

# COVID-19: FROM SURVIVAL TO RECOVERY

Supporting the Hotel & Visitor Accommodation Industry through the Crisis

UPDATE 2: 18 JUNE 2020

## Introduction

This is the second 'From Survival to Recovery' update from Hotel Solutions providing further information on how the COVID-19 crisis is affecting the UK hotel and visitor accommodation industry to help DMOs and local authority tourism teams to support their hotel and visitor accommodation businesses as we move into the reopening and recovery phases.

## Winners

A survey of over 7,000 campers conducted by camping and glamping specialist Campsites.co.uk shows strong demand for **UK camping holidays** once the lockdown restrictions are lifted and some clear indications of the measures that campers will expect campsites to have in place once they reopen. Almost a third of the campers that took part in the survey indicated that they would like to go away immediately after travel restrictions are expected to be lifted on 4 July, while nearly 6 in 10 would be happy to travel before the end of July and 83% indicated that they would be happy to book a UK camping holiday by the end of August. Other key findings are as follows:

- More than 90% of the campers surveyed would like campsites to be re-opened by the beginning of July.
- Two thirds were concerned about how locals would welcome tourists.
- 8 in 10 campers would check the measures a campsite is taking to operate safely before booking.
- 85% expect showers to be open.
- More than three quarters expect campsites to close some pitches to reduce guest numbers, with almost 1 in 4 expecting half of pitches to be closed.
- 70% expect campsites to set and enforce policies about on-site etiquette and 9 in 10 were concerned about other guests not respecting social distancing rules.
- Almost 85% said they might feel more confident booking a smaller site where there was less risk of overcrowding.
- Nearly three quarters would consider paying extra to help sites cover additional costs this summer.

[www.campsites.co.uk/resources/coronavirus-survey-results#a3](http://www.campsites.co.uk/resources/coronavirus-survey-results#a3)

As the prospect of international travel takes a back seat as a result of the fourteen-day quarantine rule for incoming arrivals, lastminute.com reports a strong rise in **domestic accommodation bookings** from July. Its hotel bookings show a 45% week on week increase for the UK in the first week of June, and in particular for London (+140% compared to the previous week), Manchester (+300%), Blackpool (+200%) and Bristol (+200%). A survey commissioned by lastminute.com has reported that 33% of Brits intend to stay in the UK this summer, while an article by global hotel consultancy HVS also points to domestic leisure demand as the key driver to the recovery of the UK hotel industry once lockdown restrictions are lifted. It suggests that hotels in London and other gateway cities, with their heavier reliance on international travellers and corporate bookings are likely to take longer to recover. <https://www.hvs.com/article/8787-COVID-19-Recovery-in-the-UK-The-Importance-of-Domestic-Demand>

## Losers

**Macdonald Hotels**, which operates 31 hotels across the UK, has started a consultation process with staff regarding 1,800 jobs at risk as the impact of the coronavirus lockdown takes its toll on trading. Despite the help that the company has been able to secure through the government's furlough scheme, the group's monthly cash outgoings are still running at £2m while all of its hotels remain closed. With no realistic prospects of a return to anything like normal trading for the foreseeable future, the company feels that it has no option but to start to look at cutting staff numbers.

## Consumer Sentiment and Behaviour

The Week 3 (1-5 June) results of the **VisitBritain/VisitEngland COVID-19 Consumer Weekly Tracker** show a slight increase in consumer confidence about taking a UK holiday or short break in July and August. 16% of respondents said that they were confident about taking a UK holiday in these months (compared to 13% in Weeks 1 and 2), while 28% said that they were happy enough to go on a staycation break (compared to 25% in week 2). Confidence is stronger for taking UK holidays and breaks between September and December. 58% of respondents indicated that they feel confident enough to take a UK short break in these months (compared to 54% in week 2), while 50% said they would be happy enough to take a holiday (compared to 43% in Week 2). There has been a slight drop in consumer confidence about UK holidays and breaks in 2021, with 73% of Week 3 respondents giving a positive response compared to 75% in Week 2.

[www.visitbritain.org/covid-19-consumer-sentiment-tracker](http://www.visitbritain.org/covid-19-consumer-sentiment-tracker)

New research from People 1<sup>st</sup> looking at **behavioural attitudes towards resuming leisure activities** shows that crowd levels at hospitality venues and visitor attractions are the biggest concern for consumers that are planning trips when lockdown restrictions lift. Following close behind are concerns about the ability to social distance, confidence in infection control measures, worries about cleanliness and hygiene, and confidence that staff have been trained in new protocols. <https://www.people1st.co.uk/insights/covid-19-live-research/covid-19-consumer-insights/>

Data compiled by hospitality booking solutions company Profitroom shows that hotel guests look more likely to switch to **direct hotel bookings** in the wake of COVID-19, in preference to booking through OTAs. Profitroom's analysis of hotel booking data between 7 May and 7 June shows a 37.23% increase in direct bookings while OTA bookings have fallen by 16.6%. The data also reveals a rapid rise in traffic to hotel websites as guests look to establish which services of a hotel are functioning and what coronavirus precautions hotels have in place. [www.profitroom.com/coronavirus/](http://www.profitroom.com/coronavirus/)

## Reopening

At the time of writing the **UK Government** has yet to publish its guidance on the reopening of hospitality businesses.

The AA has launched a new Covid-19 accreditation scheme to help foster consumer confidence as the hospitality sector prepares to come out of lockdown. The **AA Covid Confident** assessment scheme is open to hotels, restaurants, pubs, B&Bs and other accommodation businesses. It is free to all businesses, with applicants encouraged to make a donation to Hospitality Action. Properties that do not currently hold an AA Star rating are able to apply, however any establishment serving food will need to hold a food hygiene score of three and above to be eligible. Each participating establishment will be required to pass stringent criteria to gain the new accreditation, including supplying a risk assessment, being able to provide clear evidence that relevant procedures and measures are in place, and that staff training has taken place. Businesses must also sign up to the Covid Confident Charter that will include a commitment to continuing to update procedures and measures as guidelines change, and to submitting to future audits as required. The accreditation will indicate to customers that an establishment has in place the necessary risk assessments, safety measures and staff training, in line with the Government and UKHospitality's published reopening guidelines. The scheme is backed by 19 industry bodies, including Master Innholders, HOSPA, Institute of Hospitality and the B&B Association. The AA will be providing all those awarded a Covid Confident mark with regular updates on the latest Government guidelines, Health & Safety Executive Guidelines, and best practice. Establishments will also be listed on the AA's consumer facing RatedTrips website.

[www.ratedtrips.com/aa-covid-confident](http://www.ratedtrips.com/aa-covid-confident)

The World Travel & Tourism Council (WTC) has created a global safety and hygiene stamp to help restore consumer confidence in travelling again. The **Safe Travels** stamp, devised in line with guidelines from the World Health Organisation and the Centre for Disease Control and Prevention, is designed to identify destinations and businesses around the world that have adopted its health and hygiene global standardised protocols. <https://wttc.org/COVID-19/Safe-Travels-Global-Protocols-Stamp>

New research from People 1<sup>st</sup> shows that three quarters of people working in the hospitality, retail, travel and aviation sectors are nervous about returning to work. **Covid-19: The Impact on Skills in Hospitality, Retail, Travel and Aviation** highlights the new skills and knowledge that staff will need to achieve safe reopening and manage changed consumer behaviours, with a more proactive approach to customer service seen as a key priority by 91% of the 526 companies that took part in the research, and strong business leadership being key to restoring both staff and customer confidence during the reopening phase. Almost two thirds of the participating employers support the creation of a recognised symbol to reassure customers, and more than half backed industry-recognised virtual training solutions. <https://people1st.co.uk/insights/covid-19-live-research/covid-19-skills-impact-recovery-survey/>

**Failte Ireland** published guidelines on 9 June for the reopening of accommodation businesses in Ireland. <https://covid19.failteireland.ie/industry-updates/guidelines-for-re-opening-published/>

**Visit Isle of Man** produced a series of reopening guidance documents for different types of visitor accommodation ahead of the reopening of the accommodation sector to domestic (on-island) guests from 15 June. With the island having been free from COVID-19 for over three weeks, the majority of social distancing restrictions have now been removed and the accommodation guidance documents have been withdrawn. They still provide a lot of useful guidance and an indication of the sort of guidelines that are likely to be introduced in the UK.



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Accommodation gui



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Campsite  
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Hilton Hotels has started to roll out its new **Hilton CleanStay** cleanliness and disinfection standards to all 152 of its UK hotels. Created in partnership with the makers of Dettol and Lysol, the new standards include enhanced bedroom cleaning protocols and procedures. [www.hilton.com/en/corporate/cleanstay/](http://www.hilton.com/en/corporate/cleanstay/)

**easyHotel** is planning to reopen all of its UK hotels in July with a new 'Stay easy, Stay Safe' pledge to reassure guests that it is putting their safety first through enhanced cleanliness, keeping contact to a minimum and maintaining social distancing. [www.easyhotel.com/stay-easy-stay-safe](http://www.easyhotel.com/stay-easy-stay-safe)

**Jurys Inn and Leonardo Hotels** has introduced a new 'Stay Safe, Stay Happy' customer commitment charter in preparation for the reopening of its UK hotels towards the end of July. The charter covers hygiene, social distancing, cashless operations, food & beverage delivery and training. The company is also working in partnership with its supplier Ecolab to introduce deep cleaning products and protocols to enhance cleanliness standards across all areas of its hotels. [www.leonardohotels.co.uk/stay-safe-stay-happy](http://www.leonardohotels.co.uk/stay-safe-stay-happy)

## Redesign and Pivoting

The Brownber Hall boutique hotel in the Yorkshire Dales has decided to pivot to a **private rental property** for 15 guests after its owners realised that they would be unable to operate successfully as a hotel post COVID-19. They are also in the process of converting Brownber House, a four-bedroom farmhouse on the estate, into a holiday let. <http://brownberhall.co.uk/>

The St Moritz Hotel & Spa at Trebetherick in Cornwall is set to open the **UK's first purpose-designed socially distanced restaurant** on 4 July. The new 'Anti-Social Club' will consist of 16 private dining rooms with a total of 96 covers. It will combine the elements of private members clubs, private dining rooms, beach clubs and summer pop-up restaurants to create a new 'bubble' dining experience. It will operate staggered dining times to ensure that guests don't run into each other. [www.stmoritzhotel.co.uk/dine/](http://www.stmoritzhotel.co.uk/dine/)

## Industry Support, Services and Products

VisitBritain/VisitEngland is offering a programme of **free business recovery webinars** throughout July and August. Topics include business adaptation and reopening, marketing, technology, sustainability and accessibility. [www.visitbritain.org/visitengland-business-recovery-webinar-programme?utm\\_source=vbve\\_eneews\\_10\\_06\\_2020&utm\\_medium=email&utm\\_campaign=vbve\\_10\\_06\\_2020](http://www.visitbritain.org/visitengland-business-recovery-webinar-programme?utm_source=vbve_eneews_10_06_2020&utm_medium=email&utm_campaign=vbve_10_06_2020)

Vamoos is offering its **mobile app for hotels** for free for the rest of 2020. The app allows guests to control most of their stay from their mobile phone, helping to enhance their stay and reduce the level of contact they need to have with staff to support social distancing. <https://www.vamoos.com/>

Jakob has launched a range of post-mounted, **touch-free hand sanitisers** that can be used in hotel receptions, restaurants and public areas. <https://jakob.co.uk/products/view/post-mounted-hand-sanitiser/>

Leading hospitality tech company Criton has partnered with restaurant tech experts Hungrrr to add a **contactless food ordering system** to its hotel guest app. The system which comes at no cost to hoteliers allows guests to self-order and pay for food and drinks, whether in the hotel restaurant or in-room, via their own phone. As lockdown restrictions begin to be eased, this contactless solution will help hoteliers drive F&B revenues while maintaining physical distancing and safeguarding the health of their guests. The partnership with Hungrrr is the latest move by Criton to help the hospitality sector digitise its guest interactions and reduce the number of physical touchpoints. In May, Criton announced that its platform would be completely free until 2021, enabling more hoteliers to transition to digital services as the pandemic forces many to re-evaluate everything from booking to concierge services. Since the offer was made, Criton has significantly increased the number of hotels using its white-labelled app, which can be branded and configured to suit the individual property. [www.criton.com/news-hub/criton-and-hungrrr-offer-contactless-food-ordering-to-hotels](http://www.criton.com/news-hub/criton-and-hungrrr-offer-contactless-food-ordering-to-hotels)

## Government Support

The All-Party Parliamentary Group for Hospitality and Tourism has just published its report **Pathways to Recovery** highlighting the scale of the impact of the COVID-19 crisis on the UK hospitality and tourism sectors and outlining a series of recommendations to help businesses recover. These include continued financial support for hospitality and tourism businesses; clear guidance on social distancing and other safety measures in good time for reopening; a review of the 2-metre social distancing guidance; urgent government action on rent; an overhaul of the business rates system; cutting tourism VAT and Air Passenger Duty; an initiative to promote technology use in the sector; the creation of 'air bridges' with other countries; and the creation of an additional Autumn bank holiday. <https://www.ukhospitality.org.uk/page/PathwaystoRecovery>

## Hotel & Visitor Accommodation Investment

While hotel and visitor accommodation investment activity has slowed considerably, new development and refurbishment projects have continued to be unveiled and progressed across the UK:

- Bosworth Water Park at Market Bosworth in Leicestershire has lodged plans for the development of 103 timber-clad caravan holiday homes.
- Crown Golf and its development partner Sequoia Real Estate have secured planning approval for a £40m holiday village development in St Mellion, Cornwall. The company plans to transform the St Mellion Estate from its current role as a golfing hotel into a 230-unit family-friendly luxury resort.
- Plans have been submitted to Birmingham City Council for a 35-bedroom extension to the Ibis Styles hotel in Edgbaston.
- Plans to convert an office in Birmingham to a 45-room hostel have been recommended for approval by Birmingham City Council planning officers.
- Developers 2020 Living have submitted a planning application to Birmingham City Council for a landmark mixed-use development in Birmingham city centre to include a 230-bedroom hotel and 440 buy-to-rent apartments in a 35-storey tower.
- Investor-developer Augur Group has secured approval to expand the Adagio Liverpool aparthotel.
- Plans have been unveiled for the development of a 168-bedroom hotel and new offices opposite Watford Junction station.
- Whitbread is reopening 35 Premier Inn and hub by Premier Inn hotel construction sites in England and Wales as it focuses on safely continuing building work on the pipeline of more than 4,500 new hotel rooms that it aims to open by April 2023. Whitbread is also preparing to resume work on its four construction sites in Scotland once the Scottish Government confirms that it is safe for construction projects to recommence.
- Developer Premcor has unveiled plans for a 229-bedroom hotel in Manchester. It has launched a public consultation on the scheme and is aiming to submit a planning application in July.
- Bruce Group Scotland have submitted plans to Edinburgh City Council to convert a nightclub on Edinburgh's Cowgate into a 26-bedroom Scottish inspired boutique hotel.

## Hotel Transactions

While **transactional activity** in the hotel market has inevitably reduced during the coronavirus lockdown, UK hotels agency Colliers International has still progressed some sales and reports that it has continued to receive instructions and is still seeing enquiries from buyers with plenty of cash and an uplift in opportunistic buyers. The agency expects transactional activity to pick up once hotels are able to open and start trading again. Given the general view that the UK staycation market will bounce back strongly, it expects interest to be strongest initially for leisure hotels and properties in strong staycation destinations including national parks and coastal areas.

Property investment firms involved in Urban Living's Investor Sentiment webinar on 17 June suggested that there could be an increasing number of **distressed hotels** coming onto the market in 2021. While government financial assistance and a generally constructive approach from banks is helping to keep many hotels afloat, cashflow problems resulting from weak trading during initial reopening months at a time of reducing government support could see many hotels getting into trouble. The budget hotel sector, with its lower cost base and break-even point is likely to be more resilient and should recover more quickly.

## Hotel & Visitor Accommodation Business Failures

While there is evidence of continuing hotel and visitor accommodation development activity and interest, stories of hotel and visitor accommodation business failures as a result of the pandemic are also starting to emerge:

- London-based serviced apartment operator Cuckooz has closed due to the impact of COVID-19. Founded in 2016, the company had a portfolio of design-led serviced apartments across several locations in London. The owners reported that as a small business with limited cash reserves the company was not able to ride out the crisis caused by the pandemic.
- Liverpool boutique hotel 62 Castle Street is to close permanently on 1 July as a result of the financial impact on the hotel of COVID-19. Its owners felt that as a small independent hotel it will struggle to recover as quickly as some of the larger internationally branded hotels in Liverpool.

