GROWTH COMPANY COVID-19 IMPACT SURVEY

RESULTS FROM SURVEY INCEPTION TO DATE
AND FOR THE WEEK 7TH TO 15TH APRIL

www.growthco.uk

SUMMARY AND LOCAL ECONOMIC CONTEXT

Local economy and business survey

- **Headline findings from the Growth Company Covid-19 impact survey**, show that 87% of firms (*of respondents during the last week*) report they have been affected by the crisis.
- Over two-thirds (71%) of respondents in the last week have seen significant loss of sales, just under a third (31%) report cashflow issues (38% since the survey began).
- **Almost a third of firms (26%) said they can sustain their organisation on reserves, but only for 1 to 3 months – and 2.4% said for less than one month.**
- **39% of all respondents (and 39% during this week) said that they had furloughed staff – of these 60% said 'more than half staff furloughed'.**
- More results on the survey are shown on the next page, and detailed results by sector and Local Authority in the appendix. Important findings include:
    - All sectors of the economy are affected by the crisis, however those sectors with the highest proportions of firms reporting falling sales and cashflow issues, are in the Hospitality, Tourism and Leisure sectors, Creative, Digital, and Technology sectors, Construction and Logistics.
    - By Local Authority, Salford has the highest proportion of firms reporting decreased sales, followed by Wigan and Manchester.
    - Whilst the new questions on furlough and redundancies have only been added this week, the areas with the highest proportion of firms reporting furlough of staff are Tameside, Stockport, and Trafford.

Analysis of credit and insolvency risk data

- GC also use credit and insolvency risk data from Duedil and RedflagAlert to provide a weekly outlook, included below:
- **Credit risk**: 5.9% of firms in GM (10+ staff) have 'high' credit risk, compared to 5.7% in the UK'. The figures are similar to the levels reported last week; 4.2% of GM firms with 250+ employees have 'high' credit risk compared to 3.2% of large firms in the UK.
    - **The accommodation and food activities sector (within Hospitality, Leisure and Tourism) indicate the largest percentage of businesses with 'high' credit risk**, both in GM (22.0%) and the UK (20.2%). (Duedil)
- **Insolvency risk:** 10.1% (no change from last week) of firms in GM (10+ staff) reported as having one or more red flags (a sign of financial stress) compared to 9.4% in the UK (no change last week). 13.1% of firms with 250+ employees in GM present with one or more red flags, compared to 10.1% in the UK (**an increase of 1.7% and 0.4% percentage points - from last week**).
    - **The transportation and storage sector have the highest percentage of firms with 1 to 3 red flags**, in both GM (20.7%) and the UK (20.3%).

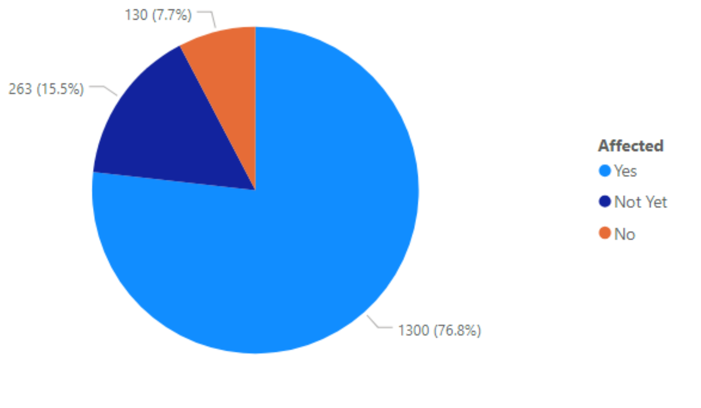
LOCAL BUSINESS INTELLIGENCE – HEADLINE IMPACTS

Note: This is a live database and some results may not match up exactly with other detailed tables, as screen-shots are taken at different times

The following is an analysis of the main C19 impacts reported by over 1,600 local business, from the start of the survey 11th March through to the 15th of April (latest).

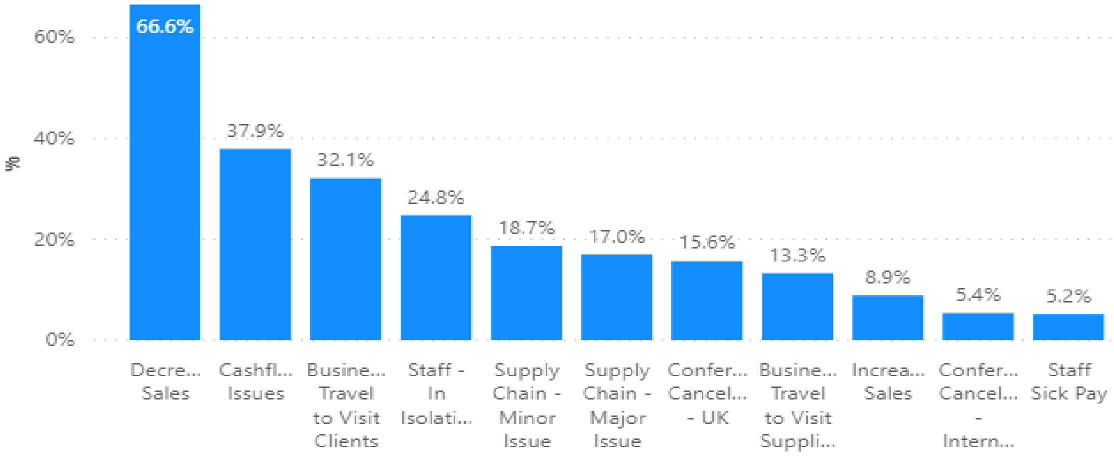
ALL RESPONDENTS - AGGREGATE RESULTS SINCE SURVEY STARTED 12 MARCH (THIS IS REPEATED FROM THE MAIN REPORT SO SECTION CAN STAND ALONE AS A REPORT)

Has your firm been affected by C19?



76.8% impact yes. 15.5% not yet. 7.7% no. n=1,693

If yes, what are the main impacts on your business?

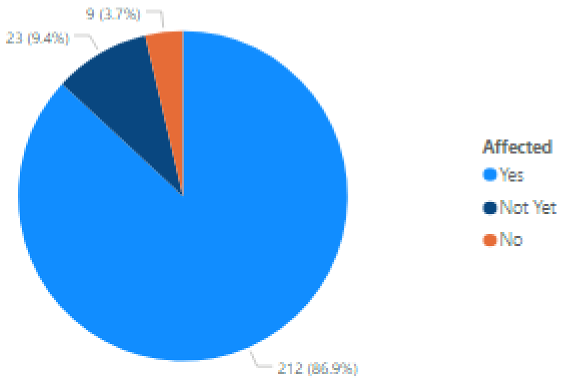


Top 5 (previous reported figures in brackets)

- Sales decreased: 66.6% (67.8%)
- Cashflow issues: 37.9% (37.4%)
- Business travel to clients: 32.1% (30.0)
- Minor supply chain impacts 18.7% (17.5%)
- UK Conferences cancelled: 15.6% (16.3%)

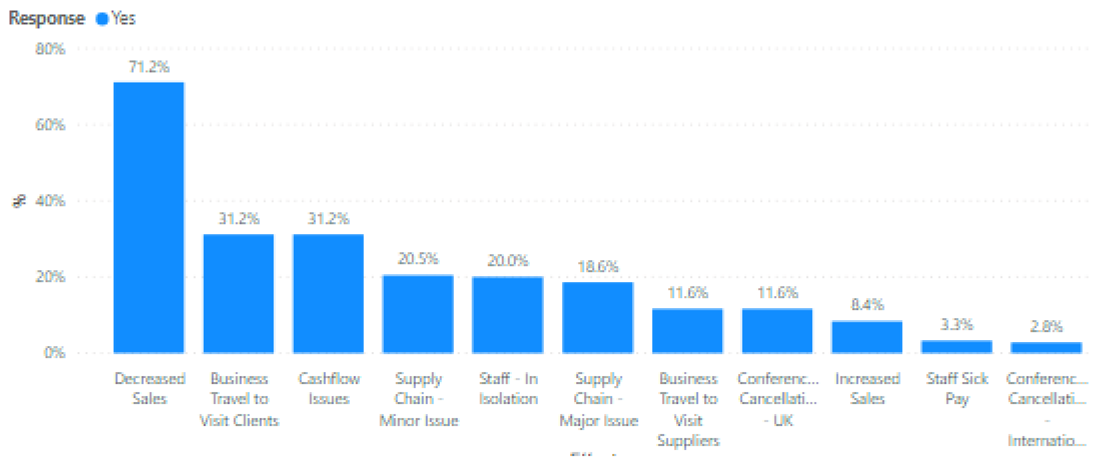
ALL RESPONDENTS - IN-WEEK FIGURES, 7 APRIL to 15 APRIL

Has your firm been affected by C19?



86.9% impact yes. 9.4% not yet. 3.7% no. n=244

If yes, what are the main impacts on your business?



Top 5 (previous reported figures in brackets)

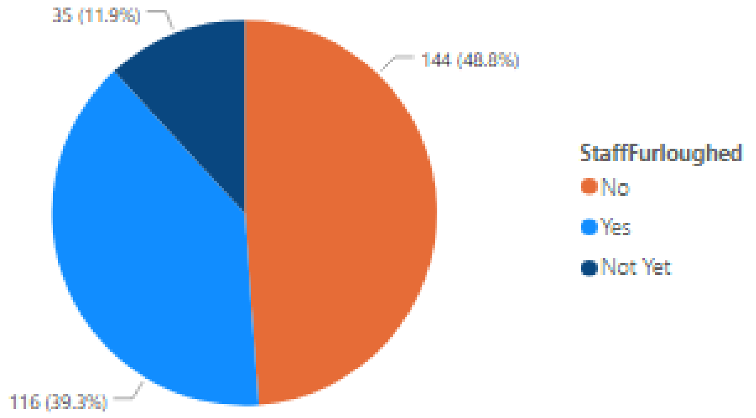
- Sales decreased: 71.2% (74.9%)
- Cashflow issues: 31.2% (42.0%)
- Business travel to clients: 31.2% (30.6%)
- Minor supply chain impacts 20.5% (16.4%)
- UK Conferences cancelled: 11.6% (10.5%)

RESPONSE: FURLOUGH STAFF

Note: This is a live database and some results may not match up exactly with other detailed tables, as screen-shots are taken at different times

ALL RESPONDENTS - AGGREGATE RESULTS SINCE SURVEY STARTED 12 MARCH

Have you furloughed staff?

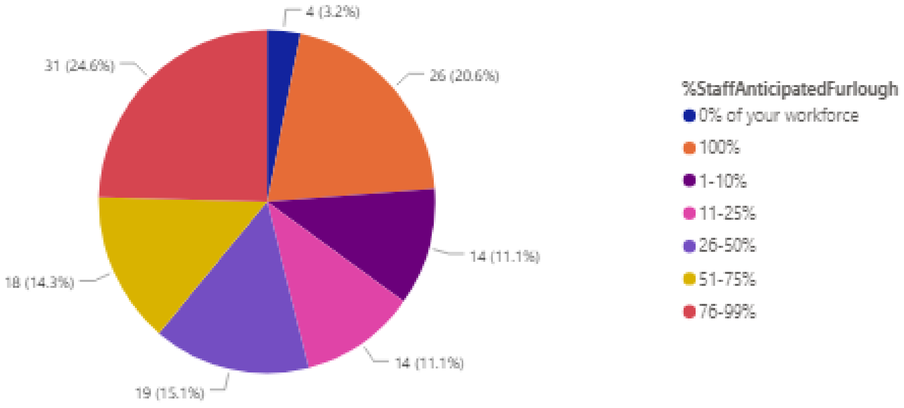


(Percentages and figures based on number of respondents)

- Yes: 39.3%
- Not Yet: 11.9%
- No: 48.8%

(Note these figures differ from detailed tables in back of report due to live data)

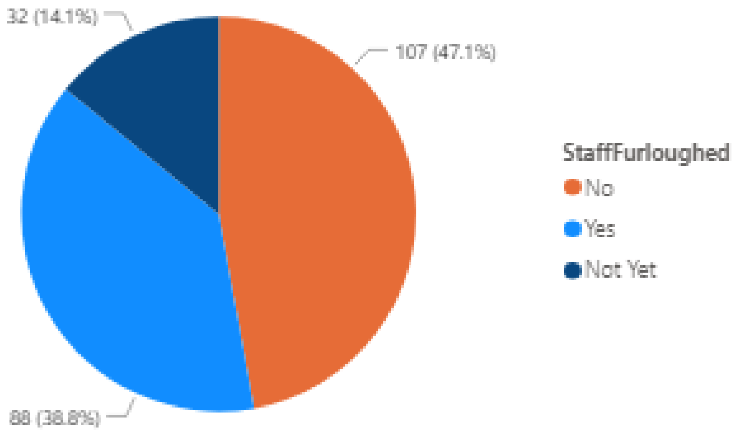
How many employees have you / do you anticipate having to furlough?



- 59.5% said they have/intend to furlough more than half their staff.

ALL RESPONDENTS - IN-WEEK FIGURES, W/S 7th APRIL

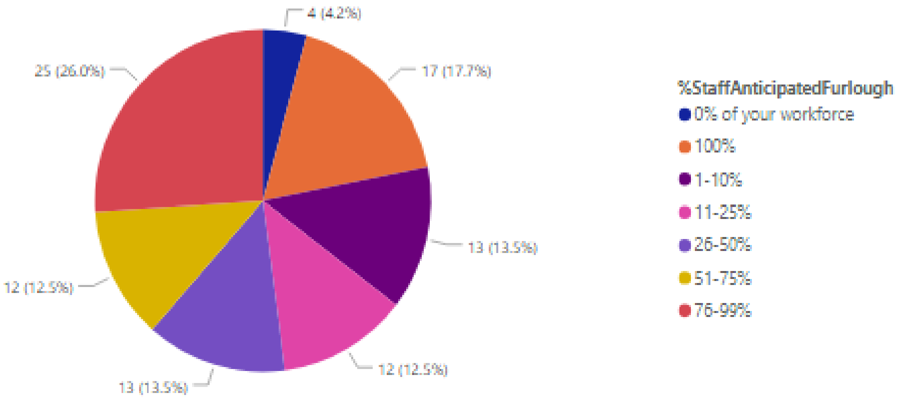
Have you furloughed staff?



- Yes: 38.8%
- Not Yet: 14.1%
- No: 47.1%

(Note these figures differ from detailed tables in back of report due to live data)

How many employees have you / do you anticipate having to furlough?



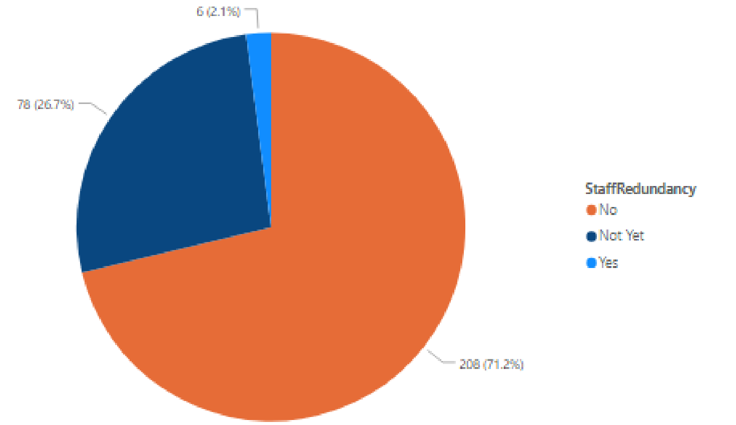
- Note: This is an additional question, so the response rate is low. Of those considering furloughs, 56.2% (54) firms said that they would furlough more than half their staff.

RESPONSE: RISK OF REDUNDANCY

Note: This is a live database and some results may not match up exactly with other detailed tables, as screen-shots are taken at different times

ALL RESPONDENTS - AGGREGATE RESULTS SINCE SURVEY STARTED 12 MARCH

Have you, or do you plan to, lay off staff / make redundancies as a result of the outbreak?

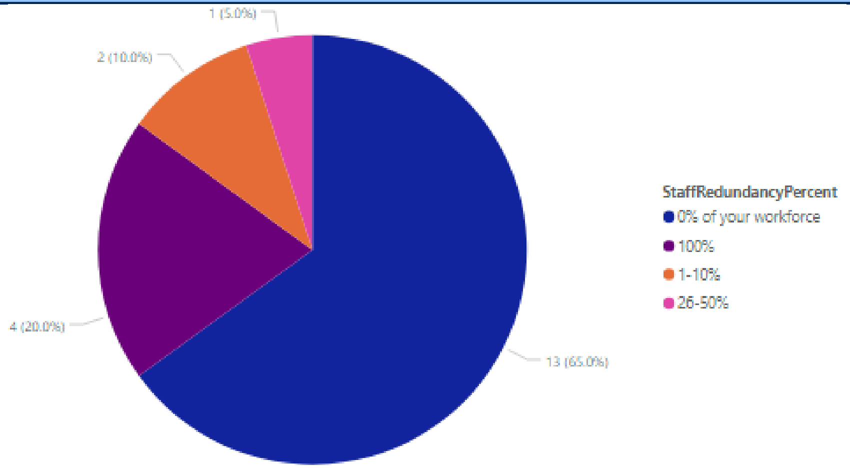


(Percentages and figures based on number of respondents)

- Yes: 2.1%
- Not Yet: 26.7%
- No: 71.2%

(Note these figures differ from detailed tables in back of report due to live data)

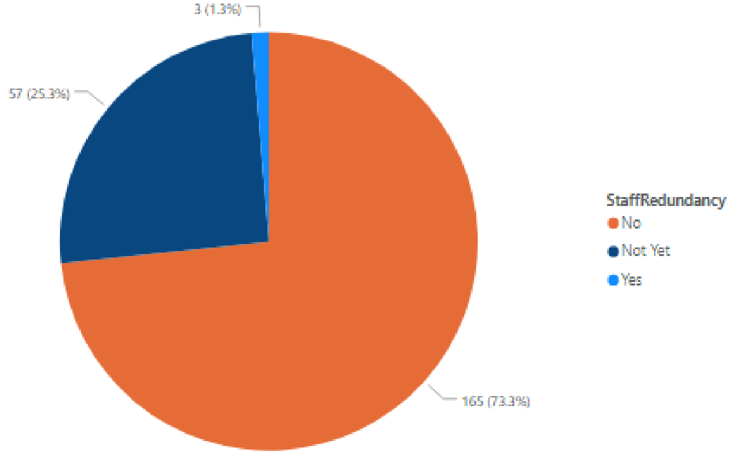
How many employees have you / do you anticipate having to make redundant?



- Note: This is an additional question, so the response rate is low. Of those considering redundancies, only four firms said that all staff would be made redundant.

ALL RESPONDENTS - IN-WEEK FIGURES, W/S 7th APRIL

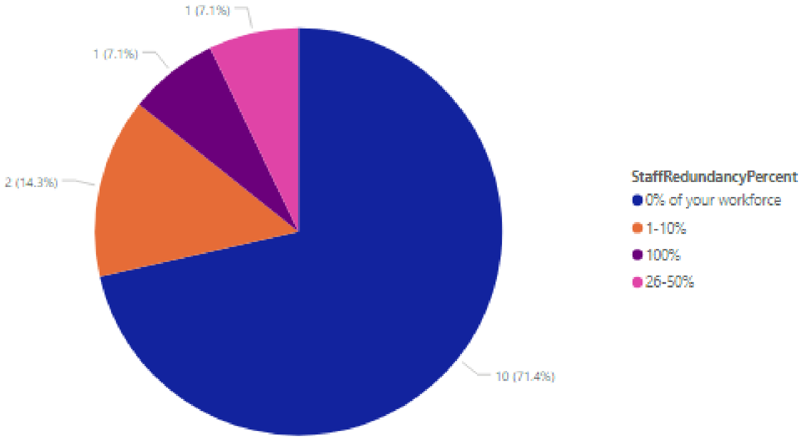
Have you, or do you plan to, lay off staff / make redundancies as a result of the outbreak?



- Yes: 1.3%
- Not Yet: 25.3%
- No: 73.3%

(Note these figures differ from detailed tables in back of report due to live data)

How many employees have you / do you anticipate having to make redundant?



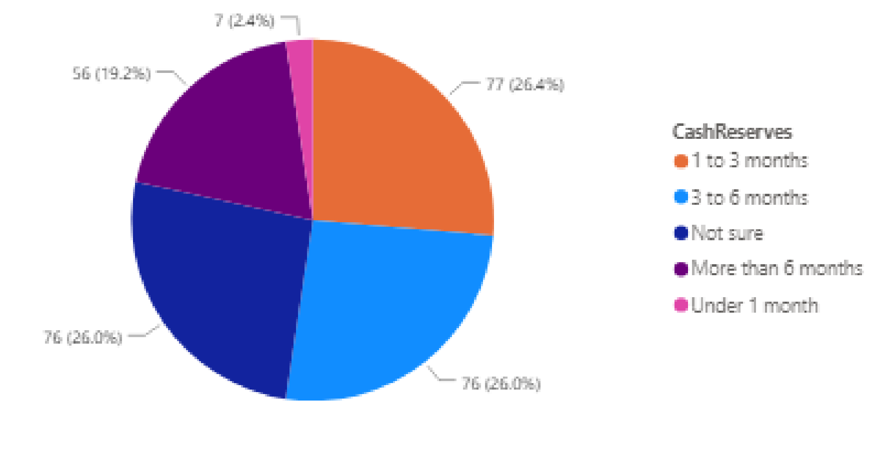
- Note: This is an additional question, so the response rate is low. Of those considering redundancies, only two firms during this week said that they would anticipate making more than 10% of staff redundant.

RESERVES, ACCESS TO LOANS/GRANTS, FURTHER SUPPORT

Note: This is a live database and some results may not match up exactly with other detailed tables, as screen-shots are taken at different times

ALL RESPONDENTS - AGGREGATE RESULTS SINCE SURVEY STARTED 12 MARCH

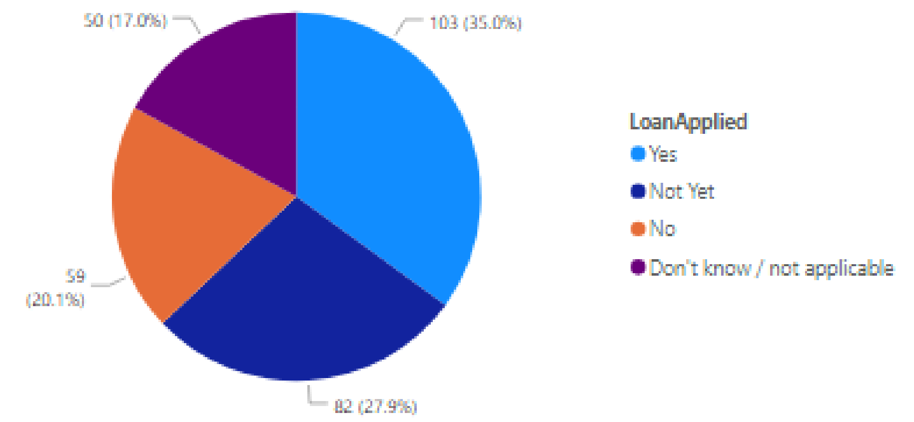
How long do you believe you can sustain your organisation on your existing financial reserves?



- Under 1 Month: 2.4%
- 1-3 Months: 26.4%
- 3-6 Months: 26.0%
- 6+ months: 19.2%
- Not Sure: 26.0%

(Note these figures differ from detailed tables in back of report due to live data)

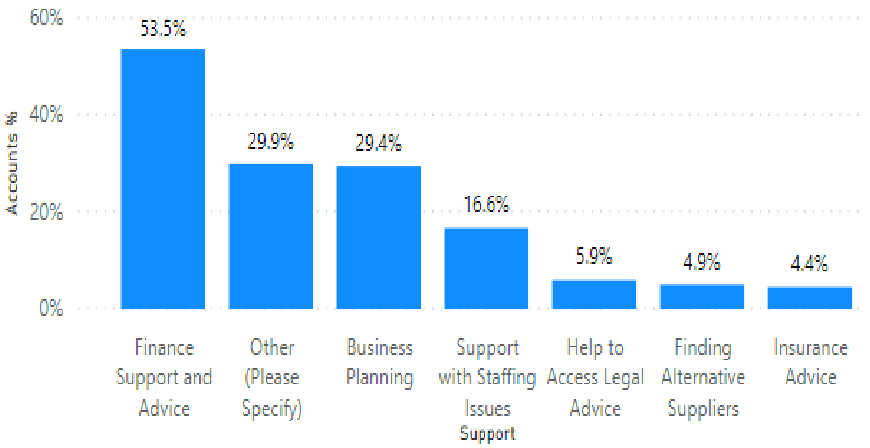
Have you applied for or intend to access loans or grants to help business cope with the outbreak?



- Yes: 35.0%
- Not Yet: 27.9%
- No: 20.1%
- Don't Know: 17.0%

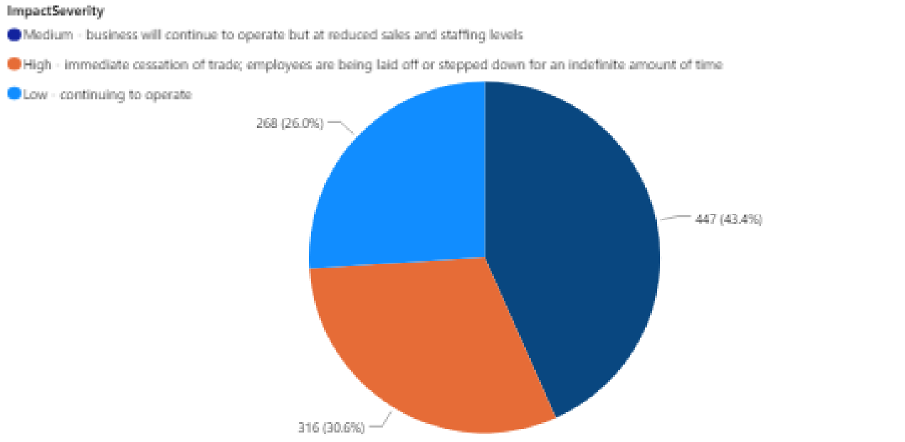
ALL RESPONDENTS - AGGREGATE RESULTS SINCE SURVEY STARTED 12 MARCH

Where would you appreciate further business support and information?



- Finance Support and Advice: 53.5%
- Other: 29.9%. Detail: **Further information and additional business support, particularly support with business rates and accessing grants.**
- Business Planning: 29.4%

What is the overall impact on your business? (advisor judgement based on interview)



- High: 30.6%
- Medium: 43.4%
- Low: 26.0%

IMPACTS (ALL) BY LOCAL AUTH	Bolton	Bury	Manchester	Oldham	Rochdale	Salford	Stockport	Tameside	Trafford	Wigan	GM - percent	GM – number	ALL - percent	ALL – number
IMPACT HEADLINES (note that this table is based on live data and the results may vary slightly to the headline resutls presented in charts earlier in the report)														*Note: response rates of less than 5 firms have been surpressed and marked #*
Yes	76.1%	74.8%	81.3%	80.1%	76.3%	81.9%	70.0%	81.0%	83.9%	85.9%	79.4%	1061	76.8%	1300
Not yet	17.6%	16.5%	12.0%	13.5%	18.0%	13.8%	18.9%	12.4%	11.0%	8.5%	13.9%	209	15.5%	263
No	6.3%	8.7%	6.7%	6.4%	5.8%	4.3%	11.1%	6.7%	5.2%	5.6%	6.7%	109	7.7%	130
Respondents n=	98	88	351	100	103	134	133	76	106	102	-	1291	-	1693
IMPACT ISSUES (OF THOSE SAYING 'YES')														*Note: response rates of less than 5 firms have been surpressed and marked #*
Business Travel to Visit Clients	32.6%	22.7%	39.9%	21.6%	22.5%	27.6%	32.4%	44.6%	34.4%	36.7%	32.9%	368	32.1%	441
Business Travel to Visit Suppliers	16.3%	10.7%	13.4%	9.1%	13.5%	15.5%	10.8%	12.3%	10.8%	14.4%	12.9%	144	13.3%	183
Cashflow issues	44.2%	45.3%	38.9%	37.5%	47.2%	41.4%	31.5%	41.5%	38.7%	42.2%	40.2%	450	37.9%	521
Conference / Event Cancel (Intern'l)	7.0%	5.3%	7.8%	5.7%	2.3%	4.3%	0.9%	4.6%	4.3%	6.7%	5.4%	60	5.4%	74
Conference / Event Cancel (UK)	14.0%	10.7%	21.9%	6.8%	4.5%	24.1%	12.6%	13.9%	11.8%	14.4%	15.4%	172	15.7%	215
Decreased sales	64.0%	66.7%	69.0%	59.1%	67.4%	75.9%	66.7%	63.1%	60.2%	71.1%	67.1%	751	66.6%	915
Increased sales	17.4%	6.7%	6.9%	9.1%	9.0%	6.0%	9.9%	4.6%	8.6%	8.9%	8.4%	94	8.9%	122
Staff in isolation	20.9%	22.7%	21.9%	37.5%	24.7%	20.7%	26.1%	23.1%	14.0%	33.3%	23.9%	268	24.8%	341
Staff sick pay	5.8%	5.3%	3.6%	3.4%	4.5%	5.2%	5.4%	7.7%	6.5%	2.2%	4.6%	52	5.2%	71
Supply chain (major issues)	25.6%	21.3%	14.1%	15.9%	16.9%	16.4%	17.1%	18.5%	18.3%	17.8%	17.2%	193	17.0%	234
Supply chain (minor issues)	24.4%	20.0%	16.3%	17.1%	13.5%	23.3%	12.6%	16.9%	14.0%	31.1%	18.4%	206	18.7%	257
Respondents n=	86	75	306	88	89	116	111	65	93	90	-	1,119	-	1374
WORKFORCE ACTIVITY														*Note: response rates of less than 5 firms have been surpressed and marked #*
Staff Furlough – Yes %	38.9%	35.7%	37.5%	36.8%	43.5%	28.0%	59.1%	73.3%	52.4%	42.9%	43.2%	101	39.7%	116
Staff Redundancy – Yes %	11.1%	#	1.8%	#	#	#	#	#	14.3%	#	2.6%	6	2.1%	6
CASH RESERVES, ABLE TO SURVIVE:														*Note: response rates of less than 5 firms have been surpressed and marked #*
< 1 Month	5.6%	#	7.3%	#	#	4.0%	#	#	#	#	2.6%	6	2.4%	7
1 up to 3 months	22.2%	35.7%	27.3%	42.1%	4.4%	24.0%	40.9%	26.7%	23.8%	19.1%	26.2%	61	26.6%	77
3 up to 6 months	11.1%	21.4%	27.3%	26.3%	26.1%	24.0%	13.6%	33.3%	23.8%	38.1%	24.9%	58	26.2%	76
More than 6 months	16.7%	7.1%	23.6%	10.5%	17.4%	24.0%	31.8%	13.3%	28.6%	19.1%	20.6%	48	19.3%	56
Unsure	44.4%	35.7%	16.4%	21.1%	52.2%	24.0%	13.6%	26.7%	23.8%	23.8%	26.2%	61	26.2%	76
Respondents n=	18	14	55	19	23	25	22	15	21	21	-	233	-	292

IMPACTS (ALL) BY SECTOR	Agriculture Forestry Fishing	Business, Finance, Prof Services	Construc-tion	Creative, Digital & Technology	Education	Engineering	Green Technology Low Carbon	Health and Social Care	Hospitality, Tourism & Sport	Life Science	Logistics	Manufact-uring	Public Admin.	Retail & Wholesale	Other services
IMPACT HEADLINES (where sector not known – not shown in the figures below)															*Note: response rates of less than 5 firms have been surpressed and marked #*
Yes	83.3%	79.2%	75.0%	70.7%	90.7%	82.0%	75.0%	82.5%	74.3%	72.2%	85.7%	78.1%	#	77.1%	76.8%
Not yet	8.3%	13.1%	13.5%	19.2%	7.0%	12.0%	19.4%	12.3%	17.6%	11.1%	3.6%	17.1%	#	17.0%	14.3%
No	8.3%	7.7%	11.5%	10.1%	2.3%	6.0%	5.6%	5.3%	8.1%	16.7%	10.7%	4.8%	#	5.9%	8.9%
Respondents n=	12	260	89	276	40	48	32	56	67	17	28	392	#	174	52
IMPACT ISSUES (OF THOSE SAYING 'YES')															*Note: response rates of less than 5 firms have been surpressed and marked #*
Business Travel to Visit Clients	45.5%	36.2%	40.5%	30.5%	43.6%	39.5%	39.3%	25.5%	23.3%	50.0%	16.7%	32.9%	#	22.4%	20.5%
Business Travel to Visit Suppliers	18.2%	6.1%	12.2%	8.5%	10.3%	18.6%	14.3%	4.3%	8.3%	35.7%	4.2%	22.3%	#	15.4%	6.8%
Cashflow issues	18.2%	35.8%	43.2%	35.9%	41.0%	39.5%	28.6%	38.3%	63.3%	42.9%	41.7%	34.3%	#	40.4%	34.1%
Conference / Event Cancel (Intern'l)	9.1%	5.2%	1.4%	4.9%	2.6%	11.6%	-	2.1%	5.0%	7.1%	4.2%	5.7%	#	7.1%	6.8%
Conference / Event Cancel (UK)	18.2%	16.6%	4.1%	17.5%	25.6%	9.3%	7.1%	21.3%	31.7%	21.4%	4.2%	11.4%	#	16.7%	6.8%
Decreased sales	54.6%	66.8%	70.3%	71.8%	61.5%	65.1%	64.3%	63.8%	80.0%	50.0%	70.8%	61.7%	#	71.2%	68.2%
Increased sales	27.3%	7.0%	1.4%	7.2%	15.4%	7.0%	10.7%	2.1%	1.7%	21.4%	8.3%	12.9%	#	9.6%	11.4%
Staff in isolation	27.3%	18.3%	24.3%	16.6%	10.3%	30.2%	28.6%	27.7%	23.3%	35.7%	20.8%	36.6%	#	18.6%	20.5%
Staff sick pay	9.1%	3.1%	5.4%	2.7%	5.1%	4.7%	3.6%	17.0%	1.7%	-	-	8.3%	#	5.1%	4.6%
Supply chain (major issues)	18.2%	10.0%	21.6%	8.1%	12.8%	16.3%	10.7%	8.5%	11.7%	28.6%	16.7%	22.9%	#	34.0%	11.4%
Supply chain (minor issues)	18.2%	10.0%	32.4%	8.5%	10.3%	18.6%	10.7%	6.4%	15.0%	35.7%	8.3%	30.0%	#	20.5%	15.9%
Respondents n=	11	229	74	223	39	43	28	47	60	14	24	350	#	156	44
WORKFORCE ACTIVITY															*Note: response rates of less than 5 firms have been surpressed and marked #*
Staff Furlough – Yes %	-	35.1%	73.3%	27.3%	40.0%	40.0%	25.0%	50.0%	57.1%	50.0%	22.2%	52.9%	#	44.4%	6.3%
Staff Redundancy – Yes %	-	-	-	2.3%	-	20.0%	25.0%	-	14.3%	-	-	-	#	2.8%	6.3%
CASH RESERVES, ABLE TO SURVIVE:															*Note: response rates of less than 5 firms have been surpressed and marked #*
< 1 Month	#	-	-	7.0%	-	#	#	12.5%	-	#	-	1.5%	#	2.8%	6.3%
1 up to 3 months	#	19.6%	26.7%	32.6%	30.0%	#	#	37.5%	-	#	44.4%	17.7%	#	30.6%	50.0%
3 up to 6 months	#	23.2%	26.7%	27.9%	20.0%	#	#	25.0%	42.9%	#	11.1%	30.9%	#	30.6%	6.3%
More than 6 months	#	25.0%	13.3%	18.6%	20.0%	#	#		14.3%	#	-	22.1%	#	19.4%	18.8%
Unsure	#	32.1%	33.3%	16.3%	30.0%	#	#	25.0%	42.9%	#	44.4%	27.9%	#	16.7%	18.8%
Respondents n=	#	56	15	43	10	#	#	8	7	#	9	68	#	36	16