6% planning to open longer into season, offset by 12.5% reducing their season
 - 58.6% of businesses planning to re-think the product and/or marketing proposition to aid business recovery
- The loss of the coach and groups market has already had a significant impact on coastal communities, while International Education, a key sector in many resorts, has been decimated.
- Conferencing and Business Events are also a major concern for larger coastal destinations like Bournemouth, Brighton, Blackpool and Torquay.

Wider impact on Coastal communities:

- Most coastal communities have between 15-20% of employment directly in tourism, but according to the Centre for Towns Report¹ it can be as high as 50%+ in places like St. Ives, Exmoor and Newquay.
- **The Institute for Fiscal Studies report² into the impact of Covid-19 highlighted that there “is no longer a north-south, or urban-rural divide” but that “coastal areas are notably vulnerable to both the health and economic impacts of the crisis”.** Among the places most affected across all indices listed were Torbay, the Isle of Wight, Blackpool, Dorset and Northumberland, and many of the thirty-six local authority areas most severely impacted across health and economy were coastal.
- A Hotels Solutions Report³ indicates an **expected 20-25% loss of accommodation stock in coastal communities** as result of Covid-19 – which will have a significant impact on the look and feel of coastal towns.
- ONS data analysed by the Institute of Employment Studies⁴ highlighted that Blackpool and Thanet have been the worst impacted local authorities to date in terms of unemployment rise as a result of Covid-19 and coastal areas are key concern over the next few months.
- Social Investment Business report⁵ “found coastal areas to be disproportionately impacted by Covid-19. **They have experienced some of the largest drops in local spending**, as well as the highest rises in unemployment”.

¹ Centre for Towns, The Effect of the COVID-19 Pandemic on our Towns and Cities <https://www.centrefortowns.org/reports/covid-19-and-our-towns/viewdocument/21>

² <https://www.ifs.org.uk/publications/14884>

³ Hotel Solutions, From Survival to Recovery <http://www.hotelsolutions.org.uk/wp-content/uploads/FROM-SURVIVAL-TO-RECOVERY.pdf>

⁴ <https://www.employment-studies.co.uk/system/files/resources/files/IES%20briefing%20-%20Labour%20Market%20Statistics%20August%202020.pdf>

⁵ <https://www.sibgroup.org.uk/resources/covid-19-coastal-communities-investing-social-economy-revive-seaside-resorts-and-coastal>

- The All Party Parliamentary Group for Hospitality & Tourism - Coasts and Waters report⁶ highlights the impact of covid could be severe if support is not provided. Key recommendations include tackling seasonality, a review of funding for DMOs and the need to create a specific programme focusing on the coastline as part of the government's levelling up agenda.

There is a perception that the coast was busy over the summer and therefore recovering from the impact of Covid-19. Feedback from July / August trading combined with business survey data undertaken by the NCTA and local DMOs shows that whilst the numbers of visitors in coastal destinations has been good, the number of overnight visitors was lower than normal due to social distancing measures and reduced capacity at accommodation and attractions, and thus **there has been a higher number of day visitors, spending less. The combined result, is a significant decline in tourism spend in coastal areas versus previous years.**

To support the recovery of coastal tourism the following support is required:

Coastal Businesses request ongoing support of the furlough scheme and hospitality grants to cover the winter season and continuation of a reduction in VAT.

Longer term, businesses would like to see a review of a safe, fair and legal playing field considering the conditions under which businesses such as Airbnb are able to operate.

For **coastal Destination Management Organisations** there are calls for the review of the structure of the Visitor Economy in England and support for core funding for DMOs.

The coastal visitor economy is expected to recover by 2023-24 if supported now, consumer research indicates growing interest in coast, outdoor spaces, wellness and sustainable travel. The new England Coast Path represents a significant opportunity to increase awareness and engagement.

The NCTA's three-year Coastal Tourism Recovery Programme - backed by industry, coastal DMOs and coastal MPs delivers key asks of the Select Inquiry and Hospitality and Tourism APPG report.

Year 1 Activity: 2021-22

- **Business Support:** series of training/webinars focused on extending coastal tourism season, new and reimagined product development to target new audiences , toolkits to boost off-peak opportunities, online training
- **Marketing, PR & Digital campaigns:** domestic and international activity targeted at our identified recovery audiences to generate bookings throughout 2021 to re-build sector
- New product development for travel trade, on sale through international and domestic tour operators, promotion for whole of England's Coast at trade events
- Create new inspirational content focusing on sustainable and off-peak travel to coast, translated for European markets and shared across England's Coast, VisitBritain and partner channels
- **Resilience Building:** maintain and develop our successful DMO, business and coastal stakeholder networks to share best practice and lesson learnt, create user-friendly toolkits and case studies – these networks have been vital to the safe reopening and recovery to date

⁶ <https://www.ukhospitality.org.uk/page/APPG>

- **Build Back Better:** work with DMOs, stakeholders, government departments towards the launch of 2023 Year of the Coast to create new trails, events and sustainable travel packages

Cost and Return on Investment - £517,000 per annum required to deliver the programme outlined. Commercial partners could provide cash match of 10-15% per annum + generous in-kind support.

The NCTA has a proven track record of delivering change, our Discover England Fund project to date has created £22m media value for £1m investment received between 2017-19 and further benefits are still being realised.

Investment needs to be ready by 1st April 2021 to ensure expertise and momentum with recovery to date is retained and a quick and safe bounce-back of the sector is delivered.

Reports and data referenced and other sources citing the impact on Coastal Communities:

- Institute for Fiscal Studies, The Geography of the COVID-19 Crisis in England report 2020 <https://www.ifs.org.uk/uploads/The-Geography-of-the-COVID19-crisis-in-England-final.pdf> report
- Centre for Towns, The Effect of the COVID-19 Pandemic on our Towns and Cities report 2020 <https://www.centrefortowns.org/reports/covid-19-and-our-towns/viewdocument/21>
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- Social Markets Foundation report <https://www.smf.co.uk/wp-content/uploads/2019/08/Falling-off-a-cliff-1.pdf>
- Hotel Solutions, From Survival to Recovery report 2020 <http://www.hotelsolutions.org.uk/wp-content/uploads/FROM-SURVIVAL-TO-RECOVERY.pdf>
- HOPE not hate Charitable Trust, Understanding Community Resilience in Our Towns report 2020 <https://www.hopenothate.org.uk/wp-content/uploads/2020/08/v6-towns-report-2020-08-v6.pdf>
- Social Investment Business <https://sibgroup.org.uk/resources/covid-19-coastal-communities-investing-social-economy-revive-seaside-resorts-and-coastal>
- Place Bureau report <https://www.theplacebureau.com/insight/new-wave-dispatch-release/>
- VisitEngland consumer tracker <https://www.visitbritain.org/covid-19-consumer-sentiment-tracker>