

Coronavirus Logistics Impact Survey: 20 April 2020

FTA's weekly Coronavirus Logistics Impact Survey focuses on identifying how operators and purchasers of logistics transport services are dealing with the coronavirus pandemic.

This fifth survey, conducted between 14 and 16 April 2020, had **over 400** respondents spanning over **18** sectors in the UK – **43%** were small businesses with less than 50 employees, while just under **one-third** were large businesses with more than 250 staff. The majority (**93%**) were concerned with domestic trade and around **a third** were also involved in importing and/or exporting. **61%** were operators of logistics transport services, with just **under one-third** both operators and users of logistics transport services.

What changes have the majority of organisations implemented?

Index	(change – compared to last week)
86.9	(+ 1.3) ↑ Remote working from home to avoid human contact
77.1	(+ 5.5) ↑ Furloughed staff
76.7	(+ 0.7) ↑ Flexible working arrangements
74.3	(– 3.6) ↓ Cut back on training
72.5	(+ 1.4) ↑ Scaled back or suspended operations
62.6	(+ 0.8) ↑ Cut overtime
56.1	(– 1.7) ↓ Re-scheduled maintenance programmes
39.5	(+ 4.3) ↑ Taken work back in-house
38.2	(+ 2.2) ↑ Frozen pay
33.2	(+ 1.6) ↑ Found alternative suppliers/sourcing
30.8	(+ 5.9) ↑ Diversified the business
26.6	(+ 4.1) ↑ Compulsory paid holidays
25.5	(+ 5.4) ↑ Undertaken deliveries during normally restricted times
25.3	(– 1.2) ↓ Staff health screenings
23.6	(+ 4.6) ↑ Made use of relaxations in drivers' hours rules
22.7	(– 0.7) ↓ Reduced pay
22.5	(+ 1.5) ↑ Unpaid leave/holiday
18.7	(+ 3.5) ↑ Increased overtime
13.8	(+ 1.3) ↑ Made redundancies
11.0	(+ 0.2) ↑ Increased number of shifts

>50 Implemented (or likely to be)

<50 Not yet implemented (or less likely to be)

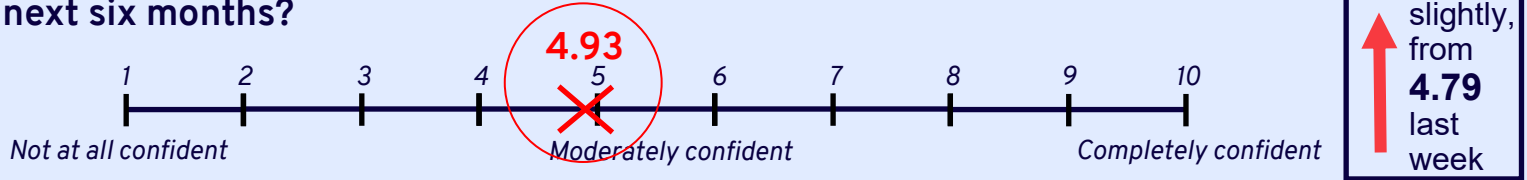
86.3%

of respondents said the end of the drivers' hours relaxation would **NOT** have an impact on their ability to meet their required volumes.

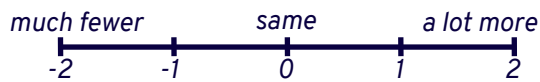
Measures in place to deal with coronavirus' impact:

Handwashing/hygiene facilities as per national recommendations	98%
Reducing face-to-face contact with employees	97%
Reducing face-to-face contact with customers/suppliers	97%
Additional hygiene processes	88%
Business continuity plan	75%
Emergency communication plan	73%
Sick leave policy	70%
Increased vehicle/facility cleaning	68%
Adequate insurance	51%

How confident do businesses feel about the business outlook for their company in the next six months?



Availability of supplies (compared to last week):



PPE*	-0.74	(-0.72)
New vehicles: vans	-0.59	(new)
New vehicles: HGV rigids	-0.52	(new)
Vehicle parts	-0.44	(-0.48)
New vehicles: HGV artics	-0.37	(new)
Machinery (inc. computers)	-0.37	(-0.60)

*PPE = Personal Protective Equipment

Top government support measures businesses will/will not pursue:

Already accessed or plan to:

1. Deferring VAT and Income Tax payments
2. Coronavirus Job Retention Scheme
3. HMRC Time to Pay Scheme
4. Statutory Sick Pay relief package for small to medium-sized businesses

Do not intend to access:

1. Grant funding of £25,000 for retail/hospitality businesses
2. Self-employed income support plan
3. One year business rates holiday for retail/hospitality businesses in England

Barriers when accessing financial support:

- Banks not lending, and delaying decision
- Funding measures not working – cannot access business grants
- Schemes not up and running

What further measures could government take to help?

53% Defer Corporation Tax payments

52% Delay employer National Insurance payments

52% Delay or prioritise driver medicals

43% Increase Statutory Sick Pay + cover for longer

39% Provide clarity on Driver CPC

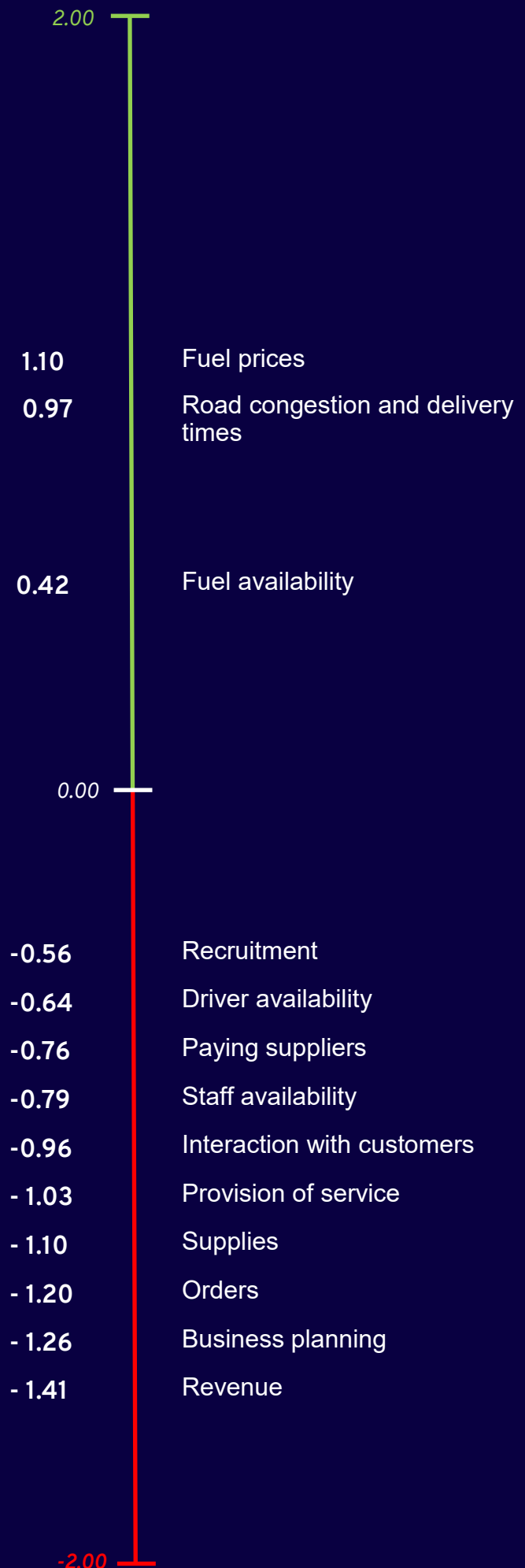
34% Defer business loan repayments

Other suggested measures included:

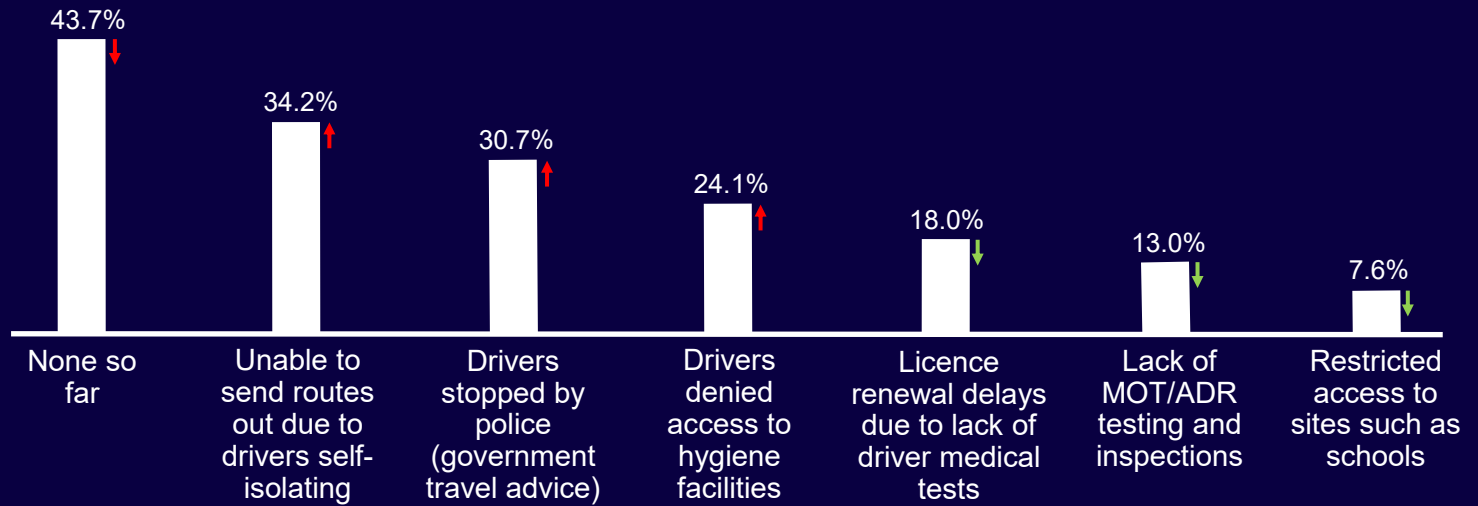
- Defer PAYE/pension/rates/lease/VAT
- The provision of grants, not loans
- A reduction in or break from business rates for non-hospitality industries
- A more flexible furlough scheme

What impact is the coronavirus currently having on businesses?

-2 = negative impact 0 = no impact 2 = positive impact



What specific regulatory or operational impacts has the outbreak of the coronavirus had on the supply or movement of goods?



Level of supply chain disruption experienced, compared to last week:

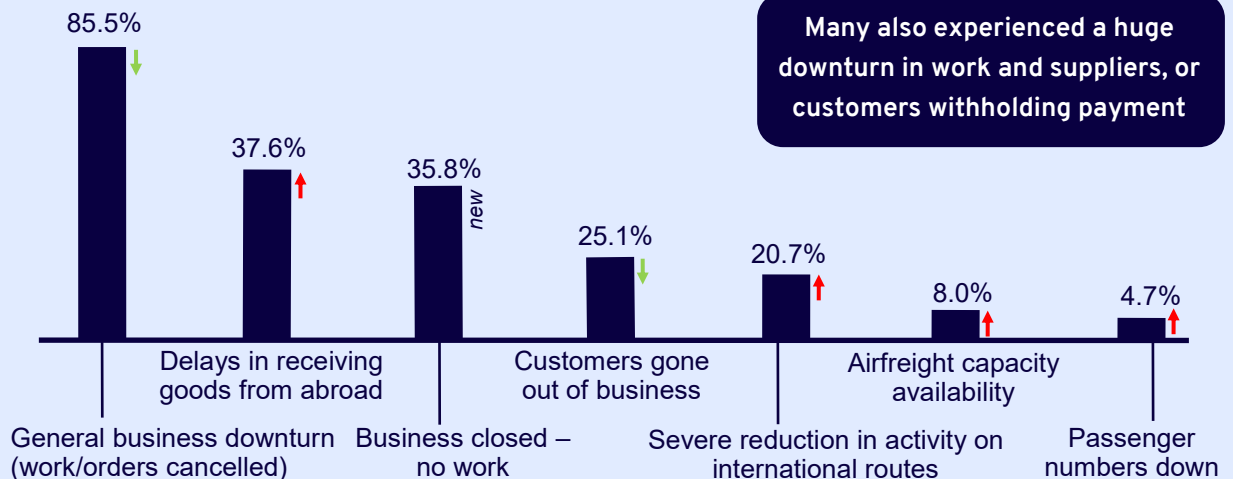
	Normal performance	Minor disruption (drop ≤25%)	Moderate disruption (drop >25% but ≤50%)	Severe disruption (drop >50% but ≤75%)	Extreme disruption (drop of 75%+)
Overall freight volumes (tonnes)	15.2% =	23.8% =	19.9% =	13.9% =	27.3% =
Freight kilometres	20.4% =	25.4% =	14.9% =	11.9% =	27.4% =
No. of units in use	23.1% =	25.8% =	14.0% =	10.9% =	26.2% =
Storage/warehousing capacity	50.0% =	16.9% =	12.2% =	7.4% =	13.5% =
Orders for your business' services	11.9% =	22.2% =	20.7% =	16.1% =	29.1% =

18,045
Vans
SORN**

23,173
HGVS
SORN**

** Due to Covid-19

Impacts experienced by businesses:



Current expectations for filling vacancies due to self-isolation:

	Mechanics / technicians	Warehouse staff	Transport managers	HGV drivers	Van drivers	Forklift drivers	PSV/coach drivers
No problem	45.0% ↑	58.5% ↑	69.6% ↑	49.4% ↓	59.6% ↓	55.3% ↓	70.0% ↓
Minor problem	25.0% ↑	23.9% ↑	16.7% ↑	22.9% ↓	18.7% ↓	29.8% ↑	8.0% ↓
Moderate problem	14.0% ↓	13.2% ↓	6.2% ↓	19.6% ↑	15.1% ↑	11.2% ↓	12.0% ↑
Severe problem	8.5% ↑	2.5% ↓	4.0% ↑	4.4% ↓	1.8% ↓	1.9% ↑	2.0% ↑
Very severe problem	7.5% ↑	1.9% ↑	3.7% ↑	3.7% =	4.8% ↑	1.9% ↓	8.0% ↑

13.1%
of HGV drivers
require medicals
by the end of the
year

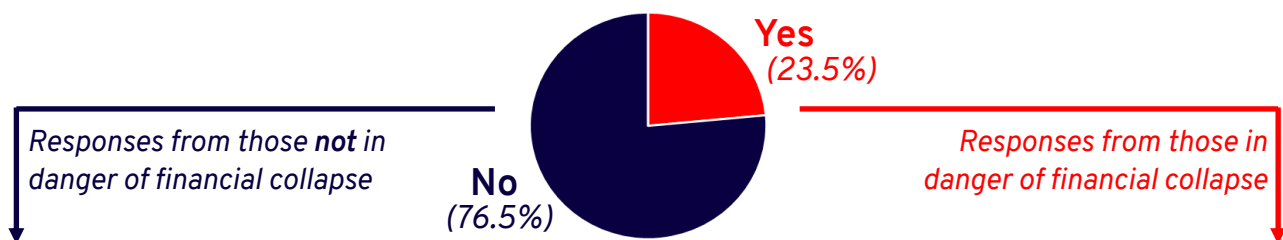
Actions businesses are taking with staff:

Have already implemented		Will implement in coming weeks
75.4%	Furloughed staff	3.3%
71.6%	Scaled back or suspended operations	1.8%
20.6%	Unpaid leave/holiday	3.9%
21.6%	Compulsory paid holidays	10.0%
9.8%	Made redundancies	8.1%

Three-quarters of respondents already have, or will have in the coming weeks, furloughed staff.

HGV drivers	Van drivers	Warehouse staff (forklift drivers, pickers, packers, etc.)	All other staff (support staff, managers, administrators, etc.)
29,750 staff	20,912 staff	13,552 staff	97,174 staff
14.6% furloughed	9.7% furloughed	10.5% furloughed	11.0% furloughed
0.3% made redundant	0.1% made redundant	0.1% made redundant	0.1% made redundant
4.8% self-isolating	5.6% self-isolating	11.4% self-isolating	2.5% self-isolating
42.8% require PPE	44.5% require PPE	42.7% require PPE	10.7% require PPE

Companies in danger of financial collapse in the next eight weeks:



Issues that need addressing to ensure company survives:

64%	75%	Ensure key parts of supply chain continue to operate (eg, ports, air freight movements, ferry services)	60%
41%		Payments of Coronavirus Job Retention Scheme (CJRS) by 23 May	59%
38%	57%	Deferrals/cancellation of fixed costs (vehicle leases, insurance payments)	85%
33%		Payments of Coronavirus Job Retention Scheme (CJRS) by 25 April	52%
34%	51%	Ability to defer pre-existing loan payments	64%
26%		Increase access to Business Interruption Scheme with a flexible repayment plan once affordable	46%
18%	36%	Increasing access to Business Interruption Loan Scheme by addressing rejected applications	60%

These results were collected between 14 and 16 April 2020 from answers provided by logistics businesses in our weekly Coronavirus Logistics Impact Survey – to take part, or for more information, please visit:

www.fta.co.uk/coronavirus/survey