

Written evidence submitted by Great Yarmouth Borough Council

IMPACT OF COVID-19 ON DCMS SECTOR EVIDENCE

Submitting Organisation:

Great Yarmouth Borough Council

Organisation Summary:

Great Yarmouth Borough Council is an ambitious local authority with big plans for the future and significant opportunities ahead.

With one of the most successful Enterprise Zone in the country, Great Yarmouth is England's offshore energy hub and Norfolk's biggest seaside resort, nestled at the edge of the Broads National Park, with an immensely rich cultural heritage.

Working with partners, both locally and nationally, the Council is driving forward for an exciting area-based agenda. All Council services play their part in achieving a vision focussed around a strong and growing economy, improved housing and strong communities, high-quality and sustainable environment, and an efficient and effective council.

Great Yarmouth Borough Council are responding to this call for evidence as the value of tourism to the Borough was calculated as £625 million for 2017, providing 12,622 tourism related jobs that equated to 36.1% of the Borough's employment¹.

There were 7.2 million trips made to Great Yarmouth in 2017, with 6.1 million of these being day trips and 1.1 million overnight visits.

Summary:

This document details the impact of Covid-19 has had on Great Yarmouth in terms of the effect on the economy, businesses and employees. It also explores ways in which the sector can move forward.

For the purpose of this response the term 'tourism sector' shall relate to not only tourism but heritage, culture and creative industries, all of which are reliant on the visitor economy. Businesses refer to self-employed/partnerships, limited companies, CIC's and charities operational within the sector.

Great Yarmouth Borough Council has conducted its own business impact survey and the results of which will be shared throughout this response. The survey went live on 16th April 2020 to all businesses in the Borough, however for this call for evidence only responses from applicable businesses within the sector have been used to ensure the results are relevant. Result up to 8th June 2020 have been analysed. Where other data has been referred to it has been reference.

1: Immediate Impact of Covid-19 on the Sector:

Overall: The timing of the pandemic could not have come at a worse time for the Great Yarmouth tourism sector. With Easter being the second weekend in April many businesses were preparing to

open for the new season at the end of March, due to the lockdown coming into effect on 23rd March, many businesses have not yet opened their doors this year.

¹*Destination Research, Economic Impact of Tourism – Great Yarmouth, 2017*

This includes accommodation providers, holiday parks, cafes and restaurants, retail and tourist attractions such as museums and theme parks.

These businesses are reliant on the revenue generated from the start of the season through to end of October to support them during the winter months, with over 80% being generated between April and September.

With many businesses in the sector expected to remain in enforced closure until the beginning of July they will be losing over 40% of the season, and with social distancing recommended to remain in place the impact on revenue will be even greater.

The sector was asked what their concerns were, and the response was:

Concern	Top Concern %	Least Concern %
Costs and cashflow	54%	5%
Revenue and reduced demand for your goods or services	34%	1%
Disruption to the supply of materials, goods and services to your business	6%	9%
Disruption to the distribution of your goods or services to the marketplace	1%	12%
Employee absenteeism and availability	6%	73%

It is no surprise given the pandemic has occurred during the tourism season that the top two concerns were financial.

For the short-term impact on the sector, businesses were asked how long it would take for them to return to normal if restrictions were lifted today. Just over half would recover within 3 months and 2% believing never.

Time to Recover:	%
Almost immediately	22%
1 month	13%
3 months	18%
6+ months	45%
Never	2%

These worrying statistics could be linked to the fact that less than half of businesses in the sector have any plans or strategies in place to deal with Coronavirus outbreak and the uncertainty of how restrictions will be lifted.

Visitor Impact: Working with the Great Yarmouth Town Centre Partnership, the impact on visitors to the town centre have been monitored. Within the Great Yarmouth Town Centre, a counter records

the number of people passing through the area to enable trends to be spotted and success of certain activities monitored.

Below shows the impact the imposed lockdown has had on the town centre over the past three months:

	2019	2020	Difference
March	251,393	154,815	-38.41%
April	268,808	50,174	-81.33%
May	260,808	63,575	-75.62%

It must be noted that in both years Easter has fallen in April and one of the town's events, the Easter Fair, would have also taken place a week later. The town has also missed out on two bank holidays and a school holiday.

Economic Impact¹: Using data available for the three key months that the tourist sector has effectively been shut for (April to June) the impact on the economy can be measured.

During this period the borough has lost 20.7% of the annual spend from day trippers and 27% from overnight visitors. This equates to 30% of the annual spend (£187.6 million).

The sector was questioned on the impact the current crisis has had on sales/revenue, the below tables demonstrate that 58% of businesses with the borough have lost all of their revenue since lockdown, with a third believing this will continue for the next few months.

How has the Coronavirus outbreak affected your sales/revenues so far this year?									
Minus or Plus	-100%	-75%	-50%	-25%	Same	Up 25%	Up 50%	Up 75%	Up 100%
Percentage	58%	17%	10%	9%	2%	1%	1%	1%	2%

How do you think the Coronavirus outbreak will affect your sales/revenue in the next month?									
Minus or Plus	-100%	-75%	-50%	-25%	Same	Up 25%	Up 50%	Up 75%	Up 100%
Percentage	60%	18%	12%	6%	2%	0%	0%	0%	2%

How do you think the Coronavirus outbreak will affect your sales/revenue in the next 3 months?									
Minus or Plus	-100%	-75%	-50%	-25%	Same	Up 25%	Up 50%	Up 75%	Up 100%
Percentage	32%	39%	17%	7%	3%	0%	0%	1%	1%

Employee Impact:

There are many employees who are on zero-hour contracts within the sector (22.6% if people on zero-hours contracts are within the accommodation and food sector²), so with the season yet to commence many have not been able to work in 2020. For those businesses with staff on fixed or permanent contracts the impact on these has been significant.

Impact on full-time equivalent employees	%
Percentage of jobs that have had at least some unpaid leave or reduced working hours since the Coronavirus outbreak:	57%

Percentage of jobs are currently furloughed:	81%
Percentage of jobs that have been laid off:	15%
Percentage of jobs at risk due to the Coronavirus situation in the next month:	22%
Percentage of jobs at risk due to the Coronavirus situation in the next 6 months:	55%

¹*Destination Research, Economic Impact of Tourism – Great Yarmouth, 2017*

²*Office for National Statistics – Contracts that do not guarantee a minimum number of hours – April 2018*

Events Impact: To assist tourism, the borough offers a number of public events throughout the summer season, many of which are free of charge to attend. With events cancelled up to the end of September, it is calculated that the impact on the local economy is a loss of over £11 million (please see Appendix 1 for full details). This figure does not include the loss of income to accommodation providers, with just under 320,000 expected attendees many would have incorporated an overnight stay.

Accommodation Impact: Great Yarmouth Borough Council contacted 121 accommodation providers in early April to survey whether they were open to accept Key Workers during lockdown but abiding by strict regulations. Just under 20% were accepting limited numbers and therefore limited revenue stream. This means that 80% of providers in the area were closed for business at the time of contact.

2: Effectiveness of the support provided by DCSM, other Government Departments and Arms-Length Bodies on the Sectors Needs

Overall: Government departments reacted to the impact on businesses with the launch of various financial support packages, guidance on businesses exempt from forced closure, relaxation of planning rules to allow pubs and restaurants to operate as takeaways, and taskforces.

Advice and support become readily available through Government departments and Local Enterprise Partnership, with Great Yarmouth Borough Council setting up their own freephone business support line.

Financial Support: Due to many businesses within the tourism sector being closed, it was key to understand what financial support they have been able to access to assist in their survival. For those the following were of most benefit:

- Coronavirus Job Retention Scheme.
- Statutory Sick Pay claim back.
- Deferral of VAT payments.
- Deferral of Self-Assessment payments.
- Time to Pay Arrangement for self-assessment tax bill.
- Business rates relief (expanded to cover all of the retail, hospitality and leisure sector).
- Small Business Grant.
- Retail, Hospitality and Leisure Grant.
- Coronavirus Business Interruption Loan Scheme (in conjunction with main stream lenders).
- Bounce Back Loan (in conjunction with main stream lenders).
- 12-month Permitted Development Right.

Below details the financial support, made available to them by the Government, local authorities and/or banks, accessed by local businesses within the sector:

Financial Support	%
Retail Discount Business Rates Holiday	29%
£10,000 Small Business Grants Fund	50%
£10,000 Retail, Hospitality and Leisure Grant Fund	24%
£25,000 Retail, Hospitality and Leisure Grant Fund	7%
Banks' Coronavirus Business Interruption Loan Scheme	17%
Coronavirus Job Retention Scheme (covering 80% of PAYE salaries)	42%
Self-employment Income Support Scheme	30%
Businesses accessing at least one of these sources of financial support	93%

In summary 82% of the businesses received one of the grants on offer. Feedback through the survey and business calls indicated those who did not either had a rateable value over £51,000 or do not pay their rates directly to the council, as either exempt or in shared office spaces/concessions. The introduction of the Local Authority Discretionary Grant should assist these, at the time of the writing of this report no data available.

Financial Support Issues:

- A major concern for tourism businesses still closed is how long the funding they have accessed will last. Many believe further financial assistance will be required to get back up and running.
- Out of those surveyed 11% experienced difficulty in accessing support from their bank.
- 13% of businesses have had their insurance claims declined, despite having business interruption cover.
- Frustration for self-employed due to the delay in the Self-employment Income Support Scheme being made available.

Advice and Support: There is plenty of information available to businesses, and early on. Between the Great Anglia LEP and Great Yarmouth Borough Council this was condensed to make manageable. Both ensured that information was continuously kept up to date.

Much of the advice is online, which is reliant on businesses having full access to the internet. The letter sent to household throughout the UK directed people online.

With restrictions slowly being lift, much of the sector does remain closed. The announcement of the Cultural Renewal Taskforce was very late in the day, being announced on 20th May and the first meeting taking place on 22nd May. This was also the case for the Working Safely guidance, these became available after some businesses had continued to operate.

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

At this stage it is difficult to understand what the true long-term impacts will be on the sector as there are too many variables, including:

- Time long social distancing remains in place.
- A second wave occurring.
- A second forced lockdown.

- UK slipping into recession.
- Oversea economies slipping into recession.

Social Distancing: If this was to remain in place for the foreseeable future it would have a detrimental long-term impact on many businesses within the sector.

Eateries and drink establishments may not have the outside space to be able to maintain social-distancing. Therefore, revenue that is generated from internal space covers could potential not be viable for the business to continue to operate therefore impacting unemployment levels and the offer to visitors deteriorates.

Government could assist those businesses that do have external space by relaxing rules to allow for outside seating, temporary covers and heating, making it easier for businesses to gain a pavement license on both public highways, council land and private land.

It would also have a long-term impact on arts and culture businesses, where audience attendance is essential for survival, at present these types of businesses would be the last that could reopen. Workplace social distancing is fine whilst demand is low, but operating at full capacity is often impossible with social distancing in place. Business profitability often hinges on small margins, so theatres/restaurants etc. aren't viable if they're throughput is restricted. There's evidence, internationally, that if businesses do reopen, people staying away from personal choice, rather than Government policy, is the biggest factor (i.e. the different lockdown approaches taken by Denmark v Sweden).

If social distancing was to become the norm, the type of events that the Borough of Great Yarmouth hosts would no longer be able to take place. This is due to not being able to control the distancing and also the public's lack of confidence to attend large public gathering. This would impact the economy in Great Yarmouth dramatically, please see Appendix 1.

Second Wave/Lockdown: The long-term impact on the sector if this was to happen in this calendar year would be disastrous, with an estimate of nearly a third of businesses in the sector not surviving.

The Government needs to be clear and concise on guidance now, ensuring social distancing is adhered to and enforce restrictions quickly in areas where Coronavirus cases start to increase. Guidance should include sector-specific PPE, social distancing for businesses and how to trade clean and safe including Kite Mark self-assessments.

Recession: A recession, whether globally or regionally, would see a reduction in demand for sector services and products, and a decline in investment. This scenario would require the Government to pull a support package together to assist viable businesses through the situation. The support would need to be appropriate and be designed and implemented by identifying the risks to value of money and how these risks could be managed.

To assist the sector, it would be beneficial for the Government to work with destination organisations, the Arts Council and cultural boards to encourage UK residents to visit and use what is on their door step. This support could be in the form of funding for marketing campaigns or to improve areas to make them more attractive.

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

The biggest lesson learnt is that it is imperative that all parties need to have contingency/emergency strategies and plans in place to be able to deal with the worst-case scenario. As previously stated less than half of the sector had put any strategies in place to trade through the Covid-19 pandemic. However, no one could have predicted the scale of impact the Covid-19 situation has had, but businesses can now use this information to put plans in place, which could be in the form of alternative arrangements to remain operational, ensuring renewed insurance cover is fit for purpose in terms of business interruption and financial planning.

For the sector a key lesson is that many rely on revenue generated in six months to support them over the winter. The sector needs to look at ways in which they can extend the season, so should something similar occur again the impact on survival is not as great.

The situation has taught businesses that they have to adapt to change where they can and embrace it in order to survive, those who have not have been left behind.

Covid -19 has shown that different parties can work together quickly and efficiently in order to respond to a constant evolving situation. This includes county and local authorities, Local Enterprise Partnerships, Job Centres, VCSE sector, private businesses and the public.

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

All Year Round: One of the key evolvments is to ensure that the sector is active all year round. For this to happen DCMS can support the sector by:

- Driving forward the proposed Tourism Sector Deal, including the new Business Events strategy and introduction of Tourism Zones.
- Working with partners to market Britain's destinations as open all year round, both domestically and internationally.
- Support culture for it to truly co-exist with tourism. This will assist in developing a sense of 'place'.
- Ensuring all the individual elements within the sector work together.
- Agreeing to an extension to the season for holiday parks.

The sector could help its self here by broadening their target markets and to think beyond traditional tourism. By extending their offering to be inclusive to all (businesses, residents, local communities and visitors).

The FACET project is aimed at entrepreneurs to demonstrate lo-threshold solution and best practices to support them in changing their business models (<https://www.interreg2seas.eu/en/FACET>).

Environment: Protect, enhance and value the built and natural environments in order to support the sector and attract future investment. These environments are fundamental in creating a sense of place and contribute immensely to the quality of people's life and supports the visitor economy. Historical and heritage tours are one of the fastest growing trip segments.

DCMS could support projects through vital funding that assist areas to develop and maintain the built and natural environments, and to ensure they are accessible to all. By improving the quality of

the environment people live in it fosters a sense of well-being and pride which in turn supports the visitor economy.

Digital Technology: Virtual and active reality could assist the sector in encouraging visitors to the area and entertain them once they are here. The application could provide:

- Facebook live sessions on tourism platforms.
- Selfie/photo trails with pictures taken at certain locations or discounts available at certain businesses visited.
- Virtual heritage walks.
- Other virtual events – music performances, festivals etc.

DCMS could support this by assisting in the development of all-encompassing application that would allow the sector to fully exploit what it is their area has to offer. Digital connectivity needs to be driven forward to ensure coverage is accessible in all areas.

Experience: Development of an overall visitor experience to incorporate the many layers a destination has including its people, culture, heritage, buildings, landscape and geographies. It is vital that organisations such as Visit Great Britain are worked with to produce tool kits and guidance for destinations to use to achieve this.

Encouragement, through marketing campaigns, for people to holiday in the UK will also be required, both domestically and internationally. The experience needs to be sold to entice both domestic and international tourists to visit and experience more places within the UK.

The EXPERIENCE Project is already working with destination to look at experiential tourism to extend the visitor season (<https://www.channelmanche.com/en/projects/approved-projects/experience/>).

Appendix 1: Economic Loss from Cancelled Events 2020

<u>Date</u>	<u>Event</u>	<u>Venue</u>	<u>Estimated Attendance</u>	<u>Spend per head*</u>	<u>Total</u>
16/04/2020	Easter Fair	Market Place, Great Yarmouth	5000	£34.55	£172,750.00
17/04/2020	Easter Fair	Market Place, Great Yarmouth	6000	£34.55	£207,300.00
18/04/2020	Easter Fair	Market Place, Great Yarmouth	10000	£34.55	£345,500.00
19/04/2020	Easter Fair	Market Place, Great Yarmouth	3000	£34.55	£103,650.00
Total					£829,200.00
08/05/2020	VE Day Pageant	Market Place, Great Yarmouth	7500	£34.55	£259,125.00
24/05/2020	Rotary Duck Race	The Waterways, Seafront, Great Yarmouth	5000	£34.55	£172,750.00
24/05/2020	Hemsby Fireworks	Beach Road, Hemsby	3000	£34.55	£103,650.00
Total					£535,525.00
13/06/2020	Great Yarmouth Arts Festival/ Carnival	Seafront to Town Centre	1500	£34.55	£51,825.00
27/06/2020	Waveney Pride	Great Yarmouth	7500	£34.55	£259,125.00
Total					£310,950.00
04/07/2020	Wheels Festival	Seafront, Great Yarmouth	35000	£34.55	£1,209,250.00
05/07/2020	Wheels Festival	Seafront, Great Yarmouth	25000	£34.55	£863,750.00
10/07/2020	Martham Carnival	Village Green, Martham	1000	£34.55	£34,550.00
11/07/2020	Martham Carnival	Village Green, Martham	4000	£34.55	£138,200.00
12/07/2020	Martham Carnival	Village Green, Martham	3000	£34.55	£103,650.00
11/07/2020	Wuthering Heights Dance Event	Gorleston Bandstand	500	£34.55	£17,275.00
25/07/2020	Clifftop Gala	Gorleston Cliffs	15000	£34.55	£518,250.00
26/07/2020	Clifftop Gala	Gorleston Cliffs	10000	£34.55	£345,500.00
22/07/2020	Great Yarmouth Fireworks	Seafront, Great Yarmouth	4000	£34.55	£138,200.00
28/07/2020	Hemsby Fireworks	Beach Road, Hemsby	3000	£34.55	£103,650.00
29/07/2020	Great Yarmouth Fireworks	Seafront, Great Yarmouth	5000	£34.55	£172,750.00
Total					£3,645,025.00

04/08/2020	Hemsby Fireworks	Beach Road, Hemsby	3000	£34.55	£103,650.00
05/08/2020	Great Yarmouth Fireworks	Seafront, Great Yarmouth	8000	£34.55	£276,400.00
11/08/2020	Hemsby Fireworks	Beach Road, Hemsby	3000	£34.55	£103,650.00
12/08/2020	Great Yarmouth Fireworks	Seafront, Great Yarmouth	8000	£34.55	£276,400.00
18/08/2020	Hemsby Fireworks	Beach Road, Hemsby	3000	£34.55	£103,650.00
19/08/2020	Great Yarmouth Fireworks	Seafront, Great Yarmouth	8000	£34.55	£276,400.00
25/08/2020	Hemsby Fireworks	Beach Road, Hemsby	3000	£34.55	£103,650.00
26/08/2020	Great Yarmouth Fireworks	Seafront, Great Yarmouth	8000	£34.55	£276,400.00
30/08/2020	Pirates Car Club/ Birthday Bash	Anchor Gardens, Seafront, Great Yarmouth	8000	£34.55	£276,400.00
Total					£1,796,600.00
September	Festival of Bowls - Four week event	Bowling Greens, Seafront, Great Yarmouth	2000	£34.55	£69,100.00
05/09/2020	Maritime Festival	South Quay, Great Yarmouth	16000	£34.55	£552,800.00
06/09/2020	Maritime Festival	South Quay, Great Yarmouth	14000	£34.55	£483,700.00
12/09/2020	Out There Festival	Various locations, central Great Yarmouth	31500	£34.55	£1,088,325.00
13/09/2020	Out There Festival	Various locations, central Great Yarmouth	31500	£34.55	£1,088,325.00
15/09/2020	Festival of Racing	Great Yarmouth Racecourse	3500	£34.55	£120,925.00
16/09/2020	Festival of Racing	Great Yarmouth Racecourse	4500	£34.55	£155,475.00
17/09/2020	Festival of Racing	Great Yarmouth Racecourse	5000	£34.55	£172,750.00
19/09/2020	Seaside Sparkle – Girl Guide Event	Various locations, Great Yarmouth	5000	£34.55	£172,750.00
Total					£3,904,150.00
Overall Total					£11,021,450.00
*Source. Economic Impact of Tourism 2017 Report (Page 2)/ Methodology - Cambridge Model commissioned by GYTABIA					