

Covid-19 Business Impact Survey Feedback

Background

The Haringey Business Impact Survey was published on the [Council's COVID-19 Business Support webpage](#) and ran from 26 March to 24 April 2020. The purpose of the survey was to better understand the initial impact of the pandemic on businesses in the borough and inform our response to business support both in the immediate and longer term.

Key findings

- The survey supports analysis that the local Haringey economy is highly exposed to the impact of COVID-19. ¹ Over three-quarters of respondents have now closed or temporarily ceased operations, with 99% stating that they would need financial support between March and June.
- Over three quarters of businesses (79%) expected to need financial support over the summer months to remain viable, either through additional grant payments, an extension of the Job Retention Scheme and SEIS, or alternative measures. A further 8% expressed serious concerns around their survival regardless of further financial support.
- While most businesses stated that they were aware of the package of Government support measures (91%), only around three quarters of businesses expected to benefit from at least one of the supports.
- Just under half of respondents believed they were eligible for a grant scheme, with clear gaps in support evident for shared workspace occupiers, suppliers of the retail, hospitality and leisure sectors, and businesses operating from premises above the defined rateable value parameters.
- Around a tenth of suitable businesses intended to access the Coronavirus Business Interruption Loan (CBIL) and the Self-Employed Income Support Scheme (SEIS), echoing wider feedback around the limitations of these schemes (e.g. for self-employed workers who have only recently started to earn an income).²
- There is a clear demand for other forms of support and guidance as we move into the post-lockdown period, including adapting to social distancing measures and moving to digital platforms.
- Our immediate response includes:
 - Lobbying to national Government on behalf of businesses who do not sufficiently benefit from existing Government measures
 - Providing the latest support and guidance to businesses via a dedicated support team and webpage, and working closely with our networks and partners to help their members
 - Agreeing deferrals of payments to the Council on a case-by-case basis
 - Publishing an online map of businesses who are offering delivery and helping those would like to offer this service

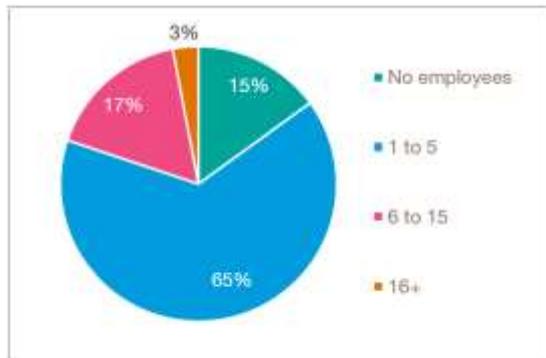
¹ See the [Hatch Regeneris COVID-19 Socio-Economic Impact Exposure](#) tool.

² The survey was completed prior to the Government's announcement of the Bounce Back Loan, which aimed to address issues around small businesses accessing the CBIL scheme.

Respondents

A total of 267 business owners responded to the survey. The following charts break down the characteristics of the respondents.

Size of business

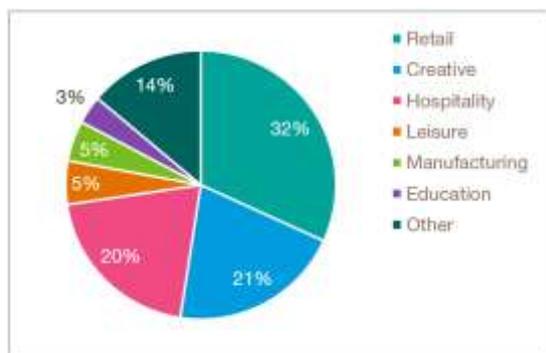


Most respondents were micro-businesses, with 80% of respondents having five or less employees.

57% of businesses stated that they were self-employed.

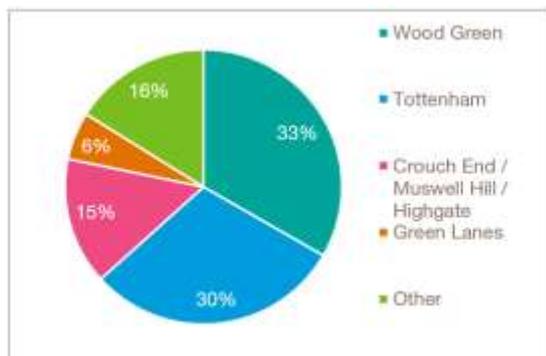
Only one business with over 40 employees responded.

Sector



The highest proportion of respondents were in the retail sector (32%), followed by creatives (21%) and hospitality (20%).

Location



The town centres of Wood Green and Tottenham provided the highest number of responses, with high streets in the west of the borough (Crouch End / Muswell Hill / Highgate) also forming a significant proportion.

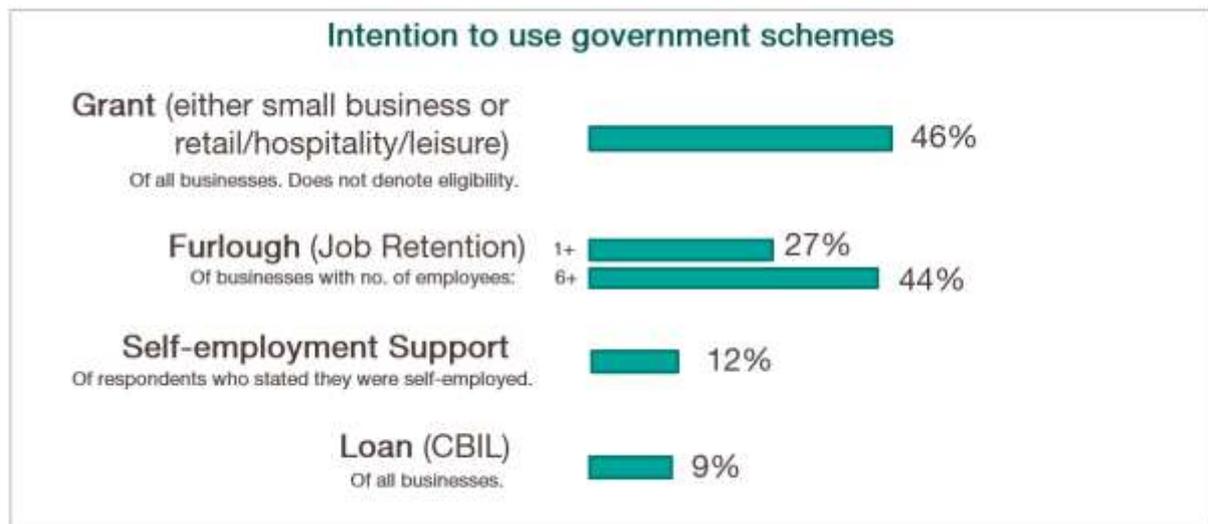
Most respondents were leaseholders (61%) with a small proportion of freeholders (8%). The remainder were mainly made up of businesses in co-working space and licensees. 16 of the business owners (7%) were Council tenants.

Feedback on Government COVID-19 financial support

The majority of businesses when asked stated that they were aware of Government support measures (91%) to some extent, and 73% of businesses stated they expected to benefit from the Government support measures.

However, some responses by business owners who fell within either category indicate that they were not familiar with the types of financial support available and what may be applicable to them, instead suggesting awareness of Government support in a broader sense. ³ Around 74% of businesses appeared to be aware of the specific support schemes available and how this related to their individual circumstances.

Intention to utilise Government support schemes



The above chart illustrates the proportion of businesses who expressed intention to utilise the headline Government financial support measures, relative to their broader eligibility for the scheme. ⁴

Scheme	Comments
Grants	The data indicates that 46% of respondents believe that they will benefit from a Government grant scheme. This is lower than the total number of respondents in the retail, hospitality and leisure sectors (57%) and notable given the high percentage of small business respondents.

³ This distinction includes, for example, those who did not specifically reference which scheme they expect to benefit from or stated that they would benefit from types of support which are not within the current package of Government support measures, e.g. rent reductions.

⁴ Note that further analysis of the Council's grant administration process will identify the proportion of eligible businesses relative to number of enquiries received by the Council. Data on the number of businesses successfully accessing the Coronavirus Business Interruption Loan (CBIL) is available at [the British Chamber of Commerce](#).

	<p>Based on comments provided by respondents, this is due primarily to a significant proportion of businesses falling outside the eligibility criteria for these grants. For example those who:</p> <ul style="list-style-type: none"> • Are not the ratepayer, such as those operating in a co-working space/shared workspace where the rates have not been split down to unit level • Fall outside the defined parameters of rateable value • Do not operate from fixed premises • Primarily supply the retail, hospitality and leisure sectors but are not eligible for a grant
<p>Job Retention Scheme</p>	<p>A similar percentage (44%) of businesses with more than five employees indicated that they intend to utilise the Job Retention Scheme. This dropped to a lower percentage of 27% when also incorporating businesses with a very small number of employees (one or more).</p>
<p>Self-employment Income Support (SEIS)</p>	<p>12% of self-employed workers expressed intention to utilise the SEIS scheme. Based on comments provided by respondents, the relatively low interest may be due to the following factors:</p> <ul style="list-style-type: none"> • Concerns from those who have only recently started to receive an income or whose income has historically been lower • Nine of the respondents stated that as limited company directors they did not believe they were eligible for the SEIS scheme • While the survey was published on the same day as the Government announcement on self-employed worker support, the later announcement may have led to lower awareness
<p>Coronavirus Business Interruption Loan (CBIL)</p>	<p>9% of all businesses expressed intention to utilise the CBIL. The following issues were raised by respondents relating to the loan scheme:</p> <ul style="list-style-type: none"> • Personal guarantees required by lenders * • Had already approached a bank and been rejected * • Concerns around additional debt on top of existing loans or other repayments • Concerns around repayments in post-lockdown environment when demand for services may be substantially lower <p>*Note: the Government announced changes to the loan scheme on 3 April 2020, which aimed to make the scheme more accessible for small businesses, including a ban on banks demanding personal guarantee/collateral for loans under £250,000. Feedback from businesses indicate however that the business lenders are still required to go through stringent checks before CBIL is considered. Further to this, many CBIL accredited non-banks are refusing to participate in the scheme.</p> <p>In response to the wider response to the CBIL, the Government announced a Bounce Back Loan for small and medium businesses, which launched on 4 May 2020. Feedback on this new scheme is not captured in these survey responses.</p>

Impact over coming months

Of all respondents, 84% had either closed their premises or temporarily ceased operations. An overwhelming majority of 99% stated that they would need financial support over the next three months, whether through Government support measures or otherwise.

Support required over three-six months

The survey asked, *“What support do you think you'll need in the next 3-6 months?”*, to indicate how they viewed their situation over the summer months at the time of completing the survey. Responses were RAG-rated (red, amber, green) to assess the viability of the business with or without further financial (or other forms) of support. The results were:

RAG	Assessment	Percentage
Green	Expect to be stable with the Government financial support currently in place	13%
Amber	Will require additional support, either through an extension of the current Government measures (e.g. an extended Job Retention Scheme and/or additional grant) or alternative measures	79%
Red	Serious impact on viability of business regardless of further financial support	8%

45% of businesses envisaged having to make redundancies, though many noted that this was dependent on certain factors, such as receiving funds through the Government support schemes and the duration of the lockdown period.

Requests for further support

Finances and property

Most respondents sought further financial support in the coming months to cover their overheads, such as rent, utilities and existing loans. Proposals relating to this included:

- Grant payments, both for those who were already for a grant and those who were deemed to fall through cracks of existing measures
- Deferrals or holidays for rent/loan repayments to Council
- Extension of business rates relief to other sectors, such as manufacturing companies
- Communication with landlords regarding temporary prohibition of evictions, and encouraging them to offer rent holidays
- Options for alternative premises at lower rents if businesses forced to leave

In response to this we have agreed on a case-by-case basis deferrals for business rates, commercial rents, and Opportunity Investment Fund (OIF) loan repayments. We are also seeking to better understand the specific support needs of Productive Valley Fund (PVF) recipients and the demand for this initiative in the current climate.

Feedback from businesses is being used to inform our lobbying effort to national government, in partnership with other local authorities and the Greater London Authority (GLA), to highlight the type and scale of local businesses who do not benefit from the

existing financial support measures. We are focusing our efforts on helping the following groups access funding who are particularly prominent in the borough:

- Businesses who operate from premises with a rateable value of above £51,000 – we support the [#Raisethebar campaign](#) to increase the eligibility threshold for the Retail, Hospitality and Leisure Grant
- Occupiers of workspace or retail space who are not registered to pay rates and pay a contribution through rent to the landlord
- Businesses who supply the retail, hospitality and leisure sectors but are currently ineligible for grants, such as brewers and food manufacturers

Other forms of support

Businesses also sought guidance and help with enhancing the viability of their business in the longer-term, achieved through:

- Moving services online / operating their own digital platform
- Operating a takeaway service for restaurants
- Cashflow management and continuity planning
- Social distancing and other adaptive measures to operate post-lockdown, including access to PPE
- Sales and marketing advice in anticipation of slump in market
- Encouraging customers and employees that premises are safe to visit

This feedback is being incorporated in the Council's recovery plan for the local economy and is helping to determine where best to target its resources over the coming months. In the short-term, to ensure local businesses get the advice and guidance they need, we are:

- Maintaining a [COVID-19 Business Support webpage](#) with the latest information on Government schemes, free guidance available from support providers and trade bodies, and dedicated pages on safety, licensing, construction, and getting online
- Working closely with our partners and networks to provide the support their members need, and to better understand the impact across sectors and in the different areas within our borough
- Providing targeted guidance to businesses via our dedicated support team, including responding to all those who got in touch via the survey
- Publishing a Business Bulletin, which will start in the coming weeks, to extend the reach of our communications
- Engaging with the creative sector, particularly our Creative Enterprise Zone in Tottenham, through a newsletter and the [Made by Tottenham](#) Instagram page

Examples of concerns raised – including sector-specific breakdown

Sector	Comments
General	<ul style="list-style-type: none"> • Continued liability to pay for overheads including rent, insurance and loans • Safety of premises while closed • Closure leading to zero income for lockdown period • Difficulty in carrying out any financial planning without lockdown exit strategy • Impact of lockdown during busiest period of year (including seasonal businesses) – concern picking this up in usually quieter months and with anticipated slump in market • Concern over staffing and dealing with employee absences • Disproportionate impact on businesses who have significant recent expenditure, e.g. start-up or refurbishment costs • Disruption to recent start-ups mid-funding round • Vulnerable groups who may not be able to operate their business for a longer period • Concerns around receiving post at closed premises • Uncertainty around contract renewals • Difficulties accessing Universal Credit
Retail	<ul style="list-style-type: none"> • Difficulty operating activities due to social distancing, forcing shops to shut regardless of enforced government closure • No access to PPE increasing concern around above • Difficulty obtaining stocks from suppliers • Stocks which will expire in period and costs cannot be recuperated
Hospitality / Leisure	<ul style="list-style-type: none"> • Perishable stock for which costs cannot be recuperated • Need to refund cancelled ticket costs, impacting cashflow • Significant reductions in future bookings, if not entirely cancelled, and difficulty predicting when industries will be able to operate fully again – concern that this will continue for a long time • One business noted that delivery service has been less successful than envisaged
Creative	<ul style="list-style-type: none"> • Difficulties accessing SEIS due to financial model, and grants due to not being ratepayer / not operating from their own premises • Business premises / workspace closed, and not possible to work from home • Difficulty marketing products online for certain businesses • Cancellation of exhibitions and other future bookings • Termination of existing projects as client unable to pay <p data-bbox="432 1843 1310 1906">Haringey has published a dedicated survey for local creatives. The results of this survey will follow in due course.</p>
Workspaces	<ul style="list-style-type: none"> • Desire to support tenants but need to pay their own expenses, leading to difficulty offering rent holidays, particularly when not offered their own payment holidays by landlords

	<ul style="list-style-type: none">• Departing tenants cannot vacate their studios due to social distancing rules, nor can new tenants move in
Manufacturing	<ul style="list-style-type: none">• Difficulty operating activities to full capacity due to social distancing, hence having to reduce staff numbers and output• Customer base predominantly in retail/hospitality/leisure sectors and therefore experience similar impact, but are not eligible for grant schemes nor rate relief