

Greater Birmingham
Chambers
of Commerce

Connect. Support. Grow.

Paul Faulkner
CEO
Greater Birmingham Chambers of
Commerce

Connect. Support. Grow.

OUR GROUP



WHO ARE OUR THEMED DIVISIONS?



Asian Business
Chamber
of Commerce

Aimed at companies
looking to target the local
Asian Business community



Greater Birmingham
Transatlantic
Chamber of Commerce

Provides the right support
and connections for
accessing the North
American market



Future Faces
Chamber
of Commerce

For young professionals
looking to network and
professionally develop



Greater Birmingham
Commonwealth
Chamber of Commerce

Exists to drive trade and
connections between the
Commonwealth and the
Midlands

Quarterly Business Report Q2

Results Summary

Raj Kandola

Senior Policy and Patron Advisor

Greater Birmingham Chambers of Commerce

About the GBCC QBR

- Set by the British Chambers of Commerce
- Delivered since the 1980s, digital data available from 1997
- Local dataset: Greater Birmingham (Birmingham, Burton, Chase, Lichfield, Tamworth, Solihull and Sutton); survey took place between 18th May & 8th June
- 858 respondents (an all time record), all sizes, all sectors
- Balance figures: 1 (growth), 0.5 (stayed the same), 0 (decrease)

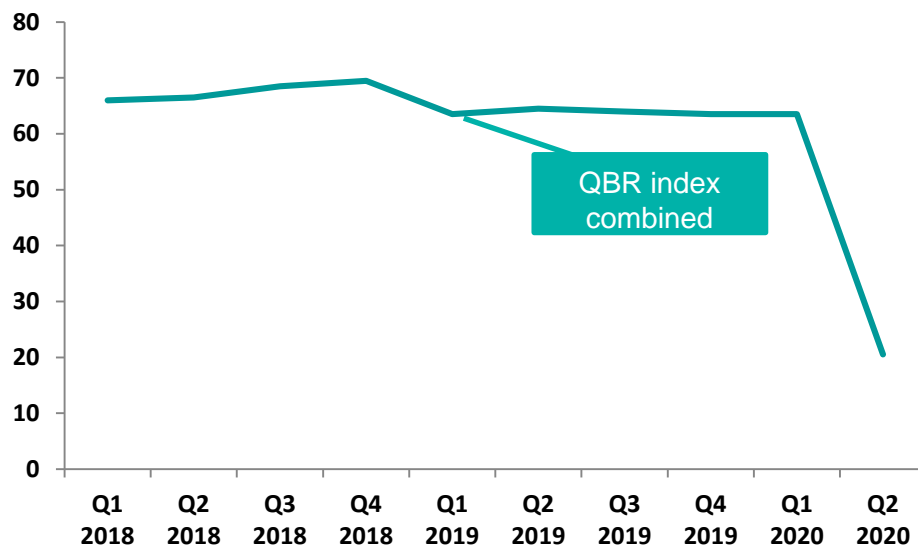


Birmingham – the economic context

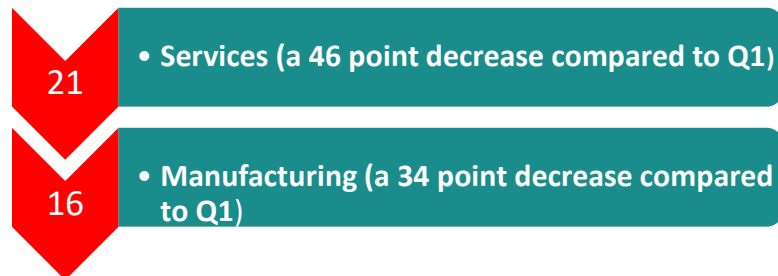
- Birmingham had an employment rate of 65.3% (national rate is 75.0%)
- 40.2% of the population is non- white
- Employment rates differ amongst different ethnic groups (71.9% by the White group, Pakistani/Bangladeshi Group has the lowest level of employment – 52.0% in 2018)
- 12% of Birmingham's working age population has no formal qualifications (vs national average of 7.6%)
- Ingrained skills gaps persist – 52.% educated to NVQ Level 3 – compared to 57.7% nationally
- Top 3 employment sectors in Birmingham are Health & Social Work, Wholesale & Retail, Education
- Across the West Midlands in 2019, 88,000 non white workers in Health Social work, 56,000 in wholesale & retail, 34,000 in education
- In the West Midlands – proportion of the population with basic digital skills in 2018 was 76% compared to the UK average of 79%



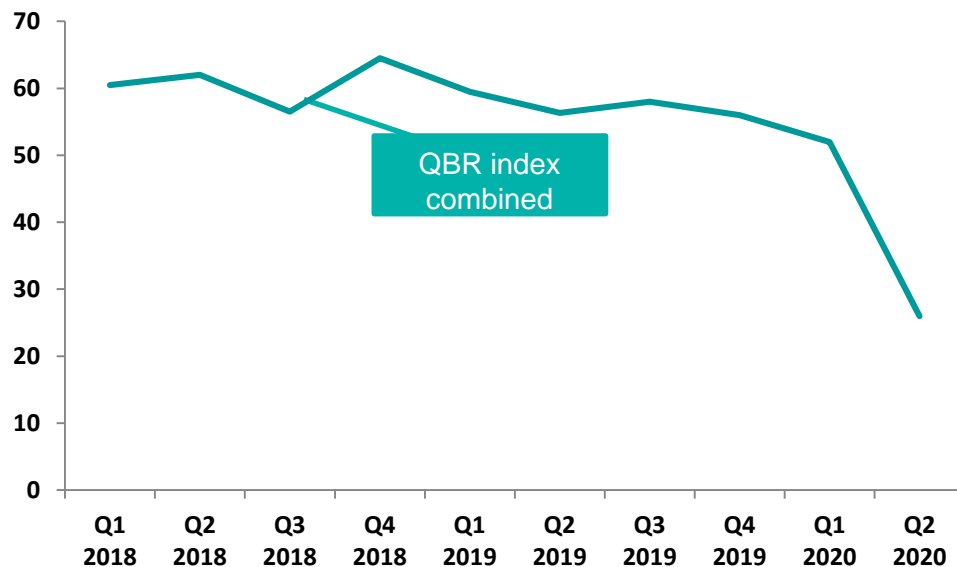
Quarterly Business Report Q2 – Domestic Sales



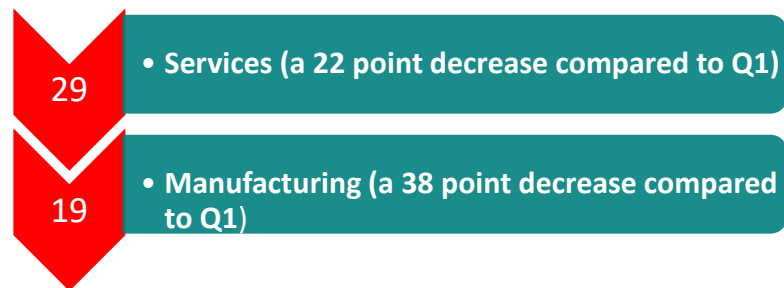
Sector Balances



Quarterly Business Report Q2 – Export Sales



Sector Balances

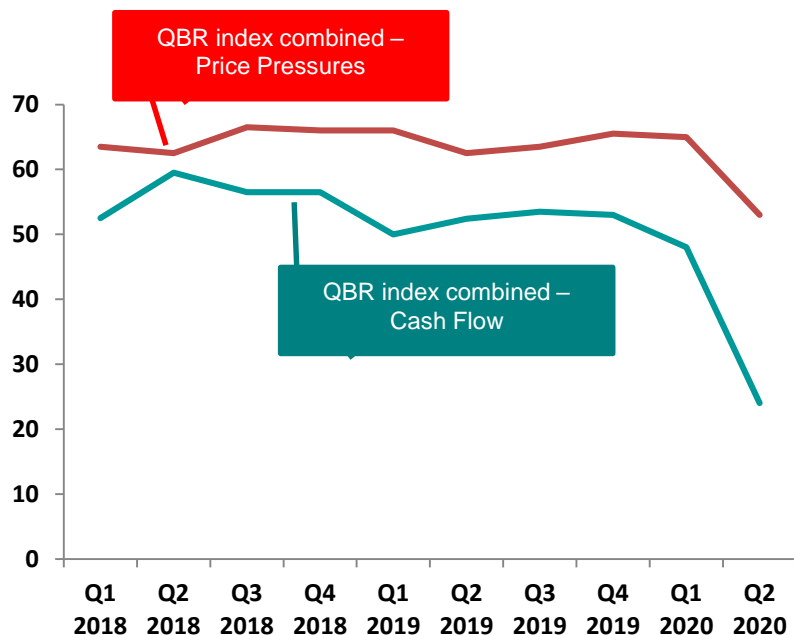


Quarterly Business Report Q2 – Workforce & Recruitment Trends

- Balance Score of 41 – a 16 point fall compared to Q1
- 22% of businesses attempted to recruit (a 27% decrease compared to Q1)
- Of those, 44% faced recruitment difficulties (a decrease of 12% compared to Q1)

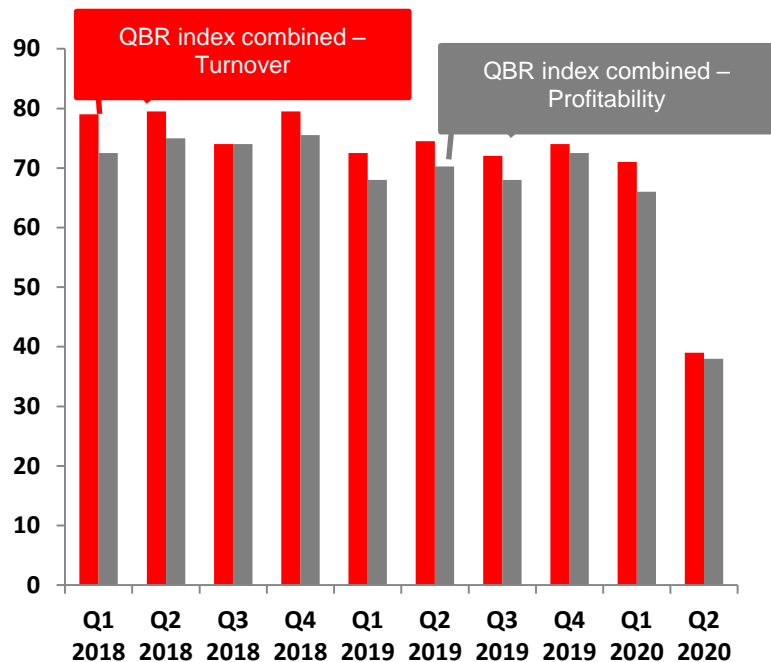


Quarterly Business Report Q2 – Cash flow & Price Pressures



- Cash flow balance score fell by 24 points to 24 – lowest on record
- The Price index balance score by 12 points to 53
- Price Pressures – 40% cited other overheads as a key factor behind the pressure they're facing to raise prices along with 26% citing finance costs (a 10% increase compared to Q1)

Quarterly Business Report Q2 – Business Confidence & Primary Business Concerns



- The QBR index for turnover fell by 32 points to 39
- The QBR index for profitability fell by 28 points to 38
- In both cases, just over 50% of firms expect their profits & turnover to worsen over the next 12 months
- 11% cited a lack of business as their primary concern and 10% cited competition

Quarterly Business Report Q2 – Coronavirus Questions

The GBCC are looking to understand how your business is being impacted by Coronavirus. Please describe your experience

uncertainty **lack of income** our staff have been
furloughed **everyone is working from**
home desperately need shops to open **social**
distancing

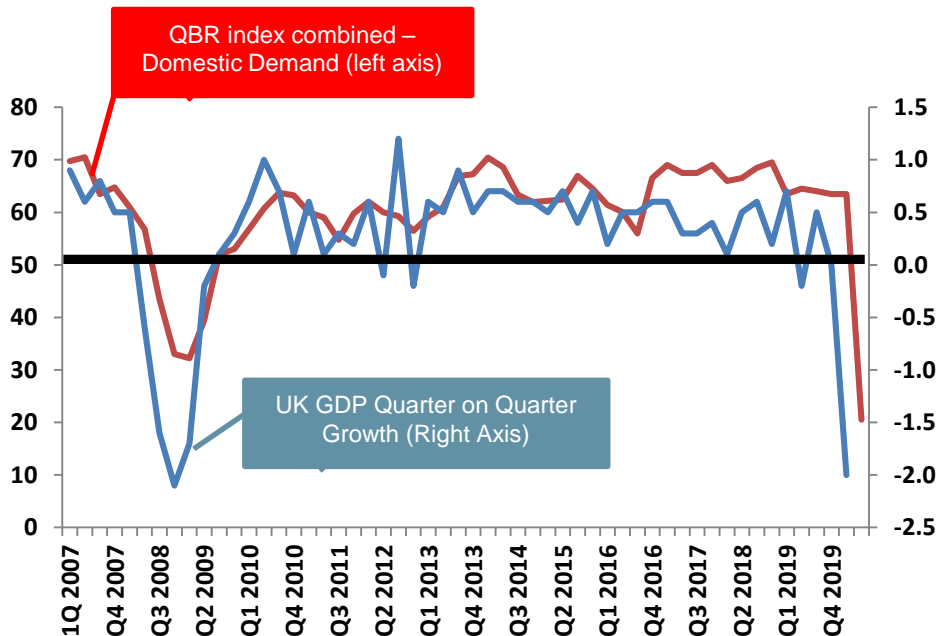
40% cited a reduction in business

What additional support would you like to see from the Government to help you adapt to the post lockdown landscape?

More flexibility **reduce corporation tax**
support on Grants **clear messaging from the**
Government proper scientific guidance **retain**
the furlough scheme for as long as
possible

13% cited additional grant funding

Quarterly Business Report Q2 – Historical Comparison – UK GDP Quarter on Quarter Growth vs QBR Index for Domestic Demand – 2008- 2020



Generally a healthy correlation between QBR data and official GDP data

- At the height of the GFC, domestic demand dropped to 33 (Q1 2009) compared to the 21 recorded in the current quarter
- At the height of the GFC, UK GDP Quarter on Quarter Growth fell to -2.1% in Q4 2008 (a figure of -2.0% was recorded in Q1 2020)
- It took four quarters for the QBR domestic demand balance to return to positive territory in 2009

GBCC Support



CONNECT

Connect with fellow local businesses through:

- ✓ **#GBChamberChat:** Every week day, 11am-12pm on twitter ([click here](#))
- ✓ **Member to Member offers:** Raise awareness of your online shop, delivery offer, products or services ([click here](#) to contact us)



SUPPORT

Support your business through:

- ✓ **Coronavirus (COVID-19) Hub:** ([Here](#))
- ✓ **Informative Webinars:** ([click here](#))
- ✓ **Free Legal & HR Helpline:** GBCC members can access this service via their relationship manager
- ✓ **Lobbying & Campaigning Activity:** Provide a case study, contact us ([click here](#))
- ✓ **Support Government appeals:** for sourcing ventilators, hand sanitiser & protective clothing ([click here](#) to contact us)



GROW

Grow awareness of your business through:

- ✓ **Thought Leadership Content:** providing blog posts and videos on tips for responding to Coronavirus (COVID-19), working digitally & remotely or personal wellbeing ([click here](#) to contact us)
- ✓ **ChamberLink Daily Articles:** showcasing your businesses' latest news and initiatives responding to respond to Coronavirus (COVID-19) to over 14,000 subscribers ([click here](#) to contact us)

visit www.greaterbirminghamchambers.com/coronavirus

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Quarterly Business Report Q2 – Support Grid

Coronavirus (COVID-19): Government Support for Businesses & Charities



	What is it?	How can I access it?	Is it available now?
Staff Costs	Coronavirus Job Retention Scheme: the Government will cover up to 80% of salary (up to £2,500 per month plus NI and minimum pensions auto enrolment contributions) per employee for businesses to retain and furlough employees who would otherwise be made redundant – this will be backdated to 1 st March 2020. Employees must have been on the company's payroll <u>before</u> 19 th March 2020. Employees made redundant after that date may be rehired & applied for under this scheme. Furloughed employees cannot undertake any work at all for the company at all during the period in which they are furloughed. However, from July, employers will be able to return their staff to work for part of the week and place them on furlough for the remainder.	Available for businesses, recruitment agencies (agencies workers paid via PAYE, public authorities and charities of all sizes and sector who started a PAYE payroll scheme on or before 19 th March 2020 and have a UK bank account. Employers are required to submit information to an HMRC portal. Employers must get their employees' written consent that they accept being furloughed.	Yes – the portal launched on the 20 th April. The scheme is set to run in its current form until the 31 st July 2020. It will continue to run between 1 st August and 31 st October 2020 with modifications: From August, businesses must start contributing to the 80 per cent salary costs, beginning with National Insurance and pension contributions in August, followed by 10% salary contributions from September and 20% from October. Please note: firms will not be able to furlough additional staff from 10 June. Find out more here
	Statutory Sick Pay Refund: the Government will refund employers up to 14 days statutory sick pay per employee off sick or self-isolating from day 1.	Available for businesses and charities with under 250 employees as of 28 th February 2020. Employers can make their claims via a new HMRC online service.	Yes – HMRC launched the scheme on the 26 th May. All firms should keep careful records of sickness & self-isolation absence as evidence. Employers will receive the money within 6 working days. Find out more here .
Grants	Small Business Grant (£10,000): the Government will provide a one-off grant of £10,000 to businesses receiving Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR)	Grants will be paid to the liable ratepayer (as of 11 th March) by your local authority	Yes – grants are being paid out now
	Small Business Grant (up to £25,000): the Government will provide cash grants for retail, leisure & hospitality sector businesses with a rateable value of between £15,001 and £51,000 with a cash grant of £25,000	Grants will be paid to the liable ratepayer (as of 11 th March) if your sector & rateable value are eligible Businesses in this sector with a rateable value of £15,000 or under will receive a £10,000 grant	Please Note: LAs do not have business bank account details for all applicable businesses. If you qualify for a grant ensure that you have submitted yours ASAP : Birmingham City Council (click here), Cannock Chase (click here), East Staffordshire Borough Council (click here), Lichfield District Council (click here), Solihull Metropolitan Borough Council (click here), Stafford Borough Council (click here), Tamworth Borough Council (click here).

Visit our [COVID-19 Hub](#) to find out more on Government support which covers:

- Coronavirus Job Retention Scheme
- Statutory Sick Pay Refund
- Small Business Grants (Up to 10k and 25k)
- Small/mid-size/large grants for Charities
- Coronavirus Business Interruption Loan Scheme
- VAT Deferrals
- HMRC Time to Pay Scheme

Quarterly Business Report Q2 – Unprecedented Times Report



Based on engagement with key stakeholders including the British Chambers of Commerce and the Chamber Council, the GBCC has put forward a number of recommendations aimed at addressing immediate gaps in coronavirus support and Government policy, as well as stimulating and rebuilding confidence in the economy:

- Providing income support for core groups currently unable to access income-based Government support schemes
- A clear roadmap to restarting for sectors who are thus far unable to unlock
- Sector-specific packages for the hardest-hit industries
- New and enhanced funding to help SMEs avoid taking on unsustainable levels of debt
- Boosting the economy through infrastructure investment
- Providing stability by negotiating a comprehensive Brexit deal with the EU and investing in preparing businesses for the changes to come
- Supporting employers in retaining and expanding their workforce
- Reducing the risk of entrenched unemployment & increasing productivity through investment in skills
- Stimulating consumer demand and business investment
- Radically reform the way businesses are supported in initiating international trade activity

Quarterly Business Report Q2 – Brexit Support



Britain left the European Union on 31st January 2020 and entered a transition period which is due to end on 31st December 2020. The GBCC is on hand to offer support and guidance to local firms to prepare for various scenarios:

- **Brexit Timeline** - Our Brexit timeline helps you keep track of the latest announcements and major milestones over the course of the negotiations.
- **People & Skills** - Providing information on the EU Settlement Scheme and the UK's future points-based immigration system and how it will affect businesses' ability to hire staff
- **Trade** – Providing an online guide outlining the UK and the EU negotiating objectives for the second phase of negotiations covering the future trading relationship and what a “no deal” or WTO Rules Brexit would mean for businesses.
- **Training Courses** - The GBCC offer a wide range of accredited international trade related training courses that can help businesses adapt to and prepare for Brexit and beyond. Topics include: Incoterms 2020, Customs declarations, Import and Export Essentials

Thank You