

Digital, Culture, Media and Sport Committee

Oral evidence: The impact of Covid-19 on DCMS sectors: Tourism, HC 291

Tuesday 19 May 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Philip Davies; Alex Davies-Jones; Clive Efford; Julie Elliott; Damian Green; Damian Hinds; John Nicolson; Giles Watling.

Questions 184-281

Witnesses

I: Patricia Yates, Acting Chief Executive Officer, Visit Britain/Visit England; Bernard Donoghue, Director, Association of Leading Visitor Attractions; and Samantha Richardson, Director, National Coastal Tourism Academy.

II: Hilary McGrady, Director General, National Trust; and Ros Pritchard OBE, Director General, British Holiday and Home Parks Association.

Examination of witnesses

Witnesses: Patricia Yates, Bernard Donoghue and Samantha Richardson.

Chair: Welcome to the Select Committee on Digital, Culture, Media and Sport and our inquiry into the impact of covid-19 on the DCMS sector. Today, we are looking at tourism.

Before I introduce the witnesses, I want to ask the Committee whether any members wish to declare an interest.

Damian Green: I am a member of the National Trust.

Damian Hinds: Same for me.

Chair: If that is it, I will move on. Thank you to our witnesses who are attending today. In our first panel, we have Patricia Yates, acting chief executive officer of VisitBritain; Bernard Donoghue, director, the



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Association of Leading Visitor Attractions; and Samantha Richardson, director, the National Coastal Tourism Academy. Our second panel will be Hilary McGrady, director-general of the National Trust, and Ros Pritchard, OBE, director general of the British Holiday and Home Parks Association.

We will take each witness in order. The first witness to appear before us today is Patricia Yates, acting chief executive officer of VisitBritain. Good morning, Patricia.

Patricia Yates: Good morning.

Q184 **Chair:** Thank you for appearing today. My first question involves your written submission to the Committee. You said that the cost impact of covid-19 on your sector could range from £8 billion to £22 billion. That is quite a range. Given that we are now talking about a 14-day quarantine and that we have a stubbornly high R rate in certain parts of the country, are you likely to be towards the top end of that expectation in terms of the cost of covid-19 on your sector?

Patricia Yates: Yes, indeed. Every time we do the modelling, the figures get worse. For inbounds, at the beginning of this year we were looking at about £26.6 billion coming from inbound tourism, and we reckon a £15 billion drop on that. For domestic, an industry that is normally worth about £80 billion, we reckon a £22 billion drop. That is before we factor in the quarantine, because we don't know what the measures will look like.

Q185 **Chair:** Will the impact be greater on inbound tourism? In terms of loss, will it be greater on inbound tourism or on domestic?

Patricia Yates: I think inbound tourism will be slower to recover, won't it? So, yes, if there is a quarantine on that as well, we would expect it to be pushed back.

Q186 **Chair:** Yes. I know that one of our members has some questions on quarantine; I will raise one issue about it very shortly. However, regarding the relationship between inbound and domestic tourism, is there any chance—any possibility, if you like—that with a deal of pent-up demand in the UK economy undoubtedly during this period, is there any chance that domestic tourism could pick up some of the slack and help to alleviate some losses from in-bound tourism?

Patricia Yates: Well, that is the hope. Uniquely in this crisis, and I have been through a few, you have a collapse of the supply industry as well as collapse of demand, and really to get British tourism up and running this summer—the summer is hugely important—you will need that domestic audience.

The worrying thing we see is the lack of confidence in the British public about travelling, so that 74% of people who have a holiday booked for July and September think that holiday will not take place. Only 19% of people are thinking about booking a domestic holiday for the summer. And that is much, much lower than for competitor destinations. So, if you ask the same question in Italy, there they are talking about 43% of their domestic audience holidaying domestically.



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There is a real job to be done there, given that it has to be the year of domestic tourism. There is a real job to be done in convincing people that it is socially responsible to travel and enjoy a holiday, and that it is safe to do so.

Q187 **Chair:** Why is it that we are so nervous in comparison to other countries?

Patricia Yates: I think the Government messaging has been hugely effective, and if you look at surveys comparing compliance in Britain with that in other countries, we have absolutely understood that messaging and complied with it. It is now a very different message from “stay home”—to saying that now is the time when you can travel, and travel responsibly.

Q188 **Chair:** Will we be living in an entirely different world—an altered world, if you like—in terms of tourism, not just in the next 12 or 18 months but permanently?

Patricia Yates: Yes, I think so. I think the big question is that consumer attitudes have changed so much—how long will that continue? Normally, we would talk about a bounce back after a crisis, but, as I say, the consumer sentiment at the moment is not looking like a bounce back. The international market will be fiercely competitive; every country is encouraging their own citizens to holiday at home this year. So, to go out and compete in international markets will be quite some challenge, and obviously the quarantine puts a level of uncertainty on that, as well.

Q189 **Chair:** Just on one question about quarantine—with the likes of Greece offering a sort of quid pro quo, in which they will not quarantine if we do not quarantine, what do you make of that? Is it helpful in any way, or is that—frankly—just quite an uneven relationship with anybody?

Patricia Yates: I think it is quite interesting. It would be good to choose the countries that were valuable to us for in-bound markets. We have an international network; our American regional director is telling us that America is ready to go and American business is ready to go. So, possibly an air bridge between the UK and America might be one that would be valuable to us.

Q190 **Chair:** Is there any chance that—we have the highest numbers of deaths recorded between the two countries, of course, with America and the US. Is there some sort of perverse way in which those most affected become the ones that tour each other, whereas the ones that are least affected tour each other, so to speak?

Patricia Yates: I really do not know quite how it will work, because I do not know how the quarantine will be imposed. Thinking about which markets we will go first in, you need open borders and you need the medical conditions to be right, and we are not quite there yet, are we?

Q191 **Chair:** I imagine that travel insurance will be a huge issue as well, for inbound tourism and outbound tourism.

Patricia Yates: Again, another level of uncertainty for people when they are booking is whether they will be covered by their travel insurance. We



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see that one of the huge requirements is that companies offer that real flexibility of booking and cancellation policies now, and that is really a requirement when people are looking to book now.

Q192 **Chair:** Yes. I have my final question now, just before I move on to Giles Watling. Tourism has been in front of this Committee a few times in recent years, and I have always had the impression that whereas our brand is strong, that is achieved despite a lack of investment and despite the mishmash of different bodies domestically. How do we use this crisis to reset our approach?

Patricia Yates: An interesting challenge is the importance of domestic tourism. As I have said, to recover this year, the industry needs that domestic industry to come back and people to travel. If you look at our domestic funding—that comes through VisitEngland—we have about £1 million for domestic marketing. We are bidding for money through the GREAT campaign, but that is clearly not assured. For us to compete for domestic tourism and internationally, there needs to be some certainty of funding and certainly a review of domestic marketing and an understanding that that is what is needed this year and that is where funding is needed.

Chair: Thank you. I will now hand over to Giles Watling.

Q193 **Giles Watling:** Thank you, Chair, and thank you, Patricia, for appearing before us. Following on from what you were just saying, I represent Clacton-on-Sea, which is 70-odd miles from London, and we have an enormous domestic market here. Fundamentally, you are saying that this could be, in the long run, good news for areas such as that.

Patricia Yates: I think it is, yes. There needs to be that understanding that for our seaside, which are hugely dependent on tourism, the build from this needs to be domestic before it is international. I think that this year will absolutely show that.

Q194 **Giles Watling:** That is fantastic to hear—there is always a silver lining somewhere, if you look for it.

VisitBritain is an arm's length organisation funded by DCMS, and you obviously have a working relationship with DCMS, but now that this crisis has snowballed all over everybody, how is that relationship going?

Patricia Yates: I have been in the organisation for a while and I would say that the engagement with Government has been stronger than I have ever seen it. We have a very strong Tourism Minister, Nigel Huddleston, who comes from a tourism background and so really understands that landscape.

We have been running the tourism industry emergency response group, which is the link between Government and the industry, since January. We have had weekly meetings; the Tourism Minister comes every other week. That opportunity for the industry to feed in to Government at a time when a lot of time-critical decisions are being made and to feed back very quickly on Government support and what that has meant for the industry



has been invaluable. We have had access to No. 10, to the economic recovery planning unit there, and we have been invited to meetings with BEIS, looking at guidelines for businesses to reopen. We have seen engagement like never before, and I know that DCMS are now setting up working groups—one is on the visitor economy—to really look at bringing the industry back through a recovery.

Q195 Giles Watling: That is good to hear. You recently submitted to the Government some proposals to help the UK sector to recover. What has the response to that been?

Patricia Yates: We are working through some of those with DCMS. On some of the funding proposals, they have asked us to give more details. On the furloughing scheme, a big ask from the industry was that it should be extended and there should be some flexibility on that. That has clearly already been announced.

There was the idea that we could possibly have a bank holiday in October, because the industry has lost the benefit of the two May bank holidays. I think that that idea is being considered—to have an October bank holiday around half-term. What we are going to need to do is not just generate people in July and August but really extend the season this year for the domestic market, and that idea would help us to extend it out to half-term.

Q196 Giles Watling: That is something we know a lot about in Clacton. We have two piers and pavilions, and our living is made during the summer months, so expanding the season would be, in my view, a positive thing.

Do you think that the DCMS could help further by helping, as you suggested earlier, to develop a slogan, an advertising campaign, to get people to travel safely, to understand that, as the Chairman said, the scenery has changed—that is, how we are going to have to relate to one another when we do go on holiday—but please get out there and visit us at our various venues across the country? Do you think that you need a message, a firm slogan, from central Government on this?

Patricia Yates: I think we need central Government support. We have also been working with trade bodies right across sectors and different regional DMOs to look at the idea of an industry standard that can give consumers confidence. When the guidelines are published for different sectors we can have an online training portal that businesses can sign up to, go through a training course and have a mark that they can show on the door and really help build consumer confidence. We know that the people most likely to travel domestically this year are the slightly older market and families, and yet that is the market that is most risk averse, so we need to get over that confidence and show that businesses are covid-compliant and understand infection control and social distancing. That is a really important message to come from the industry. As I said, we are working on that as an arm's length body with lots of trade bodies. What we need from Government is that sign-off and support on that.

Q197 Giles Watling: Finally, if you could encapsulate it, what is the



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Government not doing that you think it should be doing to help us get back on our feet?

Patricia Yates: I think the Government are doing a lot. It has done what the industry asked. It has extended furloughing and given more of a timeline when businesses can open, so filling in around that timeline would be helpful, and then building consumer confidence and investing in a domestic marketing campaign.

Giles Watling: Thank you.

Q198 **Alex Davies-Jones:** Thank you, Patricia, for joining us this morning. I have some concerns regarding the different messaging between the devolved nations. VisitWales have been quite succinct. You can visit Wales, but later. The Welsh and Scottish Governments have been clear that the message is still "stay at home". In my constituency of Pontypridd we have some fantastic visitor attractions and we would love to welcome visitors, but we are very strong in saying now is not the time. How do you think the reopening of the tourism industry should be handled, given the different messages and guidance across the UK?

Patricia Yates: Because visitors do not necessarily see those national boundaries, ideally we would have the Governments working in lock step. That is not the case, so we have to be really careful that we are promoting places that people can travel to and that we work very closely with the devolveds. I know our Minister is having regular calls with the other Tourism Ministers. We are working closely with VisitScotland and VisitWales on the marketing messages that will come out at different stages. We are looking at that phasing and what we can talk about when. There is a lot of collaboration going on, a willingness to work together and an understanding that the medical issues come first. You cannot promote a destination until the Government believes it is safe to do so.

Q199 **Alex Davies-Jones:** Given that people cannot travel abroad on holiday, do you see the demand for UK destinations risking overcrowding, and could that potentially cause an issue?

Patricia Yates: I don't at the moment. If you look at what the international outbound operators are announcing, they are being quite bullish about putting on flights and encouraging people to travel, so I am not sure it is quite a slam dunk that people will not be able to travel overseas. I think the operators will try and run those campaigns. At the moment, I think self-catering, camping and holiday parks will probably do well. Hotels, if they implement social distancing, are talking about opening up occupancy of 15% to 30%, so they may be opening at a time when it is really still difficult at those occupancy levels to make money, and similarly for indoor attractions that use social distancing. There might be limits on the people that businesses can welcome. I am not sure that we will see overcrowding as yet, because, as I have said, consumers are still very nervous about travelling.

Q200 **Alex Davies-Jones:** Yes, of course; you have just touched on that. Do you think that the destinations in the UK will be able to fulfil the



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increasing demand for the people who want to go there, and, subsequently, will the increase in demand potentially cause the prices of a staycation in the UK to go through the roof? Will they skyrocket?

Patricia Yates: You would hope not, wouldn't you? Realistically, holidays are a supply and demand business, so prices in July and August, when children are traditionally at home, tend to be higher. As I have said, what we are trying to do is get that extending the season so that businesses get the maximum benefit for the longest time. So I would hope there are some sensible pricing policies going through industry, and I have to say that is what industry is talking about—and the real concerns, such as whether businesses can open economically if they are using social distancing so can't get as many people in, and with infection control, so the costs of cleaning have hugely increased. There are a lot of challenges there that businesses are working through and really looking at what their offer for consumers is.

Q201 **Damian Green:** Good morning, Patricia. I want to return to the subject of quarantine and inbound travel from overseas, because it presumably came as a very unwelcome shock to an industry that is, what, 10% of the economy, when the Government mooted the idea of a 14-day compulsory quarantine period. Since then we have heard various suggestions, which aren't concrete, about ways to soften it. Maybe—Ireland will obviously be included as a common travel area; maybe the French travellers wouldn't be included: that seems to have been on and off the table. Now there is talk about air bridges. I detect a lively debate inside Government about what is actually a practical proposal in this sense. From your point of view, if there have to be some sort of limits, are you pushing other options like testing at airports, or something like that? Are there options that maybe would keep people safe but wouldn't ensure a 14-day quarantine period that would presumably kill off inbound travelling altogether?

Patricia Yates: Where we are, obviously safety has to be the primary concern, and if Government believes that incoming visitors will be a threat, you can see that they have to act on that. You are quite right that airport testing that other countries are looking at doing, where you get very quick results—you wait at the airport and you get the result in a couple of hours—would be a really good step for doing that. On the how we are going to manage our way through this, as I have said, I think this is going to be the year of domestic, to get the industry back; but it is really important, in a very competitive international market, that we are talking about Britain as a place that is accessible and that people can come to—so keeping people warm and building that demand when people feel confident about travelling. You will be unsurprised to know that we are looking at stepping up our marketing in Ireland, and it is really a matter of looking on a market-by-market basis—where can we go, when—and being really flexible in that response.

Q202 **Damian Green:** Assuming the Government does try to negotiate some kind of mutual arrangement, whether it is air bridges or something like that, what would be the most important markets that you would want to



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be given full access to Britain? Which are the hugely important countries for you?

Patricia Yates: It would probably be France and Germany; Italy and Spain if it is extended a bit, and America. America is still our most valuable inbound market and of course you get the business travellers as well, from America.

Q203 **Damian Green:** Have you been able to do any calculation yet about the long-term effects? You make a perfectly valid point that this year is clearly going to be the year when you try to encourage domestic travel; but is there danger of long-term damage if people stop thinking about Britain as their holiday destination in those big markets you have just mentioned?

Patricia Yates: I think absolutely there is, and we are already—even on our current modelling, which, as I have said, doesn't look like current worst-case scenario—talking about inbound tourism not recovering for a couple of years. When you have had things like SARS there has been a pent-up demand, and industry bounces back very quickly. In SARS we would come back by the end of the year; but we are talking about a much slower build here, probably for a couple of years, and I think that will be a real challenge to an industry that employs so many people and delivers growth right across the country—if you think of the destinations that are now hugely dependent on tourism, not just for individual tourism businesses but for the pubs and the restaurants that really give a sense of place.

Q204 **Damian Green:** The Tourism Society has said there needs to be stronger leadership in the industry—and I can imagine, given the disparity of the industry of thousands and thousands of small businesses, there is an element of cat herding in trying to lead the tourism industry—do you think the structures we have got now are right for what will be probably the most challenging period the tourism industry has ever faced, over the next 18 months or so?

Patricia Yates: Let me start with the positive. Tourism is one of only 10 industries that negotiated a sector deal as part of the industrial strategy last year. That was the cats herded and coming together with four clear asks from Government. I think there was absolute astonishment on the Government's side because tourism was not an industry that Government believed could come together and work like that across sectors. Tourism has shown it can do it. The document we submitted to the Committee again used that learning from the sector deal about the industry coming together and thinking about what industry needed to come through the crisis. That way of working is there.

Tourism is devolved, of course, so Scotland and Wales have their own structures. If you look at the DMO structure in England, it is clearly fragmented and you get different levels of competence and funding models across the country. The hope is that, given that we have the sector deal and given that we have local enterprise partnerships and regional Mayors hugely involved in doing the local industrial strategy as opposed to



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the sectorial industrial strategy, tourism will be picked up as an industry that is important locally, which I do not think is where it has been before. Talking to people like Andy Street in Birmingham and the Mayor in Liverpool, they were absolutely on to that and were putting tourism into their industrial strategies. Then it is the partnership of local government associations, LEPs and DMOs working together rather than looking at a very fragmented DMO landscape.

Q205 Damian Hinds: May I talk about the structure of DMOs? That is almost a flattering way of describing it, there is no structure, it is a bit of a mishmash of different organisations sometimes co-operating, generally overlapping and sometimes competing with one another. What is the process whereby this can be reformed and streamlined? Given that you are in this terrible period at the moment, there is an opportunity to reform and make sure we come out of it stronger than we went in.

Patricia Yates: I think I would address it from what works locally. You have that LEPs structure that Government are funding. To get tourism into those local industrial strategies is the way I would do it. DMOs are locally funded in a variety of ways. I am not sure, unless you have a funding mechanism that is top down, that you can impose a structure top down. At the moment, we do not have that.

Q206 Damian Hinds: What do you think we can learn from other countries?

Patricia Yates: Goodness. If you look at Australia, it has both strong federal tourist boards and a strong national tourist board. It is that lockstep of well-funded, big organisations that can work closely together. Part of our challenge, obviously, is we have very professional, big well-staffed, well-funded—though not at the moment—destination management organisations, and we have some that, frankly, do not have the resources to be able to work as well as the bigger organisations, so there is a real disparity there.

Q207 Damian Hinds: As we come out of this, and we don't know how far away that will be and we know it will be difficult and gradual, but international travel is going to be a more competitive market than ever. How do our rates of spend on marketing compare with other countries in normal times?

Patricia Yates: My stunning fact on that is Australia spends more in China than we do internationally, so we are hugely outspent.

Q208 Damian Hinds: I think you could mention the Republic of Ireland in that context as well.

Patricia Yates: Yes, the Republic of Ireland. Interestingly, I note their response to covid has been to ask for a doubling of their budget for an already well-funded organisation. We are hugely outspent in international markets. The GREAT campaign has been a huge asset to us because it has involved all the Government agencies coming out with the same look and feel, so that you build that consistency. It has meant that the Foreign Office, the Department for International Trade, the British Council and ourselves have worked more closely together in markets. That is really



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important. As Britain looks at its place in the world—the countries it wants to engage with, the new foreign policy and soft power—you would hope that tourism is absolutely part of that. Tourism is a lever of soft power. It is important to use tourism to build connections between countries as well as to get the economic benefit from visitors coming here.

Q209 Damian Hinds: You mentioned in your earlier remarks the big volume European feeder markets and the United States. What are our key development markets?

Patricia Yates: I have to say that our funding means that it is quite difficult in development markets. India is a market that is probably undervalued. We are in Brazil as well. There is China, of course. China is fascinating and we don't get our fair share of Chinese visitors. The land grab goes on in China, because you see the growth in tourism shifting from Europe to the countries of Asia. Everyone is looking at those same figures and making those same investment decisions. As to where we aren't and possibly should be, we are not in countries like Malaysia and Indonesia; we do not have any presence in Africa at all. I talk about where Government want to build relationships: we have a footprint in 20 international markets, but we are in markets where we can see economic delivery now because that is what we are charged with by Government, rather than having that build.

Q210 Damian Hinds: I know we are short of time, so the final question from me is on physical infrastructure. There can sometimes be a tendency to build, when you are at the top of the cycle, a load of capacity that comes on stream just as you reach the bottom of the cycle and vice versa. There is a good ambition to add 130,000 rooms to the room stock by 2025. Obviously, all sorts of industrial planning is being disrupted by what is currently going on. How can we make sure that the growth in physical infrastructure is there to meet demand when demand does finally get back to the level it should be at?

Patricia Yates: Those are interesting questions, and we had that discussion at one of our roundtable events about how we secure that investment pipeline. The big groups involved in that said two things: first, investors do make long-term decisions so it is about whether they have long-term confidence, and secondly it is about whether they can see what the Government plan is, and whether there will continue to be investment from Government that they can get behind and support. It is challenging, obviously, but there are things that we can do as a country that will give international investors confidence to continue investing in us.

Q211 John Nicolson: Thank you for joining us, Patricia. When we persuade people to come to the country, there have got to be people to look after them once they arrive. As you know, our tourist industry is heavily reliant on workers from the European Union. I was interested that you mentioned the Minister for Tourism Nigel Huddleston and said what a good Minister for Tourism he is, because he knows about the industry. That is probably why he is so hostile to Brexit, and is on record as being so. In March, Kate Nicholls, the chief executive of UKHospitality, said that



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more than 200,000 vacancies in the hospitality sector would be left unfilled while “vital segments of the economy would grind to a halt” if a points-based system and a £25,600 salary threshold was introduced. As you know, the Government passed their Brexit Immigration Bill last night. I think it would be enormously damaging to my constituency of Ochil and South Perthshire and the tourism sector there. Do you agree with what Kate Nicholls said?

Patricia Yates: We worked with Kate on the sector deal actually. The industry answer there was that we need a really good recruitment and retention scheme. Tourism tends to get people in but they see it as a short-term fix—between college—rather than a long-term career. Kate and the head of the British Beer and Pub Association are working together and leading that workstream on how you attract people into the industry and how you train them and keep them.

In the working groups we ran up in Scotland, we heard exactly that same ask. Local people wouldn’t come and work in tourism because their parents didn’t think it was an industry that had a future. There is a huge amount for tourism to do to show that it does offer young people a future and that they can build a career there.

Q212 **John Nicolson:** That is a very long-term hope—that you will manage to fill this huge number of vacancies with home-grown tourism workers. It just doesn’t seem feasible to me.

Of the 500,000 overseas workers currently employed in UK tourism, how many do you think would be earning the current minimum salary threshold of £25,600?

Patricia Yates: The threshold is a challenge for the industry—

Q213 **John Nicolson:** A challenge?

Patricia Yates: I think the hope is that for areas like chefs, where you need specialist skills, the industry can make a case that for those people the threshold can be lowered—

Q214 **John Nicolson:** We have to be feasible and practical. In my own constituency, for example, where a lot of European Union workers are employed, the businesses aren’t making enough money to pay all their staff £25,600 a year. It is cloud cuckoo land to imagine that they could fork out that kind of amount of money for salaries, and we need those people.

I realise it is difficult for you because politicians from different parties are asking you questions. I really think people in your sector need to be blunt and tell the Government that this is a fantasy figure. Coming on top of covid, Brexit under these conditions is going to have a devastating effect on the industry. People in your sector should just say so, so that Ministers hear the message, because Nigel Huddleston certainly understands exactly where you are coming from. I don’t know this, but I am sure that, privately, he is horrified about the details of this Bill.



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Patricia Yates: As you said, the industry, and Kate, have been quite vociferous. It is not that the industry is not making its case. I think life post covid might look very different. The difficulty at the moment, as I have talked about, is keeping those people that we currently have in employment at a time when the industry is closed, and how long the recovery will take for our industry to be able to continue employing people. In a way, the conversation has shifted to how we can keep our current people employed from, "We have a huge hole here and we need to fill it." I understand that this is sort of short term, for this year, but the debate has shifted.

John Nicolson: Thank you.

Chair: Thank you, Patricia Yates, acting chief executive officer of Visit Britain for your evidence today.

I am now going to call our second witness, Bernard Donoghue, the director of the Association of Leading Visitor Attractions. The first Member I am going to call to pose questions is Kevin Brennan.

Q215 **Kevin Brennan:** Thank you, Chair. Thank you, Bernard, for joining us. I have never known you not to be blunt. What is your assessment of the situation? How is covid affecting the industry?

Bernard Donoghue: It is significant. If the prospect of Brexit was not bad and concerning enough, the impact of covid has done two things. It has not only demonstrated the economic importance of tourism to the whole of local, regional and national economies, but has also shown us that people have only a certain grasp of how vulnerable the tourism industry is. My attractions, for example, have all been closed since lockdown, obviously. The vast majority of them are wholly dependent on ticket revenue. They haven't had any money coming in and won't until lockdown is released. Very few of them have significant reserves. Some of the most important visitor attractions, not only in the UK but in the world, have a question mark over their financial sustainability.

Q216 **Kevin Brennan:** Can you remind us of the sorts of attractions you are talking about?

Bernard Donoghue: Yes. I represent all of the largest visitor attractions in the UK, from the National Trust and English Heritage through to palaces—Historic Royal Palaces, Buckingham Palace—zoos, theme parks, historic houses and stately homes, and also the Forestry Commission, Historic Environment Scotland and Titanic Belfast through to Harry Potter.

Q217 **Kevin Brennan:** We were just talking about the potential impact of the lack of visitors from overseas. I think I heard you give a statistic in a speech about the numbers of visitors who go to the big three museums on Exhibition road. Can you remind the Committee of how many visitors from overseas and the UK go to those attractions?

Bernard Donoghue: In normal times—we will have them again; there will be a new normal—the UK is not just good at tourism; we are globally good. For example, two years ago, more visitors went to the V&A, the



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Science Museum and the Natural History Museum combined than went to Venice, more people went to the British Museum than to the whole of Belgium, and more people went to the National Theatre, the Southbank Centre and the Royal Festival Hall than to the whole of Hong Kong. So we are good at this. Therefore, it shines a light on the vulnerability we are currently feeling. As Patricia was saying, our international market looks like it has largely stopped for the rest of this year and, for those visitor attractions who are almost entirely dependent on inbound tourists, as opposed to domestic ones, that is extraordinarily concerning.

Q218 Kevin Brennan: Those are incredible stats, with the big three museums attracting more visitors than Venice; it is quite astonishing. You said that there will be a new normal. I would ban that phrase—I want to know what the new abnormal will be like, because it is not normal.

Michael O’Leary has described the Government’s quarantine proposal for overseas visitors as “idiotic and unimplementable”. What is your assessment of what the Government has said on that so far? What do you think is likely to happen?

Bernard Donoghue: Well, Michael O’Leary has a colourful turn of phrase. What it actually means for us is, given that 90% of all inbound leisure visitors to the UK in any normal year stay for less than two weeks, imposing a 14-day quarantine effectively removes 90% of the inbound market to the UK for the foreseeable future. As Patricia said earlier, that is compounded by the United States, our biggest economic market, and China, which are the two markets that usually come back to the UK most quickly after an event like this—terrorism or whatever—and we would normally expect the recovery to come from. All the sentiment research—this feels like an odd fact, but it is supported by data—indicates that people in the United States do not tend to travel internationally in a presidential election year. So if we were expecting the United States to come back in September, October or November, I am not sure that is likely.

We would also expect China to come back, but there is really good evidence that the Chinese people are being encouraged to spend their holidays domestically in China. There is also some sentiment research that shows that the Chinese people are less than impressed with the UK Government’s handling of covid. Therefore we have got some catching up to do in terms of brand reputation in China in the future.

Q219 Kevin Brennan: I sense they may have been heavily influenced by the Chinese Government in their opinion, but obviously they may also have valid points. Can I ask you about the survival of a lot of the attractions in your membership? What is necessary from Government to help those attractions, some of which, as you described, will have to go through a period of hibernation, in effect, to reopen or accept visitors in any numbers? What would be your policy ask of Government? I have proposed some kind of cultural asset or cultural attraction saving trust—you could call it CAST—which the Government would endow to enable these organisations just to survive this period and then reopen in future.



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I am thinking about things like the Wales Millennium Centre in my constituency in Cardiff, or the St Fagans Museum of Welsh life, which won the UK museum of the year last year. What would be your big policy ask of Government for attractions?

Bernard Donoghue: You are right. One of the things I think will become more important post covid is that the UK has been putting a great deal of effort and investment into cultural diplomacy and our cultural assets. We therefore have to ensure those cultural assets survive this. For some of our most iconic visitor attractions, that means giving them special financial support so they survive. For example, the Royal Albert Hall, Historic Royal Palaces—they include the Tower of London, Banqueting House, Kensington Palace and Hampton Court Palace—and the Old Vic, the Royal Academy and the Mary Rose. None of those receive any form of Government funding, either from the state or from the Arts Council. They are incredibly vulnerable and running short on reserves. It is unthinkable for the UK to have a strong, assertive, confident cultural diplomacy policy without some of those jewels in the crown existing.

We have three particular asks of Government. I should caveat this by saying that I echo Patricia's points entirely. We have found DCMS civil servants and Ministers to be not only listening, helpful, co-operative and assertive in their advocacy for us with Treasury but working so collaboratively to an extent that I have not seen before. I have been appearing in front of this Committee since 1997, so I have a track record on this.

The three asks are: we would like those visitor attractions that are owned, managed and run by local authorities to be similarly exempt from business rates. If you are Bath and North East Somerset Council, for example, and you own and run the Roman Baths and the Victoria Art Gallery, business rates are £900,000. Local authorities should be as exempt for those business rates for their visitor attractions as any other part of the business.

The second ask is that tourism, arguably, was hit first, hit hardest and will probably be the part of the economy that will take the longest to recover. Therefore, while we are extraordinarily appreciative of the Chancellor's extension of furloughing beyond June to October, it may well be that some visitor attractions and part of the tourism economy will require that furloughing even to the end of this calendar year. That is because for some visitor attractions it is not economically viable to open in order to safely adhere to social distancing measures. If you are opening at 15% or 30% capacity, actually, you are not making any money and the margins are too short.

The last is to consider creative ways to support those attractions that do not get any Government support at all. Places such as farm attractions or science centres across the UK. Small, important, fantastic attractions but which are not reliant on grants from either local authorities or central Government.



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Kevin Brennan: Thank you, Bernard. I am glad that the Department—I think you said they are listening, being helpful and co-operative. We just need to see if they are effective in their discussions with the Treasury. Thank you for your evidence this morning.

Q220 **Steve Brine:** Thank you for joining us this morning. Can I pick you up on the science centres point? I declare my interest as I represent Winchester in Hampshire, which has the Winchester Science Centre—formerly INTECH—in my constituency. It is very much a leading part of the Association for Science and Discovery Centres. Talking to them recently, they are concerned about their future and are concerned about science centres across the country. They pick out the point in the Government's recovery plan, which says that we want to see a very informed public response to covid-19. Given this is a public health science crisis, science centres could be well placed to do that. Can you expand on what it was you were suggesting that science centres might be able to get from Government by way of help?

Bernard Donoghue: The Association for Science and Discovery Centres has put in a request to DCMS and Treasury for particular financial support to ensure they survive all of this. You are quite right, they face two particular challenges. First, by their very nature, they are tactile, hands-on places. With that comes a degree of sensitivity and risk with covid, so they need to make sure that their premises are both safe and accessible when lockdown measures are released.

Secondly, as you rightly say, all visitor attractions are closed, but they are nearly all open online. Whether you are a zoo doing a webcam, the Royal Academy giving a virtual tour or Longleat doing a virtual safari, the appetite and the curiosity of the public to go online and to find out about things, in order to draw up a wish list of places to go, is absolutely enormous.

There has been a real surge in interest, in particular in science, in order that the public can make better sense of the science behind the pandemic. It has alerted people to the importance of science and science education in a way I don't think we have seen for a number of years, so keeping those science centres going and ensuring their sustainability is incredibly important.

Q221 **Steve Brine:** Do you appreciate that that is a hard argument to make right now, when every single sector is calling on the public purse? It is a hard ask.

Bernard Donoghue: Yes, and that is why all of our asks have been data driven. We are a £157 billion industry, the fifth-largest industry and third-largest employer. Tourism is probably one of the top three employers in every constituency in the UK.

Culture and tourism aren't just where you grow jobs, although we are very good at that. The sector is also where you grow people, in terms of their intellectual curiosity, their engagement with their locality and their

understanding of their place in the world. The social and cultural benefits of tourism are as important as the economics.

Q222 **Steve Brine:** Absolutely. That leads on neatly to the social impact, which is hard to quantify in numerical terms. Where do you think the social impact has been in the closure of these visitor attractions during this time? For instance, the National Trust and the Royal Botanic Gardens, Kew made a pre-planned decision overnight to close their gates on Mothers' Day weekend. Were you involved in the discussions about that? Could you touch on the social impact that the closure of some of these venues has had?

Bernard Donoghue: We have commissioned some visitor research, of which there will be five or six waves over the course of the next couple of months. It will enable our members and the broader industry—we have made it free to every visitor attraction in the UK—to understand the public sentiment. We know there is a huge appetite on the part of the British public to go out to visitor attractions as soon as they can, in particular those outdoors. We assume that visitor attractions such as botanic gardens, zoos, safari parks, forests and parklands will be the first to open, and they will be the most popular. All our members are putting social distancing measures in place to ensure that they open safely and responsibly.

Thanks to online work, for example the Royal Horticultural Society's gardening tips and the National Trust's recipes and gardening tips, a revival in interest on the part of the British public has been created, about remembering which visitor attractions they loved going to, and which ones they want to revisit or explore for the first time. There is a pent-up demand but, as Patricia said earlier, that needs to be balanced alongside caution about social distancing measures and safety.

Q223 **Steve Brine:** Do you think that pent-up demand could be a real opportunity for you? It was fascinating last weekend, in my part of Hampshire, to see how many people were sitting having picnics. I am sure I haven't seen people doing that before this crisis. People are doing things that they haven't done before, because they have had a lot of time to think about things they would like to do. Maybe they have increased their bucket list and maybe a lot of things, like being a member of the National Trust or visiting London, that were not on their bucket list before are on it now. Your sector has got to be in a really ready-to-go position, so that it can make the maximum benefit of that, to catch up what it has lost.

Bernard Donoghue: You are absolutely right. All my members, from the National Trust to Chester Zoo, have very detailed reopening operational plans in progress, including everything from supermarket-style one-way routes to having contactless operations, so that people will not pay with cash but with a card. I was talking to all my Scottish members yesterday via a conference call. They are looking at reopening slightly later than in England, but they are also looking at things like free online bookings for time slots, to manage those numbers in a consistent and safe way.



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Q224 **Steve Brine:** Finally, I suppose that it is about their giving people confidence that it is safe to visit again, and time slots could be part of that. Presumably you are providing lots of support to your members as to how they can give people confidence in an evidence-based way.

Bernard Donoghue: Yes, and we are huge supporters of the industry standard that Patricia was talking about earlier. It is really a sort of customer-facing narrative that all these attractions are adhering to Public Health England guidelines, all have taken covid-19 risk assessments, and all are looking at implementing safe social distancing measures, not only to protect customers and visitors but staff as well. Visitor attractions know that they will probably be the principal first beneficiary of the release of the lockdown. People want to go out and be with their friends in a safe way again. However, we will only do that if it is safe and responsible to do so.

Steve Brine: Thanks for all you are doing to support the industry. Back to you, Chair.

Q225 **Chair:** Bernard, you briefly mentioned the Arts Council when talking to Kevin Brennan, and you also suggested some potential reforms that need to take place to get the industry out of its current doldrums. Should we look comprehensively at the Arts Council and the way in which money is distributed? One thing that has come to the attention of the Committee is the fact that 62% of all money going to music goes to the Royal Opera House, for instance. Do you think that we may need to start from scratch and look again at how we can use it in order to reignite your industry?

Bernard Donoghue: Yes, but I wouldn't do it now; we have enough on our plate. The Arts Council has been extraordinarily flexible, creative and innovative in using its resources to support vulnerable organisations. I should declare an interest: I am the chair of LIFT, London's theatre festival, and we are Arts Council-funded. We have hugely benefited from the creativity, flexibility and speed that the Arts Council has deployed here.

One thing that has been highlighted is the vulnerability of very small organisations that do not get Arts Council funding, and particularly the support for freelance workers—the mainstay of the performing arts in particular—who have been left vulnerable in this crisis. The National Theatre, for example, has about four times as many freelancers as permanent members of staff. Taking a step back and looking at how we can support those organisations and individuals who are not able to rely on consistent public sector support, either from local authorities, central Government or arm's length bodies such as the Arts Council, would be very useful in order to better understand where talent exists and how it can be better supported and, in particular, nurtured.

Q226 **Chair:** You are talking particularly about freelancers. What do you think should happen?

Bernard Donoghue: I am conscious that the Treasury does not have a bottomless pit, but freelancers are the very blood and vitality of the



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performing arts sector. You will have seen yesterday the vulnerability of places like Shakespeare's Globe, the Old Vic and, indeed, most commercial theatres, for whom it may not be possible to open in their normal way until early next year. The vast majority of the people with whom they work are freelancers. Again, any kind of Treasury support to keep them surviving and able to contribute when we come out of this would be very helpful.

Chair: I am going to bring in Giles Watling for one question.

Q227 **Giles Watling:** Thank you, Chair. You pretty much covered it there, Bernard, so I will be very quick. First of all, you are a great and passionate advocate for your subject, and it is brilliant to hear you speak. Here we are, talking about theatre; I was 55 years a freelancer before I started doing this, and I absolutely understand what you are talking about.

You said that tourism was hit first and will be hit hardest. I would argue that theatre will be hit the very hardest by its very nature, because it is impossible to socially distance. Do you have any plans? Do you have any suggestions that the theatre sector might be able to take on board to get back to work? It is affecting the freelancers and the staff at theatres. I suspect that the west end theatre will survive this, but the provincial theatres up and down the country are the lifeblood that supports the rest of it, and I think they will be hit hardest.

Bernard Donoghue: You are absolutely right. We have already seen Southampton's theatre go into administration last week. Britain's theatre industry is world renowned, and quite rightly. We have a theatrical ecosystem in this country that is the envy of the world, and because it is so dependent on commercial income it is incredibly vulnerable at the moment, including places that you would consider to be utterly permanent on the UK cultural landscape, such as the Royal Albert Hall. People forget that it is a charity and has not earned any money in two and a half months, and is essentially 80% a venue for hire.

We must ensure that our great cultural assets, which will be more important than ever when we come to use them for cultural diplomacy and soft power post covid-19, are there for us to invest in and enjoy. You will have seen the popularity of live streaming of everything from the Royal Shakespeare Company to the National Theatre. We love it; we absolutely love what they do, but we have to pay for that, because it may not exist in the future.

Chair: Thank you. I call John Nicolson for one final question.

Q228 **John Nicolson:** Thank you very much indeed, Chair, and thank you for joining us, Bernard. The Prime Minister ran his election campaign with the slogan that the country has an oven-ready Brexit deal—I think that is exactly how he put it. It is quite clear that that is not the case, so let's have some facts on the table.

The Office for National Statistics estimates that of the 3.3 million people



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employed in the sector, over 500,000 are workers from overseas. There are currently 200,000 vacancies. The Government are proposing a £25,600 salary threshold. Do you have any estimate of the labour shortage the industry is likely to face? How many of the 500,000 overseas workers currently employed in UK tourism would have earned that much? I noticed you began your evidence by saying, and I quote, "if the prospect of Brexit wasn't bad enough".

Bernard Donoghue: You are absolutely right. I should declare an interest, in that ALVA's view has always been that we would prefer to stay in the European Union than be out of it, for all the reasons one can imagine. To your specific point about the numbers of people, we entirely share the view of Kate Nicholls from UK Hospitality, who you quoted earlier. I can give you an unequivocal answer, in that we entirely agree with everything she put in that statement.

Q229 **John Nicolson:** So how many? What are the numbers?

Bernard Donoghue: It is difficult to state them across the entire industry, but to give you one example, 42% of all front-of-house workers at the V&A are EU migrant workers. We have been seeing them leave consistently, month by month, over the course of the past two years or so. That is not because the V&A is not a great place to work, and it is not because it is not a culturally inspiring place to be. It is because nearly all of those earn under that threshold, and because they want to go back to their home countries where they feel more comfortable and better protected.

Chair: Thank you, John. Thank you, Bernard Donoghue, the director of the Association of Leading Visitor Attractions, for your evidence today. I call our third witness, Samantha Richardson, the director of the National Coastal Tourism Academy. Good morning, Samantha.

Samantha Richardson: Good morning.

Chair: I will ask Julie Elliott to pose some questions to you.

Julie Elliott: Good morning, Samantha. Welcome to the Committee. Coastal communities generally have an ageing population. If the virus is still active in the UK and these communities get an influx of tourists, how will they cope?

Samantha Richardson: You are right that they have an ageing population. The ONS data shows that 20% of coastal communities are aged 65-plus. In terms of how they will cope with it, many destinations are already working with open and outdoor spaces. Many are saying, "Please don't visit just yet. It is not the full visitor experience. Our attractions, restaurants and hotels are not open. Please stay away." Largely, based on this past weekend's evidence, the public has done that, with just a few exceptions.

Q230 **Julie Elliott:** Moving forward, people will come into coastal communities. Do you see any friction arising between local people and visitors?



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Samantha Richardson: Many coastal communities—about 15% to 20%—are employed in the tourism sector, so many understand the need for tourism and their dependency on it. There will be some friction with small groups, but the majority of residents will welcome the return of the industry and the rebuilding of their communities. They have seen the impact of covid on their towns and spaces, and they want to see that economy return. We need to manage the communications with those people, to ensure that they understand what measures are being put in place in terms of social distancing and increased hygiene, so that we can manage those pinch points and reduce any risk of infection.

Q231 **Julie Elliott:** I am lucky enough to live only 100 metres from the beach. Car parks and public toilets are not open. If we have an influx of visitors, they will open. How will social distancing work in those kinds of areas?

Samantha Richardson: Well, 84% of businesses and local authorities are looking at how to implement social distancing on the coast. You are right that the key pinch points are car parks, as well as access to and from coastal paths and the beach. With the immediate removal of restrictions, many local authorities have switched to pay-by-phone for car parking charges, or, if they don't have that infrastructure, have said that they will not check on people paying by cash. In the long term, we need to address that. Local authorities need support to do so.

We welcome the industry standards that VisitBritain and VisitEngland are working on. They are looking at how to implement social distancing in outdoor spaces. They are consulting a huge number of organisations, from local authorities to organisations such as ours and the National Association for Areas of Outstanding Natural Beauty. It will be a challenge, but it is one we are all prepared for. Businesses are starting to think inventively about how to implement that within their operation.

Q232 **Julie Elliott:** Car parks and public toilets are the key things. Living in a coastal community, I know that car parks are tightly packed. Dropping the charges is not really the issue; it is about people being safe when accessing the coast and being able to park distances apart. Public toilets are hugely important for people visiting the coast. It is all right saying that people are looking into this, but how do you think local authorities and others can practically address this and ensure these facilities are safe for people to use?

Samantha Richardson: Talking about absolute safety is always a concern. What we can do is minimise the risk. The majority of operations are looking at a reduction in capacity of between 40% and 60%, which will have an impact on the demand and supply of those services. Toilets are the biggest concern. That is why many people have not opened those yet. You are right that they are critical to our visitor infrastructure. We need that guidance on how to open them in the best possible way.

Q233 **Giles Watling:** I would very quickly like to follow on from that. Down here in Clacton-on-Sea we have a fairly elderly demographic—I include myself in that—so we are fairly vulnerable. With the covid virus, we have



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been fortunate so far, inasmuch as we have not been hit too badly; every death is a tragedy, but we have not been hit too badly. However, if this virus arrived in our society down here, it would be disproportionately devastating for us. We have the oxymoronic situation where we desperately want people to come, because our tourist industry down here is under great stress, but as I've been pleading recently on Twitter et cetera, "Please don't come just yet." Do you have any idea when we will be able to start inviting people back to our coastal resorts, and how we are going to go about that?

Samantha Richardson: We are working with many of the coastal destinations around the coast—35 of them, in fact—to try to look at how we rebuild the tourism economy. We are looking at a phased approach to that. The first point would be rebuilding that local engagement and getting local people to use their facilities, the restaurants and attractions; then we would build to a regional market, and then look to a domestic one. Based on the current Government guidance on retail potentially opening on 1 June and hospitality from 4 July, many businesses, as I said, are looking at a 40% to 60% reduction in capacity over that July-August period.

The economic impact of that across England will be £7.96 billion of loss to coastal communities this year—and bear in mind that the whole industry is only £13.7 billion, so that is a significant percentage. Many businesses are looking at how they put in social distancing; as Bernard said, they are looking at one-way systems or switching to takeaway, but the reality is that it will be difficult for many. We have already seen 7% of businesses on the coast close.

Q234 **Giles Watling:** I read yesterday that some countries are advocating closing and pedestrianising main streets, so that restaurants can move their business out of the building into the main street and can operate that way. Of course, in this country that is weather permitting. I just wondered whether that was one of the suggestions that you might have for our industries.

Samantha Richardson: Some destinations have already closed their high streets or the roads alongside their promenades to enable social distancing to happen while we are in this easing of lockdown; Scarborough is a notable example of that. It is a suggestion that we should be considering, but as you say, it is weather dependent, because the coast does not always have the weather that we would like to see.

Giles Watling: It is lovely here today. Thank you.

Q235 **Clive Efford:** Samantha, in your April newsletter, you wrote out to businesses saying that this was an opportunity to get a strong message across about what is going on in coastal tourism. Here is your chance: what is it?

Samantha Richardson: What we are seeing at the minute is 74% of businesses closed—as I mentioned, 7% have closed permanently—and we are hearing from businesses that they will reduce capacity over the summer months. The coast is an extremely seasonal business, as you

know: 32% of all visits occur in July and August alone. This has happened at the worst possible time, just as they were reopening for that Easter period.

In terms of what we would like to see from the Government—and when I say “we”, I am talking about coastal communities and what they have told us—the first and most important thing is as much notice, guidance and support as possible in that reopening process, and support for communications. Businesses in particular want to see ongoing support for the furlough scheme; the extension to October is welcome but, as Bernard touched on, we have theatres, the night-time economy and the international education sector, which are very unlikely to open before 2021. Some small businesses would like support grants to put in PPE measures and social distancing practices.

The key for us is that we believe that the coast will take a three-year recovery period before it is back to pre-covid levels. We would like to see a collaborative approach across all stakeholders to build back better. Now is our opportunity to really tackle seasonality on the coast. Many businesses—over 20%—are looking at how they extend their opening this year, so that they can claw back some of the lost revenue. We could really help them, with significant investment in consumer research, product development and training, particularly around digital skills within our sector. But that will take strong leadership, and it will need marketing support. We need to layer up campaigns and rebuild the consumer confidence that Bernard and Patricia talked about.

Although 41% said that they would be interested in visiting our rural, coast and seaside towns, and harbour towns rank in the top five of destinations that people want to visit this year, the reality is that we will have reduced capacity and it will be a struggle to meet that demand. If 2020 is about survival, 2021 will be about recovery. It will be 2022 before businesses tell us that they will be putting any investment into their businesses, or the local authorities put investment into the towns.

Q236 Clive Efford: You touched on digital communication and using the internet. Is the roll-out of broadband and 5G an issue for coastal communities?

Samantha Richardson: It is essential for really rebuilding as part of this next wave of recovery. Many parts of the coast still do not have any signal, let alone 5G. Particularly when we go back to Julie’s point about how we manage car parking, we cannot put pay-by-phone car parking in many places because there simply is not the signal to manage the system. Coastal communities face a number of challenges that, yes, digital would help with significantly.

Q237 Clive Efford: We have seen decline in many coastal communities, like we have seen in what was described as the red wall—many of the former industrialised cities. Would you say, if broadband or 5G is so essential in the recovery of those areas, that some form of prioritisation in the roll-out of that should be applied towards coastal communities?



Samantha Richardson: I am a little biased in this matter, but we would argue that coastal communities need support now more than ever. It was well documented by the Centre for Towns report recently that they are already struggling with a high dependency on tourism. Hotel Solutions expect 25% of our accommodation stock to be lost as a direct result of covid-19. It is no surprise that businesses say the longer that they are closed, the longer it will take to return to profitability, with many stating—41%, in fact—that it will take up to two years before they are back to a profitable status.

Q238 **Clive Efford:** Can I ask you about the cost of going on UK coastal holidays? There have been comparisons with European and other destinations that are far cheaper. Is that an issue for coastal communities going forward? Is that going to create a problem in the recovery?

Samantha Richardson: The feedback that we are getting from businesses is that they are not looking to change their pricing structure at the moment. Many believe that that would be counterintuitive to the commercial model and to trying to build back that consumer confidence. Another factor that we need to consider is that many accommodation providers are already booked for the summer season. The six-week summer school holiday period always books up early. In fact, many of them may have to still make cancellations as they reduce capacity to put in social distancing measures.

Q239 **Clive Efford:** What is the driver, though, behind the high cost?

Samantha Richardson: The cost is based on the cost that the business incurs. VAT is one aspect that many businesses will cite as unfair compared with European markets, and the infrastructure that we have does not support the cost models that you see in the large-scale overseas holiday market.

Q240 **Clive Efford:** Can I ask you about the Government support that has been made available? Has that met the needs of people within the industry, or are tweaks to it needed for specific areas within the tourism industry?

Samantha Richardson: The place we are in now is that many businesses have been covered. The self-employed addition, and the recent addition to support small B&Bs that pay council tax instead of business rates, have all been extremely welcome. The extension to the furlough scheme has been very much welcomed, but again, like Bernard, we would like to see that extended until the end of the year to support those businesses that cannot open until 2021.

The VisitEngland DMO resilience fund has particularly helped a significant number of our small coastal DMOs that, like us, rely entirely on commercial income and have seen that completely fall away as a result of covid-19. Is there more that could be done? Absolutely. I think that, as you said, many businesses would like to see reductions in their licensing costs, support for buying PPE and rent relief, which is a big one among restaurants and smaller businesses. Given the circumstances, I think that, on the whole, the Government have moved quickly.

Q241 **Clive Efford:** Have the Government been responsive to the industry?

Samantha Richardson: Very much so. I echo Bernard and Patricia's thoughts; we have had very good correspondence with DCMS, BEIS and all of the Government Departments and agencies that we deal with.

Q242 **Clive Efford:** I have one final question. Among other things, you are there to chair best practice around the coastal communities in the industry. Are there any good examples of best practice that you have been able to share and where people have responded in an innovative way to the current crisis?

Samantha Richardson: There have actually been some fantastic examples across our coast. Some really small, independent and entrepreneurial businesses are doing some great stuff. To give a few examples, the Bournemouth hoteliers association, which is made up of mostly independently owned businesses, has already come up with its own code of practice that looks at hygiene and changes to the guest experience, for example, and has rolled it out. It is looking at an operating model of 50% of capacity—rooms booked Monday to Friday and Friday to Monday—so that the rooms can be empty for a minimum of 72 hours between guests.

Blackpool accommodation providers are purchasing thermometers and changing their service offer. Many B&Bs are switching to a self-catering model. We have seen little museum shops switch to selling local produce and take £6,000 a week in turnover of food and drink from local suppliers that would otherwise be supplying the hospitality industry. So there have been some fantastic examples of best practice. For me, one of the key lessons to come out of covid-19 is making sure that we capture all the best practice and lessons learned to help build resilience in our sector and ensure that we can deal with economic shocks going forward.

Chair: Thank you. We will have one final question to Samantha, from Damian Green.

Q243 **Damian Green:** I want to pick up on one of Clive's lines of questioning, which was about pricing policy. The logic of more social distancing for as far ahead as the eye can see is that fewer people would be in restaurants, B&Bs and so on, so the temptation would be to increase prices for each of them to try to get back the money that has been lost. On the other hand, there is clearly a lot of pressure the other way, because you would be desperate for any kind of income. Do you have any sense yet of where people are going to settle? Will seaside holidays become more or less expensive next year?

Samantha Richardson: We have a live business survey at the moment and the insight coming through from that is that the majority of businesses are planning to keep pricing exactly as is. There are several reasons for that. One is that, in all honesty, they do not have the capacity to cope with changing the pricing; they do not have the big revenue teams that a lot of larger organisations have—these are microbusinesses—and at the moment they are grappling with how to put in social distancing, buy



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PPE, and a lot of other really practical issues. Then, as you say, we have two issues: one is a fear that some of the big budget chain hotels on the coast will reduce their pricing, making it non-commercially viable to open at a reduced capacity and the other is offsetting the cost of all that increased PPE and reduction in capacity. The feel at the moment is that the majority of businesses will keep the pricing the same. Obviously, it will ultimately depend on the individual business, but certainly our feeling at the moment is that there will be no particular change.

Q244 **Damian Green:** You cited the sad figure that 7% of businesses have closed permanently. Do you have any estimate as to how high that figure might get?

Samantha Richardson: The estimate from Hotel Solutions is that 20% to 25% of accommodation stock on the coast will be lost as a direct result of covid. We feel that that is fair at this stage, but as we get more data, we will have a better picture.

Chair: Thank you, Damian, and thank you for your evidence today, Samantha Richardson, director of the National Coastal Tourism Academy. We will take a quick break to set up our second panel, but please stay on the line.

Examination of Witnesses

Witnesses: Hilary McGrady and Ros Pritchard.

Q245 **Chair:** Welcome back to today's hearing on the impact of covid-19 on DCMS sectors, specifically looking at tourism. We welcome our first witness, Hilary McGrady, director general of the National Trust. Our second witness is Ros Pritchard OBE, director general of the British Holiday and Home Park Association. We will start with Hilary McGrady. Good morning, Hilary.

Hilary McGrady: Good morning.

Chair: Thank you for joining us today. To kick off, in terms of your institution and social distancing of 2 metres, I imagine that in many of your buildings and historic houses that is incredibly difficult to manage. Would 1 metre or 1.5 metres make it much easier, or are you comfortable with 2 metres?

Hilary McGrady: It is possibly best to start with a bit of context. Like most other organisations, the trust had to close all of our properties on 20 March. That included all of what we would call our pay-for-entry properties—those behind a gate—but also included our car parks, even the smaller car parks, and certainly the large ones. The only part of our estate



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that stayed open was the absolute open countryside, but to access that, the car parks were closed.

Since that time, we estimate now that the cost of covid is going to be in the region of about £200 million to the trust this year.

To come to your point about distancing, we are not yet able to open. At the moment—this week—we have been able to open our small car parks and we are moving very gradually to our large car parks, but on a pre-booked basis, which is entirely different for our membership base; they will have to ring in advance to book.

We cannot open our gated properties and certainly not our houses until such time as the Government decide that ticketed open venues, as we are described at the moment, can do so—so it is almost immaterial whether it is 2 metres or 1 metre—we simply cannot open.

Q246 Chair: But beyond that, is 2 metres manageable when you are able to open?

Hilary McGrady: It probably is. We certainly had not intended to open our houses until late August at this stage, simply because we will manage our opening on a phased basis—opening to the parks and the gardens initially, with a longer-term ambition to get to the houses. To be honest, whether it is 1 metre or 2 metres is not really the issue—it is the volume of people going into the house in the first place.

Q247 Chair: Many of your volunteers are elderly. Are you giving any early thought to how you manage that come late August?

Hilary McGrady: About 21% of our members are currently over the age of 70. Clearly, the guidance at the moment is that people over that age and particularly those who are vulnerable should still protect themselves. We have tried really hard to stick with the Government's guidance and so, at this moment—certainly in the first phase of opening—we are asking our volunteers over that age not to come forward. We are desperate to bring back our volunteers. They are a huge part of what the National Trust is about and they support our everyday opening, but at this point we have a duty of care to our volunteers and of course to our staff, so at the moment we are asking them not to come forward.

Q248 Chair: We heard from our first panel some very specific asks from certain parts of the tourism sector about what needs to happen in order to ensure medium to long-term recovery for the sector. Do you have any specific asks?

Hilary McGrady: My first ask is to get real clarity on open ticketed venues. We cannot open until that is changed. We had been planning to open—we thought we would have been able to open this week—but until that is clarified or changed, we cannot. We are desperate to open; our members want us to be open, but they do want us to open safely and we will do this in a really controlled and careful way—that is why we have introduced the booking system—but it is incredibly important, apart from anything else, for the mental wellbeing of the nation, that they can get out



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and access places like the National Trust offer. We offer incredibly safe spaces for people to visit, have a bit of space and have access to nature. We think it is really important to get doing that sooner rather than later.

Q249 Chair: You must have medium and long-term asks, rather than just that you want to open as quickly as possible. There must be some thoughts on where you think tourism reforms can go in order to ensure that the industry is able to reignite, to change and to become popular once again.

Hilary McGrady: Completely. I suppose that I represent the heritage sector in particular within tourism, and you have heard from your speakers this morning—I do not need to repeat it—just how important tourism is, both internationally and for us domestically. It is massively important and the whole of the sector needs to get going again.

We have very clear asks in terms of the heritage sector. We would ask Government and particularly local authorities to remember the role that these small independent heritage organisations play in creating a sense of place and a reason to visit. Actually, it is those smaller ones that are really struggling, and we know that some of them have less than one month's reserves to be able to survive. Even if they can survive this year—quite a lot of them depend on grants and money that has already been secured—next year will be the real challenge for them. So, our ask is for local authority or Government support to think about a long-term recovery package for the heritage sector in particular. That is one thing.

Secondly—again, like your previous speakers—we are really pleased with the level of engagement and support that we have had with DCMS, but there is definitely a role for DCMS and others to look at the very disparate funding groups that are out there. There are many, many funders all doing good work, all desperately willing to help, but collectively it is not coming together. We wonder whether there is an opportunity for the likes of DCMS to look at how some of those funding pots, which of themselves are not inconsiderable, could be pooled to create larger, more sustainable funding for our sector—whether that is heritage or beyond that is to be decided. These disparate pots are being used in different ways, whereas there could be more if the sum was greater than the parts.

Q250 Chair: You just mentioned reserves. Are they National Trust properties that have a month's reserves, or are you talking about other historical groups?

Hilary McGrady: I am talking about both. Of course, with the National Trust, people will often say, "Oh, but you've got lots of reserves". The vast majority of our reserves are restricted and we cannot spend them, so at this very moment we are starting to run down our reserves to try to offset that loss that we are feeling.

However, all other organisations, as you would expect from a Charity Commission perspective, are expected to have reserves to see them through difficult situations like this, but nearly all of them are working their way through those very rapidly, so they are not going to have that resilience next year and beyond.



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Q251 **Chair:** Our briefing says that you have up to £1.3 billion in reserves. Is that correct?

Hilary McGrady: Yes, that is correct, but at least two thirds of that money cannot be used; they are investments and they have been put in there for a specific use. So they are of no use to us. We get the return on that money, but we cannot call on those reserves. It is a really difficult one. I understand that people say, "But you are really rich"—

Q252 **Chair:** Is it like a covenant then, effectively?

Hilary McGrady: Yes—essentially, yes.

Q253 **Chair:** That is two thirds of that money—that £1.2 billion—and that leaves you with £400 million—would that be about right?—of free reserves. Of those free reserves, £200 million is what you are going to see gone in the next year. Is that correct?

Hilary McGrady: It is very complicated; I could talk for hours about it. Basically, our reserves position at the moment is £210 million. We lost nearly 40% of our investment portfolio within one month, but anyway—our reserves are £210 million. We are asked by the Charity Commission to preserve £186 million, to be able to survive on a three-month basis, so we are slowly but surely—not slowly, in fact; fairly rapidly—reducing that reserve position. The £1.2 billion that you are referring to is our investment portfolio, which is restricted, and we cannot access it.

Q254 **Kevin Brennan:** Thank you, Hilary, for joining us. Just to follow on from a question that the Chair asked about the funding pots that you said could be pooled, could you be more specific about which ones you were talking about?

Hilary McGrady: If you look across the piece, the National Heritage Lottery Fund, for example, has a fund—an emergency fund—and that has been great. It is only accessible by people who have already been grantees, so there is a whole bunch of people, and based on the research we know that about a third are not in that category. The Arts Council has been really good, really effective and—I would say—creative, in being able to apply its funds, but you have these disparate pots, such as the town funds, or Historic England which has just produced this £2 million for town centres. You have all these different pots around the country, which individual organisations are trying to access. First, quite a lot of them have furloughed their staff and do not have the people to do such work and, secondly, it is difficult to join the dots together, so there seems to me to be an opportunity to pull those together more effectively.

Q255 **Kevin Brennan:** Perhaps you will send us a list of the ones that you think ought to be considered if we make any recommendations following our investigations. We would be grateful.

Hilary McGrady: We can do.

Q256 **Kevin Brennan:** I am also interested in the social impact of the closure of National Trust properties, and in some of the wider work you have been



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doing recently to get away a little bit, if you like, from the image that you are an organisation that only caters to the interests of an older demographic and, perhaps, a more homogeneous demographic than the country as a whole. Will you talk a little about that? Has this whole crisis had any influence on the work you have been trying to make progress on in recent years?

Hilary McGrady: Without doubt. The trust has for some time—certainly, it has been a particular passion of mine—put emphasis on what is almost the root of what the trust was about, which is access to green space. Equality of access is a fundamental principle of why the trust was founded. All that stuff has come to the fore through covid. If there is a silver lining at all, it has been the nation's absolute realisation that access to green space is important to their health, their mental health, their sense of community and their sense of belonging to a place.

There is an opportunity now, just as when we came out of the war. The Government of the time, yes, created the NHS, but also set up the national parks. With the realisation that this equality of access is so key, we now have the chance to think about access to green space within urban areas. In January, which feels like a lifetime ago now, we launched the notion of green gateways, which would allow both nature and people to move in and out of urban areas. I think there is an opportunity to do that.

To your point about whether this has done anything to change the image of the National Trust, in a piece of research released yesterday, 84% of people who were asked, "What is the first thing you want to do?" want to visit a garden or an open space. There is such a sense of pent-up desire to get out to the country. As with some of your speakers earlier, I think our challenge will be managing that desire in a controlled way.

Q257 **Kevin Brennan:** Do you get much pushback from your members about trying to open up your attractions to a wider and more diverse group of people?

Hilary McGrady: We were due to have our six-millionth member this year. We have had a little bit of pushback, but I would say it is tiny. The vast majority of people more regularly say to me, "What about reaching other communities that would not normally come to somewhere like the National Trust?" We have actually been really successful in doing that for years. Our biggest growth area has been families and young families. We are slowly but surely growing BME community support for our properties. We are focusing very much on local properties, and how we engage our local communities. That has been quite a successful line of travel for a long time, and our members have been really supportive of it.

Q258 **Kevin Brennan:** The image of the National Trust tends to be of big stately homes and so on, but in recent years you have been interested in opening up different types of attractions to people. I was lucky enough—it was a very moving experience, actually—to visit the childhood home of Paul McCartney and John Lennon in Liverpool with the National Trust. I was, surprisingly, quite emotionally moved by the whole experience. Are



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you moving into that sort of area a bit more, as well as the traditional stately homes and parks?

Hilary McGrady: Absolutely. We haven't actually taken on what you would refer to as a traditional National Trust house, as important as they are—don't lose sight of that—for about 15 years. Our focus has been much more about local heritage and, in particular, green space in the last decade at least.

The Paul McCartney house is a wonderful example of social history, and why it is important in this country to support that kind of place. Yes, we definitely will be looking at more of that. I think it is likely, going forward, that we will do that more in partnership than always separate ownership. For example, we took on what's called the Roundhouse, in Birmingham, in partnership with the Canal and River Trust. It is a wonderful grade II listed building in the middle of Birmingham that will act as a hub and access out on to the waterways.

Q259 **Kevin Brennan:** In the news today is the news that we are going to have yet another review about the refurbishment of Parliament. Obviously we, here, are making a complete horlicks of the whole refurbishment of this very important tourist attraction—as well as our national Parliament and so on. Can we learn anything from the National Trust about how we should handle this building, into the future? What would you advise us to do?

Hilary McGrady: The first thing is I think it is an extraordinary building that needs to be repaired. I am absolutely clear about that. I think it is an unbelievable building that deserves the kind of care that is being suggested. They are notoriously difficult to look after. There has to be an acceptance and an understanding that the minute you start to poke at an old building, it will cause you problems. To some degree, what you can learn from the National Trust—and we have vast experience in this—is understanding the buildings. You need to go with buildings. You need to also be pragmatic, though. I think what we have certainly tried to do at the trust, recently, is to understand what is really significant and needs to be retained, and what doesn't need to be retained—and that is a really hard choice. I think that is something that, for anyone that is involved in conservation, getting that balance is a really difficult thing.

Q260 **Kevin Brennan:** If I were to put down an amendment suggesting the National Trust take over the whole project for us, would you welcome that, and would you be able to do it more cheaply than Parliament is currently estimating?

Hilary McGrady: If I'm being completely honest, and I am going to lay myself bare, here, at the moment the National Trust—and the previous question about "Your reserves are surely brilliant": I am genuinely in the process of making sure that my organisation can survive all of this, so we probably wouldn't have the capacity to help you right now. But we will, because we will come through it. We are always willing to help. You have an amazing team working on it already; I am familiar with quite a lot of the people who are working on it. If we can help, we certainly will try, but



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it is just a reality: these buildings cost an awful lot of money, and that one is built on the edge of a river. It is tricky.

Chair: Hilary, very well done for avoiding what I can only term an ultimate hospital pass there.

Q261 **Damian Green:** I echo that. I think you have got enough problems on your plate at the moment without taking on the refurbishment of Parliament as well. Returning to the subject of your reserves of your finances—as I am interested, as one of your 6 million members, in the long-term resilience of the organisation—it seems slightly peculiar. I can see that in all normal times, having investment income which you can't just use for current spending is fine, but is there no sort of ultimate backstop that would enable you to use some of that if things do carry on longer than we fear? There would be something faintly absurd about having an investment fund called the National Trust and no activity from the National Trust produced by it.

Hilary McGrady: Believe me, I have been looking into this, Damian, as you would imagine. At the moment, we are advised that we cannot access the vast majority of those investments. They were given to us for a specific purpose, and we cannot. Now, it might be that we would have to look at going to the Charity Commission to ask for a certain dispensation, but as it stands at the moment we are legally advised that we cannot access that investment portfolio. There are investments that we can liquidate separate to that if we are under serious pressure. As you would imagine, to liquidate those right now, under real duress, the market would—we are under stress at the moment, and it would be the wrong time to do it, but in extremis we would do it.

Don't get me wrong; I am fully intending to get the National Trust through this, but it is not going to be easy. We would not have stopped all of our projects, all of our pay rises—and we are in the middle of looking at a very significant cost-cutting exercise for the next year. This impact will continue for another two to three years, and my point is that for the rest of the sector, this year is going to be hard, but the next two years are going to be really difficult.

Q262 **Damian Green:** How long would the current situation need to go on before you really are scraping the barrel? How many more months can you cope with the relatively normal emergency steps, as it were, that you have now taken?

Hilary McGrady: We have been modelling on three months' complete closure, which we are going to come to the end of by June, and then nine months at 50% capacity. Even that 50% capacity does not get us any income per se, because we are still anticipating that most of our food and beverage outlets—our cafes—will have to remain closed, certainly until August. Retail will close until August. Then, of course, the season will be over.

As it stands, our model is such that, as I have said, if we follow the cost-cutting exercise that we have at the moment, which means that two thirds



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of our project spend is stopped—that means all that lovely conservation work you would expect us to do, and certainly the nature conservation work, is all stopped—we will also need to review our human resource. We have a lot of jobs that people simply will not be doing for the next nine months. We are in the process of reviewing that.

To answer your question about how long we can go, we are not anticipating another three-month closure, but if there were a second wave and we had to close completely, that would be deeply concerning. As you would expect, we are watching the decline in membership very carefully. In the first month, we were losing members at four times the normal rate. Of course, we cannot replenish our members because our properties are not open. It is that membership base that we are watching really closely, because once that declines, it is incredibly hard to build it up again.

Q263 Damian Green: What percentage of your income is straightforward membership subscriptions?

Hilary McGrady: It is 52%. If that membership base declines, as you can imagine, there is a long-term lag and the impact of that if that continues to decline. To be clear, after the first month, where we saw that spike in cancellations, it has levelled off. However, again, the longer you stay closed the harder it is for members to want to maintain their support. What I am watching really carefully is, if we are heading into a period of recession/depression, what the economic impact is likely to be on our membership base. To come back to the tourism point, the National Trust has traditionally done quite well in recessions because people stay at home and they have staycations, but if we are not open that is a problem. My big and very urgent ask is that we get clarity on being able to open. It is really important to me that we can open our gates really soon.

Q264 Giles Watling: We had some issues of flooding over the winter that we all heard of, which was just a disaster and devastating for everybody. We had masses of rainfall and I expect that must have impinged on you and your sites across the country in one way or another.

Hilary McGrady: Yes, absolutely. In the northern regions, we had very severe flooding. Most of it was farmland, bridges and that type of thing, thankfully. We only had two properties that were badly affected: Lyme Park most specifically and some of the other ones in the Lake district. What has been really interesting there is the kind of work we have been doing in flood mitigation with naturalising rivers, working in the Peak district to slow the flow, and those types of things. We have been doing a huge amount of work with the Environment Agency on flood mitigation more generally, but we are feeling the impacts of it ourselves.

Q265 Giles Watling: That brings me on to the question I really want to ask you. Recovery from that must have been impinged by the covid-19 crisis. Have you had to put things on hold? Are projects beginning to fall apart because of the hold you are having to put on because of the coronavirus outbreak?



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Hilary McGrady: To reiterate, we have had to stop all non-essential projects—absolutely stop them all. The only ones that are continuing to go are those that we are committed to from a contractual point of view, and we are even withdrawing from some of those. Anything else that is not a compliance issue has had to be stopped, and will be stopped for at least another 12 months. We will not be able to get going again on those projects until next March.

Q266 **Giles Watling:** But because winter will come again, and there will be further flooding, you have to be prepared.

Hilary McGrady: Indeed, and obviously we are trying to retain a certain amount of contingency funding for those sorts of emergency situations. Yes, we are absolutely anticipating. Every year, we have some degree of flooding or extreme weather damage.

Q267 **Giles Watling:** I have one last question. You are an acquisitive outfit: you have acquired sites for many years now. Have any acquisitions of sites had to be cancelled or put on hold as a result of this crisis?

Hilary McGrady: Yes. We have certainly put four on hold. They are smallish acquisitions, but four have had to be put on hold, and certainly we have a moratorium on acquisitions at the moment, until we see how this plays out. We are particularly concerned about a second spike. Until we get to, I would say, Christmas, we will not feel able to resume our confidence around acquisition.

Q268 **Giles Watling:** Do you think that this is going to have a malignant effect on the country's cultural heritage?

Hilary McGrady: I have already been approached by a number of places that are now very worried that they are going to go to the wall. Interestingly, I have had a few saying, "Please don't let anybody think that you are going to scoop us up," but we would not have the resources to be able to rescue any of those smaller, privately owned heritage sites. We would not have the capacity to take on anything more at the moment.

Chair: Thank you, Giles, and thank you, Hilary McGrady, director general of the National Trust, for your evidence today. I am now going to call our final witness in today's session—Ros Pritchard OBE, director general of the British Holiday & Home Parks Association. Good morning, Ros.

Ros Pritchard: Good morning.

Q269 **Chair:** Thank you for being there, listening in, for the previous evidence. It has been very interesting. You were probably struck by the coastal tourism evidence when it was said, I believe, that about 7% of seaside businesses have already gone to the wall. What sort of number or percentage of your membership do you think are in the same position?

Ros Pritchard: At the moment, they are hanging in there. They have received their business rates holidays. The small ones have access to grants, and it is the small ones we worry about. They are looking at moving forwards. We think they will start going to the wall, depending on



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when we get to open—possibly October. Our big worry is this. A lot of your witnesses today said they wanted support through until the end of the calendar year. We won't be getting money coming in again until next Easter, and that is if there isn't a second wave, so a lot of our asks—sorry to cut to the chase—have been about specific assistance for seasonal tourism businesses who earn their money between March and October and who have lost the 2020 season, effectively. We are going to need help to get through to next spring, so I think the winter is when we will see business failures, without that support.

Q270 **Chair:** Effectively, you have had that the last three winters on the trot.

Ros Pritchard: Three winters in a row.

Q271 **Chair:** Is there anything specific that you need? We have had mentions of a graduated reduction, furloughing—special measures for the tourism sector. Is there anything that you specifically want to highlight as an idea, a plan, for how you get through this?

Ros Pritchard: I have to caveat everything with the fact that we are very grateful for everything that Government has done. But the furlough scheme is for the whole economy; it isn't geared to tourism. Our small park businesses could not furlough their maintenance engineers, because they could not be without their skills for three weeks at a stretch. A holiday park, whether it is a big one or a small one, is a complex business. We have the infrastructure of a small village, so we need the guy who can sort the electric, or the lady who can sort the sewage works, on the park, so we have not been able to furlough our staff, which means our costs have been ongoing.

Another thing would be looking at the loans system. You could look at the loans system in France. The bounce back loans here are great, but they are only for £50k. In France, they have a bounce back system up to a third of your turnover, with the same simplicity that we have for bounce back loans. They are an absolute godsend, but £50k is not going to be enough to see the businesses through until next spring. I could go on at length if you want me to.

Chair: I would prefer it not to be at length, but if you want to say any more, please do.

Ros Pritchard: There is another example from France, which I thought was just so clever. A lot of the ongoing costs at the moment are in meeting the interest payments on loans and finance. The French have given their tourism businesses a six-month holiday and they have added six months on to the end of the loan period, so they are giving them breathing space, whereas if you look at the British system, it is absolutely wonderful that they have deferred our VAT payments, but they have deferred them through to March next year. When will cash be at the absolute lowest for a seasonal business? In March next year. That is why we are asking—we have written to the Prime Minister—that they look specifically at the seasonality of tourism businesses and what that seasonality means for business need. We were begging for flexible



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furloughs. They have brought that in from August, but that means we have all our costs until August and we do not know yet what the Chancellor means about sharing the costs from then. We need tourism to have a special place.

We heard this morning about first hit, hardest hit, and so on. With our seasonality and our three winters, we need a specific programme for seasonal tourism businesses. That is exactly what they have done in France. President Macron actually met with my opposite number in France and the other tourism industries and told them what they were going to do. I echo everything we have heard this morning—Nigel Huddleston is the most wonderful Tourism Minister, who knows our sector really well, but he is not the Head of State.

Chair: Neither is the Prime Minister, by the way.

Ros Pritchard: I would accept the Prime Minister—it does not need to be the Queen, but we just need that recognition.

Q272 **Chair:** Is there a danger with partial opening that a lot of your members may make money from bars and restaurants and other tertiary activity and if you are only partially opening, that in itself means a challenge. You will have staff, but you will not have the income coming in. Is that something you are thinking about?

Ros Pritchard: We are thinking about it, but it is manageable. Obviously, our bars, clubs and cafes are closed the way every other pub and restaurant is across the land, but that is furloughable, because you can shut the door, lock the gate and walk away. For the park, the ongoing cost of all that land to manage and so on is continuing, which is why we have asked for very early consideration to be given for, for example, our caravan holiday home owners who own their own holiday home, for whom social distancing would be identical to what they do at home, and for justification as to why they should be waiting for the pubs and clubs in July to reopen.

We have a lot of unhappy caravan owners; there are about a quarter of a million of them across the land, and that is their happy place. The virus means that they cannot get to their holiday caravans. They are unhappy, and we are unhappy. If we can get them back and start getting local communities used to having tourists—there is an issue with local communities; they are understandably worried—that would help all round.

Q273 **Chair:** Before I move to Clive, it is interesting to hear about local communities and their nervousness. A lot of messaging has gone on from councillors and Members of Parliament in rural communities to stay away—understandably so, with lockdown rules. As we move out of that, is there any chance that that sort of messaging has potentially had a more long-term effect and could make people nervous, and perhaps make them feel as though they are not that welcome?

Ros Pritchard: We have had vigilantes. In some holiday parks, we have had NHS workers, because we have been accommodating key workers

when we can. We have had vigilantes checking up and reporting them to the council and the police: “Who are these people in your holiday park? What are they doing there?” That negative anti feeling is going to be an issue. At the same time, there was something very similar after foot and mouth. People didn’t want tourists in the countryside because we had to protect the farmers, but it settled down within a fortnight.

A lot of the evidence we have heard today has been based on the idea that we do not get a second wave. Foot and mouth did not come back again. If there is a second wave, we are looking at a completely different scenario. If we do not get a second wave, things will settle down and people will get used to having their tourists back. If they don’t have them back, they won’t have the village shop and they won’t have the garage, the butcher, the baker or the candlestick maker, because it is the tourists who sustain all those local businesses when you have a tiny local community that is unable to do so. It is all part of being integrated into our rural and coastal communities. We hope that will be seen, but there is a very real challenge at the moment.

Q274 **Chair:** There is something very stark about the idea of vigilantes. How on earth can you switch from “stay away” to “please come”?

Ros Pritchard: I think it means that we need Government leadership. If you look at Boris’s announcement on Sunday evening about relaxing and opening up the country, it is a pity about the wording. When you are outside the M25, the word hospitality doesn’t really mean holiday park. Boris said you could go and sit in your local park. We have had a week of park businesses closed by law having to turn their customers away. Again, as an example, I got on to DCMS and the messaging was changed. Nigel Huddleston put a tweet out for us that we all shared, and it settled down. Yes, there are real challenges ahead.

Q275 **Clive Efford:** Following on from that, is there detailed guidance that you would look to Government for that would enable you to phase a reopening of holiday parks in certain circumstances?

Ros Pritchard: If we are talking about the health and safety and social distancing guidance, we are working it up at the moment. I mentioned that holiday caravan owners—it is simplicity itself—have a key to their own door, just as they do at home. We are also working with UK hospitality as a sector, because our reception is the same as a hotel reception and our bar is the same as in a pub, so we are working together across tourism to develop guidance to business on the health and safety requirements. The idea is that we get it all together. We get it up to DCMS, then it goes up to Public Health England and then it comes back down to the industry. It is quite a hard thing to draft because the science keeps changing. We learned yesterday that we had to look out for a new symptom, for example, so we went back over all the stuff we had already written and put it all back in again. Part of the challenge with this whole crisis is the speed, the learning and the volume of information that small businesses are having to take on board, which is why we have been very busy for the last few weeks.



Q276 **Clive Efford:** I am sure you have. You have 6,200 sites across the country and many smaller independent caravan owners in among that. How do you communicate with that number of people and businesses?

Ros Pritchard: The industry is incredible. We have a handful of big corporate groups who are about 30% of the pitches across the land, but 70% are all the SMEs and a long, long tail of microbusinesses. We organised the association's first ever webinar. We called it a virtual conference, otherwise people would not have come, and I welcomed between 1,200 and 1,500 people into my home that morning to talk them through everything that we had put out. We gave them all Twitter lessons at the beginning of the crisis because we knew we were going to need to lobby, and we pushed out email. Then we have sector-specific advisors, because we need to—the word we use is to “caravanise” issues. We have to take the Government guidance and then publish case studies specific to park business so that people can understand what the generic guidance means in terms of their business. The best guidance has case studies of what to do and also what not to do, because there have been quite a few traps for small businesses along the way, so we are giving them all the case studies and then talking them through them. We have a telephone and email advice service. Like the National Trust, all our projects are on hold and the entire staff—there are only 15 of us—are on the phone day in, day out, talking to members and taking their email.

Q277 **Clive Efford:** What is the impact on people who have permanent pitches? Are the site owners staying in contact with them? What is the financial impact for those people not being able to use their sites?

Ros Pritchard: Are we talking about the caravan owners—the consumers?

Clive Efford: Yes.

Ros Pritchard: Most of those will have a licence agreement whereby they pay a pitch fee, site their caravan on the park, and have it connected to the utility system, so they will have paid their pitch fee. A minority of caravan owners have asked for a refund. We took a lot of legal guidance on this before we published guidance for the industry, and the legals are very straightforward. Because it is a licence agreement to site your caravan, and because the service is still being provided, there is no entitlement to a refund. But we advise the membership to engage with their customers, because they are hurting, too. Some have lost their jobs and are in difficulty.

The business needs goodwill. If you buy a holiday caravan, you will probably buy it with a licence agreement for 10, 15 or 20 years. It is a long-term relationship. It's like a marriage. Both sides need to get on with one another, so we advise them to communicate openly and early. We even gave them model wording, a pick and mix of friendly sentences to use. We said, “Talk to them, because talking to people is so much better than writing.” I do not know whether you have noticed, but people have



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lost the ability to read. I have been doing all my submissions on video, because they get across better that way.

Some parks have been able to make a token goodwill measure for their customers, which caused all the other caravan owners to kick off and be terribly upset. We have advised the industry not to make any decision yet on anything that they could do for goodwill, because we do not know whether there will be a second wave. We don't know when they will open. The biggest message we are trying to get across is that the caravan owner shares the same interest as the park owner in that business surviving, because they all lose out if the business fails. As I mentioned earlier, we are very worried for the winter that is coming—the third winter—in 12 months.

Q278 Clive Efford: Will park owners face a problem down the road of people wanting to be compensated for this period?

Ros Pritchard: We have had consumer champions trying to champion it, but once I have talked them through the issues, most of them have seen that this is not actually a consumer champion issue. Somebody can try it in court, but if you were going for damages for loss of use, a court would probably want to value that on the cost of the holiday that you would have taken in 2020 instead. You tell me what holiday you could have taken in 2020 instead. It is a non-starter. It is about goodwill and relationships going forwards. The other thing is that email after email, and even the press, has said: "All park owners do is cut the grass." I hope I explained earlier about that infrastructure and how they do a damn sight more than cut grass.

Q279 Clive Efford: You mentioned people taking on a vigilante role and asking questions about those present on site, but there are some people who would be homeless if they were forced off some of these permanent pitches on these sites. What has been the situation there?

Ros Pritchard: The closing down of the industry was absolutely fascinating. Do you remember the weekend of 21 and 22 March? It was like a summer's day, and the A55 from Manchester and Liverpool into north Wales turned into a car park, and there were traffic jams—or people jams—on Snowdon. There was a lot of unhappiness in north Wales, because you have this town and country thing, and of course the virus will be in the towns, where more people are, and the country people do not want the virus.

It was actually the Secretary of State for Wales who contacted me on the Saturday and said: "Ros, you need to close down your industry." That was an interesting conversation. On Sunday, we emailed the industry and asked them to close. We had already emailed them 10 days previously to tell them that it was coming and to prepare. I have to say that most of them did close. However, we then had to contact—this is where I love devolution—the four different Governments who were regulating the closure of our industry. This is very naughty, but I actually formed an email group and emailed civil servants in all four Governments at the



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same time, because there was only one of me at the time, pointing out the different categories of people who should not be made homeless if the park was closed.

You mentioned the flooding earlier. If your house flooded and you had the builders in, and you own a holiday caravan, where would you have been living in March 2020? Or if your main place of residence is in Spain—it is surprising how many such people there were—you would have flown back as soon as you could, because Spain kicked you out, and if your only accommodation in the UK is your holiday caravan, where would you have gone? In the end, there were actually about 14 categories of people who are on holiday parks who should not be made homeless by the legislation.

Devolution being devolution, the four Governments regulated in slightly different ways, and one or two did it twice, which meant that we then had to pump the guidance back out to the industry, telling them exactly what it meant. We had to say, for example, that the onus is all on the park owner, so if anybody remains, the park owner needs to document why they are there. I will be writing the book of the excuses that we have collated as to why people needed to be there. A lot of customers, even those with homes in towns, wanted to stay in their holiday caravan. If you were going to be furloughed and isolated, would you rather be in a beautiful park in the countryside, or would you rather go back home to the town? Those were some difficult conversations for park owners, I am afraid. However, they have stepped up. As I said, as the holiday makers departed, we have been welcoming the NHS and key workers.

Q280 Julie Elliott: It is quite a complicated situation that you face. If restrictions are lifted as we move forward through the summer, I would think that holiday parks will be inundated with people actually wanting to go and stay there; they will be one of the first kinds of areas that people will think of going to. You have talked about advice, rewriting advice and putting up guidance for approval, and so on. Practically, how are your members going to make the sites safe for people to use? I am not necessarily talking about clubhouses and things like that, because they are separate, but how will you make actually physically using the sites safe?

Ros Pritchard: As I say, we have done an awful lot of work on this. Some people were talking about painting white lines on the grass, in order to show your two-metre spacing distance. However, Professor David Bellamy, who was our president until his death late last year, liked us to have wildlife corridors. The idea is that we don't mow the grass for two-metre strips; we develop a wildlife corridor, and then we have the visual two-metre distancing to help our customers stay apart.

On our holiday units—remember, on our holiday units it is not just holiday caravans; we have safari tents, treehouses, hobbit houses, camping pods, shepherds' huts, and I could go on, because glamping is amazing—it is about the cleaning. The Government published a lot of guidance for cleaning—I think it was in non-clinical environments—even before the lockdown, telling us how to do it. We are working that up into good



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guidance. Something I have learned relatively recently has filled me with joy. We are called fresh air hotels, because we provide outdoor holidays, but ventilation before your cleaner goes in makes the most enormous difference. We are looking at procedures whereby we ask our customers to leave the windows open when they check out—that is the opposite of what we used to with security—so that the whole area has been ventilated. The one thing this virus does not like is fresh air and sunlight, so we will try to get as much in as possible, and we will train the cleaners to go in and do the necessary cleaning, to give everybody the confidence that they need.

Q281 **Julie Elliott:** Would a staggered approach to reopening help?

Ros Pritchard: Yes. It would help with our local communities, to get them used to holiday makers coming back. It would help us with training our staff and getting everything in place. That is why private owners of holiday accommodation and holiday caravans are the most obvious and the easiest, because they have been turning up all last week and we keep on turning them away, but they have the key to their own door. Holiday makers would probably come next or at the same time, because that is the same issue.

There is a lot of talk about peaks in August. A tourism bed night is the most perishable product there is. Once that time has passed, you cannot sell that product again and we can never get the money again. We only have so many tourist bed nights in August. We cannot grow the number of nights or the amount of accommodation. If there is this rush—I don't think there will be a rush, because of consumer confidence—there is a limit to how many nights and tourist beds there are, so it is limited by design; that is the way it works. Other businesses have gone to the wall and, as Samantha said, there is probably less than there used to be—and consumer confidence.

Yes, staging it would work. Interestingly, Wales has devolution. In England, we have steps: 1, 2 and 3. In Wales, we have traffic lights: red, amber and green. Wales, has said that at amber—step 2, which would be June in England—accommodation without shared facilities will be allowed to open. They have already seen the difference between a nightclub and a holiday park, and they have put the nightclub in green and the holiday park in amber, whereas we have everybody at step 3 in July. That is what I wrote to the Prime Minister about on Monday.

Chair: Thank you for your evidence today, Ros Pritchard OBE, director general of the British Holiday and Home Parks Association. Thank you to all members of the Committee for taking part.