

BCC Coronavirus Business Impact Tracker: Two-thirds of respondents awaiting funds from furlough scheme as payday approaches

Results from the third BCC Coronavirus Business Impact Tracker reveal that the majority of businesses responding to the survey have now furloughed a proportion of their workforce and are awaiting funds from the government's Job Retention Scheme to enable them to pay staff.

- **66% of survey respondents have furloughed staff in anticipation of scheme going live**
- **More than half of firms (59%) have three months cash in reserve or less**
- **2 per cent of firms surveyed had successfully accessed CBILS and 15 per cent of those surveyed are now receiving grants**

The leading business organisation's weekly tracker poll, which serves as a barometer of the pandemic's impact on businesses and the effectiveness of government support measures, received 701 responses and is the largest independent survey of its kind in the UK. The third tranche of polling was conducted from 8-10 April.

Businesses furloughing employees

Last week's tracker found that 71 per cent of respondents said they intended to furlough staff at some point. This week, the tracker confirms that 66 per cent of firms had now furloughed a proportion of their staff in anticipation of the Coronavirus Job Retention Scheme going live and making payments. 31 per cent said they have furloughed between 75 and 100 per cent of their workforce.

Last week HMRC confirmed the scheme would be open to applications during the week of 20 April, leaving only a short time for funds to start to reach cash-strapped businesses before April's payroll is processed.

Cash flow concerns

Business' cash flow, an important indicator of overall economic health, remains an urgent concern with more than half of firms reporting cash in reserve of three months or less. The percentage of firms reporting less than a month's worth of cash in reserve (17 per cent) and 1 to 3 months' cash in reserve (36 per cent) has remained broadly unchanged week-to-week but remains concerningly high.

The percentage of firms reporting no cash in reserve remained at 6 per cent compared to last week, as did the proportion of firms with 12 months' cash in reserve (also 6 per cent).

Access to government support schemes

The slow start in firms successfully accessing government support schemes has continued. **2 per cent of respondents reported they had successfully accessed the CBILS this week (double last week's 1% figure), with 9 per cent of respondents unsuccessful.** Of those who were unsuccessful, slow or no response from lenders was cited as the main reason. This suggests firms could still be having difficulty accessing the support through banks, despite the announcements on 2nd April designed to simplify and speed up the CBILS process.

15 per cent of respondents said they had successfully accessed grants for small businesses, a rise of 7 per cent on the previous week. 12 per cent of respondents said they were unsuccessful in accessing these grants. The overwhelming majority of those who were unsuccessful reported they did not meet the criteria.

Commenting on the results, BCC Director General Dr Adam Marshall said:

“Businesses on the frontline need cash to start flowing from support schemes fast. With April’s payday coming up, we are fast approaching a crunch point, and both the furlough scheme and CBILS facilities need to be accelerated.

“While we’ve seen a high number of firms furloughing staff in anticipation of the Job Retention Scheme coming online, it is still unclear whether they will start receiving funds before their payroll date, which could exacerbate the cash crisis many businesses are facing.

“It is essential that the Job Retention Scheme makes payments to businesses as soon as possible. Any delay could mean more livelihoods under threat, more business failures, and more hardship in our communities.”