

Covid-19 Business Survey

August 2020



Introduction

LCCC is aware that many local businesses are suffering as a result of Covid-19, and as a Council, are keen to hear from local businesses to identify key challenges and capture information on how Covid-19 may be impacting business currently and in the longer term.

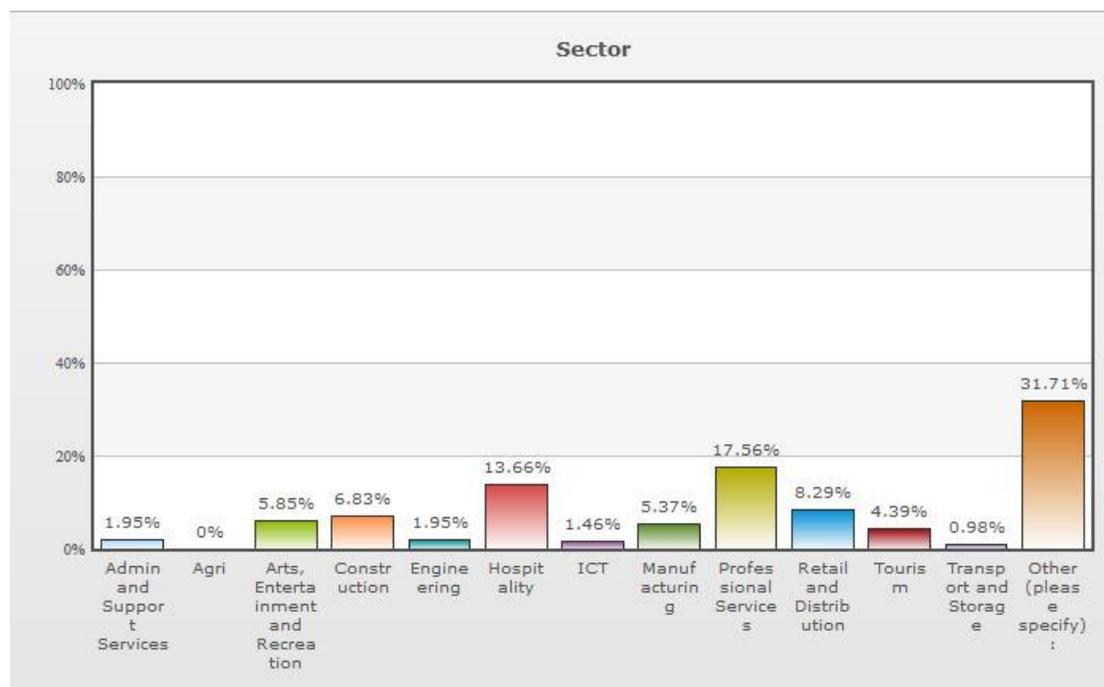
The survey will help provide Council with a better understanding of the support needed locally, so the Council supported by relevant statutory bodies, can lobby for business needs.

An online survey was launched in June 2020 and was open for feedback for a 2 week period. This report provides an overview of the feedback received.

Composition of respondents

Two hundred and five businesses responded, 95% are indigenous owned businesses in LCCC and 5% were externally owned businesses. The sector breakdown of respondents is categorised in Graph 1.

Graph 1: Sector Composition of Respondents

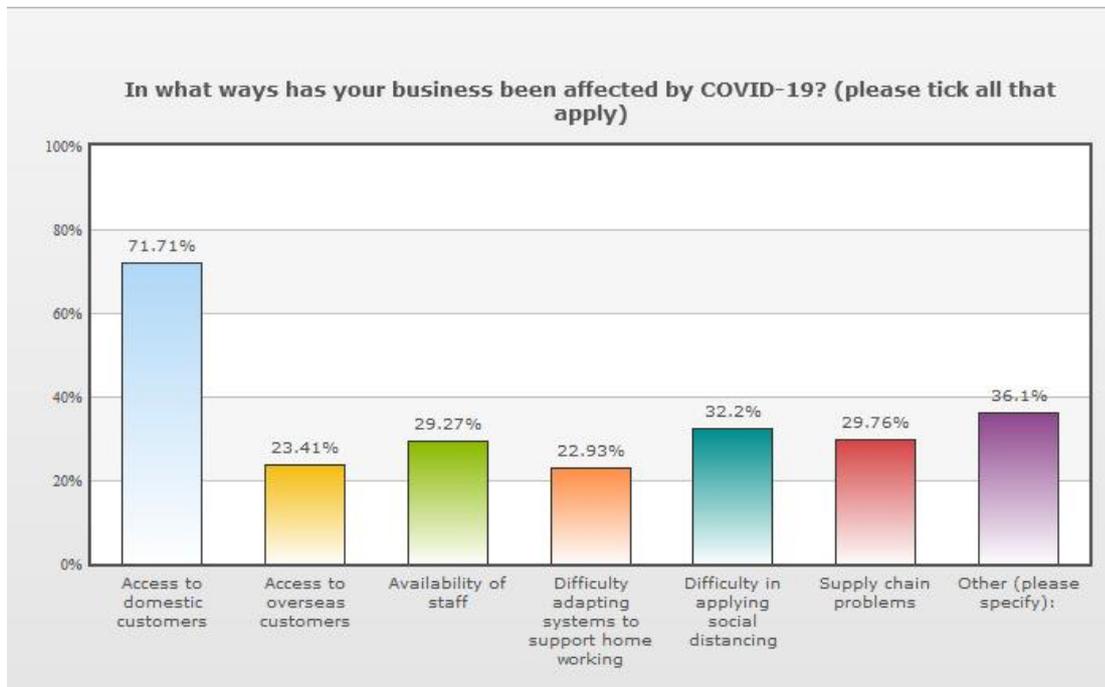


In terms of size of businesses responding, 81% of respondents employed 1-9 people; 8% employed 10-19 people. At the time of survey (17th June closing date) 53% of businesses were continuing to trade and 47% had temporarily closed.

Effect of Covid-19 on Business Operations

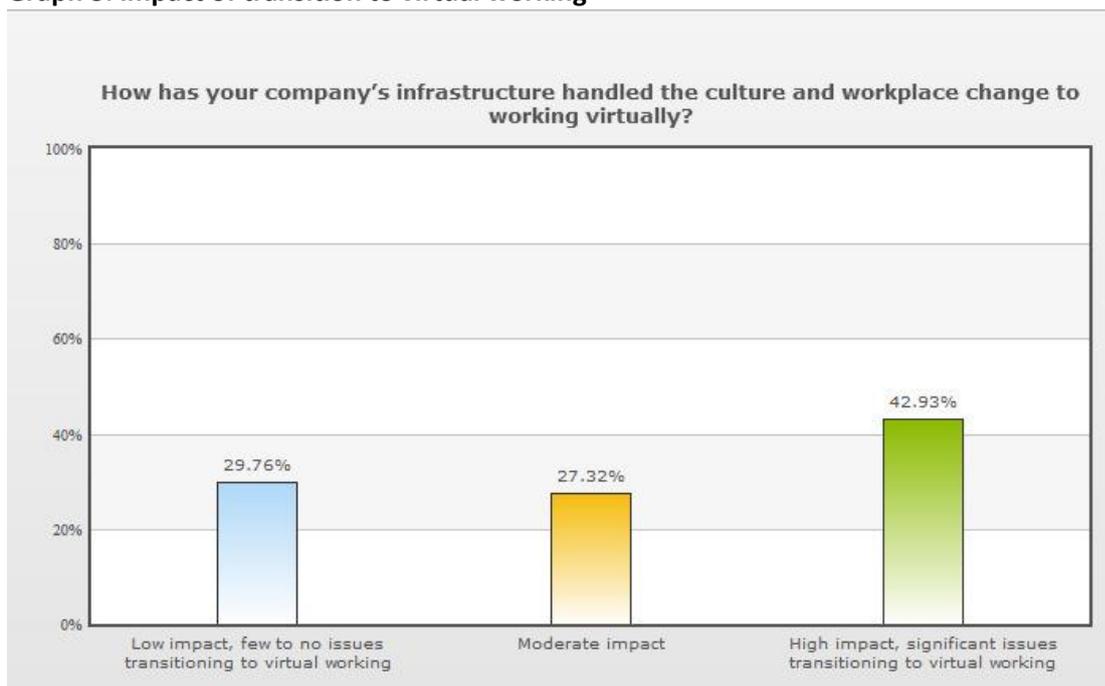
The businesses were asked a range of questions to understand the impact Covid-19 has had on their businesses. As Graph 2 below demonstrates the most prominent answer with a 72% response rate was Access to Domestic Customers.

Graph 2: Areas of business impact from Covid-19



Businesses were asked how their company's infrastructure has handled the culture and workplace change to working virtually. As Graph 3 shows, almost 43% stated that they had significant issues transitioning to virtual working.

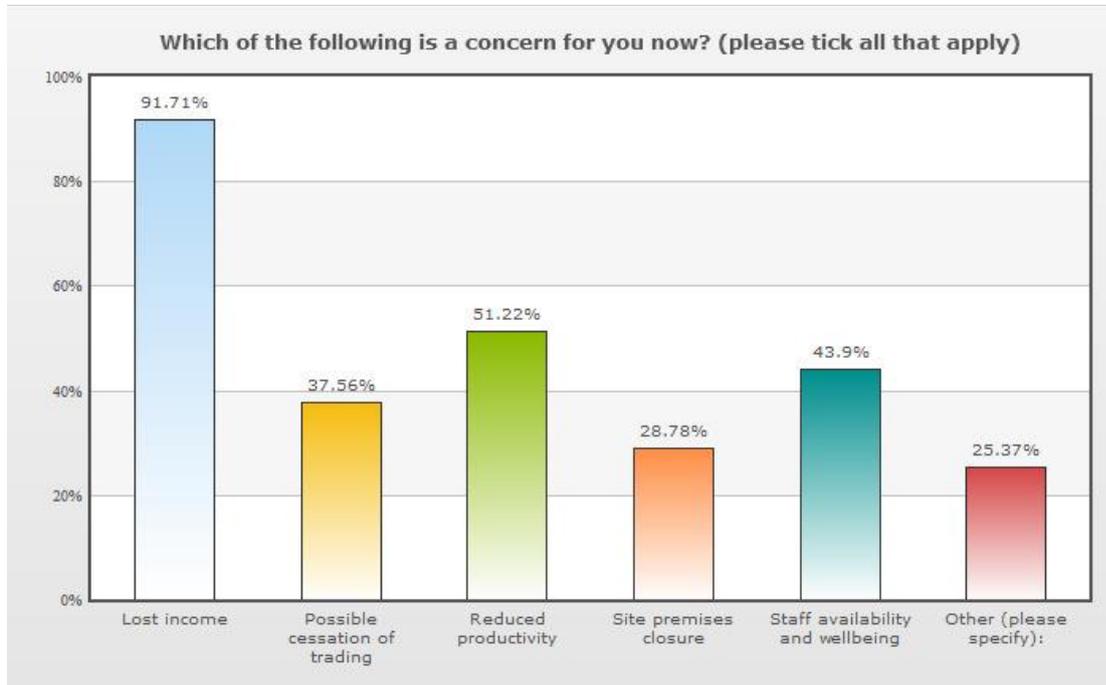
Graph 3: Impact of transition to virtual working



Current Concerns

The majority of respondents at 92% stated that lost income is the current concern, followed by reduced productivity at 51%, as shown in Graph 4 below.

Graph 4: Current concerns



Respondents were asked the same questions around key concerns, should Covid-19 continue to impact over the next quarter. Loss of income still remains the highest concern and increases to 93%. Possible cessation of trading increases from 38% to 51% and matches reduced productivity as a joint second concern. Site closures also rises from 29% to 37%.

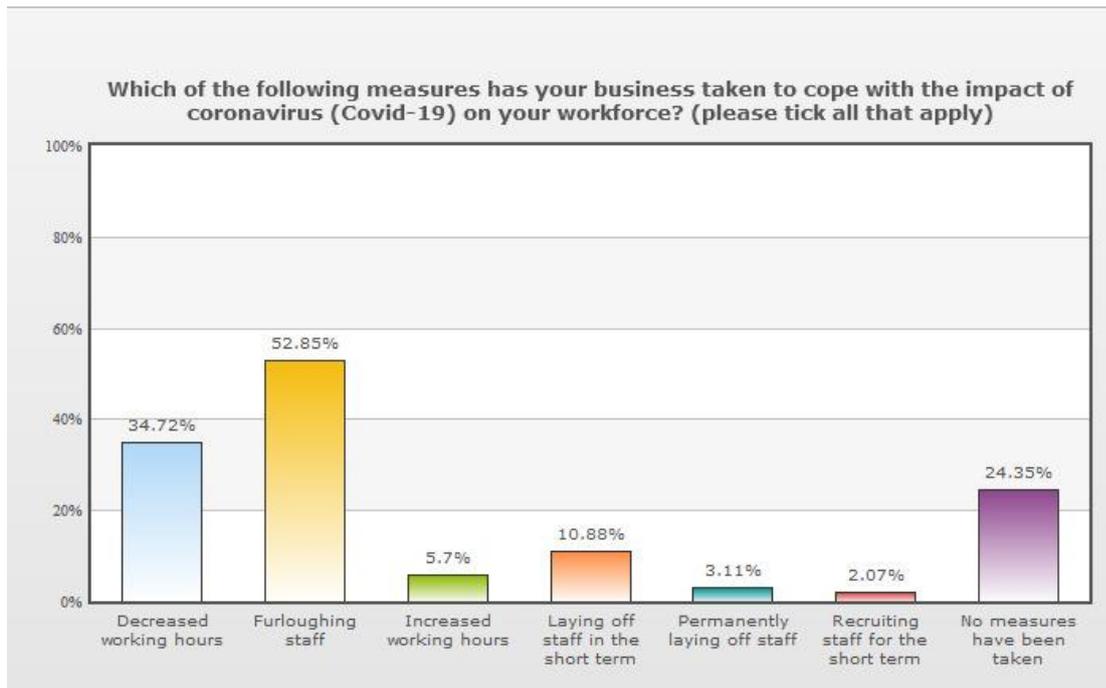
Effect of Covid-19 on Workforce

A series of questions were posed to seek an understanding of the impact of the LCCC workforce during Covid-19.

Measures Undertaken

Businesses were asked what measures were taken at the start of lockdown to cope with the impact of Covid-19. As demonstrated in Graph 5, 53% of respondents have furloughed staff and 35% have decreased working hours.

Graph 5: Workforce measures



Effect of Covid-19 on Business Financials

As expected, 88% of respondents stated turnover was outside of their normal range.

Preparing to Return to Work

Businesses were asked about workforce strategies for bringing employees back to work.

- 75% complying with government guidelines
- 27% are creating smaller flexible working groups and 18% have not considered a return to work strategy.
- 19% Staggering return to work to allow greater social distancing by splitting employees into shifts based on specific criteria
- 17% Returning to work strategies will be based on local infection rates and risk

Challenges to restart / continue business operations

There are a broad range of challenges facing businesses, those most prominent were:

- 56% - Access to domestic customers
- 50% - Conforming to social distancing rules
- 43% - Protecting customer safety
- 39% - Protecting employee welfare

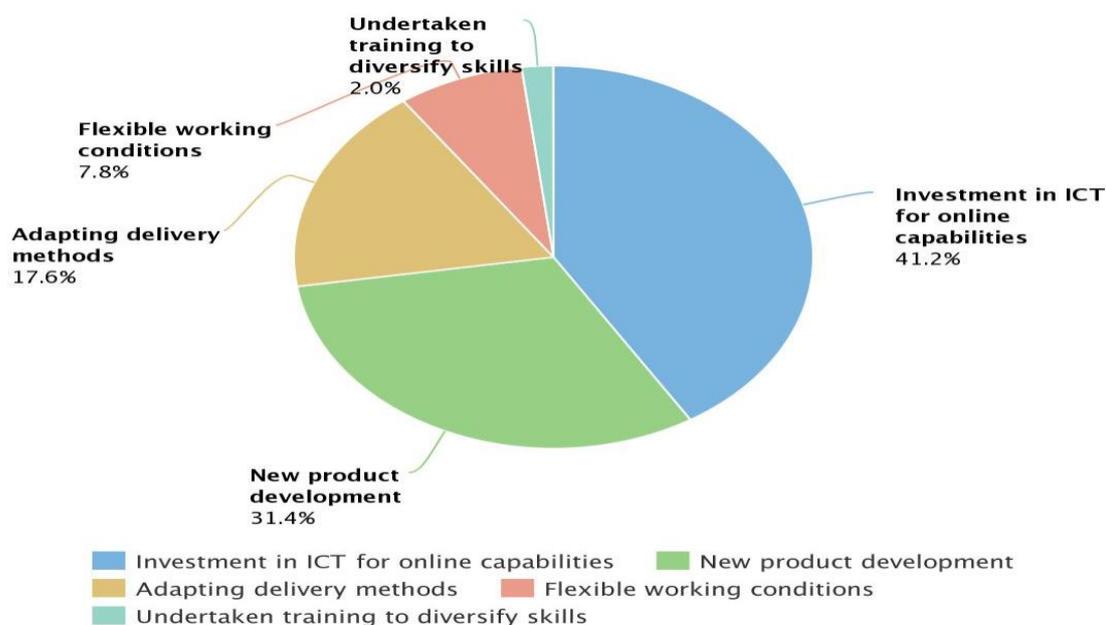
Opportunities & Diversification

Businesses were asked if they felt there were any potential opportunities for them during the recovery phase. 43% felt there was not any for them, however a number of positive areas were identified: -

- 17% have created opportunities through diversifying their business offering
- 11% have created opportunities through online sales
- 12% have seen an increase in demand for business
- 7% feel there is an opportunity to sell to more local customers / tourists

In terms of diversification, 41% of respondents stated that they have diversified their offering. Graph 6 highlights of these respondents, 41% have invested in ICT and have moved some services and delivery online and 31% have undertaken new product development as a means of diversifying.

Graph 6: Means of diversification



Support

Business were asked what support would benefit them during the recovery phase. Whilst there are a broad range of support needs, as outlined in Graph 19, those most common were:

- 62% stated financial support
- 49% stated support to find new domestic customers
- Approximately 40% in equal measures stated
 - Support with protecting customer welfare and safety
 - Support with protecting employee welfare and safety
 - Support with social distancing measures