

London Chamber of Commerce and Industry (LCCI)

SITREP – 23rd April 2020

Issued to London Strategic Coordination Group (SCG): Business Subgroup

Request on COVID-19 business-related impacts

LCCI is probing and collating the views, experiences and expectations of **member businesses** on a weekly basis.

Business conditions	<p>Noticeable and swift drop in activity in advertising sector, with both suppliers and clients going out of business.</p> <p>Airlines reducing costs wherever possible, including mothballing and selling sites.</p> <p>Charity sector seeing little to no income, affecting auditors and donors alike.</p> <p>Over one-third of freight firms closed due to no work, and more than 20% facing financial collapse in next 8 weeks.</p> <p>Commercial landlords having issues with tenants not paying and struggling to find compromises. Lack of clarity from Government over 'proper' behaviour – understand protections for embattled firms, but landlords have bills too.</p> <p>Education firms who planned expansions now worried that investments leave them financially vulnerable, with no clear guidance yet on how 2020/21 academic year will proceed.</p> <p>Insurance sector seeing non-renewals of policies, although new business trickling in too.</p> <p>Use of webinars in place of physical events. Some companies report venues allowing postponements on events without normal default clauses being activated.</p>
Staffing	<p>Three quarters of freight sector have already furloughed workers, 10% made redundancies.</p> <p>As reported by news, furloughing high in the airline industry.</p> <p>Not all firms have resorted to JRS just yet, can manage financial impact for now.</p> <p>Those still required to go to workplaces finding it difficult to source sufficient PPE.</p>

Government support	<p>Eligible firms are receiving their Small Business Grant from their local council.</p> <p>However, others slipping between cracks – those in shared workspace and operating one-man bands not able to access support via business rate eligibility.</p> <p>Freight sector noting frustration with CBILS, deferral of VAT payments the most popular measure.</p> <p>Lack of clarity over when funds will be released to firms, via CBILS and grants from councils.</p> <p>Issue around private-equity backed firms – companies being discounted under accumulated losses threshold. PE-backed firms often profitable but have been acquired under leveraged buyout structures being discounted from CBILS scheme. Unclear whether this is being mandated by BBB or if banks are interpreting this way.</p> <p>Firms see Corporation Tax payment deferrals as another vital way of aiding businesses.</p>
Banking and Insurance	<p>Some businesses seeing their banks introduce free overdraft facilities automatically.</p> <p>Insurance companies talking with businesses over the cover they have, trying to manage expectations. However, many firms noting that insurers not paying out as the loss of business did not occur directly in premise.</p> <p>At-risk freight firms citing need for banks to increase the pace of lending.</p> <p>Firms contacting their banks for repayment holidays on monthly loan repayments.</p>
Other	<p>Firms hoping and expecting that shift to remote working can reduce need for physical meetings in the future.</p> <p>Insurance companies finding that large proportion of firms are unaware they are eligible for Small Business Grant and urging them to contact local council.</p> <p>Use of webinars to offer services on the rise, and firms keen to use webinars in the future more often.</p> <p>Construction firms wary of getting workers to sites at the moment due to cutback in public transport, and concerns of getting sites up and running once the lockdown measures are eased.</p>