



COVID 19 BUSINESS CONFIDENCE SURVEY

Sept 2020

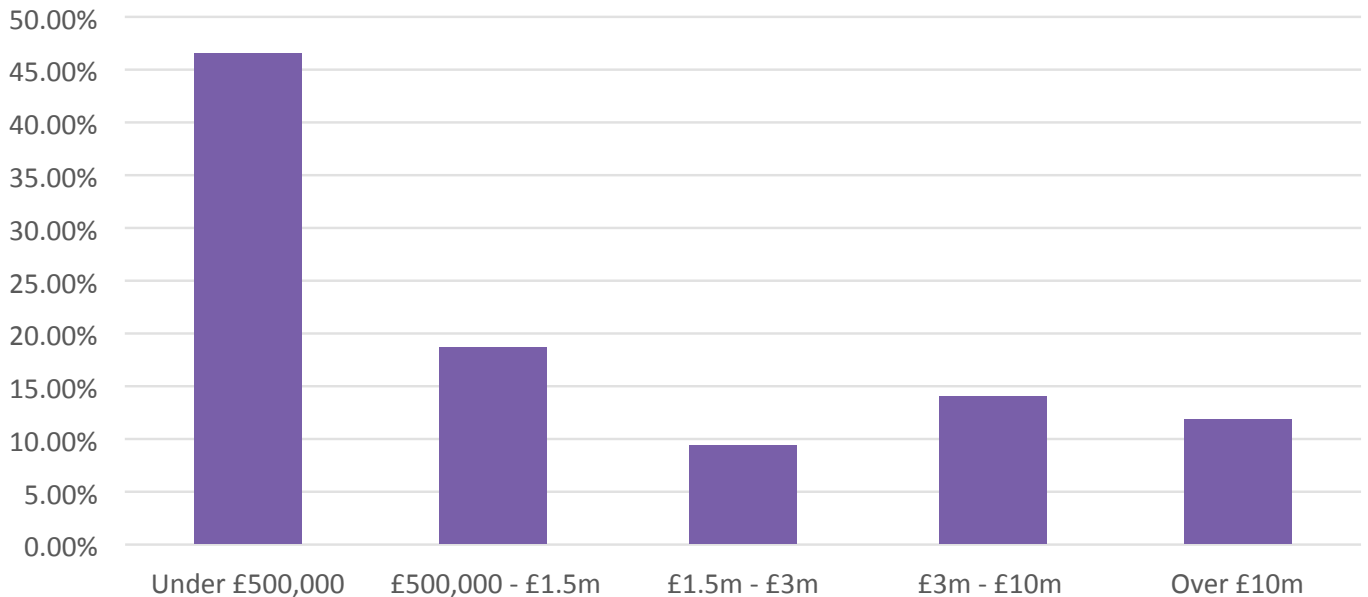


The aim with this snapshot survey is to capture a moment in time to see how businesses have been managing throughout the pandemic, what they anticipate for the near future and what they perceive to have been the benefits (or otherwise) of government action.

The survey is short and was initiated by Rayner Essex, the respondents are mostly contacts and clients of the firm, the findings are nonetheless very interesting. Support was provided by the ICAEW in delivering this survey.

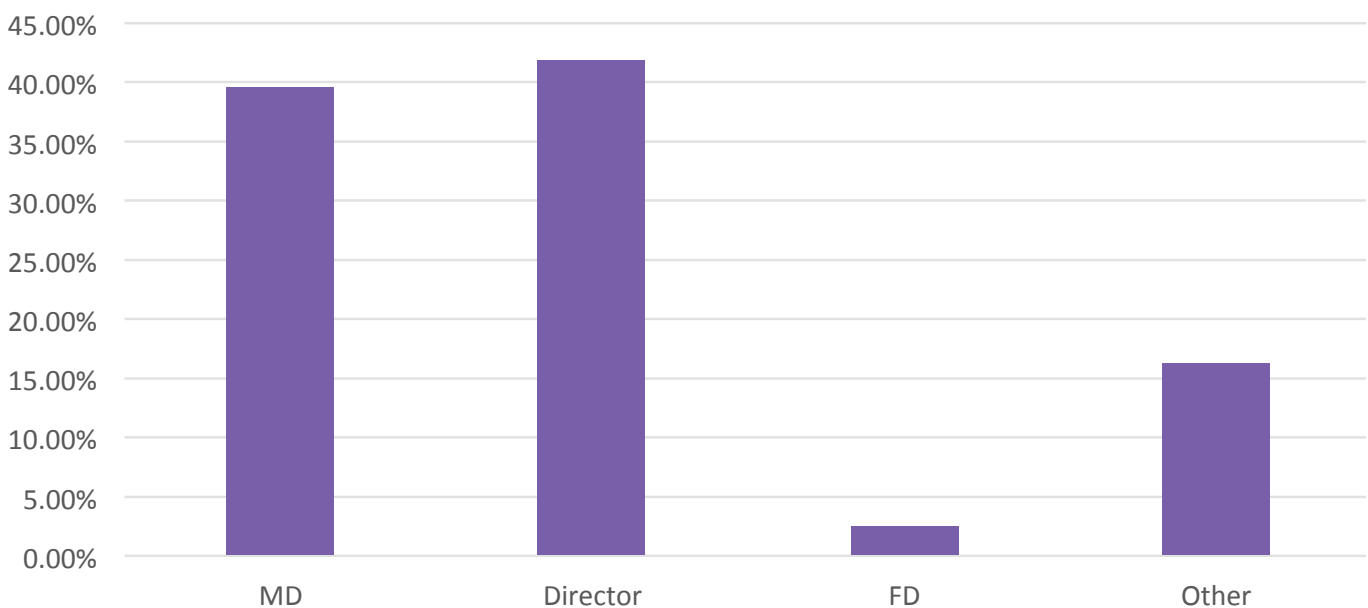
Section 1 – About Your Business

Q1. Turnover



The majority of respondents can be seen as fitting into the category of 'SMES'. 20 respondents had a turnover of less than £500,000 placing them at the smaller end of the SME range.

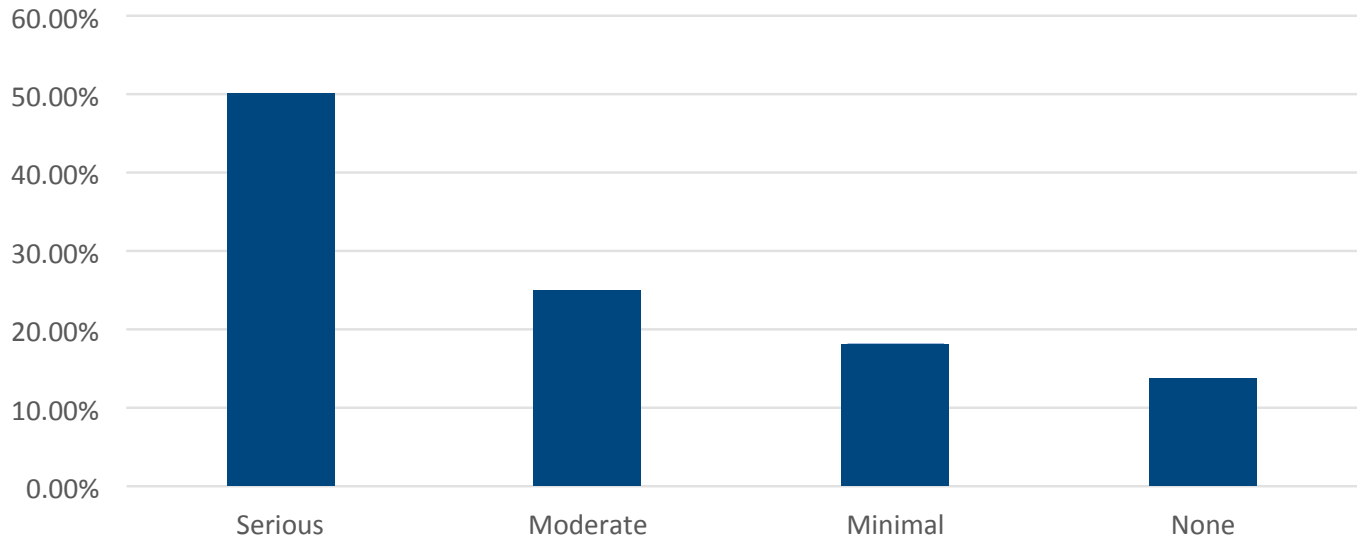
Q2. What is your position / job title?



The majority of respondents were Directors of business. This was the target audience for the survey. It is possible that those who responded as 'other' could also be senior personnel, however, no data was obtained for this.

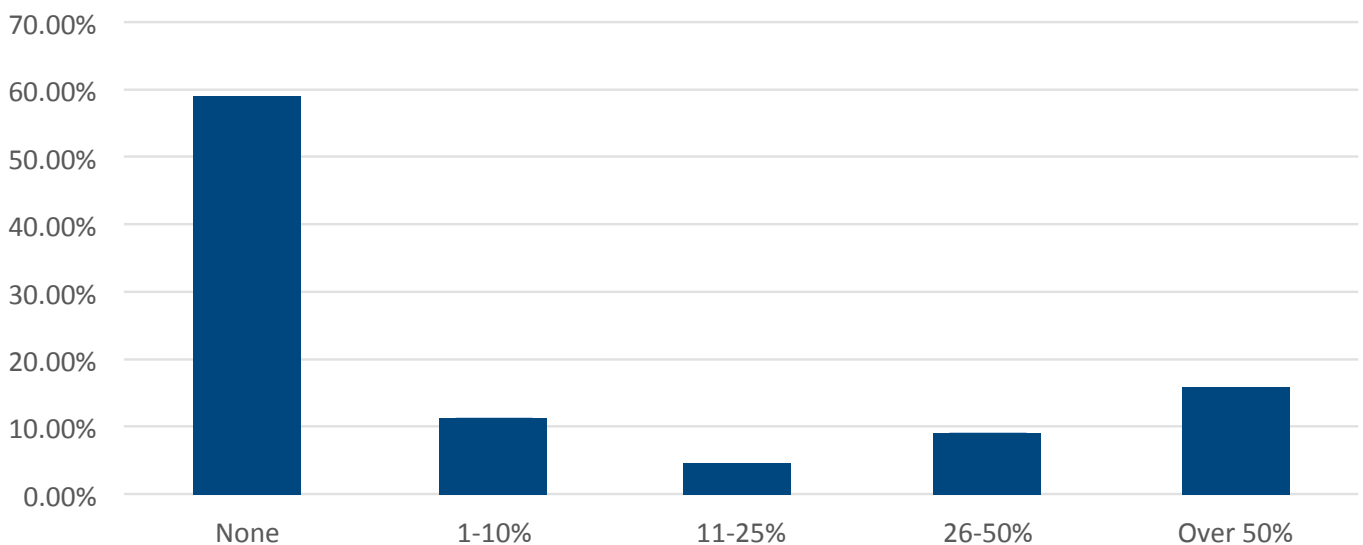
Section 2 – Covid 19 and the impact on your business

Q3. What effect has the Covid 19 outbreak had on your business overall?



A surprising finding here is the number of respondents who suggested the pandemic had had a moderate / minimal or no effect on their business. Some businesses have performed well during the crisis. Others have been hit hard.

Q4. Have you furloughed any employees? If yes, what percentage of the workforce?



Surprisingly, the majority of respondents to this survey reported no use of furlough. The significant number that had furloughed more than 50% of their workforce could face significant challenges going forward when support is removed.

Q5. Please include any comments you wish to make in relation to the above questions in section 2:

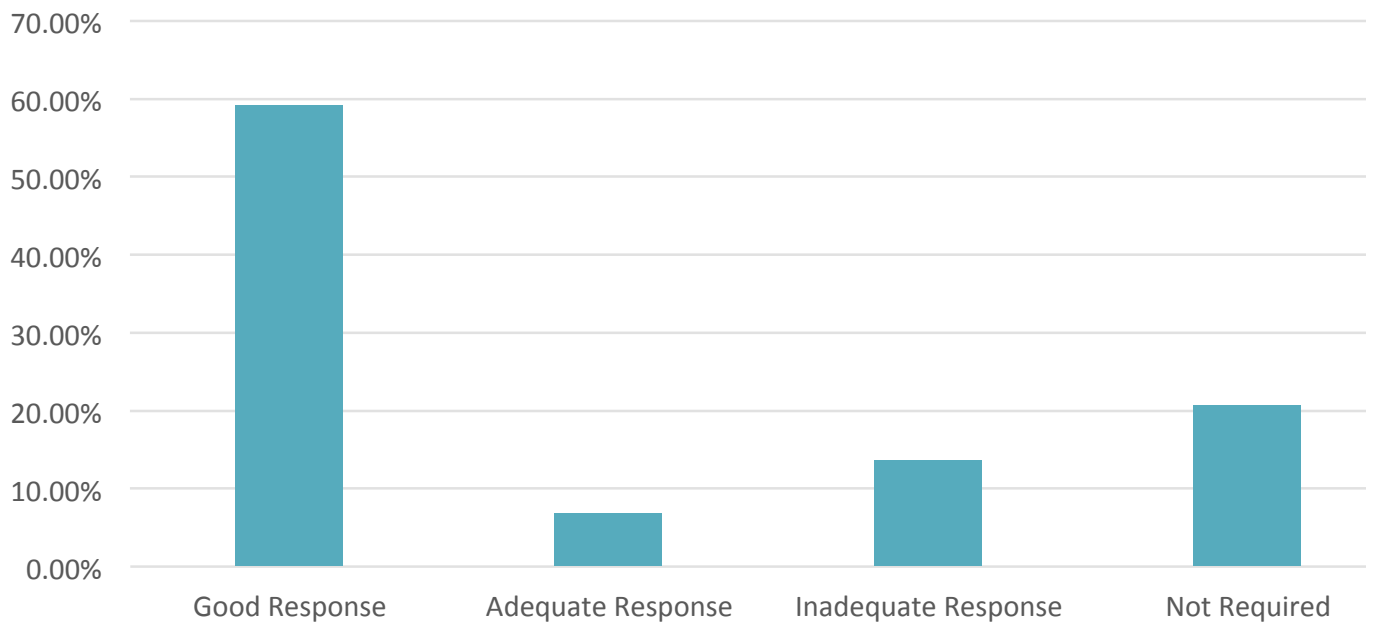
Answered	22
Skipped	22

Responses to this open field question were diverse. There was a grouping of responses that identified support for small businesses composed of Directors/owners missing out on furlough support.

One respondent reported now having everyone back at work on full pay whilst another reported having to make all staff redundant, which is perhaps indicative of the range of experience for businesses.

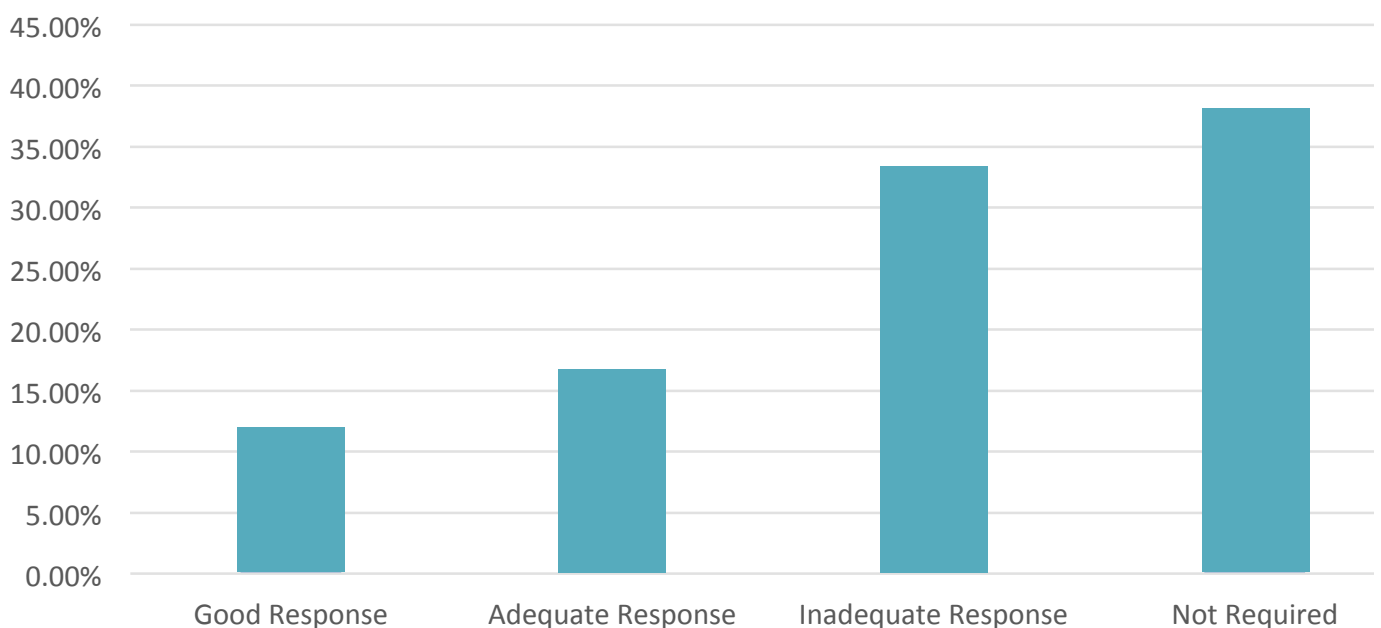
Section 3 – Looking back on Government support

Q6. Furlough scheme



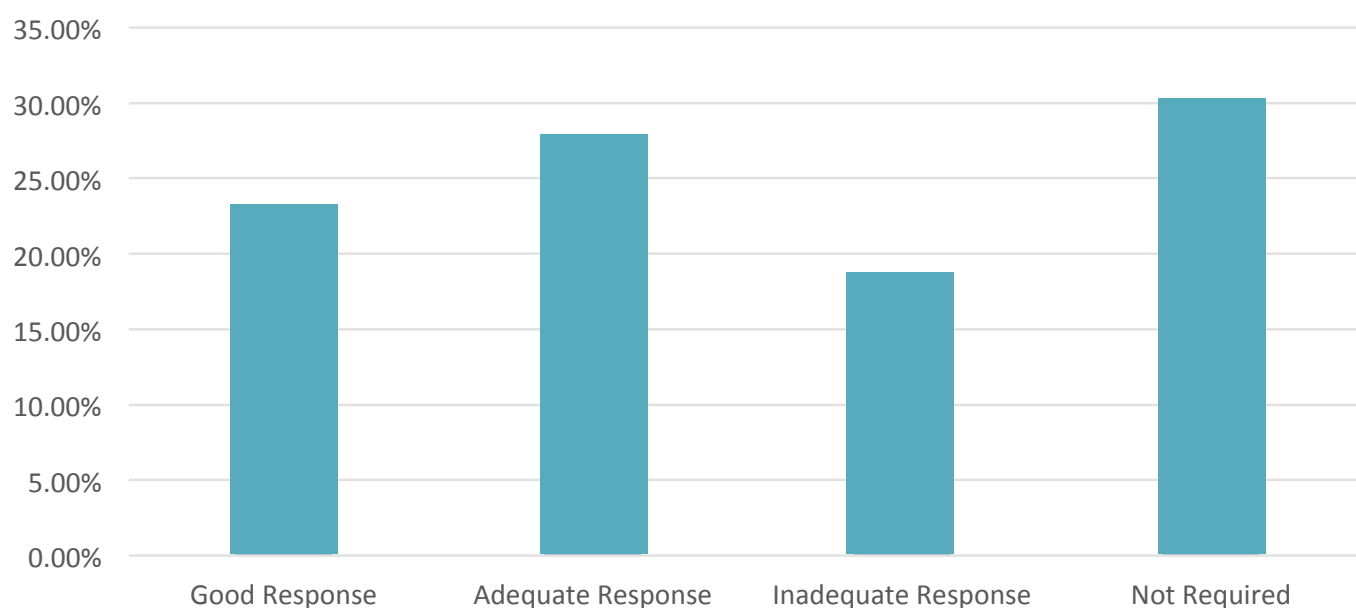
A clear majority here in support of the furlough scheme but with significant responses to the 'inadequate' and 'not required' categories.

Q7. Self-employed scheme



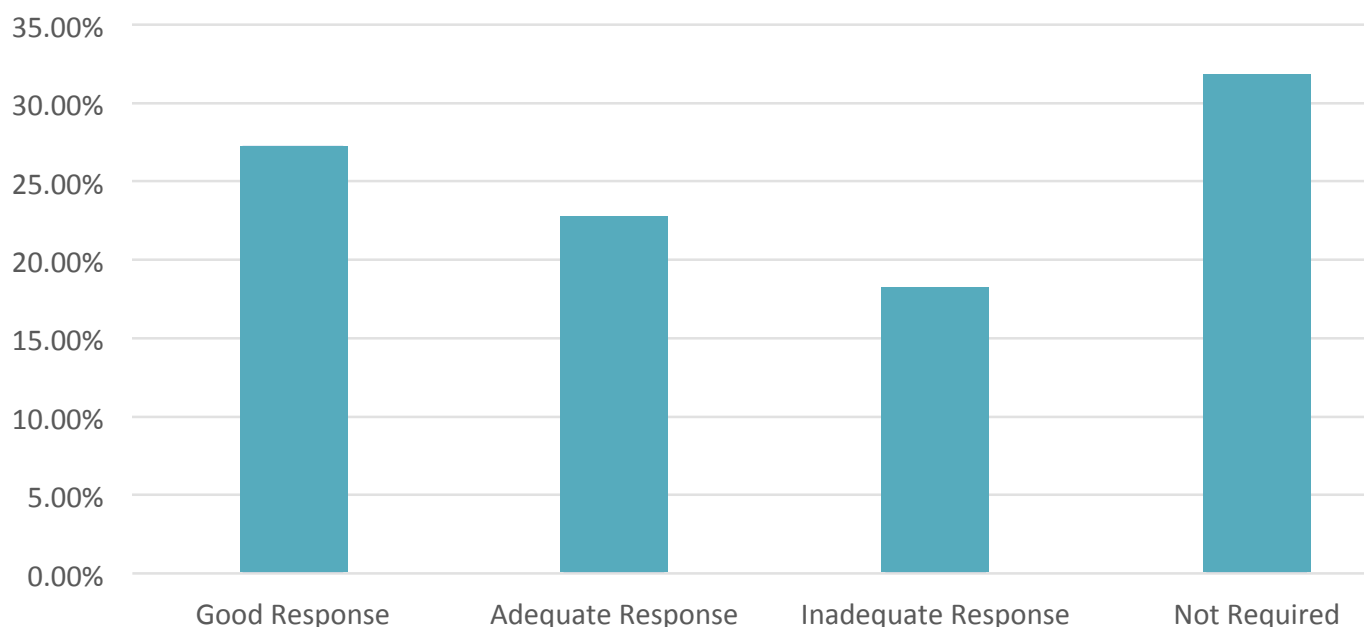
There was less support here for the self-employed scheme. Those who responded 'not required' could be responding on behalf of their business and given the majority of respondents were directors of businesses this is a possibility.

Q8. Government grants



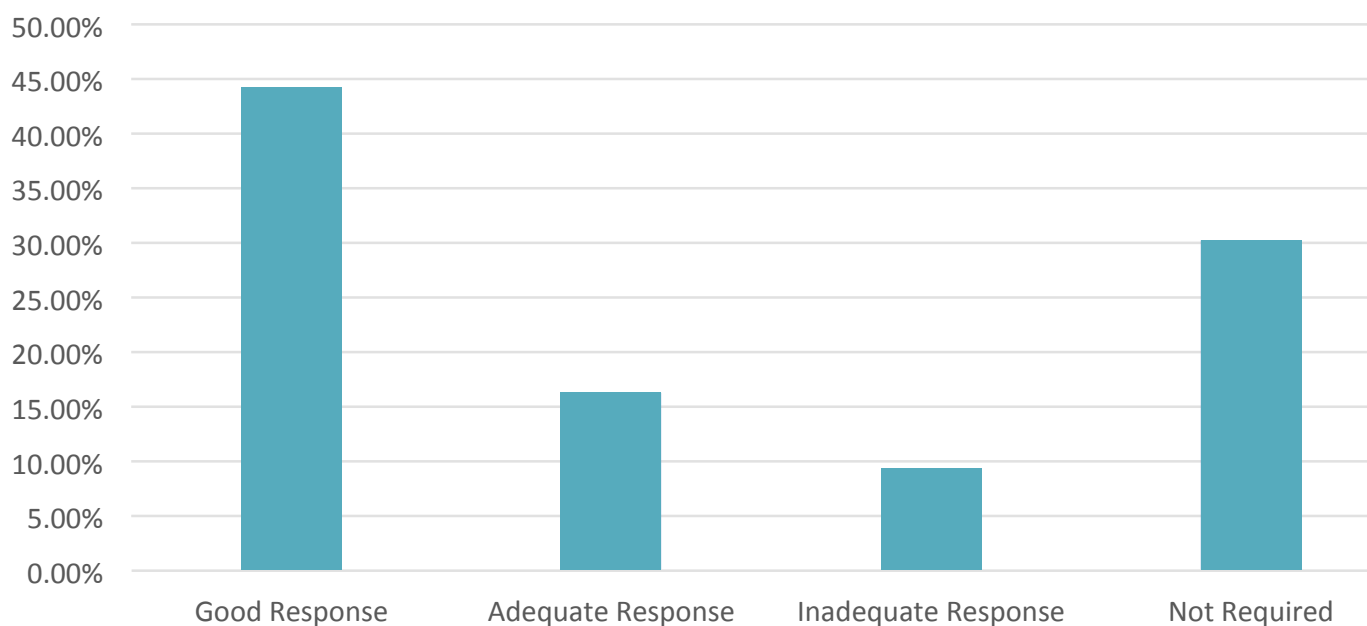
A broad range of responses here reflecting the diverse nature of the challenges faced by the businesses that responded to the survey.

Q9. CBILS/ bounce back loans



A broad range of responses but with only 18.18% suggesting that the response was inadequate.

Q10. VAT and income TAX deferrals



A majority suggesting that the deferrals were either a good or adequate response with only four people seeing it as inadequate.

Q11. Please include any comments on how you found these schemes and if there was anything that the government could have done differently.

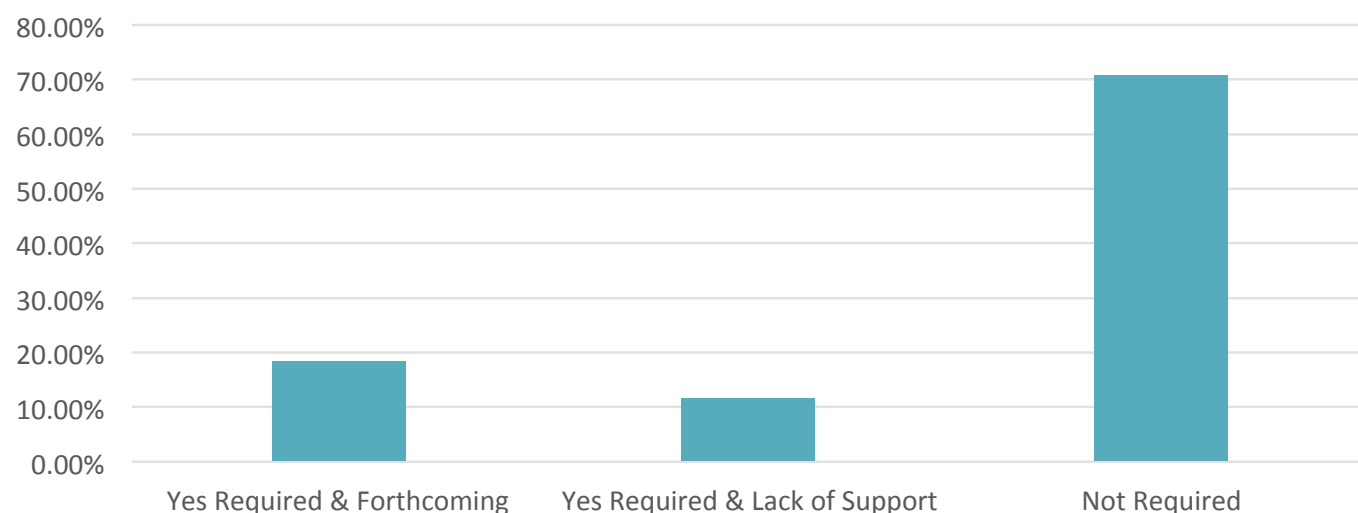
Answered	26
Skipped	18

Whilst there was some support expressed for the CBIL loan scheme, access through the banks and administration was criticised by some respondents.

One respondent praised the speed with which the Council processed the Retail, Leisure and Hospitality scheme application (2 weeks).

There were several comments in support of the Government response with one respondent calling it 'outstanding' and another stating the Government should be given credit for acting quickly.

Q12. If your business required cashflow support from your bank, were they forthcoming with the support?



The majority of participants have (to date) not required support from the banks with five suggesting a lack of support. This could be influenced by a number of factors so making projections based on these results is unreliable.

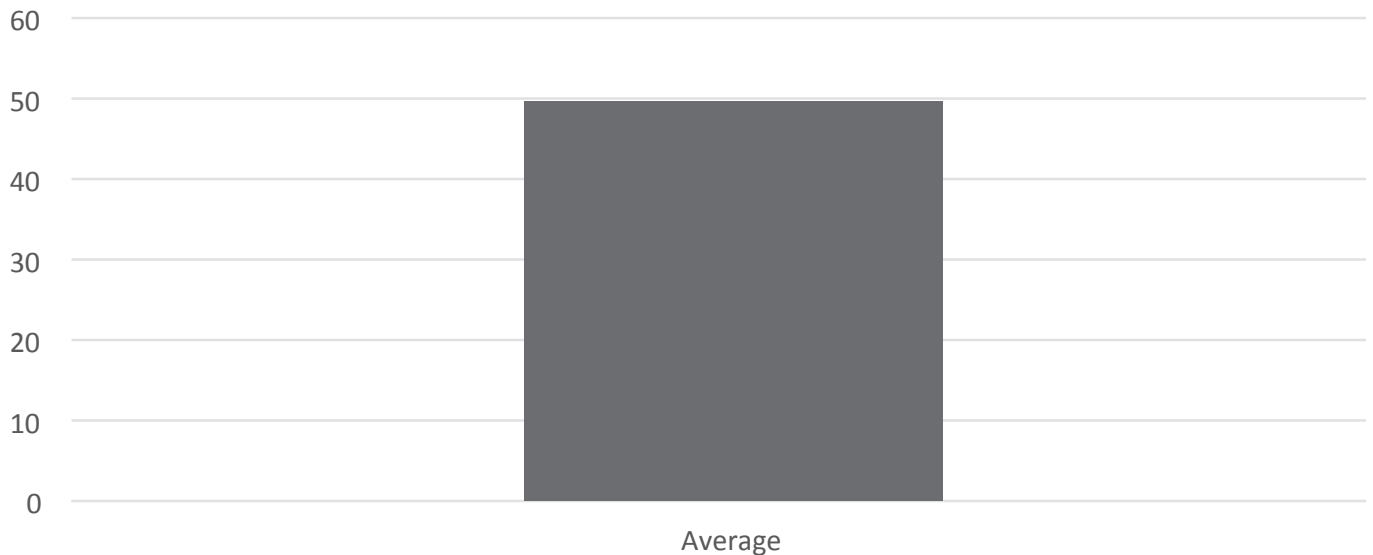
Q13. Please include any comments you wish to make in relation to the above questions in section 3:

Answered	8
Skipped	36

There were limited responses to this question. Several respondents criticised the banks with issues raised including; call centre response, poorly informed and organised and being a little slow to act.

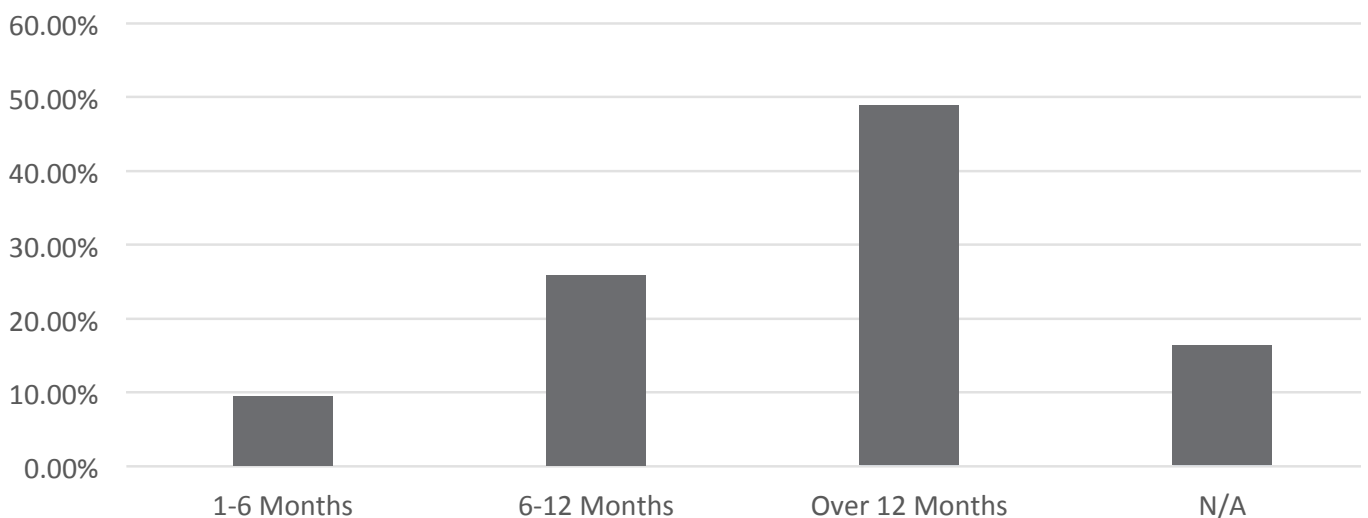
Section 4 – Post Pandemic – what happens next?

Q14. What level of business confidence do you have for the coming year?



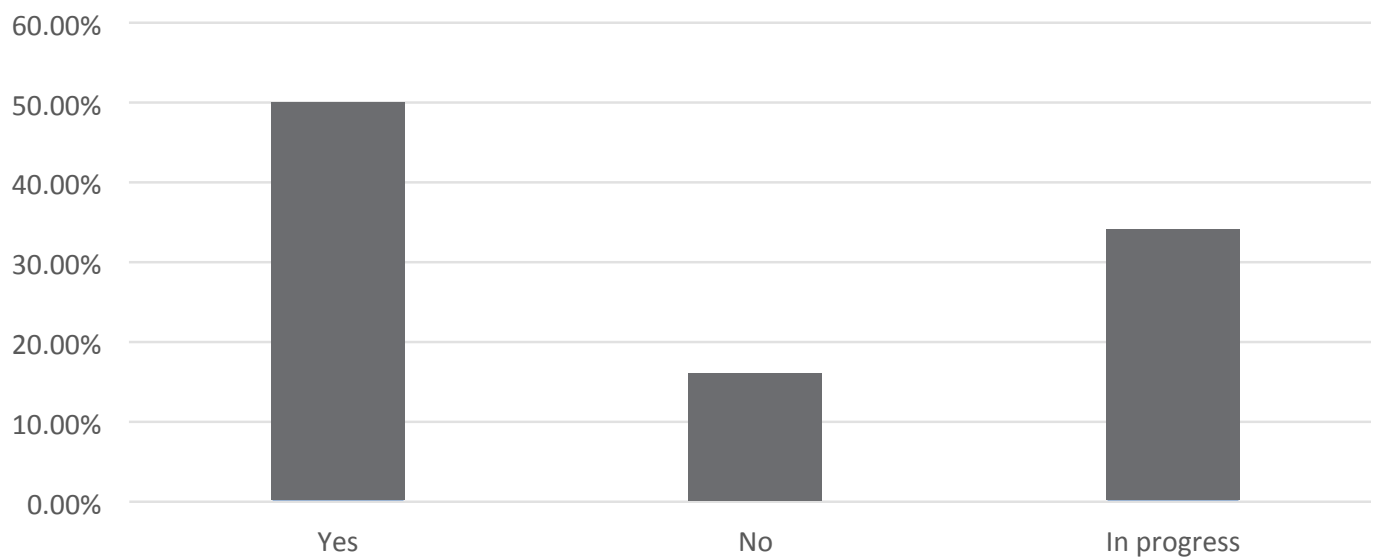
Business confidence is composed of many factors. The results from this survey demonstrate that businesses are experiencing very different fortunes. Whilst tracking an average score is of interest drawing wide conclusions could be inaccurate.

Q15. If business profitability has been negatively impacted, how long do you think it will take to fully recover?



For those whose profitability is impacted by the pandemic, the suggestion is that we will not see a 'V' shaped recovery with a quick bounce back. Nearly 50% in this survey see the recovery taking more than 12 months.

Q16. Does your business have a plan / strategy for post pandemic?



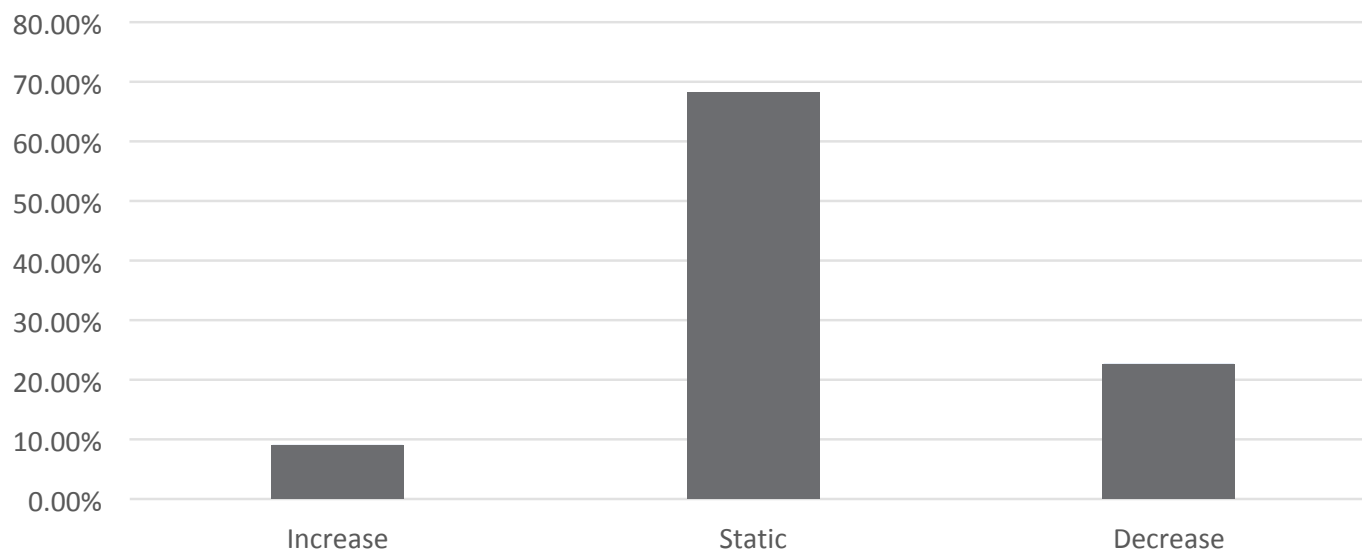
A clear majority here reporting business planning/strategy activity as a response to the pandemic.

Q17. Please provide an insight to the type of things you may have planned:

Answered	26
Skipped	18

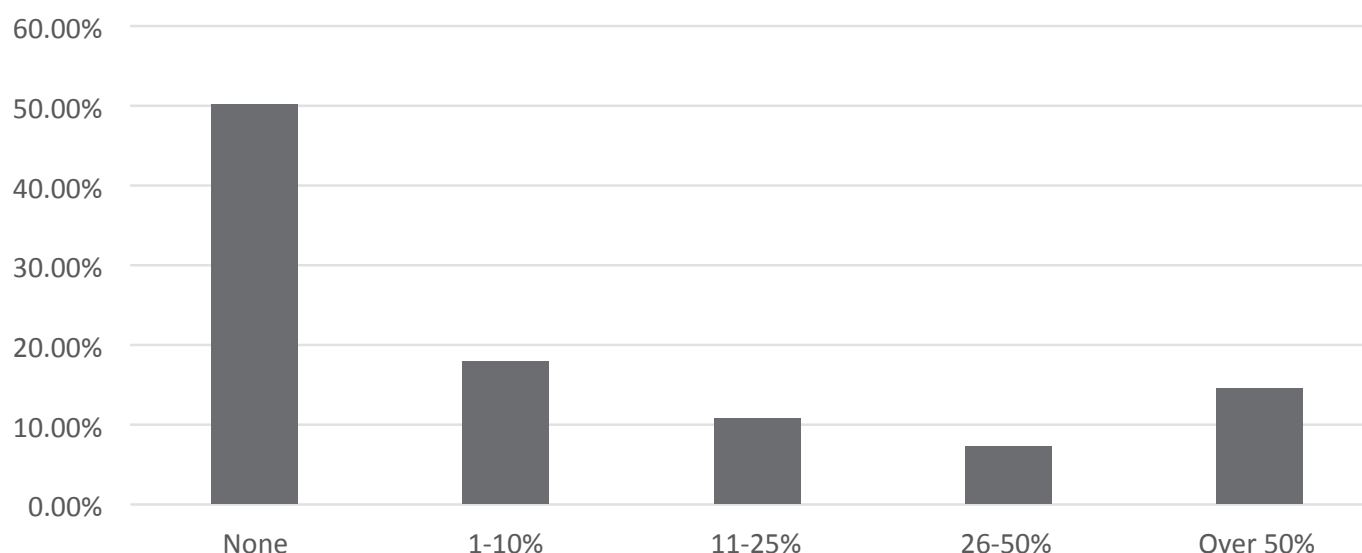
Although not all respondents shared their views there were some themes that were mentioned. These include a renewed focus on marketing and sales activity whilst looking at cost reduction and process management. Some are looking at diversification but one business will be shutting down.

Q18. What do you anticipate will happen to your head count in the coming year?



Although this is a small survey there could be a degree of optimistic news with only 10 people suggesting a decrease in head-count likely, which is off-set by the four that anticipate an increase. However, there is a small contradiction in these numbers when viewed with Q19 below.

Q19. If you have selected a head count decrease, by what percentage?



A surprising set of results given the wording of the question and the amount of respondents reporting no headcount change.

Q20. What do you think the Government could do to assist your business to recover from the pandemic?

Answered	40
Skipped	4

The responses to this question were diverse. There was a theme surrounding tax ranging from business rates, general business tax relief, corporation tax breaks and a comment about Research and Development tax relief. One respondent suggested general taxation should increase presumably to help fund the support being provided.

Two respondents mentioned an extension/continuation of the furlough scheme, whilst the Prime Minister was criticised by two respondents for the way the pandemic has been handled.

Other responses were diverse ranging from; easier access to grants; training schemes; small businesses working together; clarity over Brexit and even mass nationalisation.

Q21. How could your local council / LEP / growth hub be developed to help growth in local businesses?

Answered	28
Skipped	16

There were less responses to this question than others in the survey. The largest amount of responses were clustered around 'no use' or even 'irrelevant' (4). Even where people did respond two respondents said they were unsure. Business rate changes were mentioned (2). Other comments included 'free adverts for local business', 'dedicated health and safety support' and being more flexible. One respondent encouraged them to procure more services locally.

The limited response and the comments above make it reasonable to conclude that these more local bodies have something of an unclear role at present when it comes to supporting businesses through the pandemic and recession.

Q22. Do you think Government should become a shareholder in large corporates that they may have assisted financially as a result of the pandemic?

Answered	39
Skipped	5

This question is a powerful one and one that from the outset was likely to split opinion. However, given the previous financial crisis of 2008 and the subsequent Government response, it is an important one to ask in the light of the pandemic.

Responses have been grouped together and 17 respondents said that the Government should become a shareholder whilst 11 said they should not. Comments ranged from 'it depends upon the support given' through to 'only if they are financially viable' and 'only as a last resort.'

Q23. Any other comments about the current business situation?

Answered	20
Skipped	24

This final question showed no consensus with a range of comments provided and many respondents offering no answer. Several respondents suggested that we should be prepared for a 'second wave' or that we are only at the early stages of the crisis. Comments provided include; 'we need more confidence that the nation can come out together, better and stronger', 'it may take a decade or more to recover', 'accelerate the net zero emissions plans', with one respondent seeing the furlough scheme as 'too generous'.

Summing Up

This survey provides an insight into business confidence. It is clear that there is a diverse experience when it comes to the pandemic.

There is some suggestion that the worst case projections on employment loss could be avoided. There is also some support for the initiatives launched by the government in response to the pandemic but equally some criticism for the response. Perhaps there is a difference in perception between the general management of the pandemic and the economic package introduced?