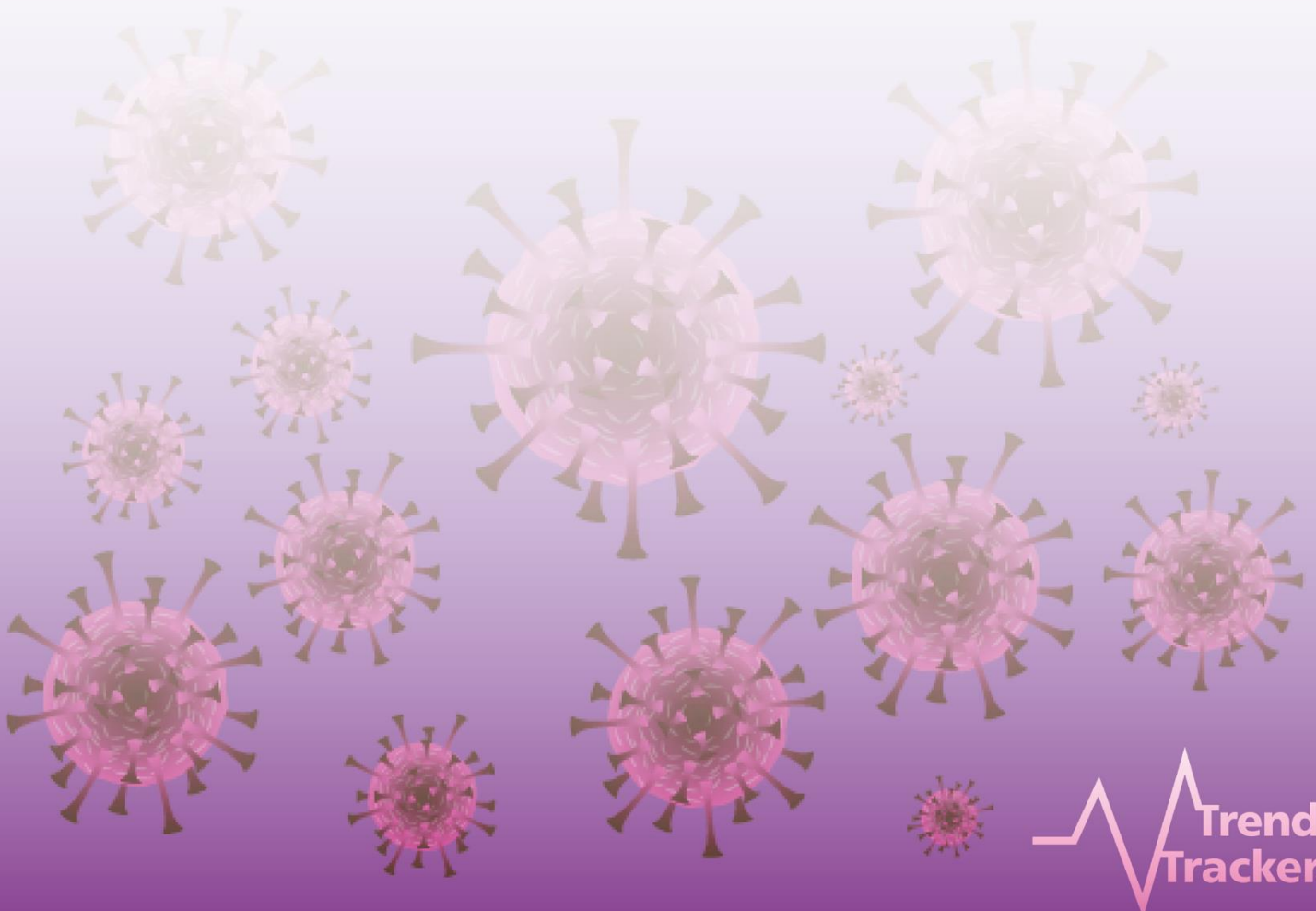




UK BODY REPAIR MARKET COVID-19 Coronavirus Report Update

May 2020



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Welcome

Firstly, we hope that you, your family, employees, colleagues and friends are keeping well through these unprecedented times.

We said in our initial UK Car Body Market COVID-19 Report, published in April 2020, the outbreak of the virus is first and foremost a human tragedy. That remains and at the time of publishing this update, the UK has seen the number of deaths rise to near 30,000.

Since December 2019, COVID-19 has become a global pandemic, sweeping across the world affecting many hundreds of thousands of people across more than 180 countries.

This is having a devastating and seemingly ever-growing impact on the global economy with trillions of dollars/pounds being wiped off of markets and many businesses either totally or almost grinding to a halt. These are truly unprecedented times both globally and here in the UK.

This report follows-up on our initial UK Car Body Market COVID-19 Report.

It is intended to provide the latest position and to give a perspective on the evolving situation and implications for independent and franchised car body repairers; bodyshop groups; motor insurance companies; accident management companies; claims solutions providers; independent car and franchised dealerships; motor manufacturers; market analysts; trade associations; consultants; paint companies; paint distribution companies parts manufacturers and suppliers; plus other associated companies.

The content of this report is based on a survey undertaken by Auto Body Projects between Tuesday 28 April and Monday 4 May. The publication date of this report is 6 May 2020.

As with our initial COVID-19 Report, some of the stated positions expressed may become outdated fairly quickly as the government position, and that of UK citizens, evolves with the scientific evidence regarding COVID-19.

The evolving position is the purpose the second-survey was conducted and the reason behind this report. Chris Weeks, director of The National Body Repairers Association said of this survey/report, "It will be tremendously informative and serve as a fantastic record of what is and what has been going on within the bodyshop world."

Our last report, like this one, provided an overview and outlook of the current position within the UK Car Body Repair Market and was tremendously well received. We hope that you find this report as interesting and enlightening.

Keep well and keep safe!

Mark Bull, director, Auto Body Projects and Trend Tracker

Background

COVID-19 continues to dominate UK and world news.

The impact on our industry continues to be at the centre of attention for recent [ARC360](#), in association with [I Love Claims](#), webinars; it has been since mid-March.

It was during the [ARC360 webinar on 25 March 2020](#) that it became clear that many UK bodyshops were remaining open as an 'essential service', but many had also taken the decision to close following the PM's announcement – including the majority of franchised dealerships whom bodyshops are reliant on for original equipment parts.

As the nation went into 'partial lockdown' it was clear that motor claims, and therefore notifications to bodyshops had instantly declined; many suggesting by 75%-80%.

It was following this webinar that [Trend Tracker](#), [National Body Repair Association \(NBRA\)](#) and [ARC360](#) collaborated, deciding to form a survey to ascertain the current position of the body repair industry – [Trend Tracker](#) known for its independent research and analysis, [NBRA](#) as the repairers' representative body and [ARC360](#) as the communication and networking organisation for the motor insurance claims and body repair sectors.

Since then, we published our first report to present the position of UK bodyshops and we commenced a PR campaign to ensure wide circulation – which proved very successful.

However, as matters have evolved and peoples' perceptions and behaviours have changed, we felt it appropriate - that six-weeks into 'partial lockdown' and one-month after our initial report - to present the latest position and views of UK bodyshop owners/managers.

Anecdotally, a number of industry figure-heads have reported a slight rise (*5%/10% increase from the c75%/80% down figure*) in motor claims and accident repair volumes since week commencing 20 April. We have also witnessed increased road traffic and miles travelled.

Speed has also been highlighted as an issue, most recently by [Thatcham Research](#), as quieter roads allow drivers to increase acceleration and speed. Anecdotally, the result for motor claims has been greater severity of accident-damage on vehicles involved.

In general terms, an [Ipsos-MORI poll published on 1 May](#) found the public are anxious about visiting places where they would likely be in closer contact with others. For example, just 29% said they would feel comfortable going back to pubs, bars and restaurants – and only 21% would be happy to use public transport to get there.

Therefore, as Prime Minister Boris Johnson declared the UK 'past the peak' on 30 April, he promised to set out a 'road map' for easing lockdown restrictions at the end of this week. The UK public continues to call for a cautious approach, with control of social distancing measures at the forefront of people's concerns. We must move forward and embrace 'a new normal' until a vaccine against coronavirus is developed, cabinet minister Michael Gove said.

The Survey

We received 178 responses to the second survey (224 to the initial survey), from a very similar cross-section of independent bodyshop groups, independent single site operations and franchised dealer bodyshops – groups and independent sites – large and small.

In addition to the respondents, 16 emails were received from ‘out of office response emails’ stating that businesses had closed as a result of COVID-19 – these were primarily franchised dealer bodyshops, only four from independent body repair businesses.

The survey was conducted by Auto Body Projects Ltd between 28 April and 4 May 2020.

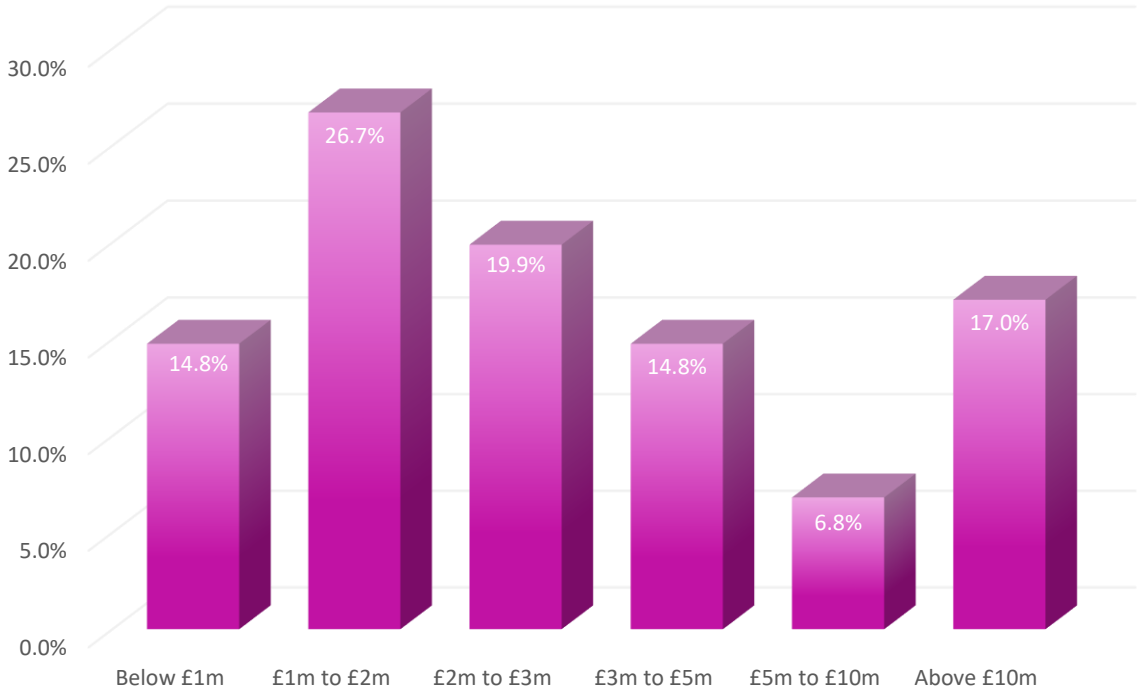
The survey was sent via direct email via *SoGoSurvey* – an online company, by [NBRA](#) to their bodyshop member database, and by [ARC360](#), in association with [I Love Claims](#), to their associated bodyshop businesses. It was also placed on social media platforms.

Business mix

As with the first survey, respondents came from an extensive cross-section of bodyshops, representing an excellent sample-size, in terms of annual turnover, from across the body repair sector (see graph below).

Whilst the majority of the larger body repair businesses responded to the survey, a far lesser number of the sub-£1million responded (65 to the first survey, 26 to the second), hence a slightly different profile to our first COVID-19 survey.

What is the indicated turnover of your business?



The Current Position

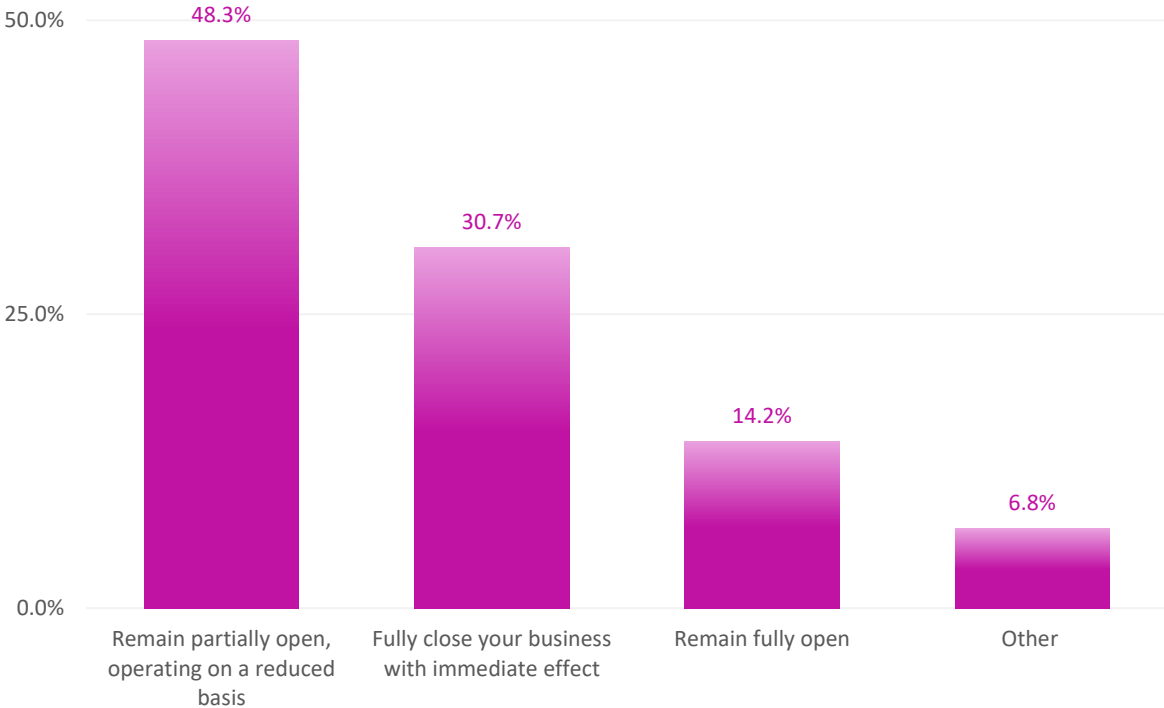
Our initial COVID-19 survey explored the immediate position that bodyshops had taken following the [Prime Minister’s announcement on 20 March](#).

It quickly became apparent that retail motor businesses, including bodyshops, were taking different decisions as to whether to remain open, whether to close or to downscale their operation. Confusion reigned as bodyshop businesses were not quite sure how to react to the announcement, however our survey revealed that nearly 50% of respondent’s businesses had temporarily closed with immediate effect.

We had reflected on the answer set presented as we felt we should have included an option to express ‘remaining open but with a reduced staffing level’ as many of the 24.3% who expressed they were to close shortly on the initial survey, remained open to either complete existing repairs or to accept incoming notifications, but utilising a skeleton staffing level.

To commence this ‘update’ survey, we looked back before exploring the current position.

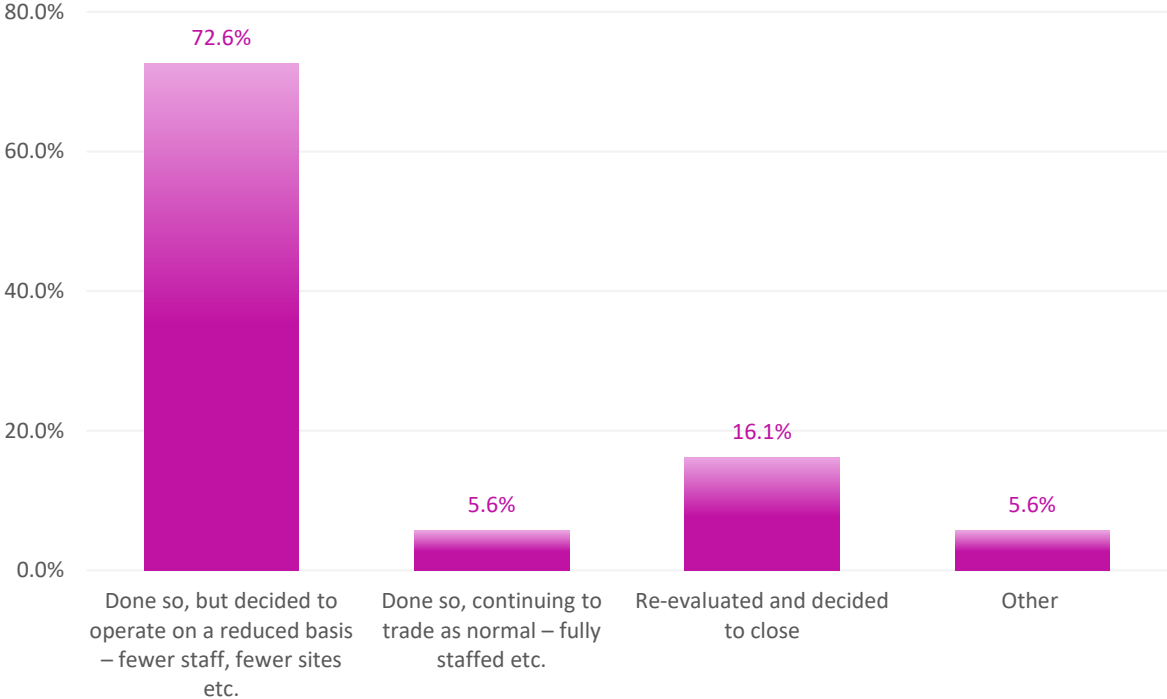
We asked: **Looking back, after the lockdown was announced and at the date of last survey (Monday 30 March – Friday 3 April), had you decided to:**



The graph shows that nearly half - 48.3% - of respondents had partially closed their business, with only 14.2% remaining fully open after the PM’s ‘partial lockdown’ announcement.

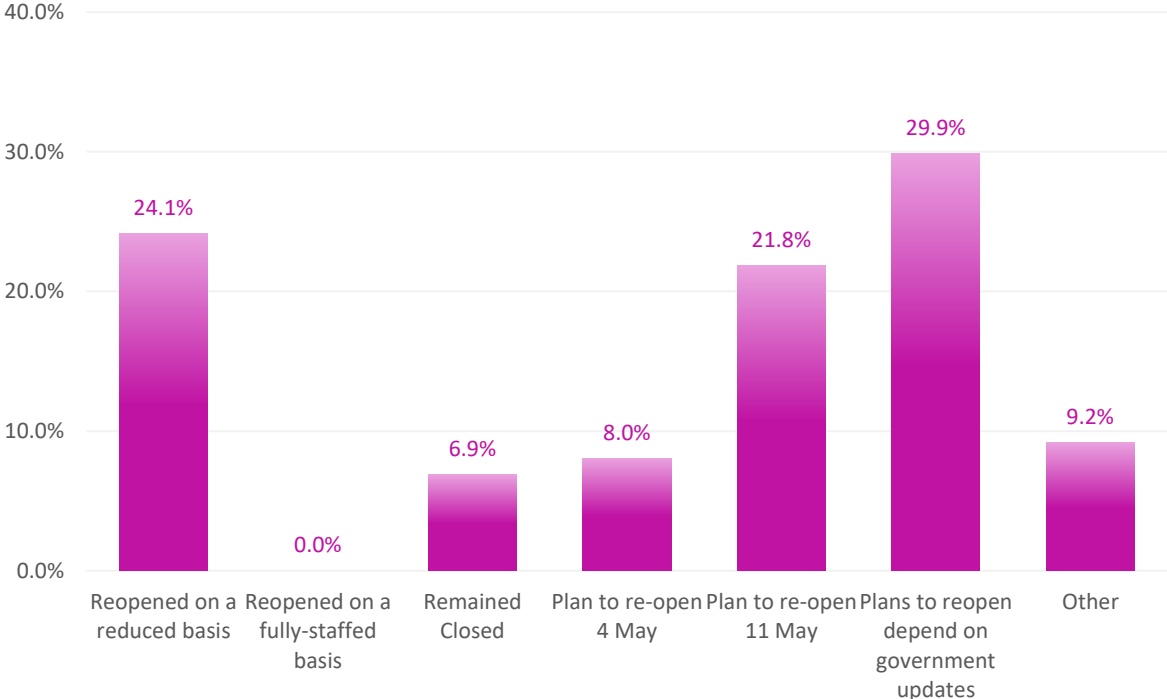
For those who had stayed open, we believed it would be of interest to explore what had influenced their decision. Verbatim comments can be read in our initial survey, however servicing ‘essential workers’, completing existing repairs or accepting incoming notifications, were given as the main reasons.

We asked: **If you had decided to remain open at that time, have you:**



It is clear that of the body repair businesses that decided to remain open they did so on a reduced staffing basis, with several of the groups also taking the decision to operate from fewer sites. Only 5.6% continued to trade as normal whereas 16.1% decided to close after re-evaluating their position.

We asked: **If you temporarily closed your business, have you:**



Naturally, a lower number of respondents were required to answer this question – 87 in total. Of those, 29.9% are waiting on government updates before planning to reopen, whilst 21.8% plan to re-open after the May Day Bank Holiday. 24.1% have already re-opened on a reduced staff basis, 8.0% have re-opened this week.

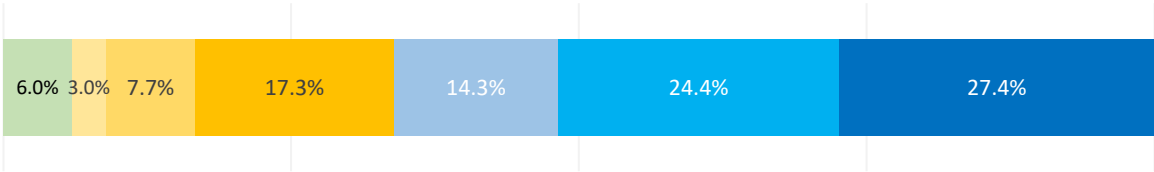
Employees and Furlough

We stated on the last survey that one of the biggest challenges that any business is facing in the wake of the pandemic is the human factor – the effect on employed staff, many of whom may have worked within the business for many years. The government in essence offered to underwrite 80% of peoples’ salary upto £2,500 per month under the Furlough scheme, announced by Chancellor Rishi Sunak on 20 March.

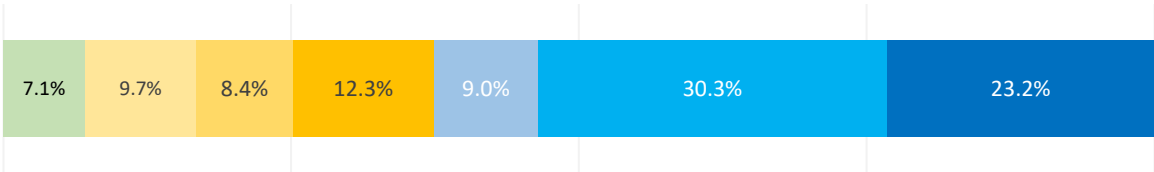
To Furlough – a term that until recently, many people in the UK had never heard of – means to “to be laid-off or suspended temporarily”, usually without pay to help companies retain them.

We asked: **In regard to staff, what percentage have been Furloughed**

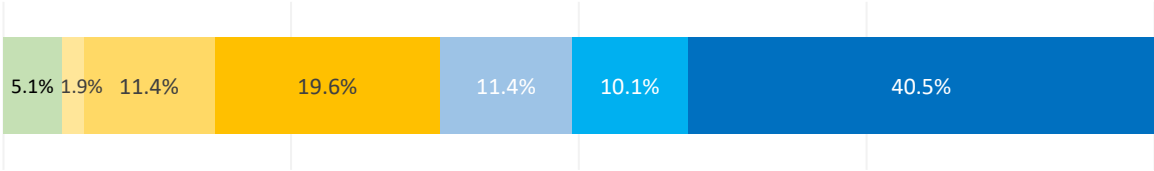
Overall



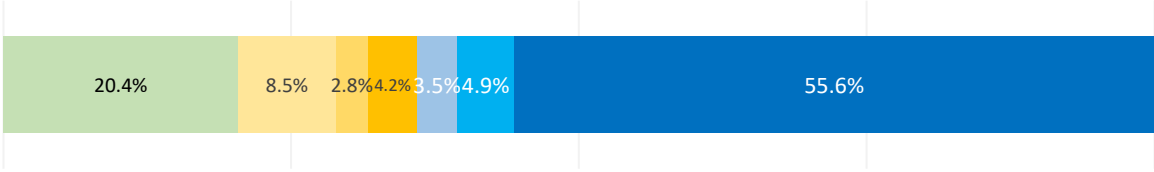
Administrative staff



Workshop staff



Apprentices



Graphs Key: None - Sub 20% - 21%-40% - 41%-60% - 61%-80% - 81%-90% - 100% of staff.

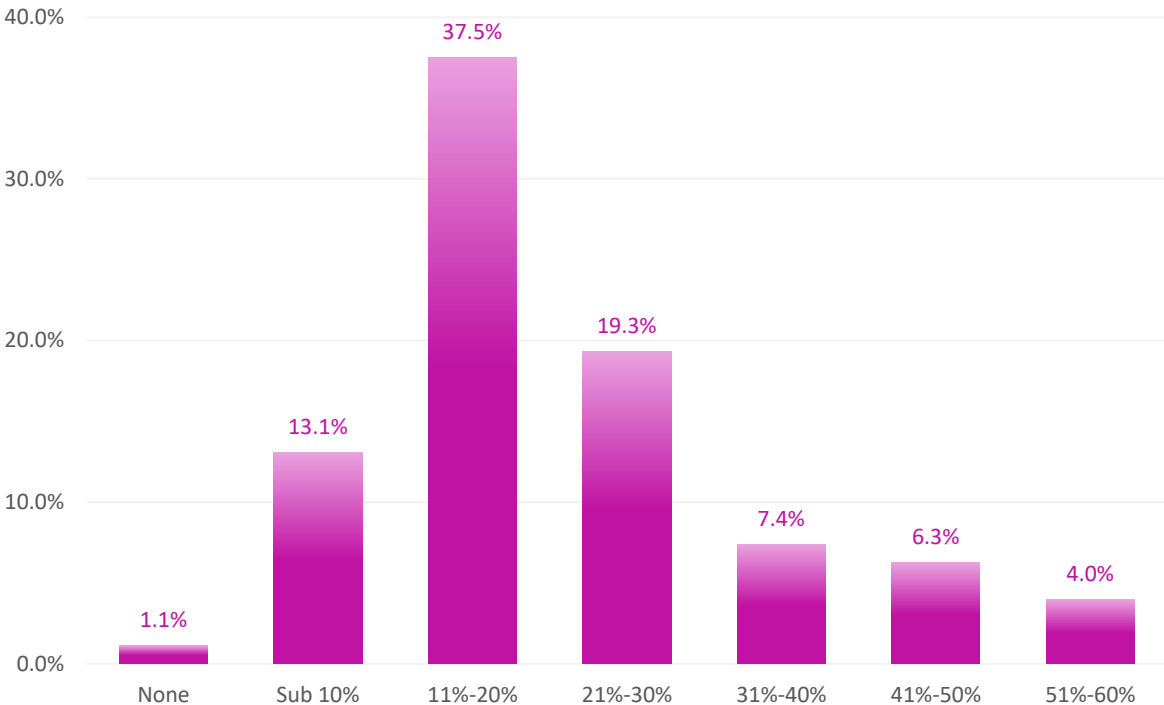
The above graphs show the impact on body repair business employess has been huge, with 94% of companies responding to say that staff had been Furloughed as work volume and new repair notifications collapsed.

27.4% of respondants stated they have Furloughed 100% of staff whilst a further 24.4% say that between 81% and 90% of staff have been Furloughed.

Loss of Annual Turnover

Given the impact on work volume – an immediate drop of c75%-80%, bodyshops have suffered a material loss of revenue.

We asked: **What percentage of projected annual turnover do you forecast your business has lost to date?**



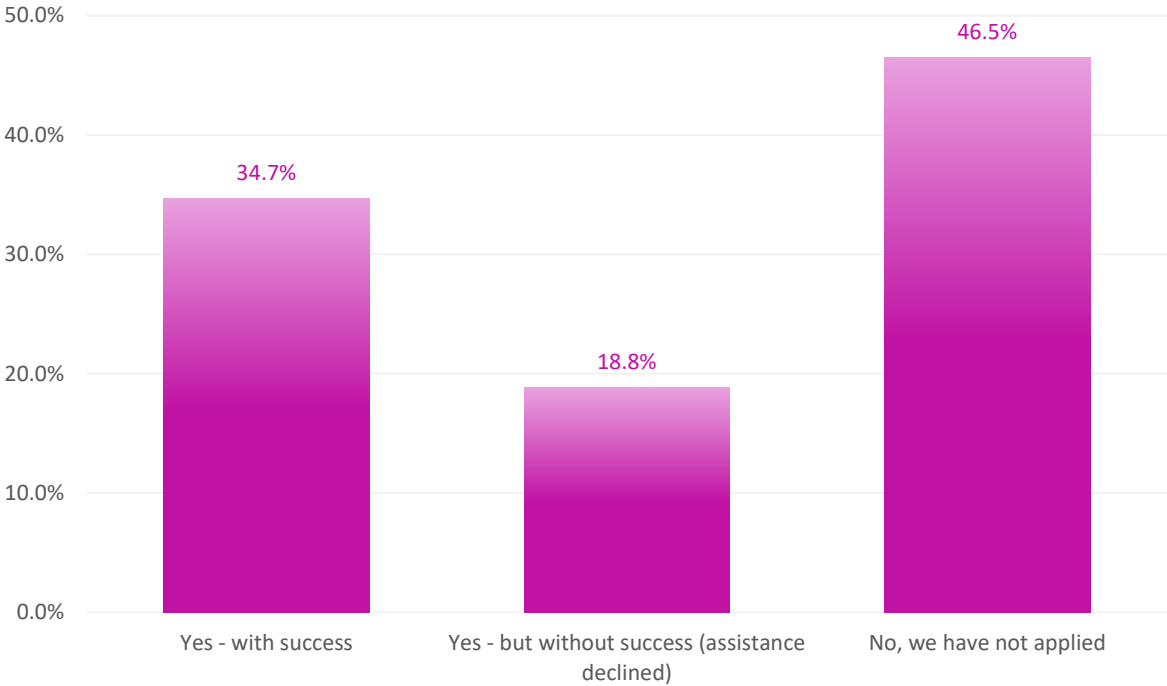
The above graph shows the majority of respondents - 37.5% - believe they have lost 11%-20% of their annual turnover. 19.3% stated they have lost 21%-30% whilst 17.7% believe the impact to be far greater.

Only 1.1% believe that COVID-19 will have no impact on their annual turnover whilst 13.1% believe the impact will be below 10%.

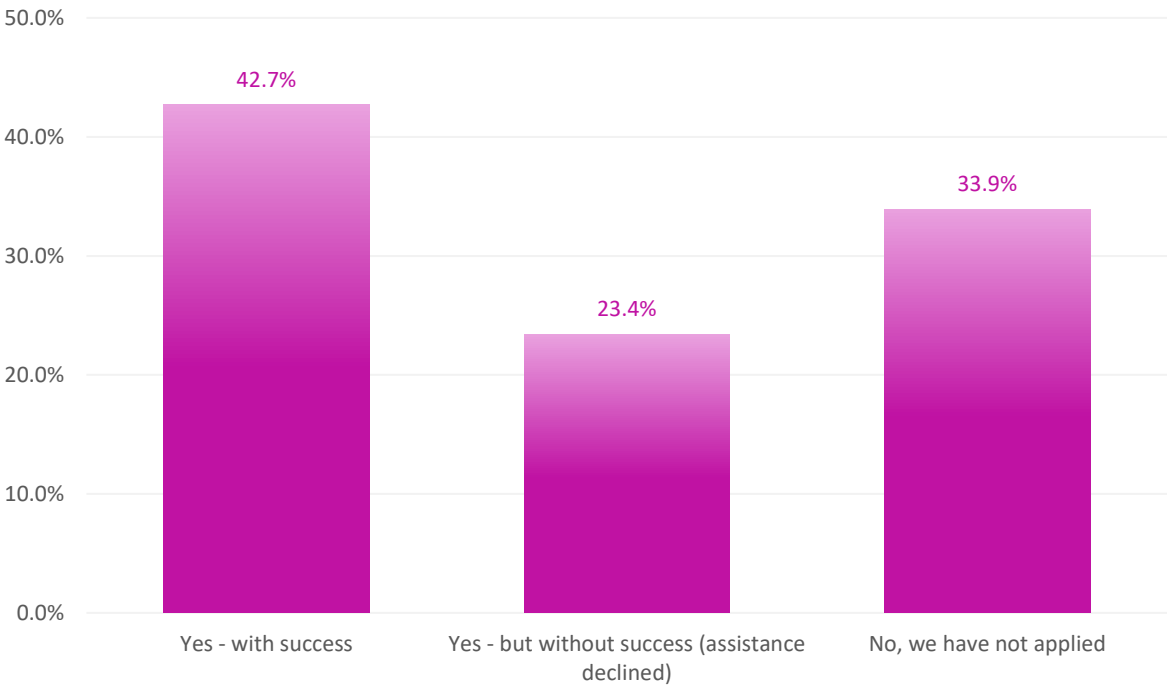
Government support

This survey was prepared and sent out prior to the [small business grant scheme](#) that has been introduced by government on 4 May, however we wanted to understand what other [government-backed assistance](#) bodyshop owners/managers had applied for – and whether they had been successful in receiving funding.

We asked: **Has your business applied for a government-backed cash grant?**



We asked: **Has your business applied for business rates relief?**



The above two graphs, plus the verbatim comments - **Appendix 1 (page 16)** - provide a unique insight into the support that has been accessed, or not as the case maybe, by the body repair community.

NBRA and Fix Auto UK have both offered excellent support to bodyshops throughout the crisis and have helped owners/managers secure funding where eligible, even if initially the application was declined.

Within the verbatim comments, it is clear that there is still a little confusion as to what can and can't be applied for, what are the conditions attached to funding etc, therefore it is suggested that anybody who remains unsure should contact NBRA or Fix Auto for their help and advice – which is freely given.

The Supply Chain

Body repair businesses are reliant on an effective and efficient supply chain; primarily those who provide parts, paint and materials in order for repairs to be completed. In ordinary times, the supply chain is effective and extremely supportive, but these are not ordinary times. Businesses from manufacturing plants to wholesalers and distributors have all been subject to their own business disruption as a direct result of COVID-19 and this has, in turn, had an effect on UK bodyshops.

We asked: **On a scale of 1-10, with 1 being very poor - 10 being excellent, how would you rate your relationship (for service and support) with your immediate supply chain during this period? (number of responses)**

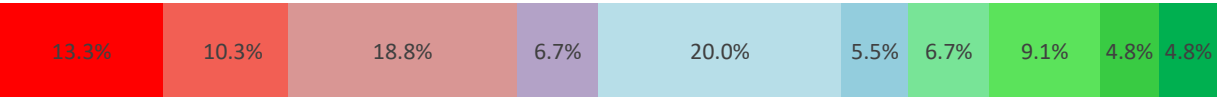
Insurance companies (167)



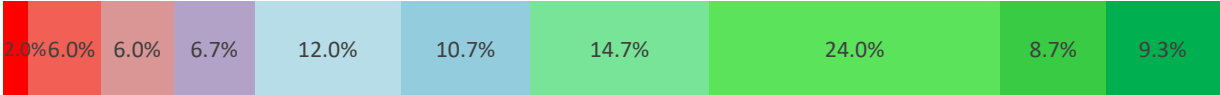
Accident management companies (159)



OEM parts suppliers (165)



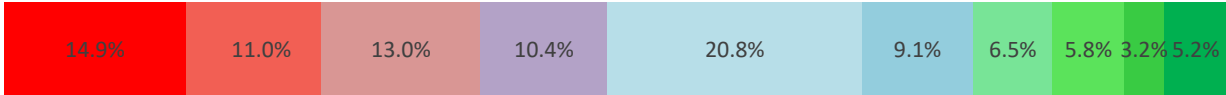
Non-OEM parts suppliers (150)



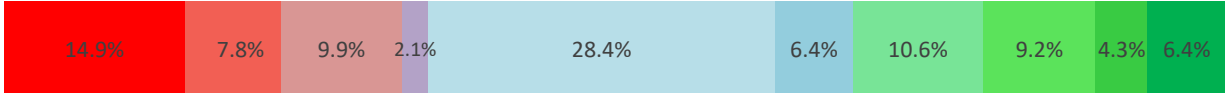
Green parts suppliers (100)



Vehicle manufacturers (154)



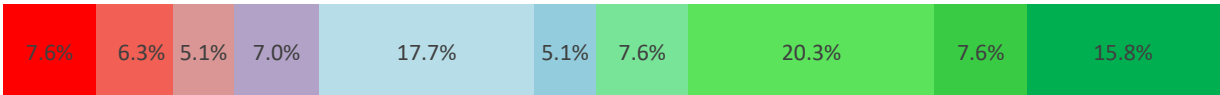
Courtesy car providers (141)



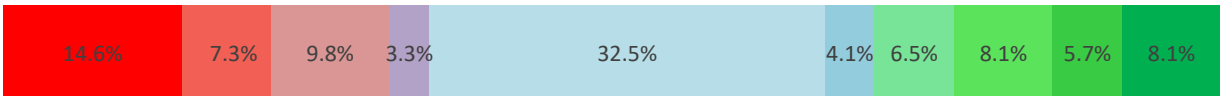
Distributors (159)



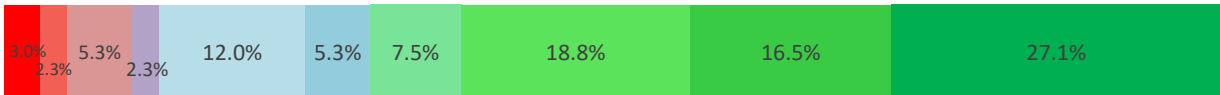
Paint companies (158)



Training providers (123)



Trade Body (NBRA) (133)



We do not feel it necessary to provide analysis from the above rating of the supply chain as you are able to distinguish the views of respondents in terms of the service and support they believe they have received. That said, NBRA, the repairers’ Trade Association has a 62.4% rating of an ‘8’, ‘9’ or ‘10’ for their support throughout the COVID-19 crisis.



We asked: **What are your three biggest immediate business CONCERNS as we begin to emerge from the COVID-19 crisis?**

To gauge the main issues that currently present themselves to bodyshop owners/managers, we asked each respondent to bullet point their concerns. A wide range of answers were recorded, however we have categorised them to the main topics in the table below. The answers were not restricted to these topics, therefore the table provides only an indication of the total responses.

Repair volume is clearly the main issue with 92 respondents recording this first, 37 as their second issue and 20 as third, giving an overall response of 149, or 32.9%.

Cash flow is the second largest concern at 21.2% with parts availability and discounts required being a concern, as are new working requirements to ensure staff safety, with 11.9% of responses mentioning this issue.

Volume	Cash flow	Staff safety	Labour rates	Parts Avail Discount	Profit / Survival	Bottom Line Discounts
92	38	14	7	6	4	0
37	41	17	19	18	11	8
20	17	23	18	34	22	7
149	96	54	44	58	37	15
32.9%	21.2%	11.9%	9.7%	12.8%	8.2%	3.3%

We asked: **What do you see as your three biggest immediate OPPORTUNITIES as we begin to emerge from the COVID-19 crisis?**

In the same vein, we asked what opportunities may arise. The answer set was far more diverse than those we were able to record in the table below, ranging from ‘none / no opportunities’ to ‘being in the top 10 for capital strength’, however it was clear that appreciation of staff, their loyalty and safety featured very high in the minds of bodyshop owners/managers, with 27.5% recording ‘staff’ within their answer.

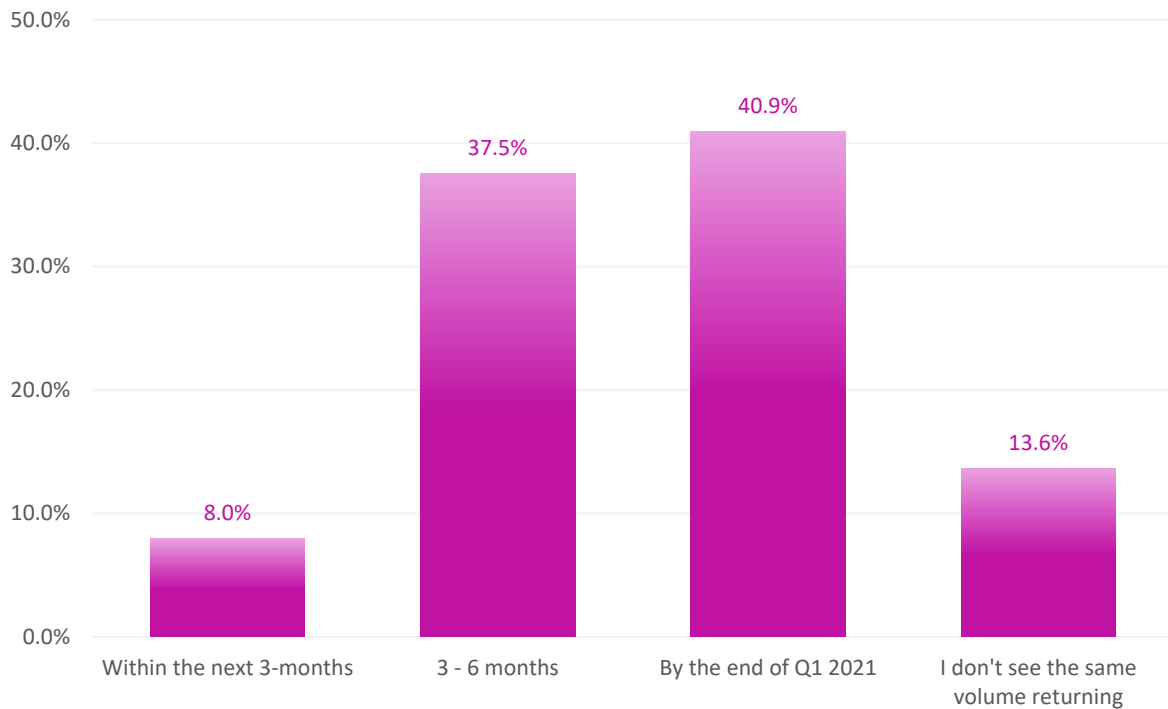
The ability to increase business terms both from a purchasing perspective and for increasing customer terms also featured highly, with 20% of responses alluding to this topic, with an opportunity to improve relationships with insurers, accident managers, fleet and private customers being recorded at 17.7%.

Acquisition Opportunities	Growth	Better Capacity Management	New working practices	Increasing terms	Improved relationships	Diversification	Staff Safety & Loyalty
14	9	9	7	22	34	5	26
1	8	18	2	26	15	9	22
2	12	5	2	16	12	9	28
19	53	39	15	96	85	41	132
4.0%	11.0%	8.1%	3.1%	20.0%	17.7%	8.5%	27.5%

To reiterate, the above tables only provide an indicative view as the answer set was very wide-ranging.

Business Confidence

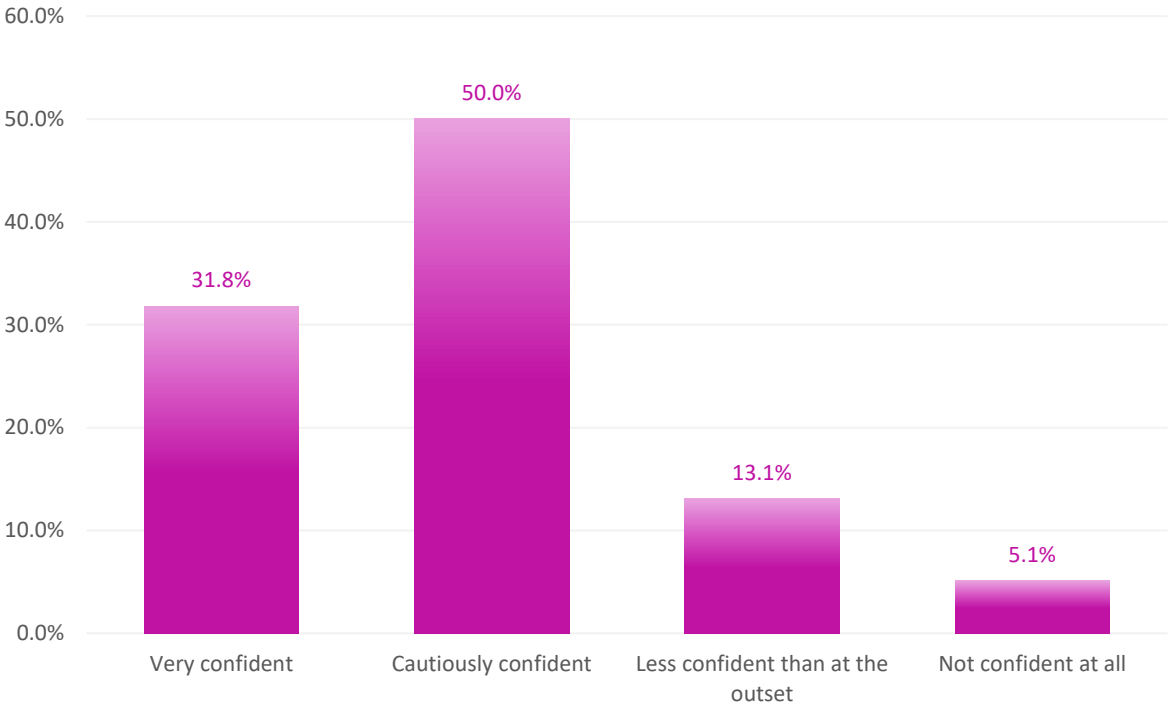
We asked: **Looking forward, when do you anticipate pre-pandemic volume of work to return?**



Work volume is clearly at the forefront of minds as the partial lockdown begins to ease, now and in the months ahead, and the majority of respondents have little confidence in pre-pandemic volume of work returning anytime soon, if at all. 40.9% believe it will take until the end of the first quarter of 2021 until pre-pandemic volumes return. 37.5% are slightly more optimistic, believing they will return within a 3 to 6 month timescale but 13.6% do not believe that pre-pandemic work volumes will return at all.

To conclude the analysis on the above graph, 8% believe they'll be a quicker return – within the next 3-month period.

We asked: **Six-weeks into lockdown, how confident are you now that your business can withstand the financial impact of the pandemic?**



The current view of respondents is the majority remain confident about withstanding the financial impact that COVID-19 has created.

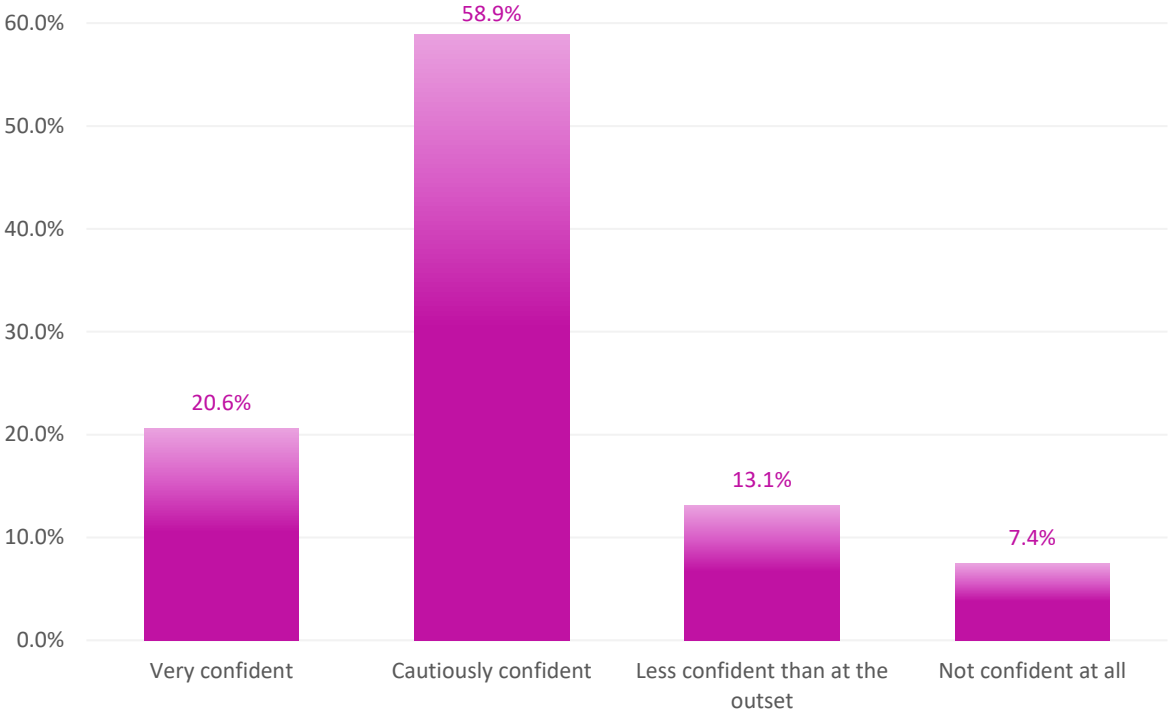
50% of bodyshop owner/managers who responded to our survey stated they remain cautiously confident six-weeks after the partial lockdown, with 31.8% expressing they are very confident of their business withstanding the financial impact.

13.1% however, stated they are now less confident than they originally were at the outset of the pandemic with a further 5.1% stating they are not at all confident of withstanding the financial pressures the pandemic will bring to bear.

Looking at the second half of 2020 (on the graph over page), the picture changes slightly, with more caution being shown by respondents. 20.6% are bullish and remain very confident of a bounce-back in the second half of the year but 58.9% are a little more cautious, although remaining confident that business will improve, assuming the lockdown is eased and the crisis begins to pass.

The same number of 13.1% are less confident about the second half of the year and a slightly higher percentage - 7.4% - state they are not confident at all about the second half of 2020.

We asked: **How confident are you that your business will improve in the second half of 2020, assuming lockdown is eased and the pandemic crisis begins to pass?**



The verbatim comments expressed in **Appendix 2 (page 19)** provide greater depth to the graphical content displayed within this report.

The views are wide ranging and each one provides real feeling, which reflects the concern, the passion and hope – a confidence perhaps, of the way the market will respond to the turmoil it has been thrown into as a result of the COVID-19 crisis.

The emphasis remains on business survival as bodyshops seek solutions to reduce expenditure via Furloughing staff and negotiating business premises rent and rates deferrals etc.

Increased assistance from the supply chain, in particular the insurance and accident management companies to release payment for completed repairs earlier and to enhance ‘authorised to invoice response levels’ to speed-up payment processes remains an issue.

It’s clear that cash-flow is of paramount importance to the survival of bodyshops, as it is for any business, in particular during these uncertain times, and with 20.5% of repondents stating they are either not confident at all or less so now than at the outset, troubling times remain.

We hope that you have found the report both interesting and beneficial.

Appendix 1

Observations regarding applying for government measures for business assistance. Verbatim Text

Very slow to react. We are still going through the process

Should consider repairers as retail but working from industrial areas

It's a joke

Don't let them say no, they refused but we applied and got it

Certainly not easy to obtain!

Not all circumstances are covered and it does not seem fair for the business owners who are not covered to claim if they are taking dividends

Would not apply for Government loan to fund cash flow. Of our three sites, we managed to obtain a £25,00 relief grant

The furlough arrangements put in place have gone a long way in plugging the largest single cost to the business

I have more than 9 employees so can't get the lower grant, I haven't lost more than 60% of turnover so don't qualify for the higher grant, not good for medium sized businesses

New staff not on PAYE by the 28th Feb and/or 19 March - new starter had to apply for Universal Credit as fell outside the criteria - seems unfair

Still not heard from council grant

We do not qualify for any grants

We have already been reimbursed for April's pay run by government for our furloughed staff, impressive!

Are bodyshops allowed to apply for the government grants on offer

One of our sites received a grant from the council without us applying for it. One site under a different council have tried to apply for the same grant but this council has denied all knowledge. Two sites with separate councils don't seem to know what is going on

We have received business rates relief grants, and job retention scheme grants. Both simple and speedy processes for us

Furlough has helped significantly and is relatively straight forward

Applied for a loan, process is tough and as yet no outcome

CBILS loans have been refused. Banks are paying lip service to business and the government

Don't be put off apply it is straight forward

Over £51,000 rateable value, no support on business rates

We have applied for the grant, but haven't heard back, we assume we will get it

Our Bank have supported us

Yes we have applied for both grants and rates relief but haven't heard back but the questions asked don't allow for this answer

Banks make application difficult. Slow to respond

We have 2 properties but only received a grant and rates relief for 1. It states on government website, financial grant and rate relief per property. We need some assistance fighting for this entitlement

Unfortunately due to the size of the business and premises we don't qualify for grants or rates reductions

We have deferred paying VAT to ensure we maintain a healthy cash balance in the bank

The banks are not stepping up, they seem to want to put obstacles in the way of a government led scheme to ensure businesses survive

Difficult to achieve, but still pushing to overturn original decision

Awaiting new scheme Monday for SME loan

The rates relief and grants are great - we will get them but requires work. We have had a corporation tax deferral which is also helpful

Applied for covid bank loan 1 month ago but no response from bank

We were unsuccessful applying for £25,000 grant because our rateable value is over £51,000

Happy with government help

The rates relief and grants are great - we will get them but requires work. We have had a corporation tax deferral which is also helpful

Councils very slow in responding to requests

Painful and slow

We have appealed the rates grant as I have read other Bodyshops have been successful

Furlough big benefit for now

I have not had a response about rate relief in my last email pointed out Bodyshop was similar to Garage in it repairs cars (repair shop) as in Hairdressers cut hair and so do Barbers. The Garage opposite has a had a letter of confirmation though

We have appealed the rejection and waiting a response

They should extend the rates holiday a further 12 months

Hard to achieve as councils not available my phone

Cannot comment yet on how quickly the furlough payments are received

Not easy you have to fight your corner

Very time consuming when time could have been better spent running the business

Applied for a bank loan but still waiting for a reply

More help towards rates, our sites are over the threshold

A huge lack of interest & no assistance whatsoever from our current bank - Black Horse

We have not heard back from government for grant yet

Very upset advised not retail so grant doesn't apply yet other bodyshops got it

Applied for rates relief still not heard anything

Banks are reluctant to relax rules

Do you have any advice on obtaining Grants & Rates relief?

We will be applying for Business Rates relief

The local councils are unsure for certain who are eligible for the rates relief

We will be applying for rate relief in the coming days

They do not apply to medium sized businesses or businesses that have not been forced to close. We had to close due to the supply chain - the government closed the dealerships so we could not source parts

We have applied but not heard anything back yet 4 weeks ago

So far it has all been surprisingly straightforward

The banks are applying witches stool logic to loans. If your business has a strong balance sheet they will lend - but you don't need the money. And if you do need it your business must be too weak so they will not approve. End product- they are looking not to approve

Not a lot for business with business rates of £96000 per year?

Our grant application has not been processed yet - applications should be processed as a matter of urgency

It's all spin

Taking on more debt is folly when you cannot predict serviceability

No business could have had more input into applying some the rules

Furlough has worked brilliantly the did well to get it set up so quickly

Why is the £25K cash payment have the 51K rateable threshold?

We are currently researching which grants could be available to us/ our sector

One council accepted us as retail straight away, the other changed its mind and made us 'retail' after a call

We applied for Government grant as once we return we will need it for about 6 months to facilitate the 90 days credit repairs we carry out for one of our work providers. Apart from this we have sufficient cash flow to meet all other costs until end of July!

Need more information

Still awaiting bank to submit forms (internally) and decide on business loan (backlogged)

Appendix 2

Final comments and current thoughts on the crisis when relating it to your business? Verbatim Text
<p>We need a clearer guidance on an exit plan from the government before the global economy collapses completely</p>
<p>Increased taxes in 2021 and moving forward</p>
<p>Insurance companies demand we stay open at our risk, so there shows that they don't give a damn about Repairers only themselves and their share holders</p>
<p>NBRA have been very helpful with constant updates. The majority of vehicle manufacturers & insurers we are approved for have not been helpful at all. However, the Volvo Paint & Body Programme have been particularly helpful & supportive</p>
<p>Things will improve as they can't get any worse</p>
<p>The government has tanked the economy for a very disproportionately low number of deaths. If this carries on much longer there will be more people dying of the economic issues than ever died due to the COVID 19</p>
<p>It's not going to be easy , we are mostly retail .Customers are feeling the pinch and they won't get non essential repairs done for some time. This will take years for the businesses our size to recover and i worry that ours particularly is very vulnerable. Next year Rents will be paid and we will have to work the next six months for nothing to get back where we was. A lot of people our size are asking is it worth it. Our action vehicle part of the business may never reopen</p>
<p>Will there be any loyalty from work providers / insurance companies once they have their network reopen</p>
<p>We bit the bullet and stayed open in order to continue providing a service to our customers, even though it is costing us money to do this. I just hope that the work providers support those businesses who have supported them through this crisis, and push volume their way until such time as those committed shops are back up to normal capacity</p>
<p>I have found that the W/Ps whether AM or Insurance have been extremely poor in supporting their network during this pandemic, engineers are also still quoting "contract" in some incidences (I suspect this is due to poor leadership and culture within their companies)</p>
<p>There are many future business scenarios/opportunities that need to be considered. Reviewing all processes/efficiencies and staffing needs and having a 'new start' for a 'new normal' all needs a plan. Commercial terms may well be influenced as an outcome of this terrible situation. At the same time remembering all those who lost their lives as this is far more important than fixing vehicles. We'll just continue whilst we can and will remain positive</p>
<p>More Government assistance should have been offered for businesses of our size, couldn't qualify for small grant and didn't qualify hit large grant, if it weren't for my business skills, my business would not have succeeded through this pandemic</p>
<p>We are in this together. People will always come first</p>
<p>Work volumes very poor, hourly rates poor</p>



I believe that it will be the overall state of the economy that will determine how our industry will look post lock down(s) bearing in mind that reopening businesses is not a firm indication that the crisis is over. Only the emergence of a vaccine will return society to a new normal. I would suggest that working practices will alter going forwards and that there will be a global recession which of course will heavily impact our industry. The business models need to change for the survival of the strongest

For too long the labour rates have been set based on high volume, low margins - if repairers are not going to see volumes return although there will be scope to capitalise on this, but some repair centres will not re-emerge - due to the financial pressures. All work providers need to get around a negotiating table to give serious consideration to rates, discounts in order to ensure for the future survival of the remaining repair centres

Undoubtedly it would have been financially beneficial to have closed all of our repair centres at the end of March, however we are taking a gamble that when the lockdown is finally lifted we will be better placed than those who have closed to take advantage of the increased volumes that may be available.

I think attitudes will change, meaning nothing can be taken for granted anymore

I don't think that our business will return to how it was before Covid 19, we will have to implement changes to survive going forward in an already challenging industry

Still have a major problem with parts availability and access to parts as suppliers aren't doing deliveries. Volumes are still low and pre covid-19 work in progress has now cleared so hope volumes start to resume as soon as possible

The downturn in work has allowed us to re-evaluate our business from the ground up. Better processes are being implemented to streamline our efficiencies and our services. Whilst it shouldn't take a pandemic for us to analyse and reflect on our business it is one slither of silver lining to come from this crisis. Hopefully, these practices will allow us to be more profitable in the future when things return to some form of normality. In addition, it is great to see the industry pulling together

2020 started with a drop in claims, I think we will struggle for rest of 2020 with improvements in 2021 following an available vaccination. The world will have changed by then with opportunities for those that survive this year

Dealer parts supply should hold their head in shame

As the bulk of my business 70%-80 %, is car sales driven, my future will be governed by public purchases on new and 2nd hand cars, of which my charges are set by the suppliers

In challenging times as this everyone was concerned regards closure of their business but first and foremost our staff are the main structure of our business in supporting us in increasing our potential and profile of our business

Hard to predict demand / frequency returning to q1 levels in the immediate future. 2007 /2008/2009 saw a 8% reduction in industry claim frequency. Will the UK economic setback be the same, less or more?
"Staycations" this summer may help?

Upset with the business grant as doesn't seem fair a lot of bodyshops got this yet our local council have refused. We have been kept busy all the way through thanks to our work suppliers for key workers etc and can see a big uplift this week alone so hopefully continues to get busier

70% volume down, insurance profit out of the roof (no claims) where is the partnership that we are told WE have to provide

I have concerns that there will initially be a bubble of work. Estimates that were in progress pre lockdown, jobs that were authorised etc. I think there will be a lull in workflow 3 or 4 weeks after returning to work. Let's hope it's a short one

We are using this situation to re-evaluate every part of the business and making decisions that will mean that we are 'fitter and leaner' ready to bounce back

Suppliers choosing the correct partners that have managed the crisis well and supported with a transparent approach

Keep calm and carry on. You can't change what you have no control of

I believe the government have gone above and beyond any expectation to support us all

Good luck to everyone getting back to profit, but just take it steady, most of the casualties in our industry will come from overtrading, utilise furlough and have a gradual start

The biggest issue I see is going to be lack of volume and insurance companies doing nothing to help. A £10 extra cleaning fee and removing some parts discount isn't going to cut it.

BSi are still trying to get audits done (remotely), but it's an extra cost which is really not welcome at this time.

We haven't heard anything from Thatcham about ATAs that will run out while staff are furloughed. Their lack of input/communication has been surprising. I expected more

I would like to be 3 months down the road, I would then be able to gauge what impact this pandemic has had on my business

The insurer's response has been poor - not all of them but many have gone missing.

There is a general lack of appreciation of the support required to ensure there is a supply chain after Covid19

There is a real concern that having taken all our WIP from closed sites that we can't get them re-opened due to a lack of volume.

I fear more job losses and sites closures as a direct result of the lack of volume

Parts are causing a problem in supply with some large repairs unable to complete due to parts outstanding, which we can't invoice until complete

I think if you have good volumes from an insurance company you would like to think they will support the repairers that have done a great job for them to maintain repairs getting done. Stop discounts and what we are doing for nothing to stop the industry going into recession like we saw in 2008

The experience shows the delicate balance the industry has. We need to improve profitability. To make sure we can repay deferred costs. If we have a second outbreak it's doubtful we would have resources to survive

Insurers need to re-write the rules and end all of the free giveaways that a bodyshop is expected to provide, recoveries, collection/delivery, courtesy cars, etc etc

Definitely work smarter and not take things for granted and appreciate what you have!!! Amazing staff and understanding customers

We would like to record a special thanks to staff across all locations who continue to adhere to strong welfare measures and have shown a great determination to keep sites open and to support customers. Our teams have rightfully received some amazing feedback and appreciation during what is clearly a challenging time for us all

When are our work providers really going to step in & step up?

Hoping the work providers don't favour Bodyshops that remaining open throughout the whole of the Covid 19 lockdown

Keeping staff levels as low as possible while building up the workload & through put

Looking forward to better long-term benefits and opportunities with existing and new customers that will arise once a new 'normal' has been established but consider this will take until the beginning of 2021 i.e up to 12 months

Cash flow and work provision are going to be important. There are going to be less cars, trucks and trailers on the road so will need to ensure relationships with existing customers is going to continue to be strong.

The effects of long term social distancing which is being talked about will undoubtedly have an effect on business performance

It has been an eye opened, that we can reduce volumes and costs to make more profit

Yes, a massive lack of any support by all work providers

The unknown! that's the worst feeling in all. 🙄

We've certainly realised who we can rely on to help us and the work we've done on the culture of our business is now making our lives easier. Main fear is that the gov will stop paying furlough before we have the volume to support all staff and then we may have to consider redundancies

Remain positive and hope for the best

Advice from central government is confusing and can be conflicting. The mechanisms in place to apply/receive support can be confusing- almost to the point of being intentionally difficult. With our business relying on the motor sales trade, we'd be interested to know measures in place for manufacturers and large scale motor sales

Lack of support from some dealers with regards to parts supply and ordering

I wish I retired last year. Difficult to deal with supposed partners who won't supply work till we return to work, yet we have very little work to do and don't have any guarantees of work provision. Very much chicken & egg

Operating with skeleton staff and reduced workflow along with prompt payments from work providers has kept our cash flowing well

We have been shown how vulnerable, volatile and exposed the global economy is. The impact to our lives has changed forever going forward. I doubt that in the future when we look back at these difficult times anything will have changed for the better. Everyone will still want their pound of flesh and we will still be talking about the same pressures in our industry. Hopefully I will have my cynical outlook proved wrong.

The work providers appear to have stuck their heads in the sand and just expect all the repairers to cope ...deluded I feel!

Covid has emphasised that there is really no relationship. Supply chain needs to address contracts so labour rates are tied to volumes. The crisis has emphasised the lack of understanding of the profitability of bodyshops by insurers and Accident Managers. xxxxx's response is baffling. Simple understanding that we run high volume/low margin businesses. Take away the volume and the overheads are too large to support reduced claims.

We were asked to stay open and support NHS, critical fleet vehicles by some accident management-fleet companies. It is a shame the main dealership groups closed their doors and failed to support the supply of parts to able us to repair these vehicles. Going forwards I am concerned that these parts suppliers will try to recoup lost profits by reducing the amount of discount offered to us. Accident management companies are taking more off the bottom line, the pressure on repairers is unsustainable

When the chips are down, as an industry we should all pull together. However as usual its every man for himself. Being a smaller shop we don't have the financial backing of the big groups and I suspect we will be hardest hit. We will probably have to borrow to survive, bearing the financial burden for some years to come

When the hole in your bucket suddenly gets bigger it certainly does concentrate the mind! This will sort out the men from the boys

I feel a lot of people jumped before really looking at the options and not having a plan in place for such works.

We discuss this in BS10125 with a contingency plan but a lot of people brush it under the table.

We as a company had such plans and scheduled our shut downs making the maximum we can weekly. Ensuring social distancing and government guidelines are followed and you communicate with your staff, ensuring them that risk assessments have been reviewed, staff at the forefront

This is only the first Virus Pandemic to cause havoc and close our business, will we be better prepared for the next Existential Threat. Indeed, was it the correct action to close down the complete economy?

I thought that this crisis would bring us closer to a better working relationship with some difficult work providers. There are a couple who have made the effort and it is actually a pleasure to work with these companies, they will reap the benefit from us in the future. However, several have made no effort at all to make all our lives better and have continued in their old fashioned ways to be as difficult as they can. They too will be remembered when this is all over

Devastating to our industry which let's be honest has been on its knees for years, the latest crisis has just added to the one our industry has been fighting for years

It will be difficult for the economy to restart again. I don't think we will avoid massive redundancies once businesses have to consider their on going costs again

Love a challenge and this will test us I'm sure

Insurance companies need to give more financial support to the repairer community. An addition £10.00 for a 'COVID Clean' doesn't touch the sides

VM network repairers need to be given support from the manufacturers as there has been very little. Especially when consideration is given to the cost of maintaining 'Brand Standards' to the repairer!!

We need covid-19 extra charges to help mitigate losses

Work providers need to wake up and smell the coffee. Contracts financials are way too skinny and supply and demand will prevail. I would rather contract and work with the people I like doing business with than chase volume

We have plenty of "fat on the bone" so fortunate that if we do have to cut back we could and still be successful. We now have a plan should we need it to scale down significantly and still remain strong and profitable, hopefully we will not need that plan. Work providers need to decide who they want to get into bed with for the longer term, strong stable repairers will get through this and will benefit. Providers should choose now or risk not being able to place repairs

Covid - 19 has highlighted the distorted nature of our industry. For me the whole industry needs a DRP. Organisations and people within those organisations have been laid bare and shown to be inept at bringing together help and information. I keep hearing the word "member" in conversations and rhetoric, we are all members of this industry!!!! Perhaps going forward there will be a new way of doing things and protecting the industry and the special people that work within it

This highlights the need for the repair community to be paid the correct amount to be sustainable, to enable them to correctly invest for the future, and not to have to work at 110% in order to scrape a profit, as has been for the last 25 years

Worrying but unsurprising to see that little or no attempt has been made by work providers to support their repair network.

It will bite them in the long run if something isn't done NOW to look after those who have assisted them for many years

I hope the insurance industry will support the repair industry and the management companies will to in the months to come

I think the size/ location of the business will play an important part as to who will survive. Repairers who has invested in technology solutions may be able to attract more of the lower volumes available through having in-house ADAS, Hybrid and electric solutions. The Covid situation will be catalyst for a more long term change

This has been the worst time in our business life. The complete absence of information from the government about plans to take us out of lockdown makes running a business and forecasting impossible. Have really appreciated the support from NBRA and Vizion and the lobbying being done on our behalf

The 1-10 scale was hard as different suppliers/customers within the sector have behaved/supported differently. Also some have supported a lot and communicated little, and some have communicated a lot but done little

Fortune favours the brave

There is a Train Crash coming to the economy the likes of which we have never seen before. We have built up reserves to deal with this over the years. It's going to take careful management to get through this

Business model will never be the same moving forward I believe there will be stricter controls from a parts perspective where we will have to pay possibly upfront with our smaller OEMS

Government help has been excellent so far

I'm concerned for the industry as I'm unsure what's still to come

Like everyone else in business it is a concern what impact it has had on us financially and hope there will be a general understanding that although we must progress with investment in new equipment and technology this will have to proceed at a slower pace to allow businesses to recover given that the bills will still come in also work suppliers and insurers will need to understand that we need reasonable profit margins to continue to develop and attract new people into this industry

If we were paid the right labour rate before this we would of been able to ride this storm easier! Grants and loans have been extremely slow to appear with no contact apart from us chasing constantly

We hope work providers appreciate the challenges we have faced and look to work more closely with us. We hope for rates to be reviewed and that we can cover the costs of our new safety measures to keep everyone safe

I think VMs and some insurers really need to understand the pressures on repairers rather than ignoring the problem. They will not have the same network or loyalties to rely on when this is over

Work volumes are down and will remain down for some considerable time. Things won't be the same

I am answering this survey on behalf of all our centres, including a dealership bodyshop. Undoubtedly it would have been financially beneficial to have closed all of our repair centres at the end of March, however we are taking a gamble that when the lockdown is finally lifted we will be better placed than those who have closed to take advantage of the increased volumes that may be available

Work providers be it insurance companies or accident management to help us with better rates and better understand the effort and be paid accordingly for what we do in line with mechanical rates as the training costs expertise are the same

Work volumes will slowly increase but our costs and what is expected of us will increase more so and we need to all pull together in the industry to help each other pull through this crisis

Boris' knee jerk announcement with absolutely no notice to prepare the government changes the instruction the next day causing total unrest and confusion

Work providers are just not grasping what is needed. Car cleaning and sanitising C-19, collection and delivery costs??? Time allowance ref C-19 and so it goes on. There's a lot of ivory towers, I think, time to be real.

Being off for 6 weeks has shown me that retirement is the way to go

Not sure I made the right choice trying to stay open to provide service when so many just closed the doors ! In all honesty, to date as I have mentioned we have not been affected but as we know volumes have dropped and we have eaten most WIP, we have had some nice claims coming through but if lockdown continues much longer and claims stay low we are going to be forced to reassess and are probably going to have to start furloughing staff if things do not change soon

We need to make more profit per unit to stay in business, simple as that!

Hard to predict as many factors are beyond our control, eg when the schools go back which increases volumes

When the going gets hard, the hard get going ...ie whenever you get negatives in life you must always look for the opportunities to turn these negatives into positives. When COVID -19 first was here I developed very good protocols to protect my staff & their families by checking their temperatures twice a day + other personal hygiene actions. This has resulted in a very positive response from both staff and their families that I take my 'Duty of Care' very seriously!

Capacity will be a big issue. Rates will be going up

Clear govt communication and direction will help with planning. Lifting lockdown will help with volumes and a more normalised supply chain. Ultimately normality will depend upon treatment advancement and vaccine for pandemic

People have had time to reflect on what changes they would like in their lives. This may have a greater effect on many factors in society. The way we travel will change, social distancing will be with us for many months to come. With the exception of schools opening fully, home working and the economic climate, motoring will steadily increase and will be of high incident risk initially following lock down

I don't think we will see the previous repair volume until a vaccine has been found and is readily available allowing more people return to work and the volume of cars on the road returns to previous levels - I fear this could take more than year!

Trend Tracker

[Trend Tracker](#) was formed in the UK in 2003 by experienced specialists as a company dedicated to providing accurate and informed automotive industry research. Since that date *Trend Tracker* has undertaken bespoke client studies and has published its own reports, and unlike many research businesses, *Trend Tracker* has benefited greatly by having the automotive industry experience to advise our customers on business improvements predicated by the information we provide.

In 2018, *Auto Body Projects Limited* purchased the assets, data, Intellectual Property and Trade Mark of *Trend Tracker* for the UK body repair market. The acquisition was a natural fit for *Auto Body Projects Limited*, a company that has serviced the UK body repair and motor insurance sectors since being incorporated in the year 2000.

The Report

This report is designed for independent and franchised car body repairers; bodyshop groups; motor insurance companies; accident management companies; claims solutions providers; independent car and franchised dealerships; motor manufacturers; market analysts; trade associations; consultants; paint companies; paint distribution companies parts manufacturers and suppliers; plus other companies that have an interest in the supply chain.

We would be pleased to discuss any details of concern or understanding that you may have. If you require clarification, please do not hesitate to contact Mark Bull, director of *Trend Tracker*, by emailing mark@trendtracker.co.uk or mobile +44 7702 435629.

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The material contained in **UK Body Repair Market COVID-19 Up-date Report** has been obtained from statistical data provided by bodyshop owner/managers.

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