

# LLEP Business and Economic Intelligence Update

13 May 2020

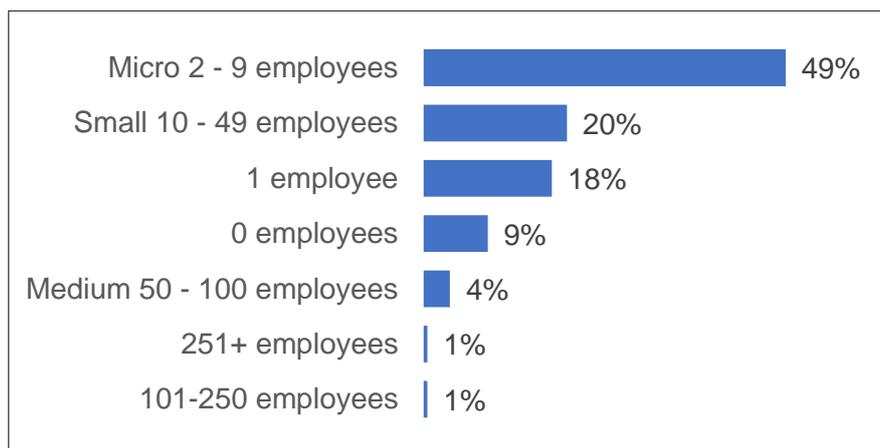
## Business Gateway Intelligence Summary

*Summary of views received by Business Gateway up to 07/05/2020*

*The following analysis is of data captured by the Growth Hub using the online COVID-19 form which went live w/c 30/03/2020. A total of 211 businesses have directly completed the form as of 07/05/2020. The COVID-19 form is just one of a number of routes businesses are coming into the Growth Hub. Over 773 unique businesses have engaged with the Growth Hub since 01 March 2020. The majority of these interventions have related directly to Covid-19. The responses from the COVID-19 form are therefore a sample of the support from the Growth Hub and therefore interpretation is not necessarily reflective of the whole support from the Growth Hub or of perceptions of the wider business community across the LLEP area.*

A sixth of businesses that have completed the form (16%) operate in the manufacturing industry, while 12% operate in the wholesale and retail trade business. A similar proportion also operate in the arts/entertainment/recreation sector. As displayed in Figure 1, half (49%) of those reaching out to the Growth Hub are micro-businesses with 2-9 employees, and a fifth (20%) are small businesses with 10-49 employees.

Figure 1 - Business size



Three fifths (62%) have been forced to close temporarily due to the ongoing COVID-19 pandemic, this can be seen in Figure 2. However, when analysing by sector, this rises to 87% of wholesalers and retailers and 75% of manufacturers (75%) thus highlighting how some sectors have been disproportionately affected by the pandemic. Over a sixth (17%) continue to trade as normal, this has increased from 11% in the previous submission. Over a tenth (12%) have adapted operations to enable working from home.

Figure 2 - Business status

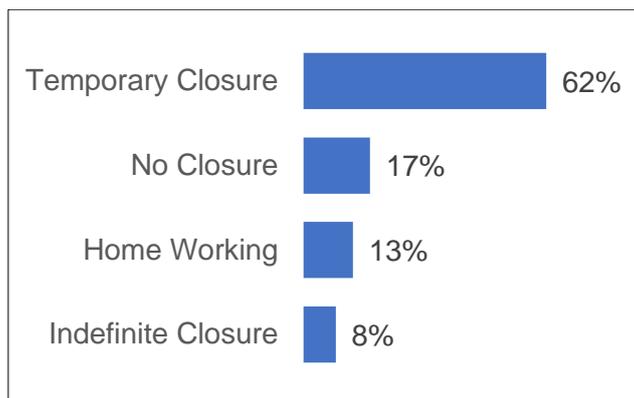
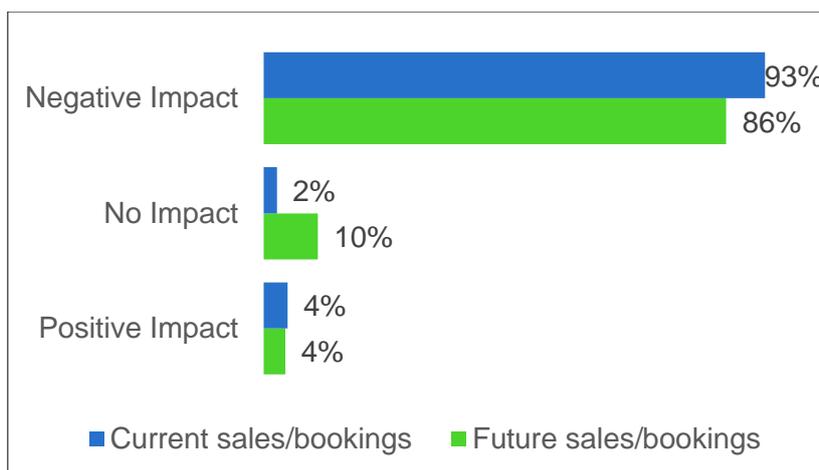


Figure 3 displays the impact of the ongoing pandemic on sales/bookings. Future business outlook is still bleak, with 86% expecting the pandemic to cause a fall in future sales.

Figure 3 - Business bookings/sales



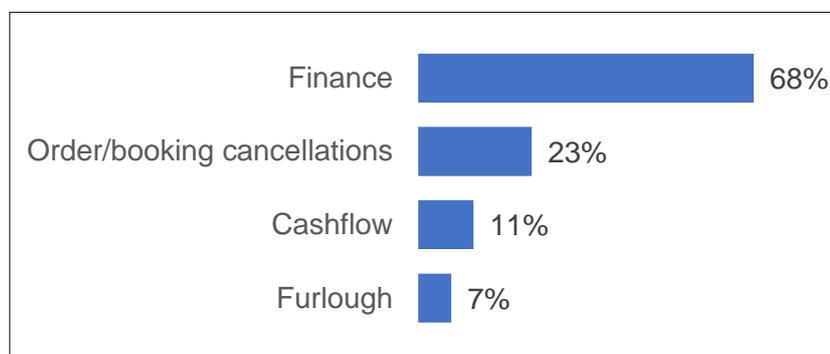
Businesses employed an average of 10.6 employees prior to the pandemic. While job losses amongst the sample have been minimal, an average of 2.9 employees per business are now working from home, while an average of 5.4 employees per business have been furloughed. An average of 2.5 employees per business have seen their role remain unaffected. Figure 4 highlights some of the key issues facing businesses. The biggest issue is finance, with over two-thirds (68%) reporting this as a problem. Two areas are cited as being particularly problematic:

- Two-fifths (45%) of this subgroup have experienced issues accessing grant funding, this includes ineligibility and unclear information on how to apply for this funding. For example, some manufacturers are frustrated that they cannot access retail grants even though they supply the retail sector and are therefore subject to the same market forces as retailers.
- Over a third (37%) of this subgroup are still unsure of the financial support that is available. These are generally micro-businesses with 2-9 employees who believe that

their business structure does not allow them to apply for any of the existing financial support schemes.

A fifth have experienced order/booking cancellations as the lockdown continues, with consumers cutting back on spending due to the ongoing economic uncertainty.

Figure 4 - Business issues



The pattern of support requested by businesses displayed in Figure 5 is similar to previous submissions, with general information and guidance (75%), short-term financial support (58%), business rates support (27%) and long-term financial support (24%) all key areas where businesses require further guidance.

Figure 5 - Support requested



## Economic Intelligence Update

*As the COVID-19 crisis develops, research and insights are emerging from a range of organisations and links and summaries of relevant publications are listed below. It should be noted that we do not yet have a complete picture of the impact of COVID-19 and this is unlikely to emerge for some time, and that much of what is emerging is predictive and should be interpreted as such until such time as robust quantifiable data becomes available.*

## LLEP Area Business Closures

Using the BVD FAME database the LLEP has identified those businesses registered with Companies House which have been dissolved or liquidated over the period from 01/03/2020 to 29/04/2020.

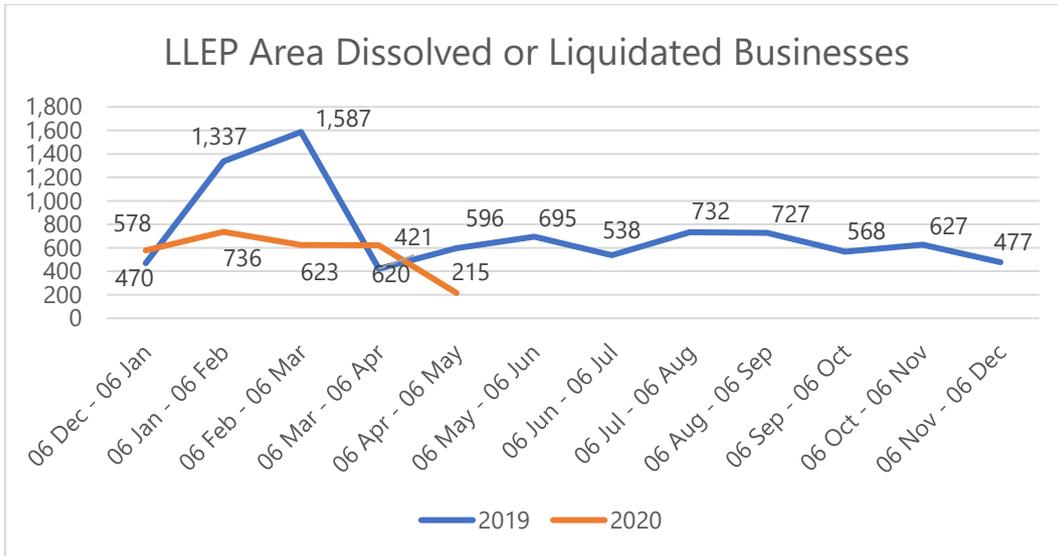


Figure 6 Dissolved or liquidated businesses (Leicester and Leicestershire)

(Bureau Van Dyck)

Figures 6 and 7 show that we should not necessarily expect similarities in volumes year on year and that it is likely that the figures reported to date show a lag in terms of closures forced by CV-19. The recent announcement of the extension to the Job Retention Scheme indicates that it may be some time before the impact is reflected in the data.

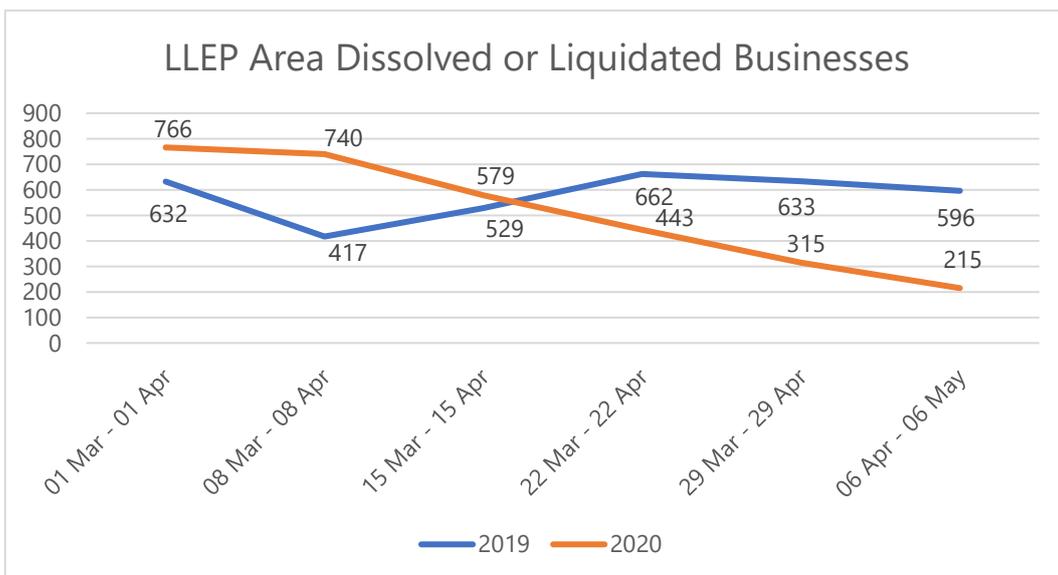


Figure 7 March-April Business Closures Leicester and Leicestershire

(Bureau Van Dyck)

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