

Coronavirus Logistics Impact Survey: 28 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 sixth survey, conducted between 21 and 23 April 2020, had **over 400** respondents spanning over **18** sectors in the UK – **more than half** were small businesses with less than 50 employees this week, while just over **one-fifth** were large businesses with more than 250 staff. The majority (**94%**) were concerned with domestic trade and under **a third** were also involved in importing and/or exporting. **61%** were operators of logistics transport services, with **one-third** consisting of both operators and users of logistics transport services.

What changes have the majority of organisations implemented?

>50 Implemented (or likely to be)

Index (change – compared to last week)

74.6 (- 2.5)	↓ Furloughed staff
73.8 (+ 1.3)	↑ Scaled back or suspended operations
66.2 (- 8.1)	↓ Cut back on training
31.4 (- 8.1)	↓ Taken work back in-house
29.9 (- 0.9)	↓ Diversified the business
23.5 (- 3.1)	↓ Compulsory paid holidays
19.5 (- 3.0)	↓ Unpaid leave/holiday
14.1 (+ 0.3)	↑ Made redundancies

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

Have businesses attempted to negotiate or successfully arranged revised payment terms for any of the following?

	Attempted to negotiate	Successfully Negotiated*
Vehicle financing/leasing	54%	79%
Premises rent/mortgage	41%	47%
Insurance payments	36%	53%
Other loans	26%	48%
Other overheads	43%	53%
Other suppliers	46%	48%

*Of those who attempted

Average percentage of fleets parked up (including) SORN due to the coronavirus:

20.9%
HGVS

17.7%
vans

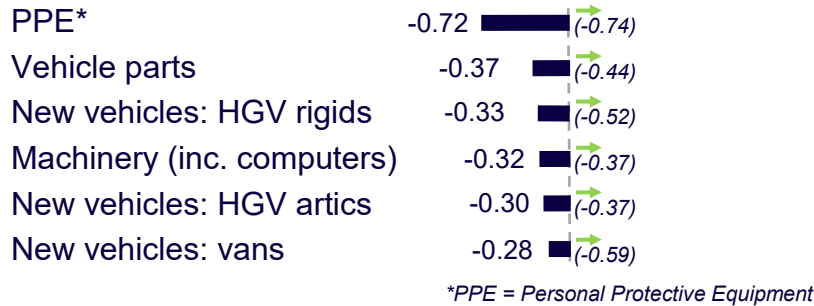
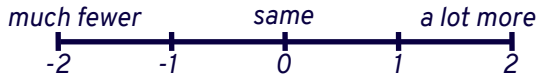
Actions businesses are taking with staff:

Have already implemented		Will implement in coming weeks
72.3%	Furloughed staff	4.5%
19.7%	Compulsory paid holidays	7.6%
18.2%	Unpaid leave/holiday	2.7%
65.8%	Cut back on training	0.9%
11.7%	Made redundancies	4.9%
30.0%	Taken work back in-house	2.7%
29.0%	Diversified the business	1.8%
73.2%	Scaled back or suspended operations	1.3%

70.9%

of respondents said their drivers are **NOT** experiencing delays in renewing vocational driving licences due to difficulties accessing medical assessments.

Availability of supplies (compared to last week):



Top government support measures businesses will/will not pursue:

Already accessed or plan to:

1. Coronavirus Job Retention Scheme
2. Deferring VAT and Income Tax payments
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. New lending facility from the Bank of England to help support liquidity among larger firms

Barriers when accessing financial support:

- Not eligible for schemes or grants
- 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?

58% Increase Statutory Sick Pay + cover for longer

51% Defer business loan repayments

39% Delay or prioritise driver medicals

36% Defer employer National Insurance payments

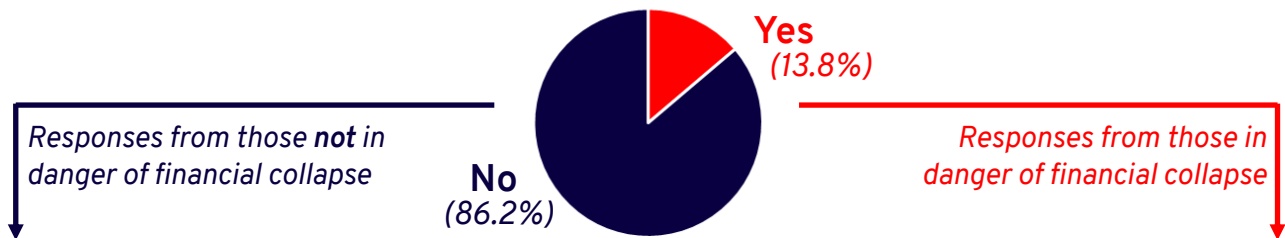
35% Defer Corporation Tax payments

What impact is the coronavirus currently having on businesses?

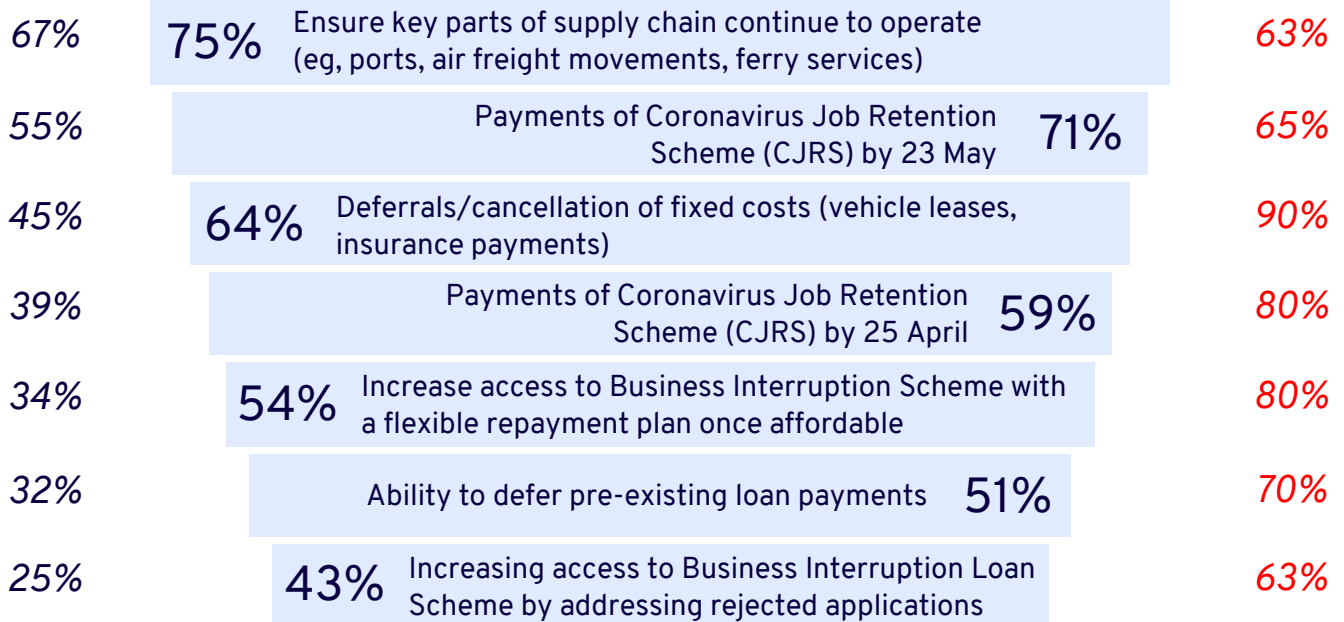
-2 = negative impact 0 = no impact 2 = positive impact



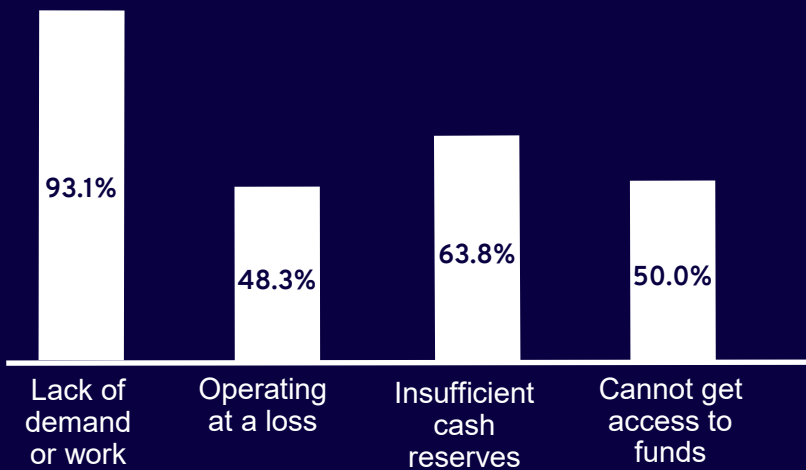
Companies in danger of financial collapse in the next four weeks:



Issues that need addressing to ensure company survives:



For those in danger of financial collapse, what is the likely cause?

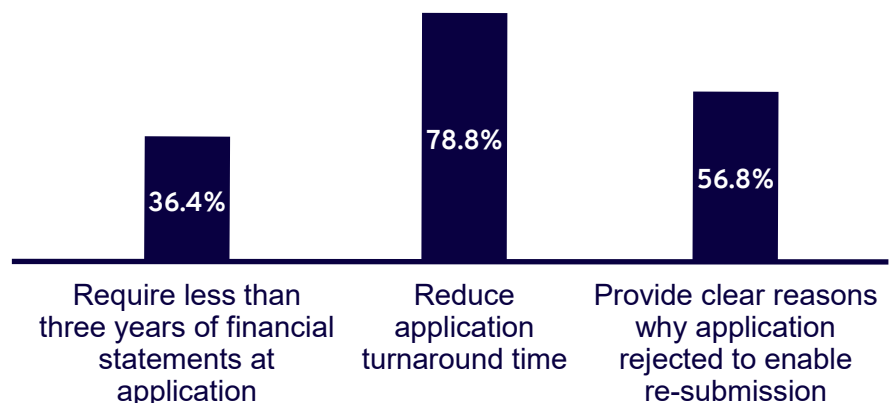


Other responses:

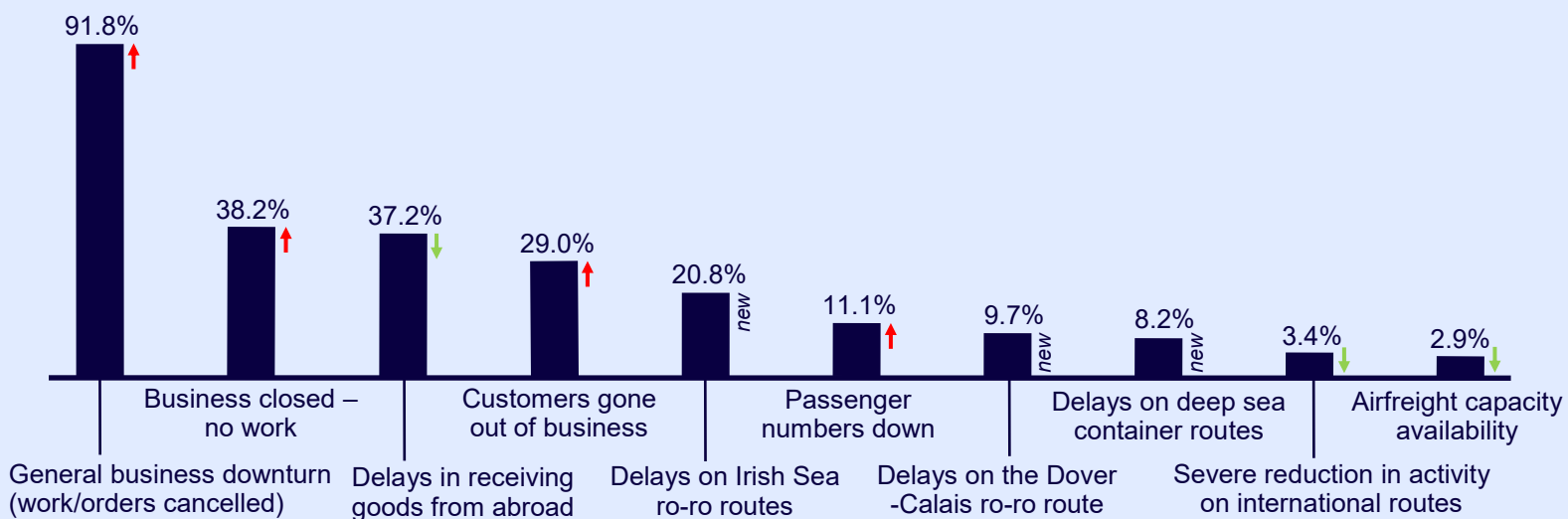
- Customers closed or not paying owed services
- Business will be severely compromised without promised government funds
- Significant proportion of fleet parked up due to customer closures
- Not eligible for much of the financial support offered by government

How could the Coronavirus Business Interruption Scheme be amended?

Several respondents also called for government to cover 100% of loans



Impacts experienced by businesses:



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)	11.8% ↓	22.5% ↓	27.2% ↑	16.6% ↑	21.9% ↓
Freight kilometres	18.7% ↓	26.1% ↑	20.2% ↑	11.9% =	23.1% ↓
No. of units in use	22.5% ↓	27.5% ↑	14.8% ↑	13.4% ↑	21.8% ↓
Storage/warehousing capacity	48.3% ↓	17.2% ↑	13.8% ↑	4.6% ↓	16.1% ↑
Orders for your business' services	10.2% ↓	25.1% ↑	18.6% ↓	16.2% ↑	29.9% ↑

Does the level of disruption depend on the type of freight/commodities being moved?



The majority of comments from respondents who said 'yes' suggest food is being moved but manufacturing and construction has stopped or reduced.

HGV drivers	Van drivers	Warehouse staff (forklift drivers, pickers, packers, etc.)	All other staff (support staff, managers, administrators, etc.)
17,081 staff	8,235 staff	4,884 staff	17,766 staff
9.5% furloughed	11.5% furloughed	18.0% furloughed	16.3% furloughed
0.4% made redundant	0.0% made redundant	0.0% made redundant	0.1% made redundant
2.2% self-isolating	4.6% self-isolating	12.9% self-isolating	2.7% self-isolating
22.5% require PPE	28.3% require PPE	18.5% require PPE	4.8% require PPE

These results were collected between 21 and 23 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