

Birmingham City Council Business Survey (19th March- 27th March 2020)

Birmingham City Council (BCC) has consulted local Small to Medium businesses to give us a snapshot of how they have been impacted by recent events and what additional measures they need to see introduced in order to survive.

The survey closed on 27th March and had 1,000 responses from businesses in Birmingham. The findings from the survey are stark: they show that businesses are facing an unprecedented crisis in economic fortunes and will inevitably be forced to make decisions about letting staff go or even closing for good.

1. Survey findings and recommendations

Based on our analysis, the key findings and recommendations are:

- An overwhelming number of businesses (87%) are asking for grant funding as opposed to loan funding.
- The majority of businesses require additional funding to continue operating over the next 6 – 12 months. If funding is not directed to businesses as soon as possible, then it is inevitable that many of them will be forced to close.
- Over 75% of respondents were from outside of the hospitality and retail sectors – given the critical issues facing business highlighted by the survey it is clear that grant eligibility needs to be extended to all sectors.
- In response to the above points the City Council also needs immediate flexibility to direct £7 million from the EU funded Business Growth Programme into ongoing efforts to safeguarding businesses and jobs.
- Almost half of businesses have expressed a need for sickness pay to be extended to existing salary levels. The commitments made by the Chancellor to date are unprecedented, however the message from business is that statutory limits are insufficient to enable their workforce to take the necessary time off and recover.

2. Survey results

Impact on turnover and profitability since January 2020

- Over 76% indicated a decline turnover and profitability

Impact on turnover and profitability over the next 6-12 months

- 79% are forecasting a decline turnover and profitability for the next 6- 12 months
- 41% are operating within available overdraft or cash reserves
- 46% are unable to secure additional funding leading to significant cash flow pressure
- 50% will require additional monies to continue operating over next 6-12 months

Impact on jobs since January 2020

- 26% have experienced difficulties directly / indirectly through absences and sickness
- 67% have either temporary laid staff off staff or are working reduced working week

Impact on jobs over the next 6-12 months

- 87% will be temporarily laying-off staff or will be operating to a reduced working week
- 27% will be making staff redundant.

Survey findings (sectoral)

Manufacturing sector

- 75% are forecasting a decline turnover and profitability for the next 6- 12 months
- 42% will require additional monies to continue operating over next 6-12 months
- 35% will be making staff redundant over the next 6 – 12 months

Building / building technology

- 72% are forecasting a decline turnover and profitability for the next 6- 12 months
- 27% will require additional monies to continue operating over next 6-12 months
- 38% will be making staff redundant over the next 6 – 12 months

Business, Professional and Financial Services

- 79% are forecasting a decline turnover and profitability for the next 6- 12 months
- 56% will require additional monies to continue operating over next 6-12 months
- 30 will be making staff redundant over the next 6 – 12 months