



Shropshire – Quarterly Economic Update

Each quarter Shropshire Chamber takes part in the British Chambers of Commerce national economic survey. Below you will see the results for Shropshire, trending from as far back as 2009.

If you and your company would like to take part in these surveys please contact policy@shropshire-chamber.co.uk giving your name, company name and the e mail to which reminders should be sent. Please note this is only open to businesses in Shropshire and Telford & Wrekin, but Chamber Membership is not required to take part. Those in neighbouring counties should approach the [British Chambers of Commerce](#) to locate their nearest BCC accredited chamber. This survey is open to businesses from all sectors including public sector and third sector. The survey is open to any size of business from micro's, who employ no staff, to the very largest businesses.

The data is used both locally and nationally to lobby those in power on the main topics of concern. The national survey is highly respected and is used by Central Government to understand the economic situation and pressures facing businesses in the UK.

The greater our business voice, the more valuable the information becomes, so we want to encourage every business, Chamber member or not, to add their voice to this vital survey.

EXECUTIVE OVERVIEW

Executive Overview for Qtr.

Qtr. 2 - 2020

(Survey undertaken over three weeks in May & June 2020)

Headline

COVID-19 - UNCERTINTY IS THE NEW NORM

To write an executive summary of the findings of this report would be rather pointless as it is obvious to all that the economy has faltered, the future is unknown and that the current statistics reflect the depth and the speed with which the virus caused the economy to implode.

The arrival in the UK of Covid-19 has seen devastating results, both human and economic. This Global pandemic has seen Governments putting costly and unprecedented support schemes in place to shore up their economies.

This QES report has been recording some local statistics since 2009 and even then, in dire recession, we did not see results as damning as we see in this Quarter. There is one clear message, the packages that the Government have introduced, even if tweaked along the way, have supported many but not all sectors/businesses. Uncertainty is the main fear and that multiple messages from multiple sources is making it harder for businesses to navigate their way through the support.

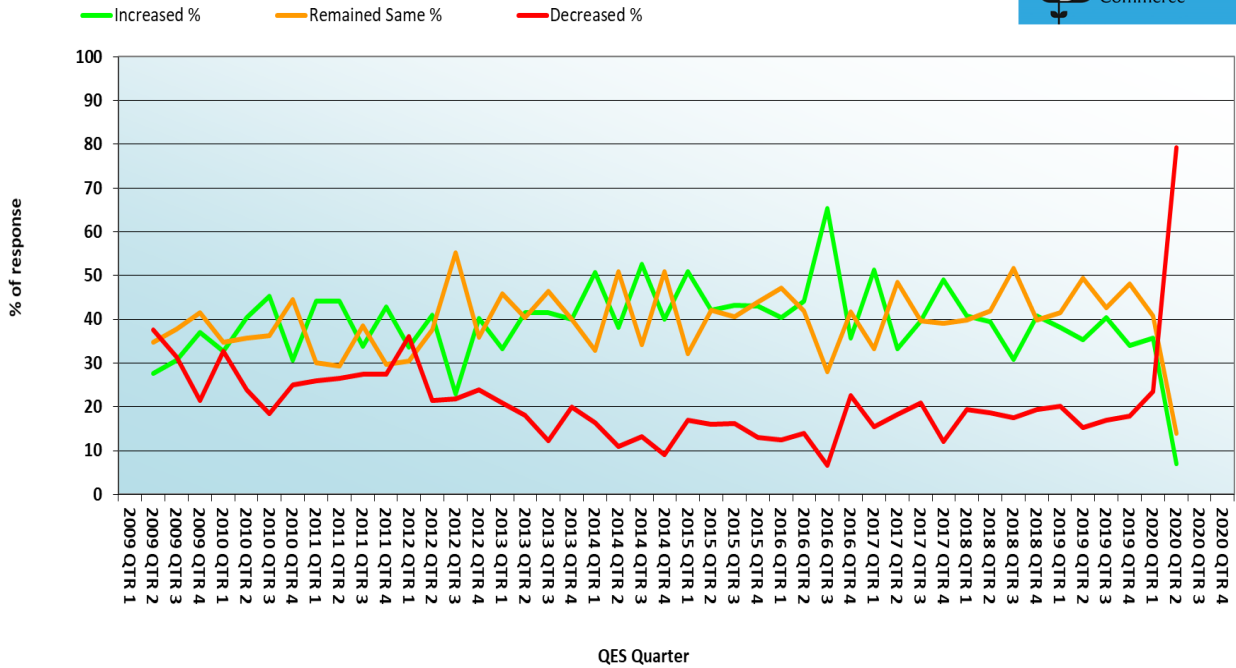
What this report shows is that all sectors have been affected, not equally maybe, but none remain unaffected. Staffing is going to be a big issue going forward, with redundancies already happening, working from home if you can rules varying in interpretation, business to business, and staff being uneasy, for a myriad of reasons, about their futures.

Brexit has started to make the headlines again over the past few days. Brexit will only add to the worries until more clarification is received from the Government on what they are doing to lessen the impact. Looking back pre-March 2020 we could already see a slowing in the economy and a rise in the worry that a no deal Brexit would cause multiple issues for business. This fear will remain even if over shadowed by Covid-19. The British Chambers and other leading bodies are lobbying hard to try to get an easing on EU import restriction and other stumbling blocks.

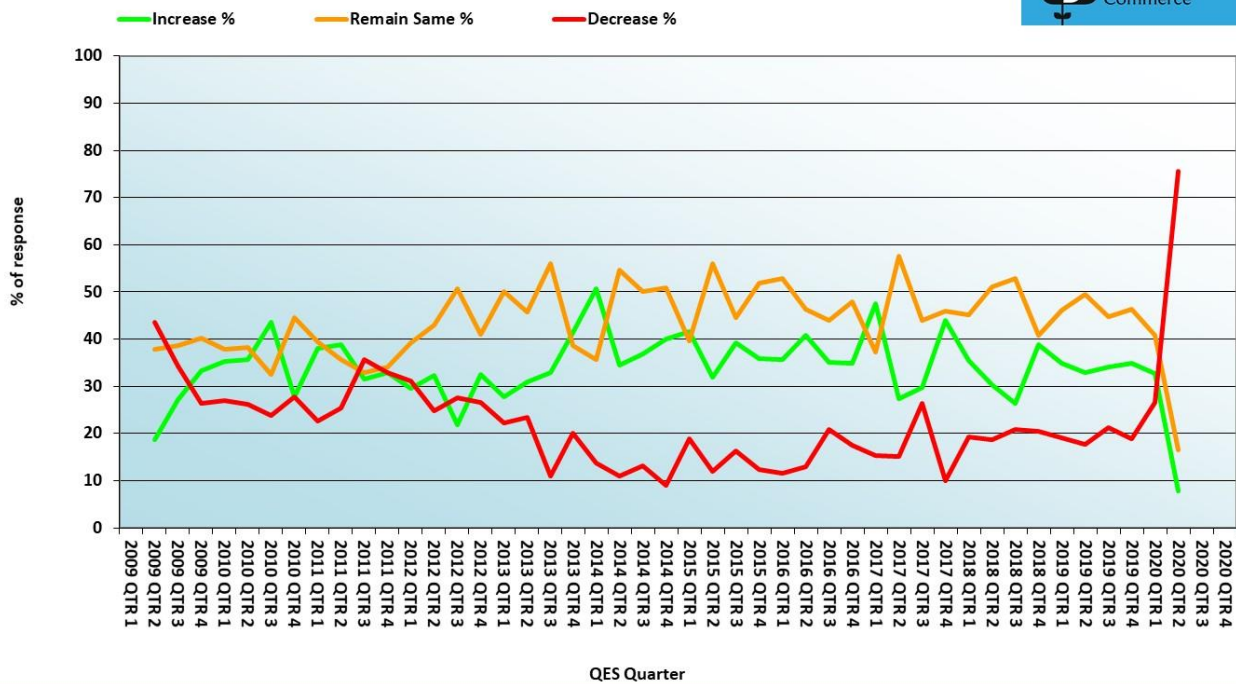
The next survey will be in August and should reflect the impact lockdown easing measures has had, a clearer understanding of workforce reductions/stresses and hopefully a clearer picture on Brexit.

UK SALES

UK Sales - for the past three month

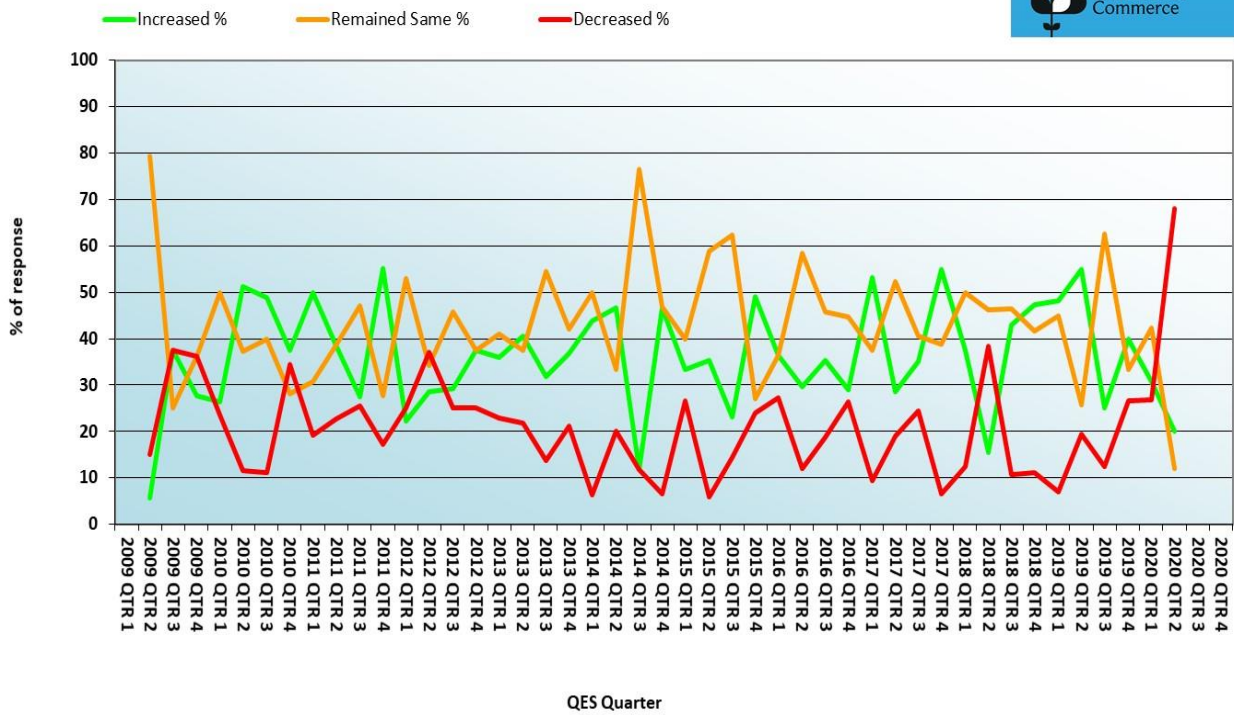


UK Orders - anticipated for the next three months

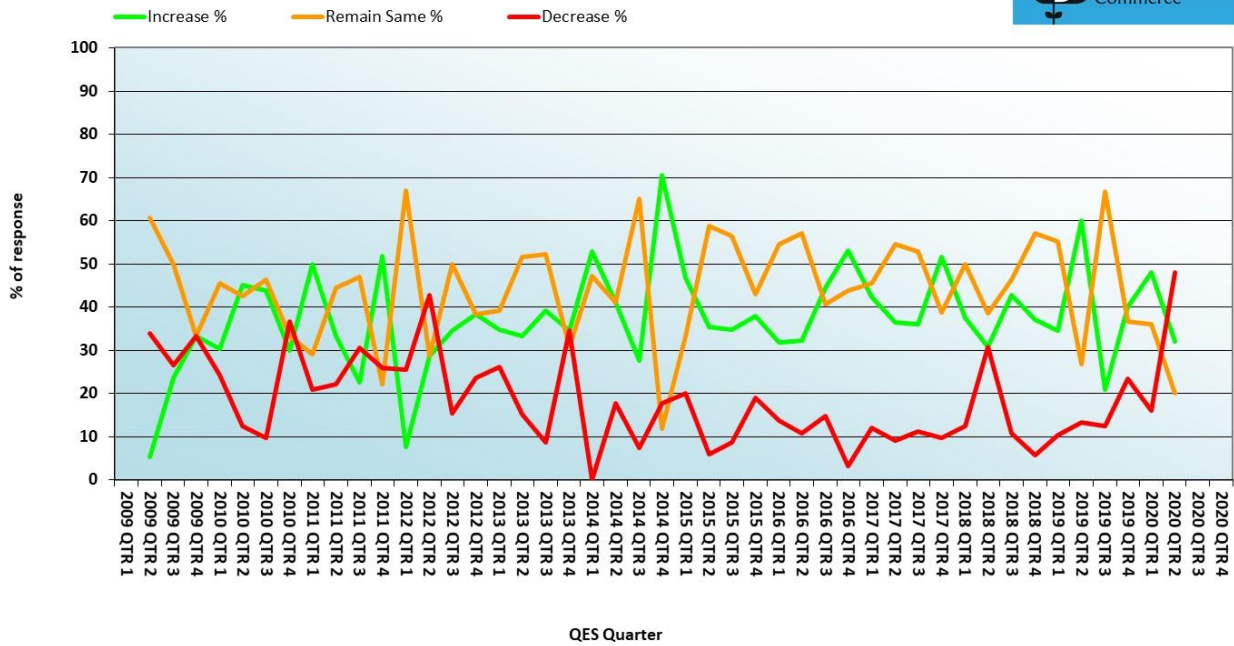


EXPORTS

Export Sales - for the past three months

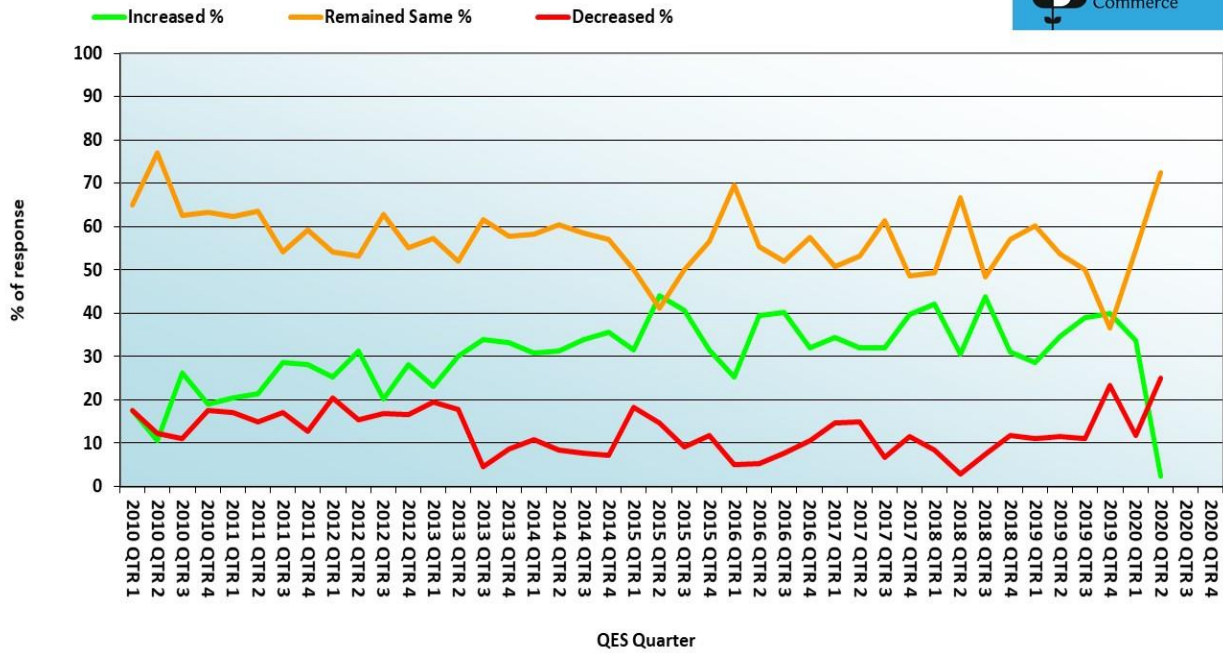


Export Orders - anticipated for the next three months

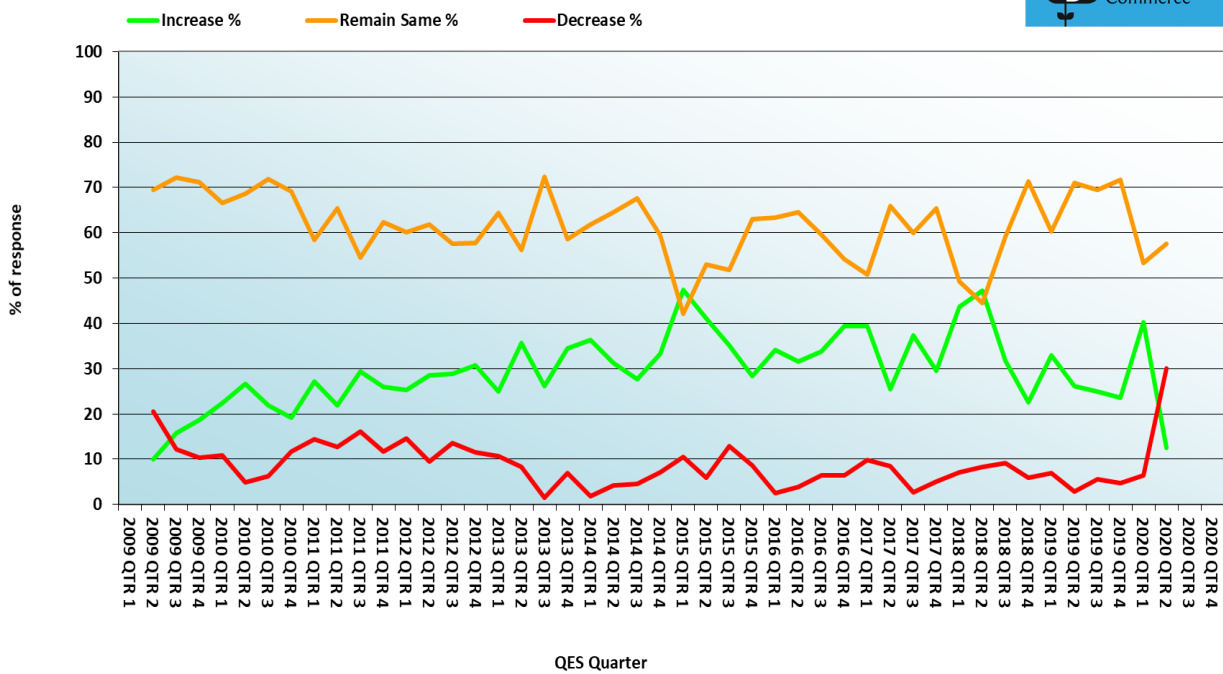


STAFF

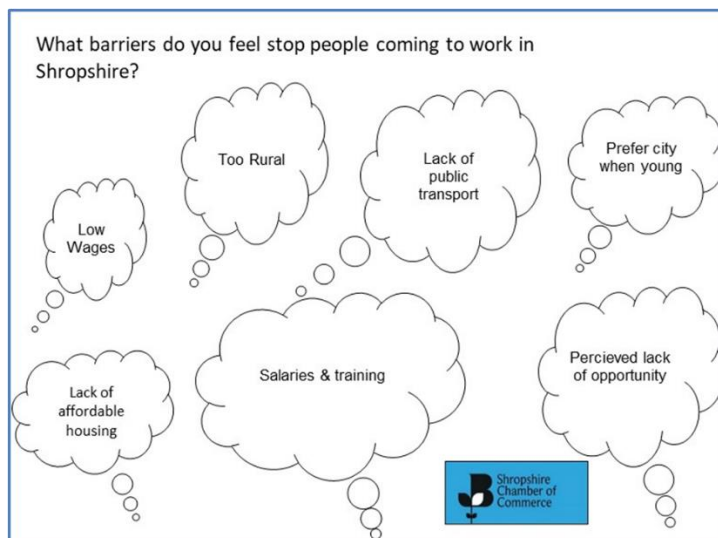
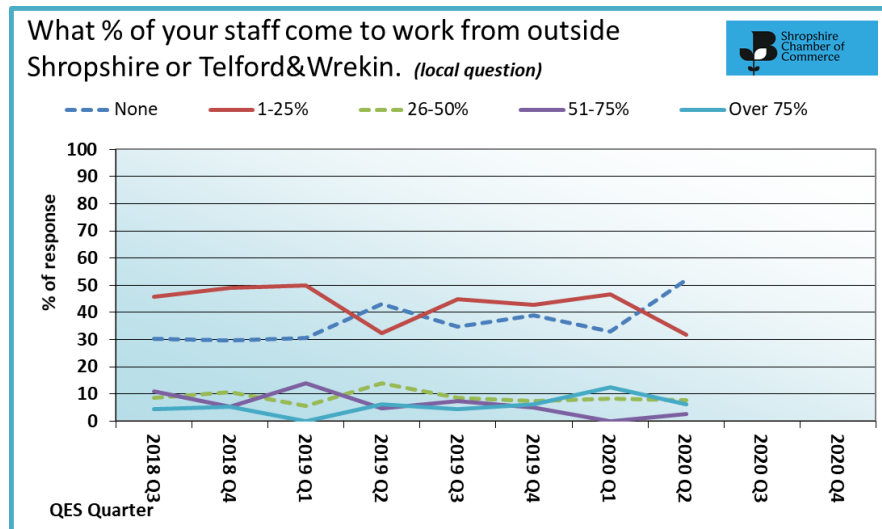
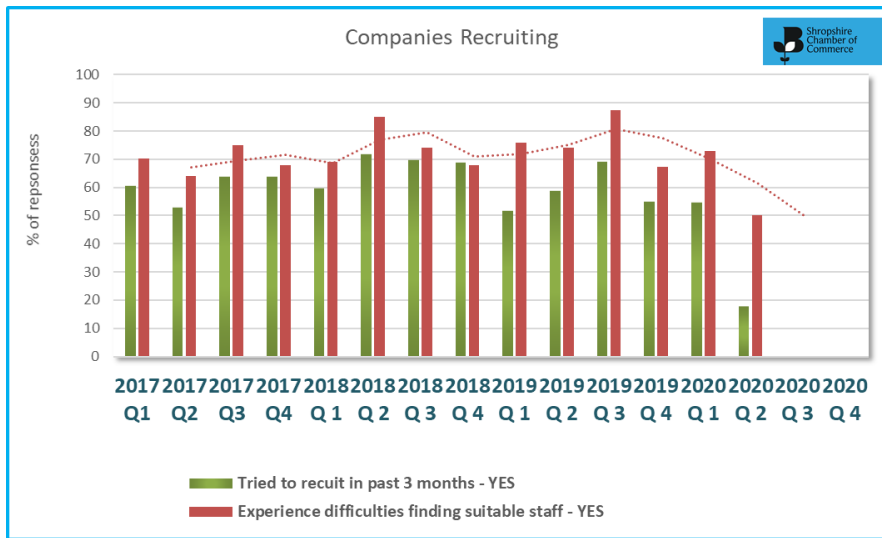
Workforce - past 3 months



Workforce - anticipated in the next three months

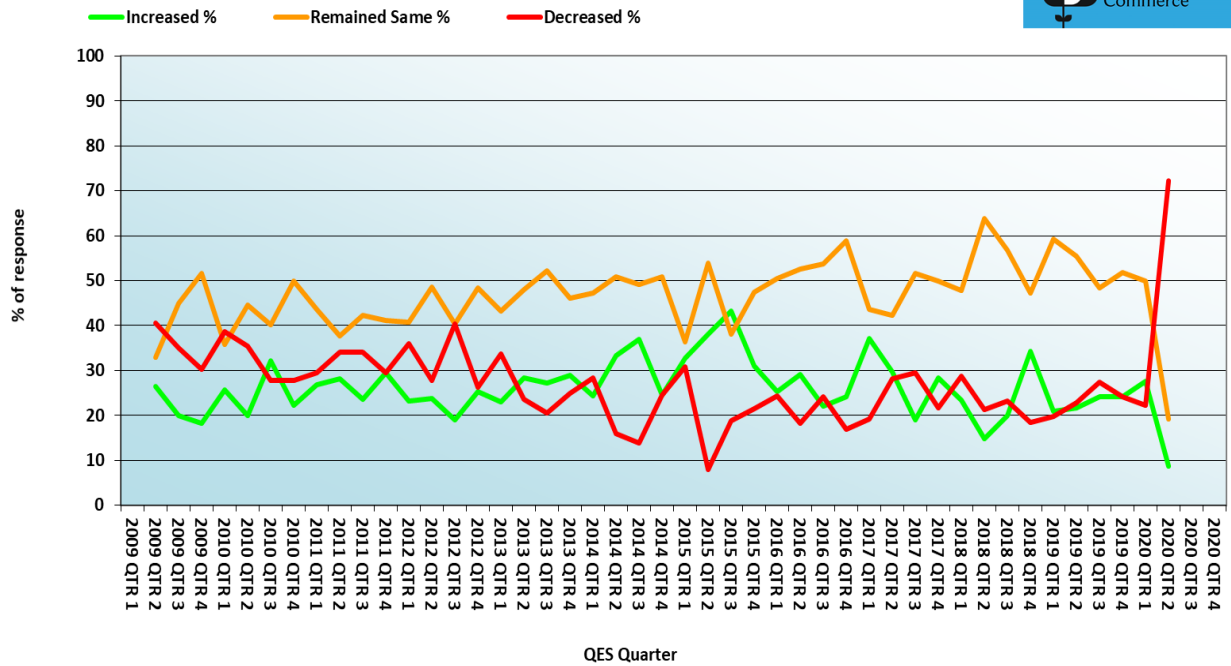


STAFF...continued

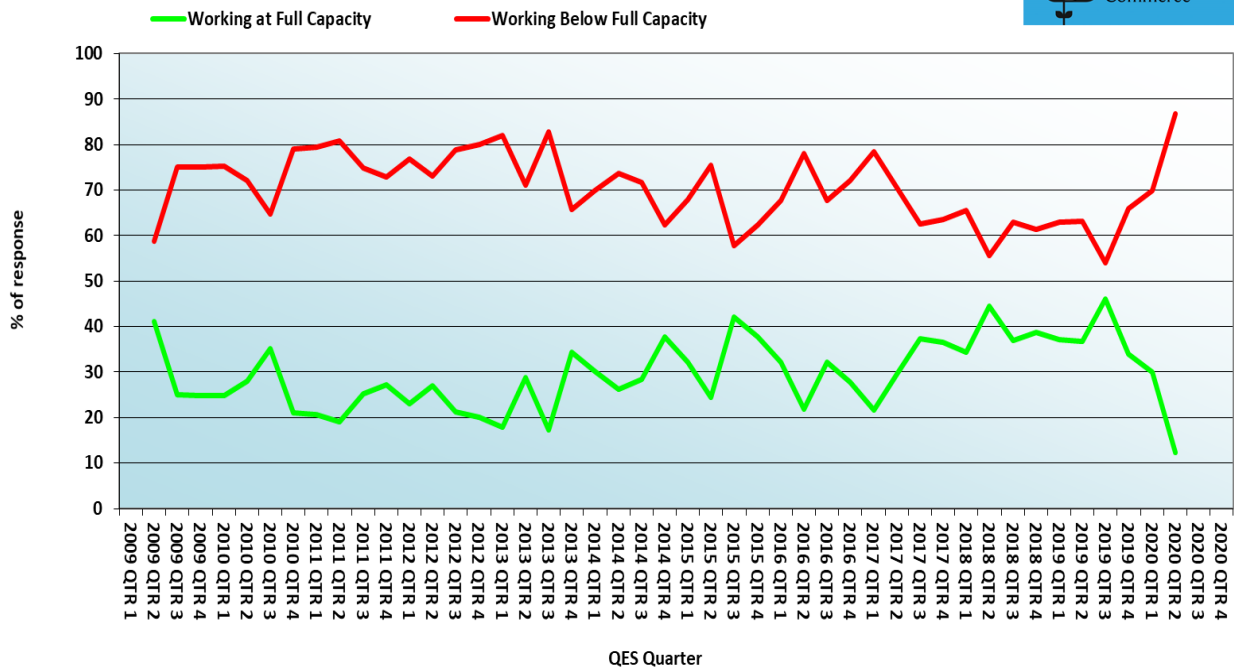


CASH & CAPACITY

Cash Flow - how has it performed in the past three months

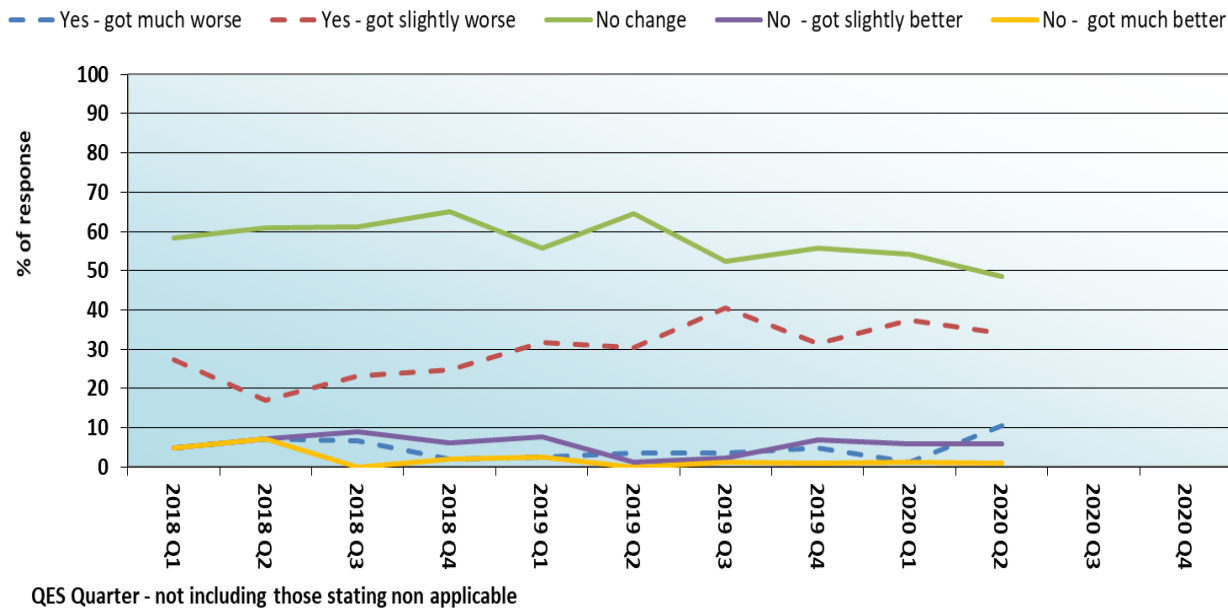


Capacity - working at full or below capacity

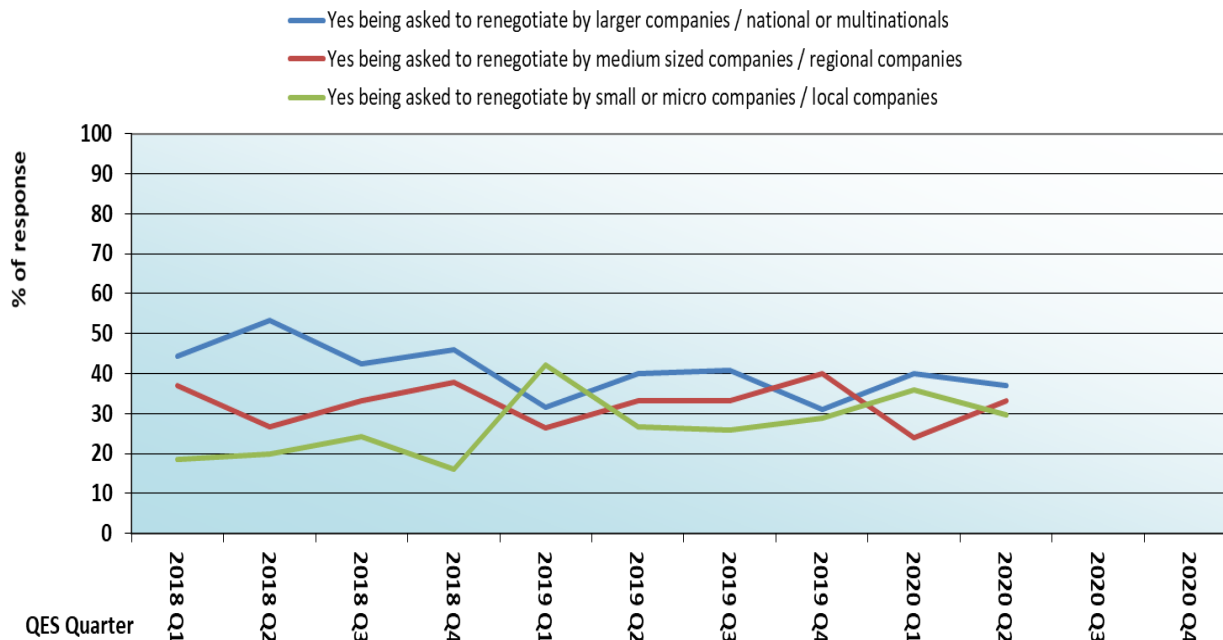


CASH & CAPACITY...continued

Have the number of outstanding payments due to your business got better or worse, generally? (local question)

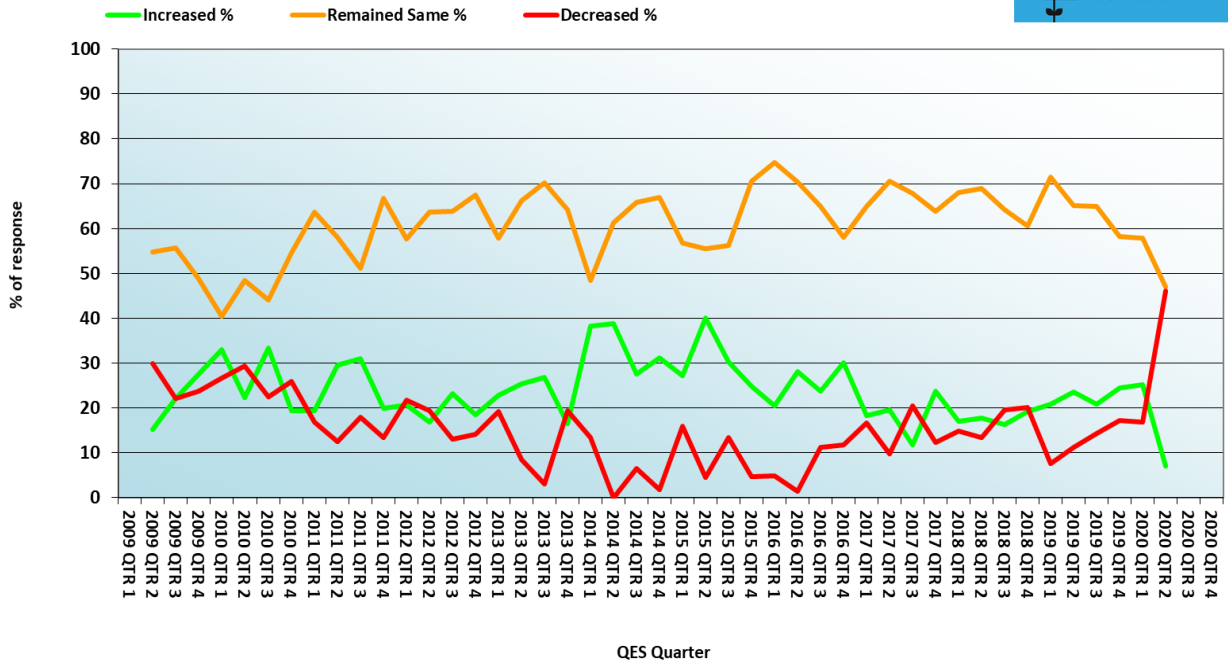


Are your suppliers asking you to renegotiate your payment contracts with them to less favorable terms? If so which types of companies are asking you to accept new contract terms? (multi choice - local question - not including those stating non applicable)

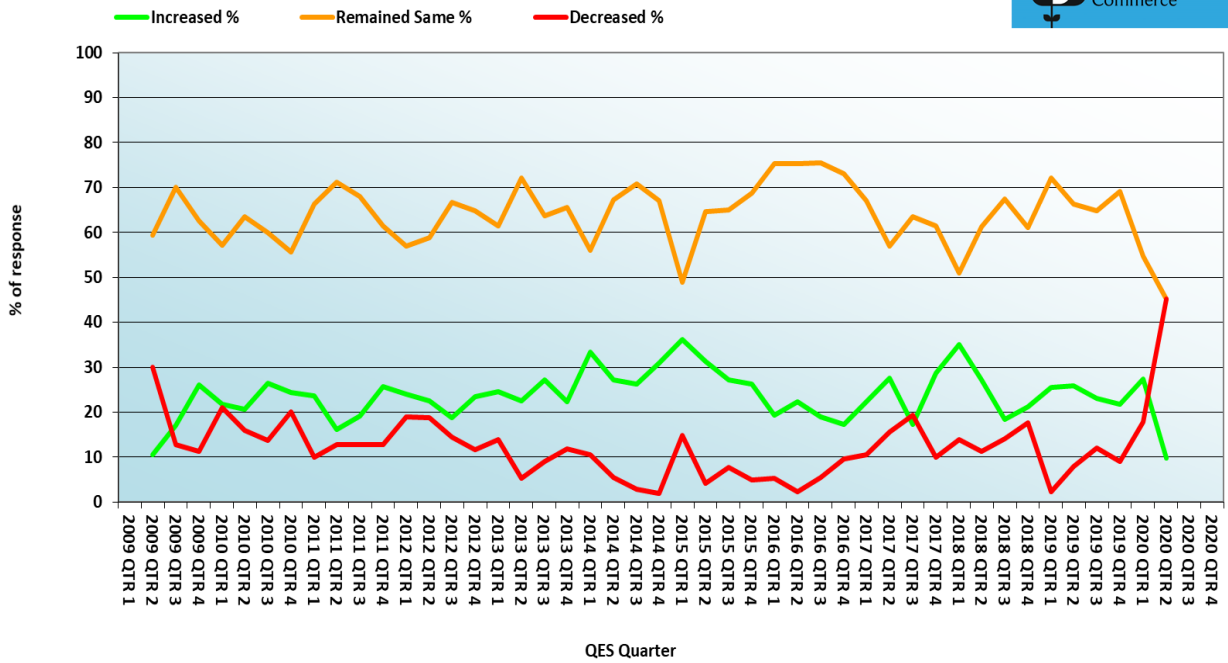


INVESTMENT

Investment Plans - Plant & Machinery

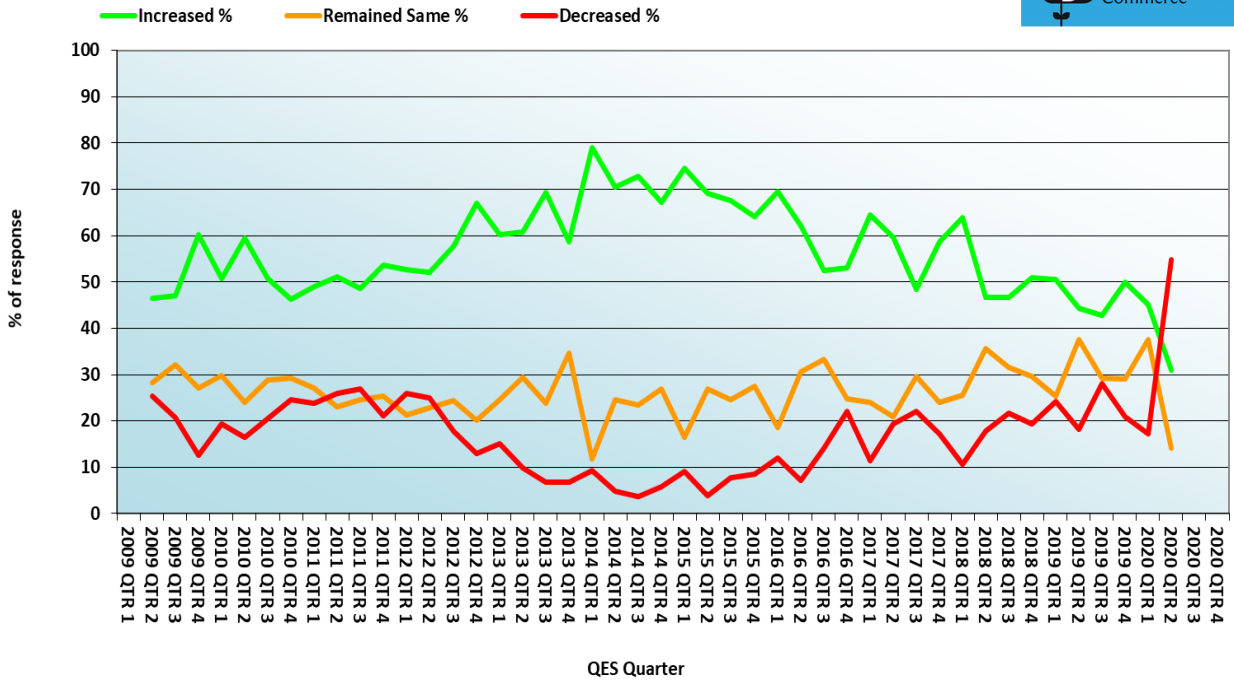


Investment Plans - Training

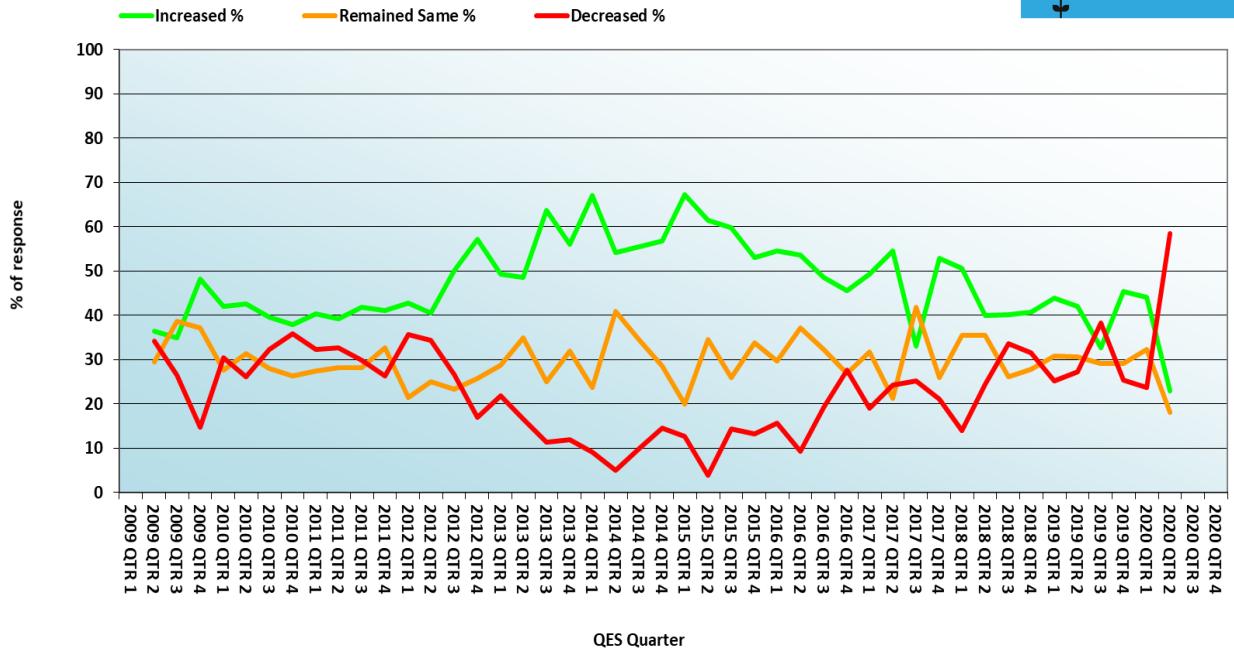


CONFIDENCE

Turnover Confidence - view of the next 12 months



Profitability Confidence - view of the next 12 months



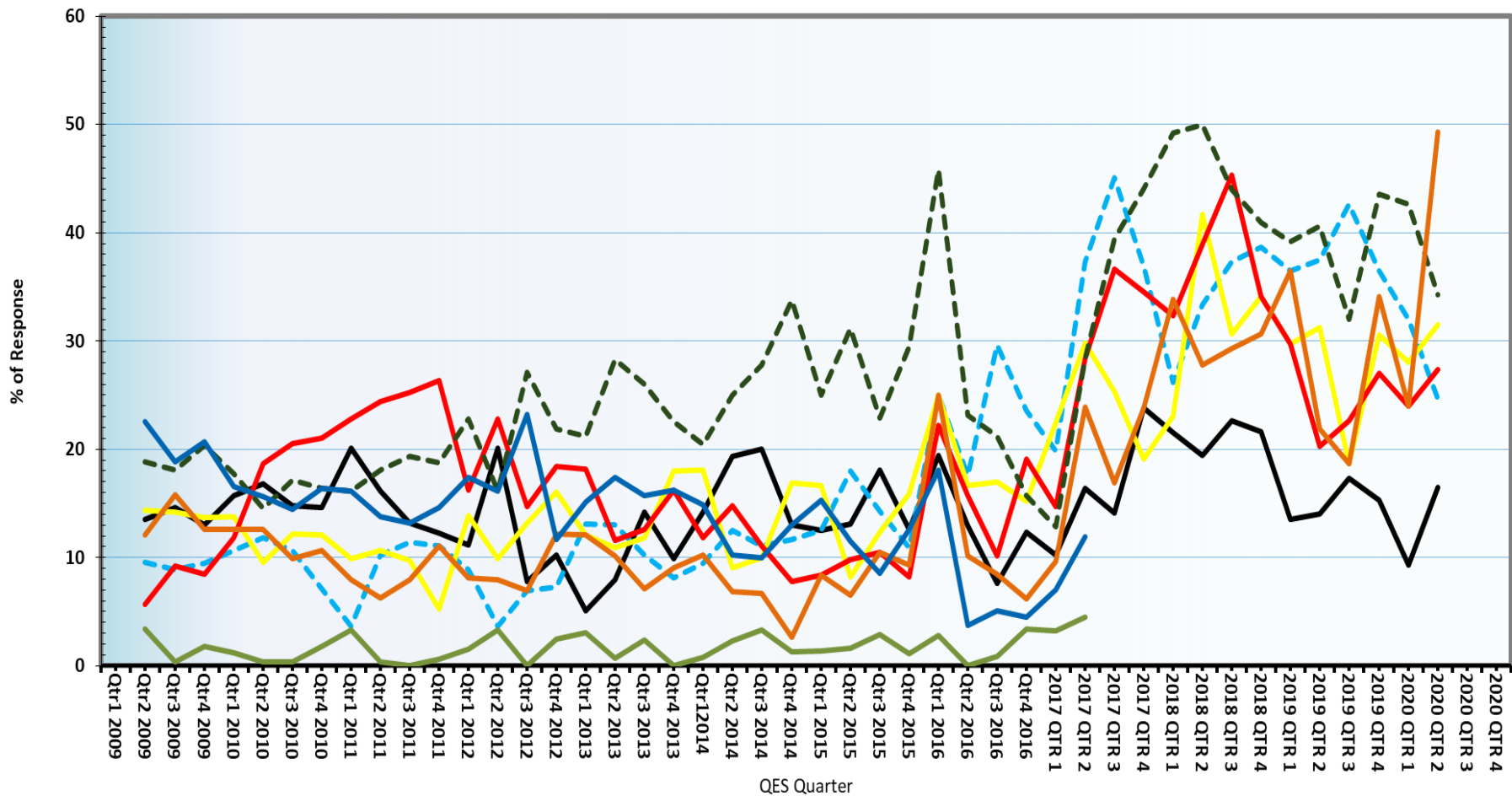
FEAR FACTORS

External Factors - Fear Factors - NB. due to the large number of factors measured the scale is 0-60, not 100, to allow for ease of reading

This chart depicts the most feared external factors that are felt may affect the respondents business. (Factors in



— Interest Rates — Exchange Rates — Business Rates — Inflation — Competition — Corporate Tax/Taxation — (Better Industrial Relations) — (Improved Cash Availability)



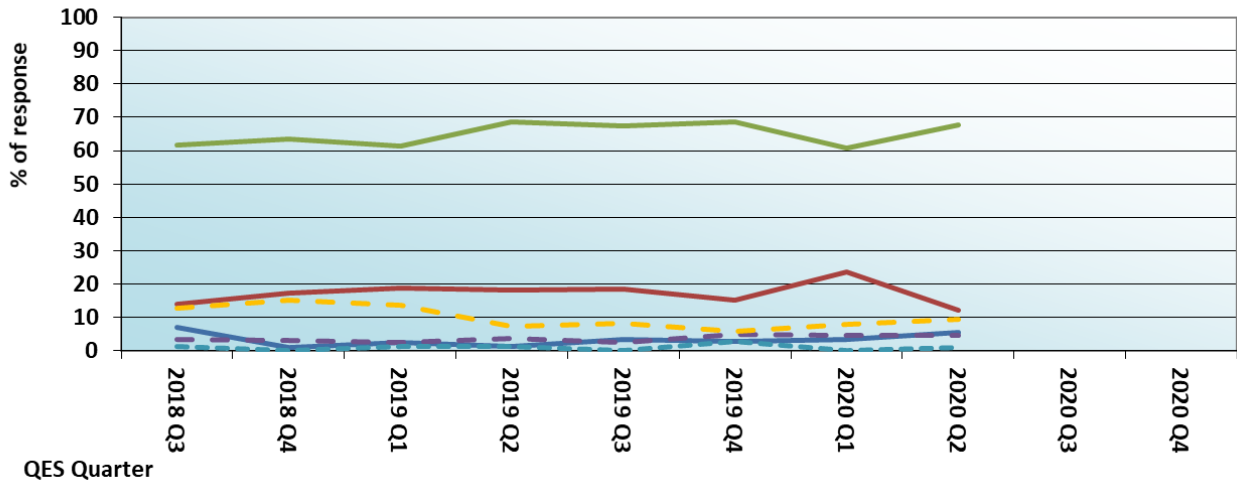
ADDITIONAL TOPICS

GDPR - have the steps you had to take or were advised to take had any impact on your ability to market or sell your product or services?



(local question)

- Very negative effect
- Somewhat negative effect
- No change
- Somewhat improved effect
- Greatly improved effect
- Too early to tell

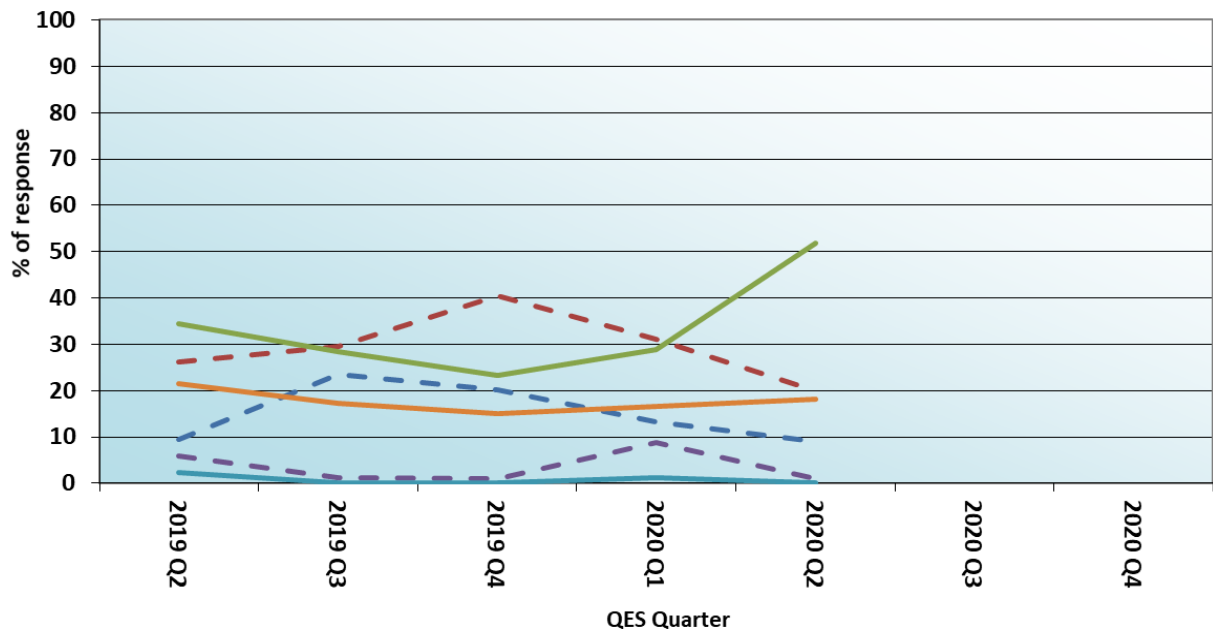


What effect is Brexit having on your business?

(local question) - Asked from Qtr.2 2019 onward



- Very negative effect
- Somewhat negative effect
- No change
- Somewhat improved effect
- Greatly improved effect
- Too early to tell



SPECIAL TOPICS

1. Shropshire Chamber has produced a range of business support material on its website and is looking to understand how businesses are being impacted by the Coronavirus. Please describe your businesses' experience below. This will help the Chamber to provide relevant support for local businesses and lobby stakeholders on your behalf.

Extracts from the comments received:

SERVICE SECTOR – RETAIL & WHOLESALE 1-19 STAFF:

As a retailer in Shropshire which has to have one on one contact with client's we have had to think of different ways to serve clients.

SERVICE SECTOR – OTHER 1-19 STAFF:

Our business has reduced by 75% and we have furloughed the staff. The support from the government in terms of grants and the low interest bounce back loan means we will be able to survive this.

MANUFACTURING – OTHER GOODS 1-19 STAFF:

We have remained open throughout the pandemic and we have seen record sales. We consider ourselves very lucky and we know we are then exception.

SERVICE SECTOR – RETAIL & WHOLESALE 20-199 STAFF:

Good and bad experience over the last 3 months. Being a retail and catering operator, we have gained on the retail but lost the catering. The gain has kept us roughly level with last year.

SERVICE SECTOR – TRANSPORT & DISTRIBUTION 20-199 STAFF:

We used to sell £450k pcm and we are currently selling under £40k pcm. We mainly serve the education sector.

SERVICE SECTOR – TOURISM & CATERING 20-199 STAFF:

Our property is on paper a rateable value of £70k. This was increased from £25k about 3/4 years ago. We have been given a break on paying this rate and actually physically pay £35k on rates. However, our paper rateable value of £70k puts us over the threshold for the government grant of £25k. Not helpful at all.

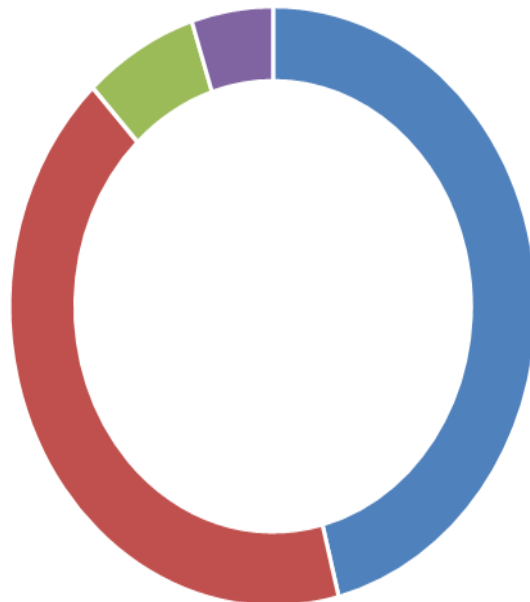
SERVICE SECTOR – PROFESSIONAL SERVICES 200-499 STAFF:

We have experienced a drop in demand which will result in worsened cashflow over the next few months. There will be challenges arising from moving staff back into the office or continuing to work from home for long periods.

MANUFACTURING – OTHER GOODS 20-199 STAFF:

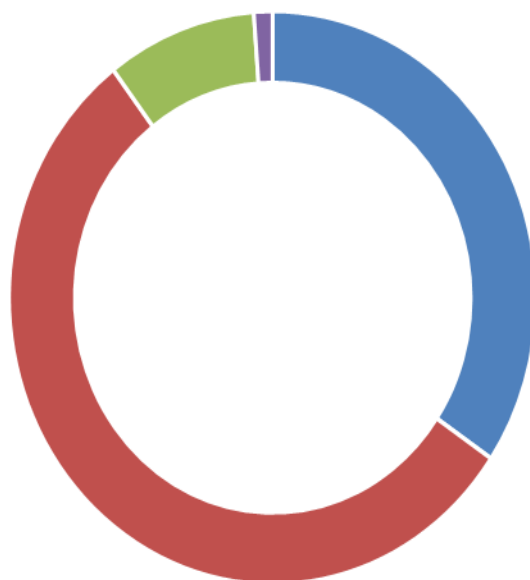
Turnover has dropped by 80% and is forecast to remain low for the foreseeable future. We are locked into a structure of fixed overheads (mainly rent and rates) and if we do not find a solution for that we will struggle to survive.

2. On 11 May, the UK Government released guidance for employers called 'Working safely during coronavirus'. Which of the following best describes how much you know about this guidance?



- Know a lot of details
- Know some details
- Know the name only
- Never heard of it

3. You said you knew details about the guidance in the previous question. Overall, how clear was the information contained within the guidance?



- Very clear
- Somewhat clear
- Not very clear
- Not at all clear

4. What additional support would you like to see from the Government to help you adapt post-lockdown?

Extracts from the comments received:

SERVICE SECTOR – RETAIL & WHOLSALE 20-199 STAFF:

Review of business interruption scheme moving forward for the hospitality and catering industry.

SERVICE SECTOR – PROFESSIONAL SERVICES 1-19 STAFF:

Ongoing business financial support to shore up and allow re-development and growth of local businesses.

SERVICE SECTOR - PROFESSIONAL SERVICES 1-19 STAFF:

Continue to pay Furlough for those businesses who would otherwise have to make redundancies - PPE / face mask distribution to businesses who run face to face businesses

SERVICE SECTOR - OTHER 1-19 STAFF:

They seem to be doing all they can to be fair. It is difficult for everyone.

SERVICE SECTOR – PROFESSIONAL SERVICES 20-199 STAFF:

We have qualified for a CBILS loan which is good, but we would like the Government to invest in infrastructure especially HS2.

MANUFACTURING – OTHER GOODS 20-199 STAFF:

Short term for us is all about cost reduction. Business rates support for manufacturing. Slow down increases in NLW. (national living wage)

SERVICE SECTOR – WHOLESALE & RETAIL 1-19 STAFF:

Extension to Brexit timetable, it will be a great shame to have survived COVID19 and fail because of a No Deal Brexit.

SERVICE SECTOR – PROFESSIONAL SERVICES 20-199 STAFF:

Be more positive on a start back date for businesses.

MANUFACTURING – OTHER GOODS 20-199 STAFF:

Turnover has dropped by 80% and is forecast to remain low for the foreseeable future. We are locked into a structure of fixed overheads (mainly rent and rates) and if we do not find a solution for that we will struggle to survive.

SERVICE SECTOR – TOURISM & CATERING 20-199 STAFF:

As an industry we are one of the highest contributors towards GDP and employment. We need consumer confidence to increase at the same rate that the level of government support is reduced to ensure that the industry remains healthy and can continue to employ our staff. Reduction of VAT on hospitality has been lobbied for, for years to try and match our European neighbours. Now would be a useful time to push forward again on this.