

Support Welsh travel & tourism businesses

Y Pwyllgor Deisebau | 16 Gorffennaf 2021
Petitions Committee | 16 July 2021

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Petition title: Support Welsh travel and tourism businesses

Text of petition: Coronavirus has had a huge impact on all businesses across Wales, but from the start the travel and tourism industry has had a huge financial impact.

From the original 5 mile rule, to being allowed to trade for just 7 weeks, and now local travel restrictions re-imposed across much of Wales.

The tourism industry in particular coach holidays takes people to seaside resorts, towns and cities putting plenty of money through local hospitality and retail businesses.

We have received very little funding, and the latest announcement on the economic resilience fund will not be enough to support all the businesses across Wales that need the support.

There have been support packages put in place for many business types, but ours seems to be the worst affected and least supported.

We are kindly asking for your support to let the Welsh Government discuss a plan of helping our industry survive this pandemic.



1. Background

The most recent tourism barometer survey undertaken by the Welsh Government found that **around a quarter of tourism businesses in Wales lost over 80% of their normal revenue in 2020**, while over half of the businesses in the sector saw revenues fall by more than 60%. Highlighting the immense challenges faced by the sector, the research reports that **only 43% of tourism businesses expect to survive for longer than the next six months**.

The Confederation of Passenger Transport (CPT) Wales, who represent bus and coach operators across Wales, have stated in their coach strategy for Wales that:

The Covid-19 pandemic has had a devastating impact on an industry that is normally fundamentally healthy and profitable. However, with lockdown restrictions gradually easing, it is likely that trips can get underway this summer and is an opportunity for the industry to play a leading role in Wales economic recovery.

CPT Wales also highlights that 8 in 10 UK coach operators have seen their turnover decrease by at least 50% during the pandemic, and 2 in 10 have seen turnover fall by at least 90%.

Llwybr Newydd, the Welsh Government's transport strategy, was published in March 2021 and sets out mini-plans for supporting different transport sectors to deliver the Welsh Government's long-term priorities. This addresses bus services, but not coach services.

Specifically looking at the tourism sector, Let's Shape the Future sets out the Welsh Government's approach to economic reconstruction. In relation to travel trade, this states that there are specific impacts including:

- The pivotal role of visitor attractions within the tour and coach holiday offer; if some attractions do not re-open or restrict access – such as to groups – that will create issues for operators to honour their advertised tours/holidays;
- Potential supply chain issues throughout the sector may further hamper the successful re-start of travel trade business in 2021 and beyond.

2. Welsh Government action

The Welsh Government has supported businesses through a number of different funding streams since the start of the pandemic. There have been a range of different eligibility criteria for these funds, which will have determined whether individual travel and tourism businesses will have been able to receive support. While it has provided sector-specific support to the bus sector,

coach operators who do not offer public bus services or operate school transport will not have received any sector-specific support.

The Welsh Government has set out why it believes the business support it has offered during the pandemic is more generous than that available in England.

In March 2020, the Welsh Government announced grants for businesses who pay business rates. All businesses with a rateable value of up to £12,000 that were eligible for Small Business Rate Relief received a grant of £10,000, for up to two properties per local authority area. Eligible retail, hospitality and leisure businesses occupying properties with a rateable value of between £12,001 and £51,000 received a grant of £25,000.

In the first few months of the pandemic, the Welsh Government ran two phases of the Economic Resilience Fund. This provided support for businesses who did not receive support through other Welsh or UK Government schemes, based on the number of people they employed.

In October 2020, two further grants were provided through the Economic Resilience Fund. The Lockdown Business Fund supported businesses affected by the ‘firebreak’ lockdown between 23 October and 9 November. It provided grants of up to £5,000 to businesses who pay business rates, and discretionary grants of up to £2,000 to other impacted businesses. To support businesses with economic recovery and future sustainability, Business Development Grants of up to £200,000 were available, and £20 million of funding available was reserved for tourism and hospitality businesses.

Between December 2020 and January 2021, the Welsh Government announced two rounds of funding through the Economic Resilience Fund. One of these supported businesses in affected sectors and their supply chains who pay business rates and were impacted by the lockdown and restrictions put in place, providing grants of up to £10,000. The other provided discretionary grants of up to £4,000 to businesses in affected sectors and their supply chains who do not pay business rates, and were impacted by the restrictions.

Between January 2021 and March 2021, the Welsh Government ran two rounds of the ERF Sector Specific Grant, which supported eligible businesses in the tourism, hospitality and leisure sectors. The first round supported eligible businesses of all sizes, providing support according to the number of staff employed by a business. The second round provided support to eligible businesses employing at least 10 full-time equivalent staff.

In March 2021 the Welsh Government provided additional support to eligible businesses in sectors impacted by ongoing restrictions of up to £5,000 to businesses who pay business rates.

In May 2021, following the Senedd elections, the Welsh Government announced support of between £2,500 and £25,000 for businesses still affected by coronavirus restrictions.

Subsequently, the Welsh Government also **decided that** eligible businesses who were affected by the phased move to Alert Level 1 would receive an additional payment of between £875 and £5,000 depending on their size and circumstance, to cover the period up to the end of June.

3. Welsh Parliament action

The Fifth Senedd's Economy, Infrastructure and Skills Committee explored the impact of the pandemic on the tourism sector in its inquiry into **Long-term recovery from Covid**. This report concluded that support for recovery needs to be tailored to address specific issues, such as tourism, which was described by FSB Wales as going through 'three winters'.

The Committee recommended that:

Recommendation 24: The Welsh Government must prioritise ongoing sector-specific support for hard hit sectors such as non-essential retail, hair and beauty, tourism and hospitality, arts and culture. It should set out its proposals for doing this in 2021-22, making clear where additional funding from the UK Government will be needed.

Recommendation 26: Welsh Government should work with the tourism and hospitality sectors on a destination management strategy, including the development of campaigns to attract people to Wales for the 2021 season in a sustainable way for businesses and communities.

4. Sector-specific support for coach operators in the rest of the UK

CPT Wales has **called for** the Welsh Government to **introduce a Coach Recovery Fund to provide £7.5 million in targeted support to coach operators while social distancing is in place**. It suggests this fund should be based on support available in Scotland. It has **also asked the Welsh Government to ensure that any future rounds of funding, such as the Economic Resilience Fund, are open to coach operators**.

The **Scottish Coach Operators Fund** is administered by Visit Scotland on behalf of the Scottish Government. It was **established** to "help support coach tour operators while restrictions on travel are still in place, and to help them prepare to restart operations when restrictions are lifted." It provides targeted support to assist businesses that operate the newest and most environmentally friendly vehicle fleet, along with **other eligibility criteria**.

The **first strand** of this funding provided £8.3 million to coach operators for whom coach tourism and private coach hire make up more than 55% of their total turnover. The **second strand** of this

funding provided £1.6 million in support to coach operators for whom coach tourism and private coach hire make up more than 40% of their total turnover.

Northern Ireland has also provided support to bus and coach operators through two rounds of the **Bus Operator Financial Assistance Scheme**. This supported bus and coach operators with costs of ongoing overheads and expenses incurred. The funding was for operators whose “main business activity is the carriage of passengers and their luggage for reward and they have suffered a significant adverse impact on income arising from the loss of business due to the Coronavirus Restrictions”.

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