

Impact of Covid-19 on coast to date [October 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 from NCTA research with coastal tourism businesses and the industry:

- **At least 7% of businesses have already permanently closed on the coast and the economic impact for 2020 is forecast to be a cut in tourism spend of £7.96bn in England (£10.3bn GB).**
- 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>

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 food and drink sector did well over the summer, but demand dropped significantly with the end of Eat Out to Help Out. **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. Many businesses would like to see a second phase of Eat Out to Help Out for October / November (outside school holidays).

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 (led by the Tourism Society), support for core funding for DMOs to ensure they can focus on supporting recovery rather than fighting for their own survival and support for Government funding of domestic marketing and creation of a domestic tourism strategy.

The NCTA, working across businesses, destinations and other key stakeholders, have **developed a recovery programme** to support coastal tourism in England that would work alongside and compliment the ambitions of the Tourism Sector Deal. **KEY to the recovery of the coastal visitor economy is investment in a programme of support until 2023-24 to build back better and get the economy back to pre-COVID levels. Specifically, the programme if funded would:**

- Provide business support to diversify the product to address the challenge of seasonality on the coast, through research, product development and training – building on the success of the work pre-Covid which was proven to reduce seasonality
- Provide product development and marketing support to address seasonality and rebuild coastal communities through joined-up campaigns to kick-start environmental and economic recovery 1) Locally 2) Nationally 3) Internationally, building on the Discover England Fund investment to date through [England's Coast](#)
- Capture and share best practice and lessons learnt to support recovery and build resilience
- Facilitate collaborative working at a national level with all major coastal stakeholders to deliver a programme of change that will directly target small and micro businesses and help coastal communities
- This activity would sit alongside the launch of a three-year coastal recovery campaign to replace the Year of the Coast celebrations originally scheduled for 2021 led by coastal stakeholders including the National Coastal Tourism Academy, Natural England, Coastal Communities Alliance, Coastal Partnership Network, National Trust and others.
- The programme would deliver against the following framework:
 - 2021 – Coastal Recovery: focus on rebuilding the economy and communities
 - 2022 – Coastal Reimagining: focus sustainability, environment and culture
 - 2023 – Year of the Coast – a celebration of the UK's coastline

To deliver this and ensure the future prosperity of our coastal communities across England and off-set the loss of £7bn in 2020, the National Coastal Tourism Academy requires much-needed funding of £517k per year in 2021-22, 2022-23 and 2023-24, a total for the whole programme of £1.55m. Whilst the current pandemic has dealt a devastating blow to the coastal visitor economy, the NCTA believes that with swift and urgent Government intervention, our coastal communities can plot a route from survival to recovery and limit the long-term impact of Covid-19.

[How might the sector evolve after Covid-19?](#)

Before Covid-19 there was a significant interest among businesses and coastal destinations to deliver real impact and change in response to the climate crisis. There had also been some success in reducing seasonality, which in 2012 saw 36% of all visits taking place in July and August and by 2019 had dropped to 32%. Covid-19 presents a significant opportunity to truly address seasonality, to build back better to create a more sustainable and resilient sector. Delivering these two aims though will take leadership, joined-up working and investment. It will require support for small and micro businesses to apply global research and insight to their business context, the sharing of knowledge and best practice for the advance of the whole sector.

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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- Place Bureau report <https://www.theplacebureau.com/insight/new-wave-dispatch-release/>
- VisitEngland consumer tracker <https://www.visitbritain.org/covid-19-consumer-sentiment-tracker>