

## **Written evidence submitted by StayBlackpool**

**I am responding on behalf of the Hospitality Sector, as President of StayBlackpool (formerly the Blackpool Hotel & Guesthouse Association and as a B&B owner.**

### **What has been the immediate impact of Covid-19 on the sector?**

The majority of Blackpool B&Bs, guesthouses, hotels and holiday apartments had to close upon lockdown. In this regard therefore, their income has reduced to £0. Covid also hit at the worst time of the year for our industry when we have just come through the winter when we spend money renewing, refurbishing and refreshing. Just as we reach the top of our overdraft limits, Easter provides the income boost we need to stabilise finances and then as the season progresses our income repays the debt built up over the previous winter and we start moving forward to steadily build up our financial situation in readiness for the following winter.

### **How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?**

For those businesses that pay business rates or receive Small Business Rate Relief the £10k and £25k Small Business Grants have been a lifeline. The speed and efficiency the government and Blackpool Council made those payments must be praised as that funding has been crucial for the survival of many.

Also, the staff furloughing scheme and ability to defer various payments like VAT etc. has been a tremendous help so in fairness the majority of the accommodation sector is being supported through these challenging times.

However, there are a number of B&Bs, guesthouses etc. that fall into a black hole because they pay council tax and not the business rates required to access the various schemes.

They can't access the Small Business Grant and the Self Employed 80% of 3 months profits isn't effective in this regard as we pay ourselves in reverse. Other self employed or employed people receive a monthly income and from that pay their household bills but accommodation providers pay all their property/business expenses like gas, electric, insurance, waste, food, business loans etc. from their business income and then take a minimal wage or salary from what's left so often negligible. The 80% for myself for example will mean a grant of approx.. £500 for 3 months yet my outgoings are £4k pm equalling £12k for 3 months therefore the £500 won't come anywhere near the support needed, I shall have a shortfall of £11,500!

### **What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?**

The answer to this question will only be known after lockdown has been lifted.

This absolutely depends on how long the accommodation sector must remain closed. The financial support already given will probably last for about 3 months but not beyond.

With the deferred payments, 0% interest bank loans, increased overdraft facilities, grants and furloughed staff payments we are just hanging on in there but it will all depend on how long we have to hang on.

Our ability to bounce back will also depend on the emotional state of the general public. We're hoping when lockdown is lifted people will still feel cautious of flying abroad so will come to visit the coast and stay in a B&B, guesthouse etc. which will support the recovery of the hospitality sector. However, there will also be many more people who have lost their jobs, their businesses haven't survived so will there be enough with disposable income to spend on a break away? These are all unknowns.

### **What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?**

I do think a great job has been done in supporting the majority, quickly and that is to be commended.

However, there are a large number of businesses missing out on support and they need to be identified and included now and in the future or they will fail causing more problems and costing the government more in the long run.

Also, the band widths of £10k and £25k are too wide. For some businesses £10k will be a windfall and yet others it won't be anywhere near enough and the same applies with the £25k.

Payments should possibly be paid according to turnover, the lower the turnover the less the payment.

If a business is listed as a B&B, guesthouse, hotel and paying tax then actually whether or not they pay business rates is irrelevant, the turnover is what is pertinent and that would then encompass all accommodation providers and fill the black hole.

### **How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?**

I'm not convinced our particular industry is able to evolve but we can certainly adapt. The hospitality industry is a "personal" industry reliant on guests staying in our properties. We must continue with the increased health and hygiene standards and must remain vigilant in this regard. We will also continue to keep the social distancing more apparent. We may need to extend breakfast and evening meal times so less guests are in the dining room together at one time. Maybe we'll need to stop buffet type serve yourself systems so food isn't being "breathed on" or contaminated by others. The more effective changes we can make as above will hopefully, increase customer confidence and encourage more people to take overnight stays. Customer confidence is key.