Business Survey

Summary of Findings

December 2020 / January 2021

Methodology

- Business Survey created by the Economic Development team Autumn 2020
- Timing of survey delayed due to focus and sensitivity around ongoing national lockdown restrictions
- Confidential online survey emailed to database of c. 1,200 grant recipients
- Survey was also promoted via the business associations and our own social media channels
- Survey closed to responses 31st January 2021
- Total response 93 completed surveys

Aims;

- Engage with our businesses in the wake of the Covid-19 pandemic
- Capitalise on the increased number of direct business contacts as a result of the grant funding issued over the summer
- Capture views and experiences, in terms of the current trading environment, the challenges and the opportunities

Summary and Next Steps

Business Survey 2020

Summary

- 93 completed responses received - service providers (business) and retail / wholesale operators at 22%
- Responses dominated by micro businesses reflecting the weighting of these businesses within our economy
- 51% have furloughed staff at an average of 62% of workforce and 23% plan to enrol staff in the Job Support Scheme
- 77% of respondents are rated for business rates with the most commonly received form of grant / funding
  - Covid-19 Small Business Grant (69%)
  - Bounce Back loan / similar (37%) and
  - Covid-19 Discretionary Grant (26%)
- Current operating conditions for most focus on a reduction in business activity - they also indicate other ways businesses have adapted
- Biggest issues facing businesses over the next 6 months focus on
  - Cash flow and reduced customer numbers
  - Continued economic uncertainty
  - Lack of consumer confidence

Summary

- Most businesses are planning to change and adapt over the next 6 months, there is a clear resilience only 8% are considering permanent closure
- Priorities for economic recovery are clear - promote local businesses and protect existing jobs
- Of the Government's priorities for delivering economic growth and jobs, Backing Business was considered the most important for Mid Sussex and Green Recovery the least
- There are opportunities to improve the digital experience and accessibility for businesses, while connectivity is OK; skills, pricing and speed are considered current barriers
- There is a clear appetite for further information regarding digital initiatives and how businesses can directly benefit
- Most businesses are open to future direct engagement
- Plenty of scope for increasing membership of the Business Associations (currently c.20% of the businesses in the survey are members) as well as attendance at future Open for Business events

Good initial business engagement activity, no big surprises. Lots of clear steers in terms of support and direction for future activity

Next Steps

- Follow up contact with businesses to identify key opportunities to deliver support in partnership with WSCC and LEP
- Digital team will follow up to inform their full fibre work and promotion
- Survey results will be shared with the Business Associations and specific actions identified to help promote the associations and their benefits
- Use the respondents and grant applicants to extend the Open for Business 2021 contact list
- Business Newsletter was re-launched in February
- Future business newsletters to include a clear focus on signposting to the current business support initiatives
- Responses for the survey have primarily been from the SMEs; in order to engage with the larger organisations Round Table events are being organised

Next Steps contd.

- Re-design Business / Economic Development web pages to promote and signpost business support and encourage future engagement via on-line surveys, links to the newsletter, contact details, etc.
- Investigate opportunities for Town Centre / Retail Forum to focus on activities to drive footfall into the town centres
- Progress plans for a renewed re-opening high street campaign to promote the town centres and high streets
- Finalise the Virtual High Street shopping webpage to continue to promote local businesses
- Exploring additional future surveys

Detailed Findings

Business Survey 2020

Survey Respondents

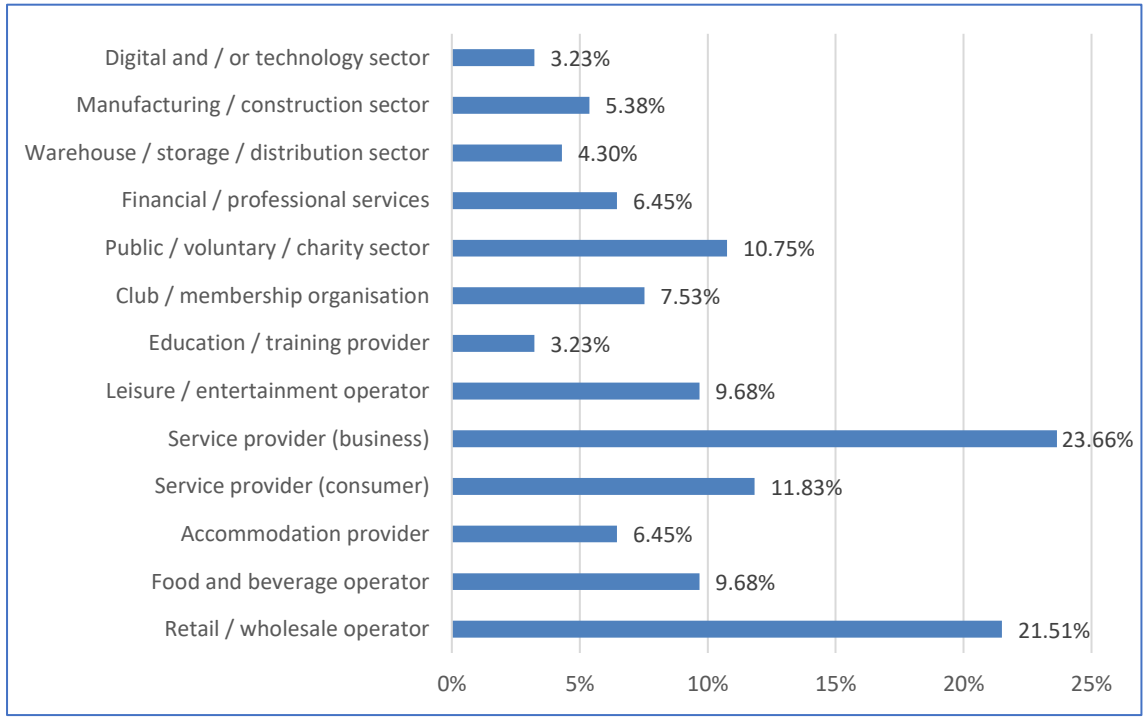
Respondents to the survey were primarily;

- Service providers (24%)
- Retail / wholesale operators (22%)
- Service providers (consumer) (12%)
- Operating in the public, voluntary or charity sector (11%)
- Food and beverage operators (10%)
- Leisure / entertainment operators (10%)

This reflects the dominance of these sectors as those in receipt of the grant support and directly impacted by the lockdown restrictions

Additionally businesses identified themselves primarily as limited companies 40% and UK based 70%

Respondents by Business Type:



About the Businesses

Employees:

The majority of businesses **employ 0-10 staff (86%)** reflective of the business profile of the district

51% report having furloughed staff, on average a proportion of 62% of their staff

23% had plans to enrol staff in the job support scheme, at an average of 60% of staff

Businesses identify themselves primarily as micro businesses with over half having furloughed staff

Current Operating Conditions:

Most are experiencing some type of reduction in business activity;

- 35% Temporarily closed
- 26% Reduced trading hours
- 24% have Reduced product or service offer
- 19% have Reduced staff numbers

Responses also indicate the variety of ways in which **businesses have adapted** to the pandemic; working off-site, offering online / delivery and diversifying their product / service offer

Biggest Issues:

Biggest issues facing businesses over the next 6 months focus on;

- Cash flow
- Reduced customer numbers
- Continued economic uncertainty
- Lack of consumer confidence

Clear focus on core aspects of business survival

Financial Support

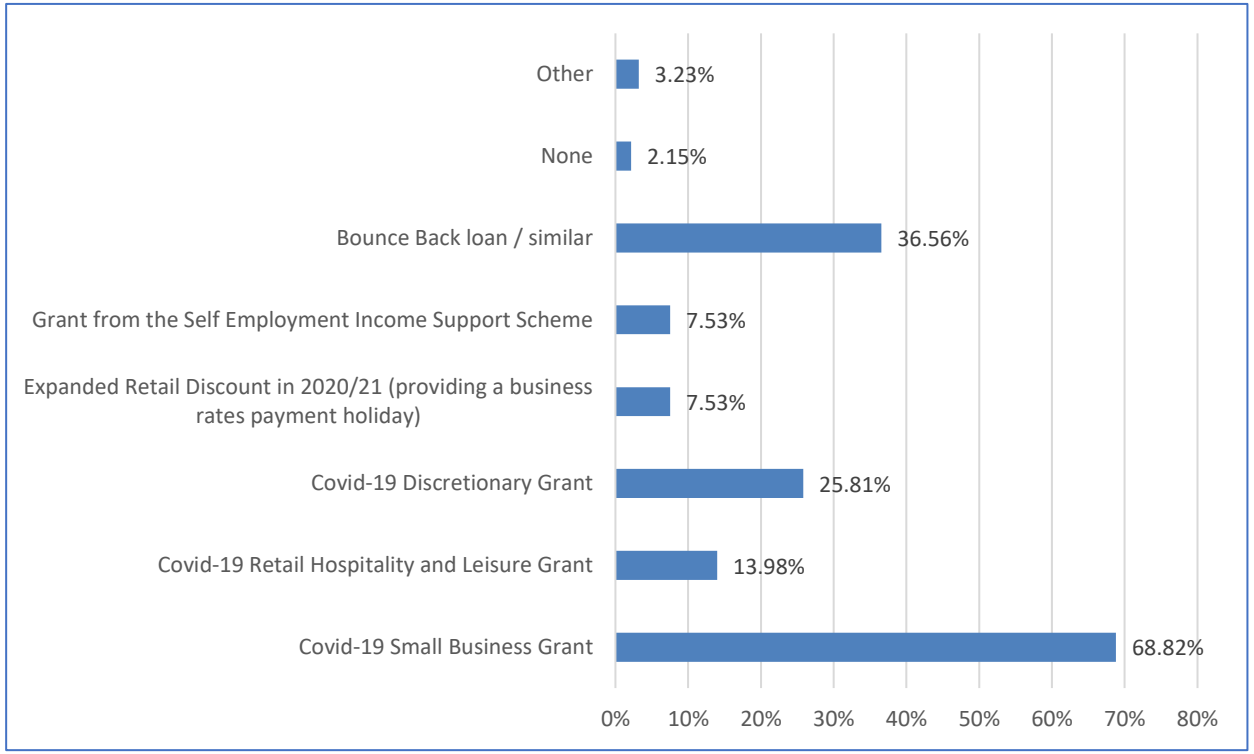
77% of respondents are rated for business rates

Most commonly received form of grant / funding; **Covid-19 Small Business Grant (69%),** Bounce Back loan / similar (37%) and Covid-19 Discretionary Grant (26%)

Funding typically used for fixed costs; **Rent / rates / staffing costs, etc. (83%)**. Notably 20% also used for modifications to business premises

The funding has been **extremely important,** 69% rated it 10 on a scale of 1-10 (where 1 is not very important and 10 is extremely important)

Grant and Financial Support Received:



Next 6 months - Future Trading and Support

Focus for businesses in terms of changing and adapting is to;

- Identify new markets, customers, channels (46%)
- Implementing further safety / distancing measures (28%)
- Looking to expand / diversify (23%)
- Move more to digital on-line (18%)

Responses indicate a **clear resilience within the business community** to respond and survive, while 8% are considering permanent closure, the majority are not

Areas of support focus on;

- Support to develop new revenue streams (38%)
- Marketing support (30%)
- Upskilling and staff training (25%)
- One to one business support (19%)
- Networking opportunities and webinars (19%)
- 'Other' responses primarily focused on extra funding / grants, other comments included; business rates reform, roadmap, no more lockdowns, vaccine passports

Clear areas of support identified with a focus on growth

Economic Recovery

Considered the most important locally for economic recovery are;

- Promoting local businesses (65%)
- Protecting existing jobs (62%)

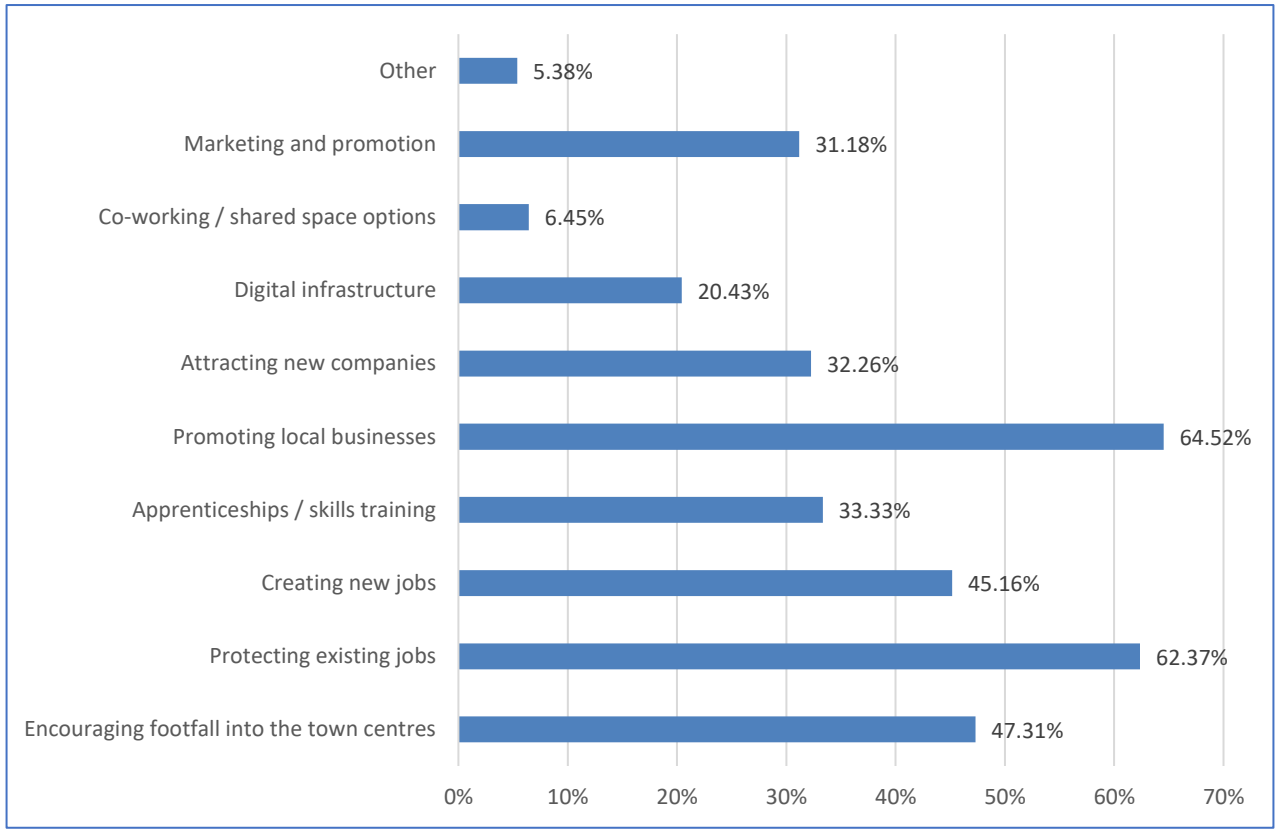
Also identified as secondary priorities were;

- Encouraging footfall into town centres
- Creating new jobs

Of the Government's priorities for delivering economic growth and jobs, **Backing Business** was **considered the most important for Mid Sussex** (49% rated this 1 – most important) and Green Recovery the least important (38% rated this 5)

Clear focus on the immediate short term priorities and initiatives to drive recovery

Most important locally for economic recovery:



Digital Connectivity and Barriers

Current connectivity is rated as average / good (65% rated it 3 or 4, where 1 = poor and 5 = very good)

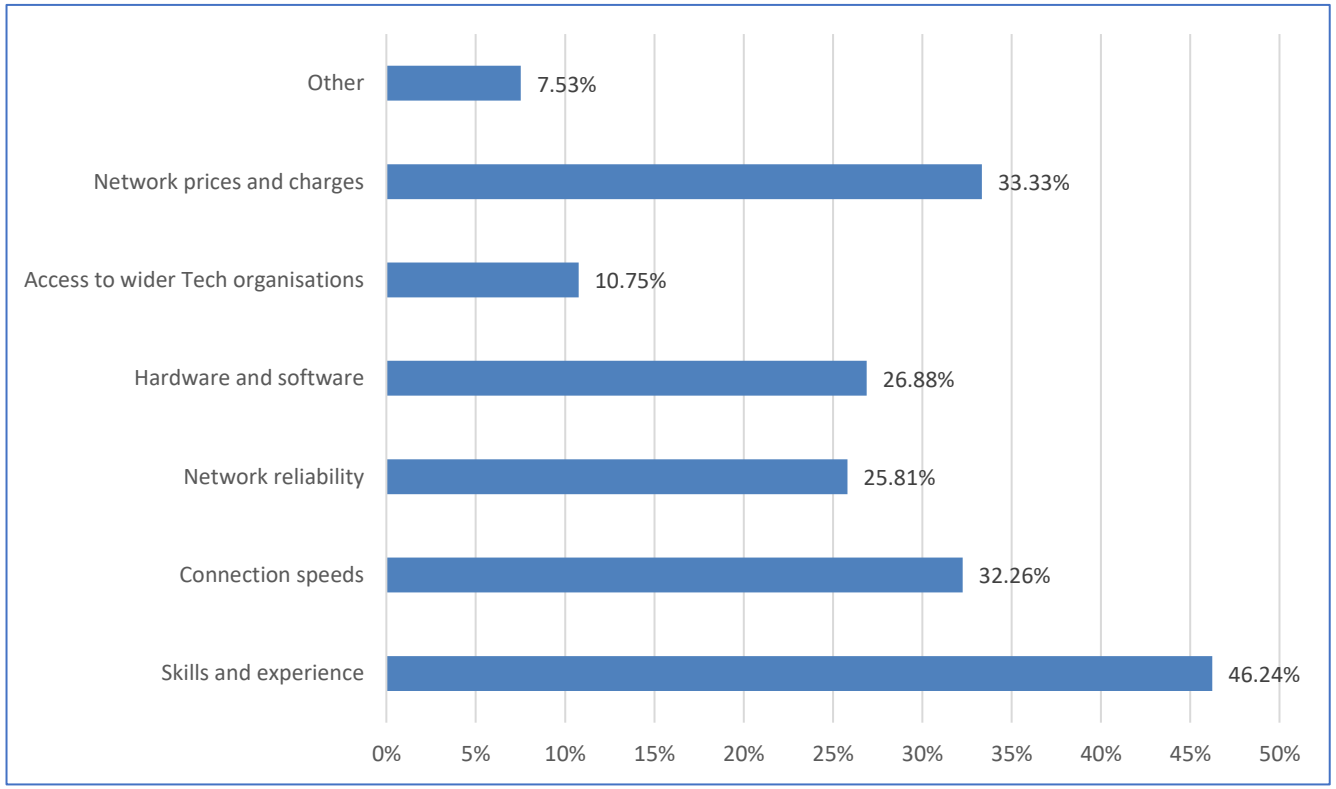
Awareness of grants and vouchers available to help support improving digital connectivity is low at 9%

Biggest organisational barriers in terms of digital and tech have a clear focus on **skills, price and speed**

Just over a third (35%) are interested in and consider they would benefit directly from high speed Gigabit capable connectivity

57% are interested in being connected to the Council's new network

Biggest organisational barriers in terms of digital and tech:



Business Associations and Engagement

- 20% are members of at least one of the three Business Associations
- Only two are members of more than one
- 7 businesses are members of other associations, namely Federation of Small Businesses (4 responses)
- 68% are happy to be contacted to discuss any concerns / further support available
- Only 4 respondents have previously attended our Open for Business event

Positive indicators and lots of scope for strengthening business engagement and membership of the business associations in the future