



UK BODY REPAIR MARKET COVID-19 Coronavirus Report Update

June 2020



Contents

	Page
Welcome	2
Background	3
Motor Claims	4
The Survey	4
Business mix	5
Current Position	5
Furlough	6
Financials	8
Government support measures	9
Observations on financial measures (Verbatim Text)	9
Geographical postcode areas	12
COVID-19 Charges	13
Observations on COVID-19 charges (Verbatim Text)	15
Outstanding debt	19
Observations on cash flow and aged debt (Verbatim Text)	19
Business confidence	22
Learnings from the pandemic crisis (Verbatim Text)	23
Final comments and observations (Verbatim Text)	26
NBRA Comment	33
Trend Tracker	34
The Report, copyright and sponsor partners	34

Welcome

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

Since our last report on COVID-19, the government has commenced the easing of lockdown by announcing various measures, including that of those who cannot work from home, such as construction or manufacturing workers, should be "actively encouraged" to go to work as of 11 May. Other social and societal measures either came into effect on 1 June or will do throughout the month.

That said, it is also stressed that we remain in unprecedented times. The human tragedy continues as the UK has now seen the number of deaths rise to over 40,000 as a result of COVID-19.

The economic factors that have resulted remain in sharp focus as we ease our way back into what many are calling 'the new normal'. Businesses across all sectors are having to adapt to working in a different way, often at far lower capacity levels, which in itself creates viability and sustainability issues, but we are all challenged with adapting to these unprecedented times of change.

This report follows-up on our initial two UK Car Body Market COVID-19 Reports. It is intended to provide the latest position and to give a perspective on the evolving situation and implications 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, are faced with.

The content of this report is based on a survey undertaken between Monday 1 June and Friday 5 June. The publication date of this report is Wednesday 10 June 2020.

As with our initial reports on this subject, 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, impacting on society as a whole.

This evolving position is the purpose the third-survey was conducted and the reason behind this report.

The two previous reports have been well received by the market and have been said to be extremely informative. 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 has been the centre of attention during the recent [ARC360](#), in association with [I Love Claims](#), webinars, 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.

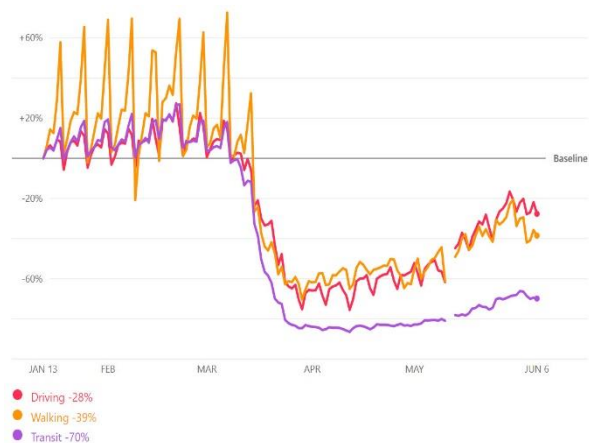
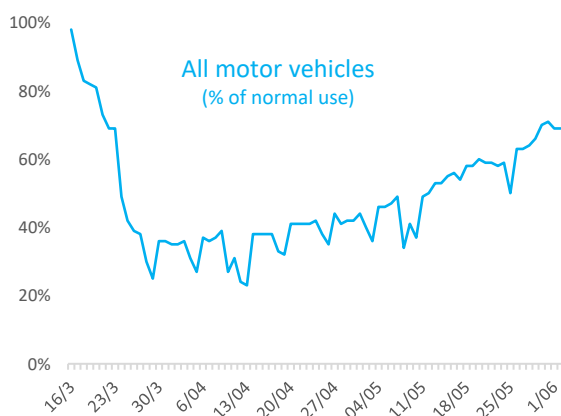
As the nation went into ‘partial lockdown’ it was clear that motor claims, and therefore notifications to bodyshops had instantly declined; many suggesting by 75%-80%.

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 have published two survey reports on this topic, presenting the position of UK Bodyshops. We have also ensured wide circulation is provided through PR campaigns – which proved very successful.

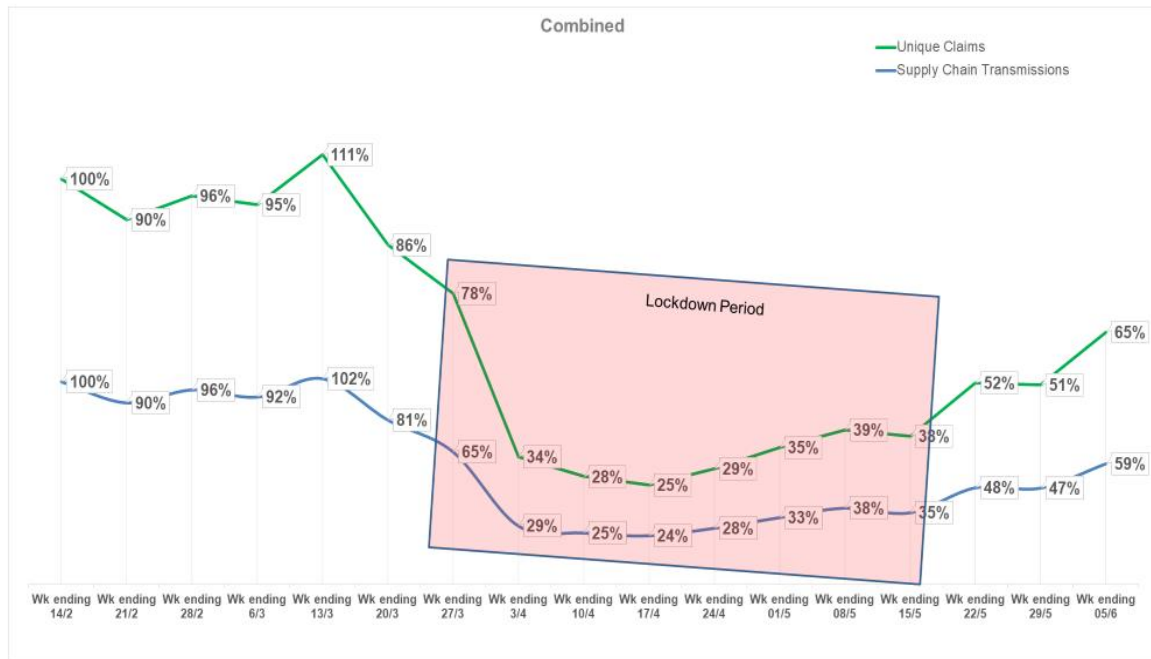
As matters continue to evolve and people’s perceptions and behaviours have changed, in particular since ‘easing measures’ have been introduced by government, we felt it appropriate - that ten-weeks after the initial lockdown and one-month since our last report - to present the latest position and views of UK bodyshop owners/managers.

Vehicles have returned to the road to approximately 70% of the use prior to the 16 March benchmark, used by the Cabinet Office Briefing Room (below left – source *Department of Transport*). This data is almost mirrored by Apple Maps COVID-19 mobility trends report (below right) that states driving is 28% down to 6 June, from their baseline in the UK.



Motor claims

As miles travelled has increased, there has also been an upward trend in motor accident claims, as we can be seen by data provided by CAPS (below), from a low of 25% for unique claims in the week ending 17 April to a returning high of 65% week ending 5 June 2020.



www.caps.co.uk

The Survey

We received 144 responses to the third survey (224 and 178 for the two-surveys respectively). Importantly, and to provide statistical significance, the responses came from a 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, 7 emails were received from 'out of office response emails' stating that businesses remained closed as a result of COVID-19 coronavirus.

The survey was conducted between Monday 1 June and Friday 5 June 2020 by Auto Body Projects Limited.

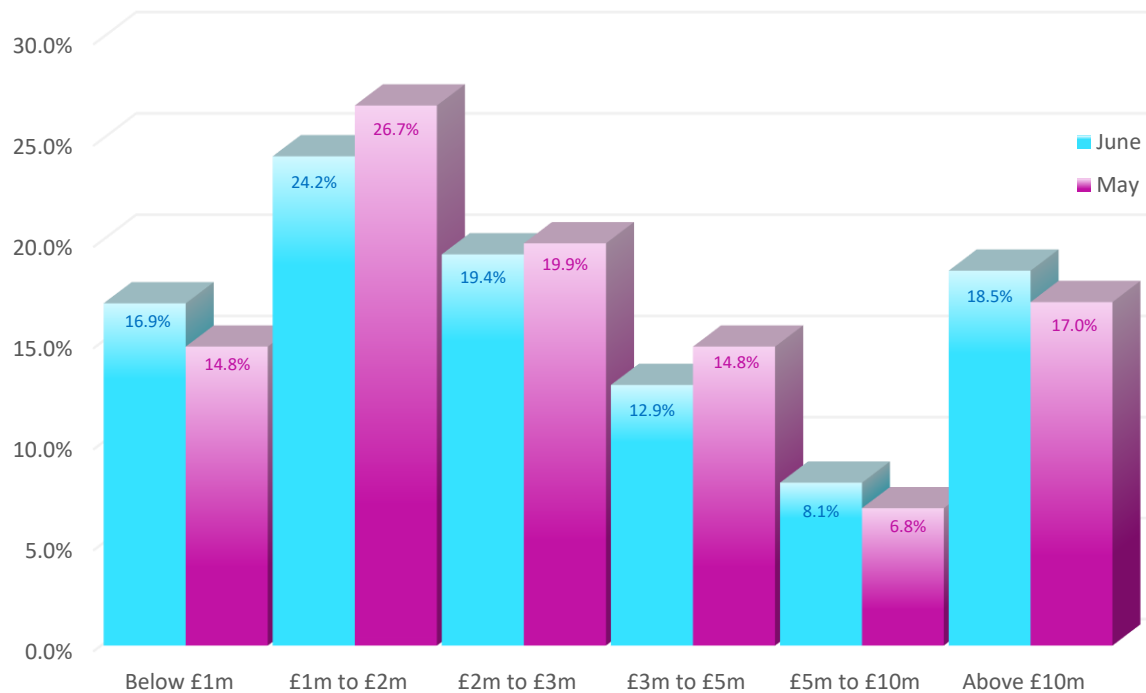
The survey was sent via direct email via *SoGoSurvey* – an online company, by [NBRA](#) to their bodyshop member database, and distributed by [ARC360](#), in association with [I Love Claims](#), to their associated bodyshop businesses. It was also placed on social media platforms.

Business mix

As with the first two-surveys, 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).

The business mix is reasonably consistent with the second survey (May) and therefore retains a similar profile.

What is the indicated turnover of your business?



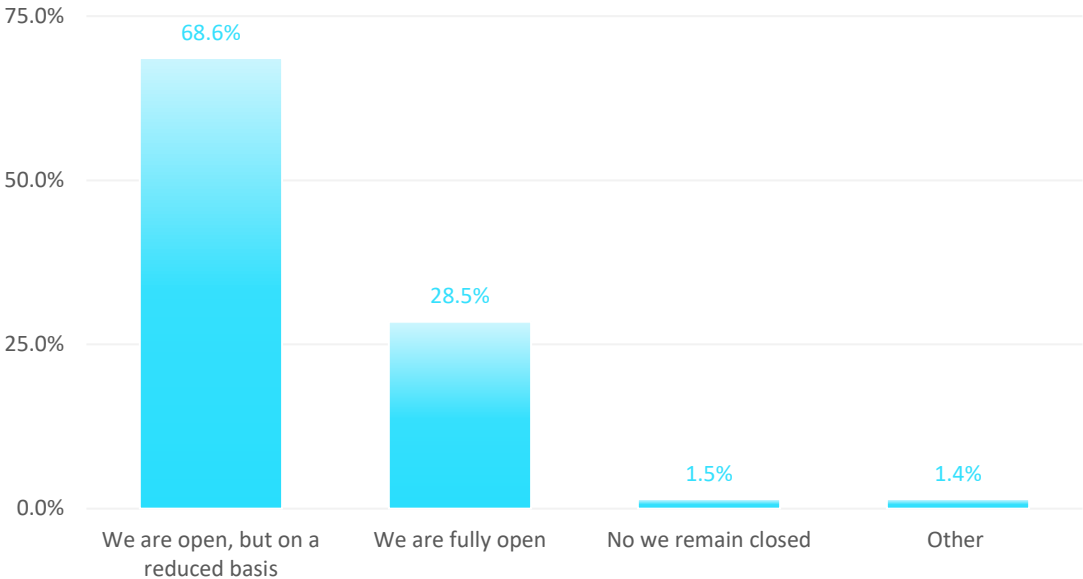
The Current Position

At the [Prime Minister's announcement on 10 May](#), he announced a three-step plan to commence a road map for the UK's recovery, in social and economic terms.

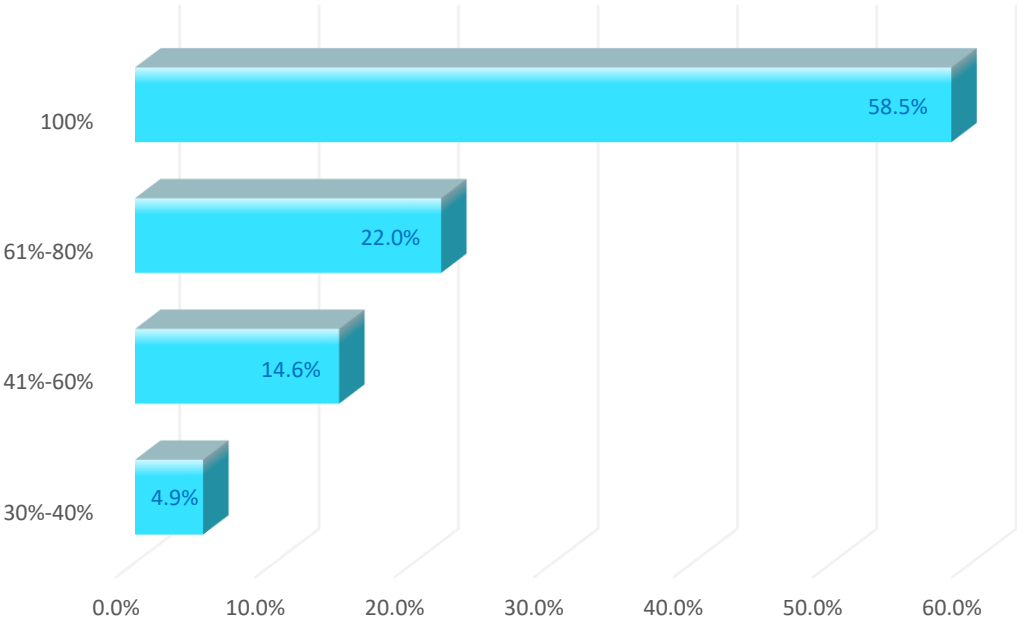
This meant those in construction or manufacturing industries were encouraged to return to work, in a safe way, if they are unable to work from home.

Bodyshops that had opted to close on a temporary basis, as indicated in the last survey results, were actively looking how and when to re-open as demand was starting to be created by an increasing number of motor claims.

To ascertain the current position, we asked: **As of 1 June, is your business fully open?**



Of the 'Groups', of which there were 41 respondents, we asked: **What percentage of your sites are open for business?** The majority – 57.1% – stated all of their sites were open, 22.9% had between 61% and 80% of their sites open, 14.3% had between 41% and 60% of their sites open and the remaining 5.7% had 30% to 40% of their sites open.



Furlough

The results of the last survey demonstrated the impact on body repair business employees had been huge, with 94% of companies responding to say that staff had been Furloughed as work volume and new repair notifications collapsed.

To gauge the current position, one-month on and since easing has been announced ...

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

Overall – as of 1 June



(May)



Administrative staff



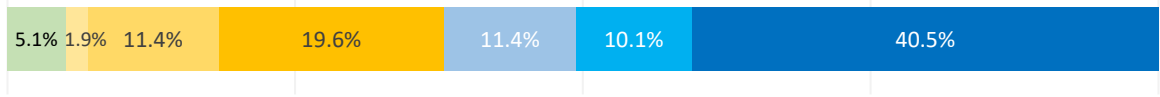
(May)



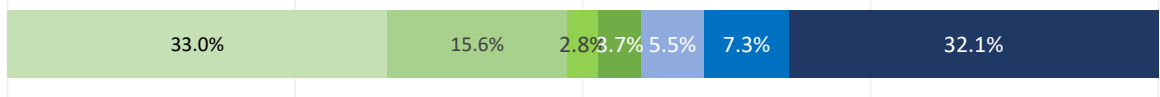
Workshop staff



(May)



Apprentices



(May)



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

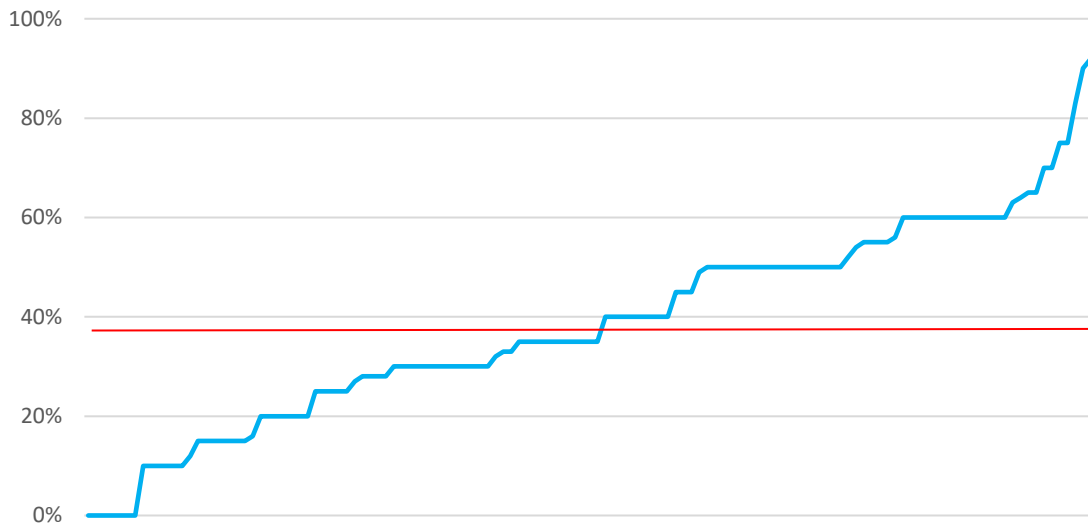
Overall = None, 8.7% - Sub 20%, 10.3% - 21%-40%, 25.4% - 41%-60%, 35.7% - 61%-80%, 15.1% - 81%-90%, 4.8% - 100%, 0%

May = None - Sub 20% - 21%-40% - 41%-60% - 61%-80% - 81%-90% - 100% of staff.

Financials

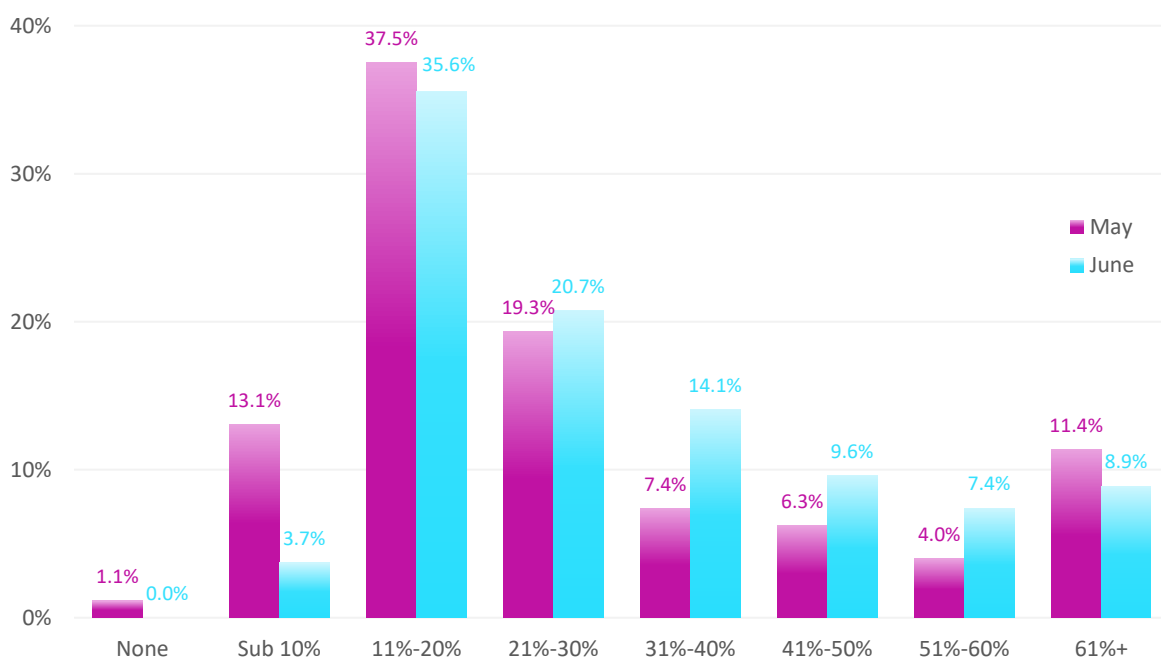
As we know, work volume was starting to increase during May and a number of staff were being asked to return to work by bodyshops. We wanted to understand in financial terms, what percentage of work had returned during the month.

We asked: **What was your £ turnover in May, stated as a percentage of your pre-COVID turnover, e.g. if £60K instead of an expected £200K, your answer would be 30%**



The responses ranged from 0% to 92%, which indicates a huge variation in turnover that either returned into a business, or not as the case may be, however a mean average of 38.4% is recorded – therefore giving an average fall in expected (budgeted) turnover of 61.6%.

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

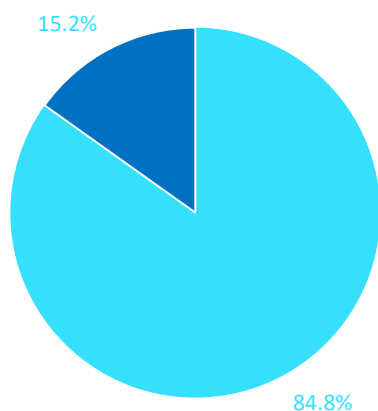


Government support measures

In the last survey, we asked how many bodyshops had taken advantage of the government backed grants, business rates relief etc. The survey was conducted 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.

For this survey, we wanted to ascertain the percentage of bodyshop businesses that had accessed financial support during the crisis.

We asked: **Has your business applied for or taken advantage any of the government's fiscal assistance (grant/loan/rate relief/deferring VAT etc)**



The overwhelming majority of respondents - 84.8% - stated they had now taken advantage of government-led business support, which in addition to the 94% who had stated previously they'd taken advantage of the Furlough scheme.

To understand more, we asked: **Do you have any comments or observations regarding the government's fiscal measures for business assistance?**

The table below and over page provides an overview of how the support has been generally welcomed.

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

All reasonably straight forward

It has worked very well for us

The Furlough was a great benefit but set too high and without a proper degree of employee control or input on what was considered i.e. no consideration on how an employee pay was constructed in terms of basic overtime and efficiency rewarding

Unfortunately, mostly for small & large companies, not mid-size

Very quick process but rate relief has proved difficult to obtain
Exceptional support, without which we would be under even more serious pressure. The furlough scheme has been particularly helpful to us as a business and to our staff
Furlough great, we are not applicable for rate relief or loan
Deferred VAT should not be repayable and Bank reaction way too slow!
Very difficult to get the retail and hospitality grant. Have had to appeal (and still not got) local council
Govt done all they can in the circumstances although rates should not be payable if the business is not open or on reduced trading despite the size/rateable value
Giving 80% furlough many staff skipped out the door!
POOR. None of our shops got the grants
It has been very good
More help given than we could have expected
Rates relief and rental grant has not been available for 2x properties within the group due to Rates Banding
Do not really support our industry well. We seem to all between the cracks; are we a retail or are we not?
Disjointed
Very quick payment
Extremely Generous
Government seem positive although the banks far less so.
Grants only available if rates less than £51K
Very helpful from government - councils very poor and hard work however
Banks are reluctant to lend
Excellent apart from grants as our buildings have a high rateable value in the south and we were unable to get them
A great benefit for our business
Furlough was claimed and repaid efficiently and achieves what Gov't intended. Supports business and keeps employees employed
Very fast to deliver but in reality it's a drop in the ocean as they have to be paid back
I believe the govt have been extremely helpful to my business and many others
Lower level grants were easy to attain
Furlough could have been more flexible but relief measures have worked well for us
Furlough scheme excellent. Rates assistance not suited for larger businesses
They've certainly tried their best to limit the impact, however, most sites will have lost huge amounts of money throughout this crisis
Very generous
Poor for our industry

It has been critical for our survival throughout the past 8 weeks
The furlough scheme has unquestionably been of massive assistance although there have been some difficulties in managing staff being asked to return to work whilst some remain on furlough on the basis that staff have become less motivated to return to work for the extra 20% that they could earn
Furlough could have been more flexible earlier regarding part time working
Works very quickly
Brilliant
Government amazing. Bank appalling
Carrying over of holidays, bank holidays and accruing holidays while on furlough is possibly what will be the final nail in many businesses open coffins
Too large to get any grants. Have had rates relief. Obtained bounce-back loan.
Very helpful and easy to apply
Most welcomed
We are very grateful for the assistance without which more drastic measures would have had to be taken
Good experience
Cannot get a grant as our rate able value is over £51000.00
Exceptionally good
I do not feel it is fair that we are not eligible for the business rate grant as our rateable value is just over 51,000
Barclays Bank have no idea what they are doing. The application form has taken almost 4 weeks and still unable to access
Was not allowed to claim our rate rebate as we had to be classed as a workshop. Absolute nonsense. All smaller businesses with the same area, despite being workshops, were given the lower rebate
I think government is doing a good job
We must be aware these costs are deferred, could be difficult to repay if business doesn't get back to pre covid levels
Yes, without a doubt it will all have to be for eventually and that will fall to the taxpayer no doubt when furlough stops we will see a rise in the unemployment figures
The support from the government has been great but we need the part time option in now
We have not received any grant money as they have not classed us as retail - we have appealed but have not heard any word
The overall help has been very welcome
Some have been quick, others, where banks are involved have been slow
Local council have refused us the £25,000 grant initially because we automotive industry. We appealed as other bodyshops and mot centres received a £1,000 grant. the council then replied the real reason is because your business rates is in the second band £18-51K and no retail to the business
Very supportive fiscal measures
Furlough scheme was essential. The grants and bounce back loans were all simple to obtain

Government measures for small business like ours have been good. Helpful, and a real weight lifted from our shoulders

Still awaiting cash support

Still waiting for Business Rates Relief and Grant

Been a big help

Very good - every penny counts and helps

Found them to be good in this area

Very difficult to get the retail and hospitality grant. Have had to appeal (and still not got) local council

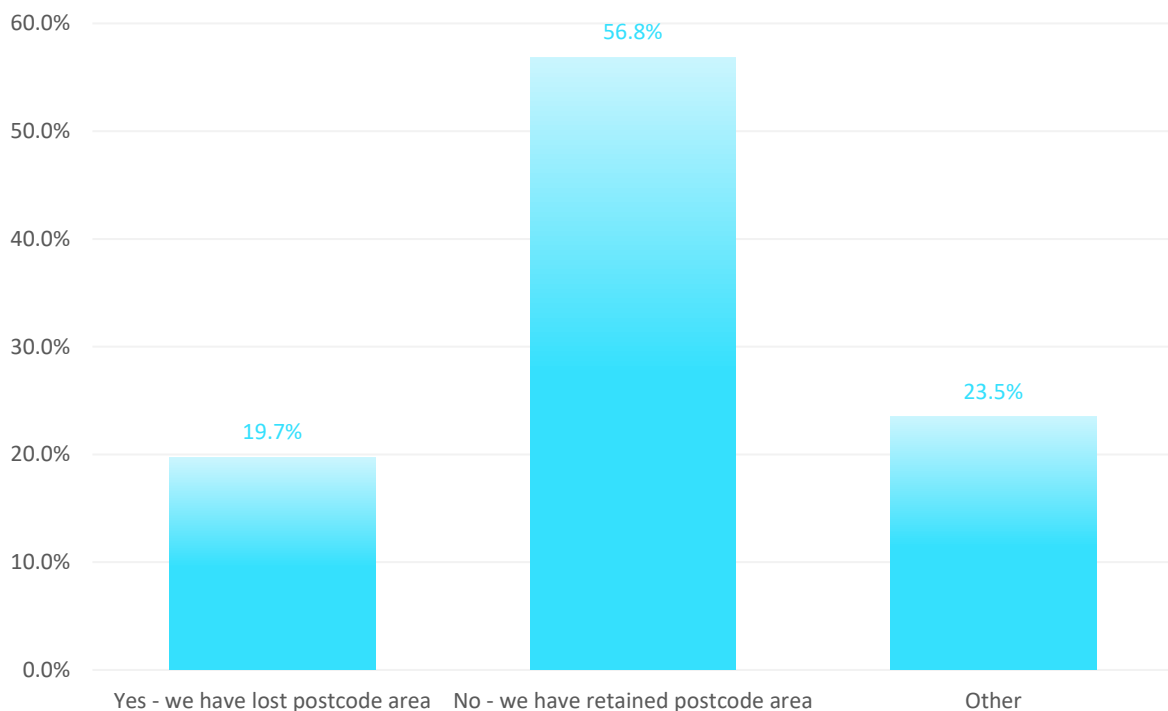
Business loans and furlough have certainly helped for the time we have been closed

Without the support I feel we would have had to make redundancies and almost start over again

Geographical postcode areas

Anecdotally, there had been some concern around how insurers and accident management companies may allocate their accident claims going forward, in particular when considering the bodyshops that had closed for a period of time following the 'lockdown' announcement on 23 March. The concern has been that as volume has dropped, would certain insurers and accident management companies continue to support bodyshops that had serviced them during the lockdown period, rather than return to the bodyshops that had closed and were therefore unable to support them for a period of time.

We asked: **Have you gained or lost any geographical postcode areas with your insurer / accident management customers as a result of COVID-19?**



As can be seen, 19.7% of respondents have stated they have lost geographical postcode area, possibly due to insurance and accident management companies continuing to support bodyshops that had serviced them during the lockdown period, rather than return work to those who had closed and were therefore unable to support them for a period of time.

The majority - 56.8% - have retained their contracted postcode areas, which isn't unexpected and within the 23.5% 'other' responses, several say they have gained postcode area, some say too early to tell. Below is a select number of responses to the 'other':

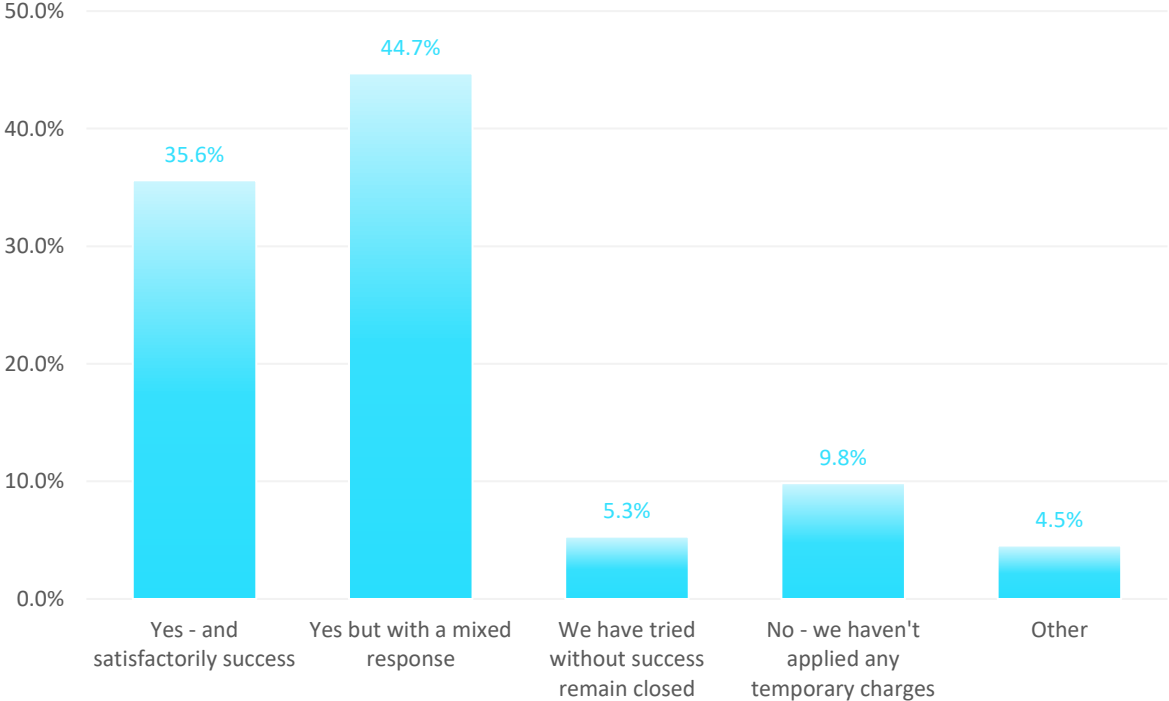
- All sub contract agreements have been lost to franchised or approved repairers
- Too difficult to say, no one has actually informed us that we have lost any
- We are covering wider area
- Don't know had very little information from accident management in recent weeks
- Gained some areas, but volumes very low
- I don't know why I've lost area, they will not say
- We are still on hold for one contract, don't know why
- Only the insurer will know that answer, we have not seen xxxxxx work for 3 months but apparently we have not lost any area or work?
- Retained and increased area
- Same postcodes, less business
- Too early to tell
- Volume is so low it is hard to say
- We stand alone and do not rely on contracts
- We are not approved repairer lists with postcodes
- We are still suspended from some insurers
- We have covered some other areas where repairers are shut
- We have expanded our operation taking on an additional location and extended our coverage area
- We have gained geographical areas
- We have gained postcode area, some temporary and some permanently
- We have gained postcodes
- We have gained some area due to other facilities being closed
- We have gone further for work at the request of AMs & Insurers
- We only got 50% back in first 2 weeks of opening. We are waiting for the other 50%
- We were covering a larger area while other shops were closed. As they re-open we are back to our normal area.

COVID-19 Charges

There has been much talk within the market surrounding additional support being required from a bodyshop's insurance and accident management customers, primarily due to having to work at unsustainable capacity levels (in general terms) and having to implement new working arrangements and conditions to ensure employee and customer safety.

One area that has been the focus of attention is that of sanitising a vehicle and its related accident repair parts during the period a vehicle is on-site.

We asked: **When repairing vehicles, are you applying any temporary COVID-19 charges to customer estimates/invoices?**



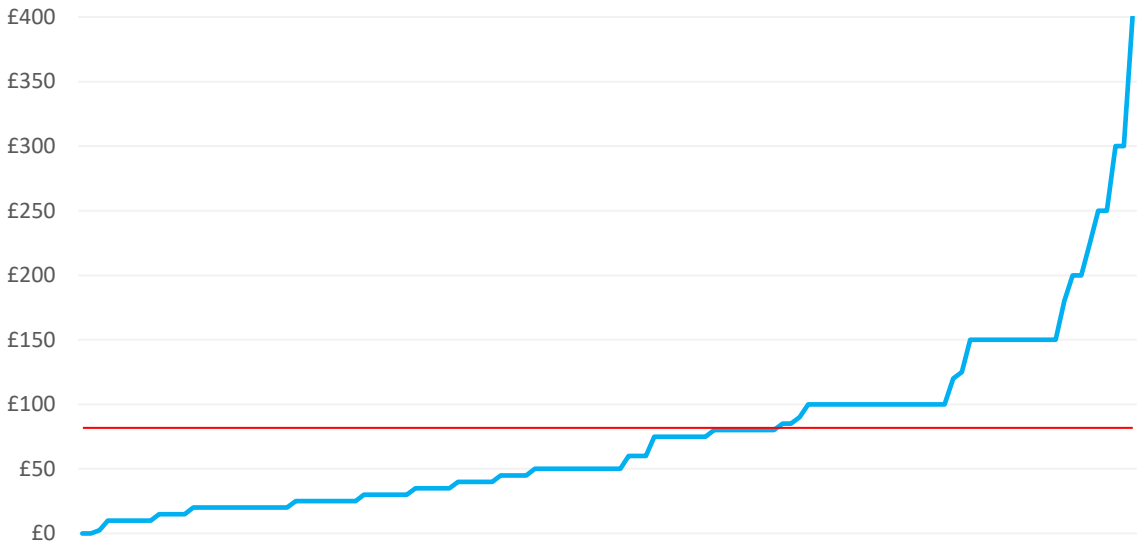
It is clear that bodyshops are receiving a mixed response from their insurance and accident management customers, who also have a duty of care in regard to a vehicle’s safety during repair. An ‘acceptable charge’ for cleaning/sanitising a vehicle appears to be dependent on the bodyshop and the insurer/accident manage they are undertaking work for.

The industry (insurers and bodyshops) has not come together to agree a standard vehicle cleaning/sanitising charge, which means that each insurer has decided how to address this matter for their network. Vehicle cleaning/sanitising guidelines that meet leading health authority requirements do exist, e.g. the Enterprise Complete Clean Pledge, or Parkers Coronavirus (COVID-19): How to sanitise and clean your car (geared more toward to the vehicle owner). However, the result of the survey appears to be concerning as a large degree of disparity seems to exist; are some bodyshops not cleaning a vehicle sufficiently, are some cleaning far more than required? One thing that does seem to be apparent is no cleaning/sanitising standard is in place.

This is demonstrated in the following graph, which presents the variance in thought from bodyshops when it comes to a COVID-19 charge. The responses ranged from £0 to £400, with a mean average figure of £75.50.

To be clear, we are not recommending £75.50 is the correct sum for a bodyshop to charge or an insurance company to accept, we are simply presenting the results of the survey.

We asked: **What do you believe is a 'reasonably justifiable standard charge' to apply on a customer estimate/invoice for temporary COVID-19 charges, per repair?**



We asked: **Would you expand on your experience, or comment further in regard to temporary COVID-19 charges?**

**Experiences and further comment regarding temporary COVID-19 charges?
Verbatim Text**

- Time is a big factor, plus cost of cleaning materials
- There is so much more to do not only cleaning cars (courtesy and customer both pre and post repair) plus the collection of parts, reduced parts discounts plus the reduction in credit terms and admin involved. It all adds up
- All sorts of issue but main ones are the cleaning parts availability lack of deliveries lack of unseen and supplementary courtesy car costs to name but a few
- Additional PPE required for staff when collecting or giving out a loan car
- Cannot see business returning to normal
- The massive cost of PPE is not being recognised, also the additional processes, the huge loss in parts discounts, the reduced revenue meaning that we cannot cover our overheads. It's a grim situation!
- Mixed reaction by WP
- Some business partners refuse the charge as we clean the vehicle, in such case's this delays the return of the customer vehicle by 72hrs
- It needs to be permanent and fixed across the industry
- Cleaning c/car, client's car, PPE, extended c/car all additional costs
- In reality the extra time and money we are spending to disinfect all the vehicles we come into contact with is easily covered with the £10 charge. It could always be more, but it could so easily be less
- Majority of insurers will not allow reasonable charges; xxxxxx seems to support this as assessments fail the gate



Our work providers have helped by removing parts discount which is retaining a good amount of profit within the business

Work providers need to address the fact that repairers will not have sufficient economies of scales to support the rate of discounts being offered

Atomizer, extra PPE, Sanitizer, time, signage

Insurance companies saying its our problem and cost not theirs

A lot of effort for not enough reward, some are only £10 which is obviously a joke given what is required

Response from insurers in general has been very poor. Most ignoring the cost pressures we are facing with variable costs and total ignoring the facts that the high-volume low margin model will not work on current volumes or the projected volumes for the rest of this year

Majority excepting, but at £10 charge this is only part contribution towards, especially as PPE has trebled in cost. Also claims notified prior to lock down, but repaired during insures are not honoring agreed charges including parts discounts

Variable between £10 and £80 being accepted

4 touches of customers vehicle and replacement car. Increased cost and frequency of required PPE and general cleaning costs

£50 pre & £50 post. This justifies the investment in the equipment (Sanitise machine) PPE, The bay the vehicle is sat in, the Tech time & if a loan car is needed our fee accounts for that I.E Free as that i see as our responsibility. That way from my point i can justify the fee & it is fair & reasonable

It creates problems collecting and delivering vehicles, we have to often collect parts and then there are the cleaning and sanitisation costs

Although numbers of repairs are increasing for us, we will still exercise caution

Mixed bag - one wont even pay!

More conflict as they choose not to understand that this is a legitimate item that has to be charged

PPE has seen a considerable price increase. Addition time required for sanitising vehicle for repair and c/car. Admin process taking longer because of process change. T/Loss vehicles have to be processed safely also, etc

We have been offered £10 Covid charge for some WP's and a 5% parts commission reduction. This is totally inadequate given the increased cost of PPE, additional time and expense to collect and deliver and cleaning/sanitising of customers cars twice, plus twice for the courtesy car

The charge needs to reflect additional clean at the beginning of repair, PPE for VDA's, PPE for technicians during repair, additional/more thorough clean post repair and then more PPE for drivers or additional preventive measures in reception

Cleaning/sanitisation

We are not receiving the payment we require - most companies give £10 one giving £120

There is a lot of work and efficiency issues with standing vehicles/contamination processes that impact on operating costs/courtesy car utilisation that are simply not understood by clients

A lot of news has been seen where £10 has been applied to sanitise vehicles. This is not enough to cover time spent cleaning vehicles twice, so we charge £30 per vehicle

Its been applied with varying success, certain insurers aren't playing ball though. If the claims was notified pre-lockdown but repaired afterwards, they wont apply Covid-19 Charges. Pretty unfair really

Most insurers and accident managers have decided arbitrarily that a £10 Covid charge is sufficient to protect our staff and their customers. This is woefully inadequate and will expedite the closure of many Bodyshops. It will long be remembered by those of us who do come through this, when it comes to choosing who to allocate our capacity to

I think it should remain all the while social distancing is required

There needs to be a level playing field as a temporary measure, some are irresponsible and not expecting any cost to cover the increased costs we are facing

Extra cleaning & care required both inwards & outwards which equates to more than average £10 being given. In reality also, it is impossible to make a profit running a business on partial staff whilst operating at more or less full fixed overheads costs. This simply does not cover costs of operations so that businesses will be running at a substantial loss in an attempt to provide continuity of service and this in turn will inevitably lead to business closures once cash reserves have run out

Vehicle to be repaired requires 2 thorough cleans. Courtesy car requires 2 thorough cleans. Cars need to stand for 3 days quarantine before and after repair. Courtesy car needs to stand for 6 quarantine days between customers. Essential to use correct ANTI-VIRAL cleaners not ordinary products. Many insurers do not recognise the complete cost

Some insurers are being very fair and reasonable. It's not just the cleaning/sanitizing of the cars we have had to pay for. Signage, screens, awareness messages prior to arriving on site, and once here. Huge expense which shows no signs off letting up

Justified charge. We all need to protect our staff and customers

The support is varied so needs coordinating

We are ozone disinfecting the customers vehicle and courtesy car at the start of repairs and both again at the end. This takes considerable investment for the machinery and considerable time too. £10 moved from specialist to parts to net £8.50 after their discounts is unrealistic and far from the realistic costs incurred

Mostly we are getting our Covid charges

Cost of materials and time taken

There has been no consensus on what is required to affect a safe experience and we need it. Some are paying £10 and some £150 but we have to do the same for every car and c/car regardless so e can ensure our staff are safe

Most insurers are allowing a £10.00 charge but this goes no where near covering the additional cost (labour) required to clean the cars. The cars have to be clean on arrival, when changing department, when valeted and at home over. Additional courtesy also have to be clean at handover and return

Most insurance companies will pay £15.00 but that is not any where enough to cover our increased costs

I think it should be a standard charge on all repairs even after COVID 19

Extra cleaning, delayed time to enter and leave the car

The cost of additional measures taken by Repairers to keep their customers (and the Insurer customers) safe should not fall solely on the Repairer. There has to be a compromise and whomever is authorising the repair work needs to contribute

Some insurers are paying £10 whilst xxxxxxxx is paying £80

We need to protect our staff and customers, we are obliged to and there is a cost to this which is chargeable

I am disappointed that they expect us to just absorb yet another cost

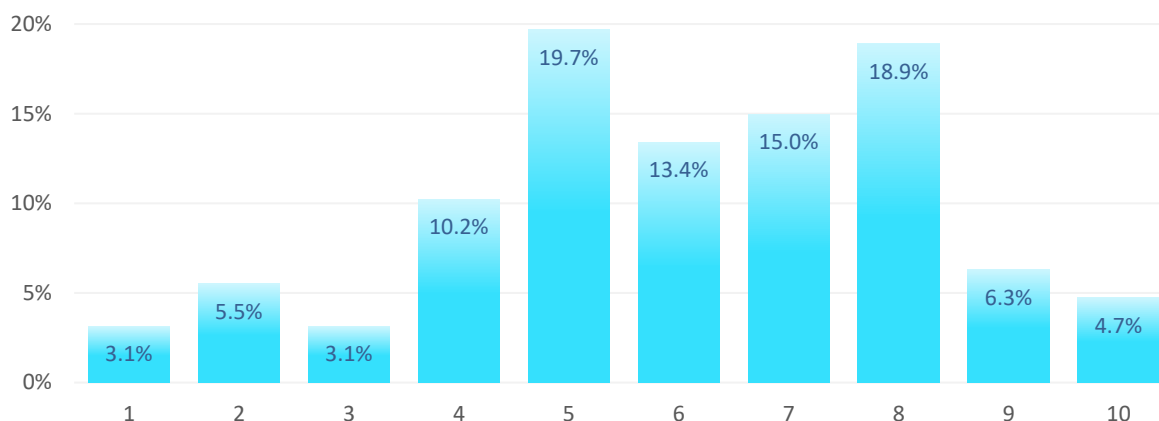
To cover extra costs collecting and delivering vehicles and extra PPE

We have been offered between £10 to £30 per job some insurers nothing
Customers seem to think the charge is reasonable
It is more than the cost of the sanitisation products, its the extra time required
From our experience the repair process has slowed down considerable with the need to clean the vehicle between different staff members working on them and also the parts delays are playing a part in the cycle time thus resulting in slower cash flow
Basically extra attention to cleanliness, but before and after repairs
The costs to us as a repairer are just now a very much an average given that once we are in full swing and all the additional practices that are required put fully in place then we will be able to establish just exactly what costs we are being burdened with also we do not have a regular parts supply but deal with suppliers also working with a reduced staff also reduced discount from suppliers we do not normally deal with also no regular deliveries in our case having to travel all over
It is easier to get positive response from private customers, insurers have accepted charges between £10 & £30
This charge seems to vary dramatically from insurers
Given the level of cleaning required and also the collection/delivery of vehicles then we need a standard charge across the industry as a baseline
As we mainly work on Semi trailers COVID19 charges aren't really applicable. What it has done is make the staff more aware of personal space and cleanliness, not a bad thing in our industry
Courtesy car 1hr clean x 2, repaired car 1hr clean x 2, plus parts sanitising
Most work providers are specifying 10.00 per vehicle (this includes the c/car santising with major work provider!!!!!! does not even cover the Labour and materials used on a vehicle
Extra cleaning charges need to be applied as more thorough cleaning required
Covid charge for sanitizing vehicles before entering workshop and before delivery
If an Insurer/Accident management company decline the charges, we will let the insured know that the principal have disallowed this. He in turn will fight for this service
Clean vehicle inside and out e.g. door handles and seats and controls
Health & safety and PPE is expensive
Insurance companies actually take off this off estimate
Insurers and work providers can't dictate safety measure charges or reduce them whilst they have profiteered through this. It's a disgrace.
Charges are required because they simply cost our business time and money, simples!
Pre and post anti bac to courtesy car and customers cars. Additional car care kits required. Reception alterations and signage. Additional consumables used also
Applying additional sanitisation products and processes before and after the repair
If common sense and being alert is applied, charges do not need to cost a fortune, but they should be accepted

Outstanding debt

An output of a question asked in our first COVID-19 survey was that bodysshops were requesting their insurer/accident management company customers to expedite outstanding payments, in particular aged-debt, by speeding-up their processes.

Ten weeks into the crisis and two-months since our first survey, we asked: **Given the early focus on cash flow, on a scale of 1 to 10, with 1 being extremely dissatisfied and 10 being extremely satisfied, how would you rate the response from your insurer/accident management customers on paying outstanding debt to assist your cash flow?**



The graph appears to provide a reasonably positive picture, with 29.9% of respondents rating the response as '8' or greater, with a further 15% giving a rating of '7'. The mid-range of a '4 to 6' rating totals 43.3% whilst the low-end rating of '1 to 3' gained an 11.7% response.

We asked: **Do you have any further comments on cash flow / aged debt?**

Observations regarding cash flow and aged debt.

Verbatim Text

Some have really gone above and beyond to sort. Some are worse than normal

Some of the credit hire businesses have made no effort at all to improve payment terms and if anything, we have overall seen a worsening of our debtor days not an improvement

The problem will be in third and fourth quarters of 2020 and first quarter in 2021

The real pain hasn't yet hit bodysshops

Most of our insurer partners have been very helpful with clearing outstanding debt; some accident management companies have not been so helpful

Only xx have responded really well others no change and not open to it!

Aged debt is an issue and we have set out payment plans for customers that are having difficulty paying us

The vast majority of insurance and accident management companies we work with have been paying within a couple of weeks of completion of the repair

Insurers talk the talk (policyholders and supply chain) but do little but go quiet and hope this all blows over without them having to do anything

Direct Insurer relationships have performed best in this area

Not really a problem

Some blaming short staff, some doubled payment times

Nothing has changed much as payments are still not good enough and they still look for any excuse to hold up payments

Almost no difference

Mixed experience - most insurers have responded but accident managers have ended up complicating this process and delaying payments

Although initially this was raised by work providers as being a priority, delays are being seen in authorising supps, so no real benefit, just moved delays into another area

New work is being paid quickly but trying to get hold of people for the old stuff is hard as they are all working at home

We are more focused on dealing with debt and cash flow than pre Covid-19

It is beyond our control as we don't know when volumes will increase, so unknown burn rate decided by the depth of your pockets

The support has been pretty good in most cases

Some insurers were proactive, but others just hid

No movement in payment terms- and excuse that their accounts departments are furloughed so actually poorer than normal

We have always been focused on collecting money!

Coming right down - good

We chased aged debt starting in mid Jan as thought the lockdown was coming and wanted the money in. There was some 'push back' but negotiated our way around this

Some Insurers/WP's need to dramatically reduce their debtor days

Some insurers/AMs such as xxx & xxxx have been fantastic, others very poor, xxx & xxxxxxx should hang their heads in shame

Some work providers have been slower paying than before lock down

We are still struggling to get paid by 1 credit hire company (3 months old) and one Acc Man who is late every month unless vigorously chased

We are extremely pro active with outstanding debt. Covid-19 has not changed the way we deal with this

Payment terms have remained unchanged so aged debt has not really caused us a problem. However, running on reduced capacity will ultimately lead to less cash coming in than going out and will be amplified once businesses have to top up furlough payments to staff. Outlook not positive I'm afraid

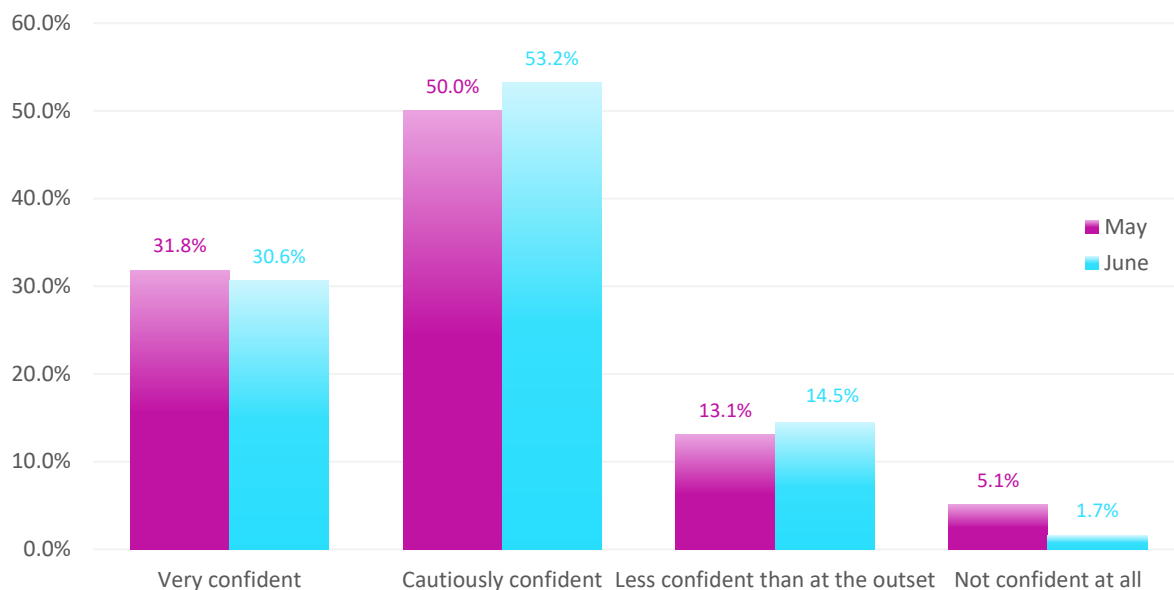
xxxxxx have no effort at all to speed up payments. We have had to threaten xxxxxxxxx with debt recovery as their payments team are in a total mess.

Luckily we are part of a group. I don't know how the smaller shops are coping with the current payment terms.

Had to do more chasing than normal
It's a concern because we have no idea how long we will have reduced volumes
All are claiming to do this but not following it through. We shouldn't have any aged debt, they have no reason not to stick to their own payment terms
Our insurer outstanding in presently very low
We have strong cash reserves
We are lucky to have secured a CBILS Loan from our Bank / Not easy to get your money in as there are few staff working at Insurance and accident management company
We had a very tight rein on this pre-covid and we don't work for anyone with longer than 30 day terms
No better or worse than previously, although was asked by one Accident management Company if they could delay payments as they were struggling to set up things whilst their staff located to home working. Had to decline. We are a small firm and rely on them paying their invoices in the timely fashion
Still making multiple emails and phone calls to chase aged debt
Seems as usual as before
The companies we work for have been excellent in paying us and have sorted out aged debt during this period
It's a mixed bag, some insurers, xxxxx for example, are trying, even waiving parts discounts on some jobs. Some others are using the situation as an excuse for late payments
Some are clearly a lot faster than others
In some cases, new repairs are being paid for quite quickly, but older invoice still outstanding.
No one gets insurance unless paid immediately or if they choose to delay to stage payments then they have to pay the additional costs of managing these payments a luxury we do not have we sell labour and the people who carry out that labour don't wait to be paid
Aged debt is a problem with some work providers but not all
Most of the large insurers are doing their bit, accident management companies not so much
Work provider and insurer payments have been very quick post lockdown which is a great help.
We are getting paid much faster
Certain insurers and management cos are treating us very poorly
Seem to be taking longer to pay, partly because we have been unable to chase payment when office staff were on furlough
It is very difficult to get business customers to pay outstanding invoices. Most will not reply to email reminders about aged invoices and will not take a phone call
Its make or break time for a lot of companies in our industry
A few have paid immediately instead of 30 days which has helped
You can't speak to most. Insurance companies still paying as per contract
Some insurers are paying very quickly but we do still have outstanding aged debt. These companies should be settling all accounts, after all they're nowhere near as stretched as they normally are with the lack of claims to deal with
No real change to the normal intransigence

Business Confidence

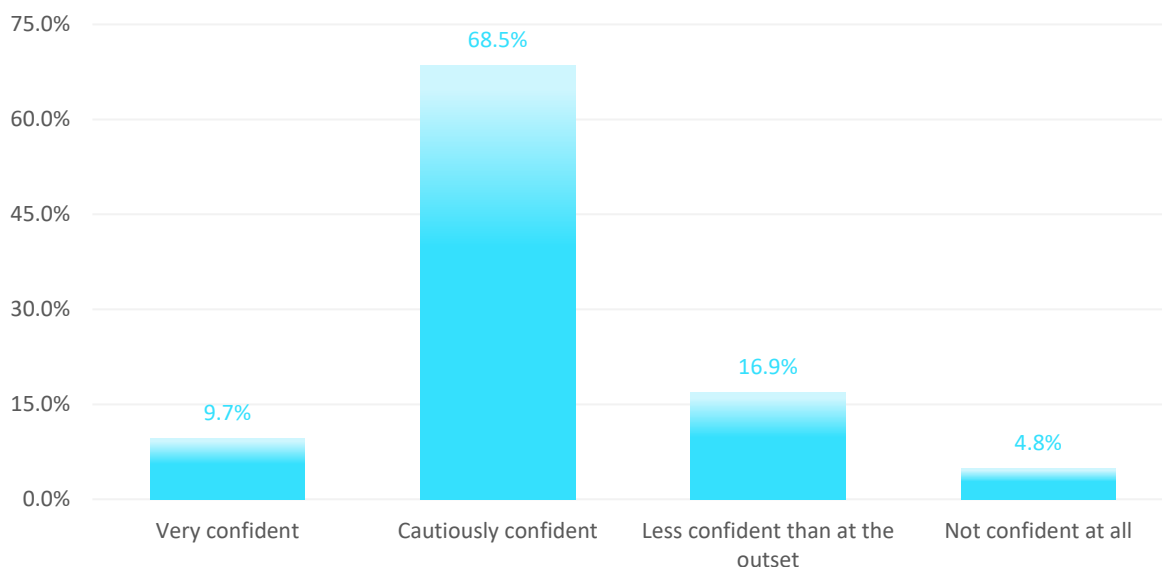
We asked: **Ten-weeks in and as lockdown eases, how confident are you now that your business can withstand the financial impact of the pandemic?**



The graph shows a slight variation in June to that compared to May, when the same question was asked. However, it is fair to say, in general terms, the ‘less confident’ and ‘not confident at all’ responses remain concerning as a combined 16.2% of respondents are clearly concerned for their businesses.

That said, on a positive note, an overwhelming majority of bodyshop businesses - 83.8% - remain ‘very confident’ or ‘cautiously confident’ about their prospects, despite the fall in motor accident claims volumes over the period of the crisis.

We asked: **As lockdown has eased a little and repair volumes have taken an upward turn, how confident are you that your business will improve to a sustainable level in the second half of 2020?**



However, when the question is asked in a slightly different way, relating confidence to the second half of the year and looking at confidence on business returning to a sustainable level, only 9.7% of respondents recorded an answer of 'very confident'. An additional 68.5% are 'cautiously confident', whilst 21.7% are either 'less confident now than at the outset' or 'not confident at all' that business will return to a sustainable level in 2020.

Given this and the many other factors that bodyshops – indeed all businesses – have faced in wake of the pandemic, we were keen to understand what owners and managers have learned through their experience.

We asked: **In light of the pandemic and impact on business, what has been your biggest learning to date?**

Observations regarding biggest business learnings in light of the pandemic. Verbatim Text
Planning has been key but in conjunction with taking decisive action quickly
Just what we always knew its a fragile business model that can't stand up to anything other than flat out production levels
I would've kept all sites open with reduced staff rather than operationally keep some sites fully open
Clearly more margin is needed to enable Bodyshops to withstand unexpected problems, but that won't happen
How our volume model can be destroyed very quickly for reasons outside our control
You know who your friends are when things get difficult
Not all staff are loyal
The importance of strong relationships with work providers, suppliers and staff. When the chips are down, you come to learn who the good guys are pretty quickly!
Over staffed and to much cost put onto us by insurance companies, and we don't need our lights on in the workshops :)
Ensure you remain focused upon 'it is easier to save a pound than make a pound'
Having to learn new ways to communicate but I.T. will never replace meeting in person to discuss future business
To have a diverse business and have multiple revenue streams
Working from home is more efficient
The next 3 months will be key. Kids returning to school will be the big turning point.
Many of our staff are absolute diamonds, and some of them will get their comeuppance when they return to work
Insurers do not operate partnerships as they are so keen to tell us. In relation to business interruption insurance, again insurers are not trustworthy, as they have continuously tried to wriggle off the paying out hook
I have learnt a lot about the people we employ
Chasing volume is not a sustainable strategy

Peoples reactions can be surprising - good & bad

Insurance and accident management companies only out for themselves , ask you to stay open but with hold work and don't support you, should be a increase in hourly rates if they cant supply the volume to support the very low rates

Staffing approach and attitude plays the largest part in any business

As in industry we need to be able to pass on the cost pressures. The £10 covid cleanse is so inadequate it is a joke. Critically as most pundits are estimating only 70% of claims volume for the rest of this year we need to have an uplift in rates to support this reduction in claims.

The power of remote working

Controlling costs, stock management

Having to think on your feet and make daily decisions to drive the business forward. Forget a business continuity plan, it has been irrelevant.

How to scale back quickly

Cash is king

We don't need so many people!

That insurers have the ability to pay within 7 days, hopefully this will endure going forward

The fragility of our industry

Which insurers do see this as a partnership and which are just in it for themselves as we always thought

No planning could foresee this- business will survive purely because its long established and cash rich. The reserves many bodyshop have because of lack of profit in the industry will kill some good businesses through little fault of their own

Too many little things to list, nothing really major

We will be scaling down on staff. We will be as profitable with fewer staff, we got swept along with big numbers & realise we do not need them!

Never be a business owner if you can help it

Having available cash for such an occurrence is essential

Trusty worthy hardworking loyal staff and work providers helped us through

May have been better to stay open as some work providers not switching you back on

Confirmation of just how good my team is! The volume model is broken!!!

Always maintain a healthy cashflow and company reserves - you never know what's round the corner!

That we were busy fools and carrying some dead wood, we need to modernise the business even further than we have already done

Should have remained open with a skeleton staff

To stop managing volume with increased staffing and to start managing sanity with reduced volume and staff

How much everybody takes being employed for granted

Who has stepped up to assist repairers and who has "gone missing" and just stuck their head in the sand

Don't rely on work providers

Cash flow matters

A far better communication from staff, other body shops and work provider partners
Never expect your bank to support you
Looking more closely at efficiencies and cutting overhead expenses
Staff behaviours - which staff see the wider picture and which are for themselves. Important to understand cashflows and plan for worst case scenarios
We can do proportionately more with fewer staff. Too heavy on admin staff
Home working does not work for bodyshops!!! Staff that have returned have really raised their game to cover furloughed staff and help the business to function
How we can operate reasonably well with less staff
To find our own clients and leave the AMCs to bottom feed!
How to cope with the unexpected
The business model works only if the volume is there
Still learning and adjusting every day
Clear communication and good relationships are paramount. We now know who really supports us and who doesn't
Due to WP demands we've had to carry a lot of non-productive staff. With these staff currently been on furlough it has proved we can manage without these staff t run the business
Making the decision to close the business, may have been more beneficial to keep it open on skeleton staff
Do not allow credit to quite as many parties!
Safety rules
Being overstaffed in certain areas
Adapt as required
The loyalty of many of my staff
not to panic discuss with customers and parts suppliers because everyone is understanding during these times
My bank is very poor
That most insurance companies place too much pressure on repairers to meet SLA's for the price they are prepared to pay. Also, that bodyshops skill set is extremely undervalued
Customers are more understanding and realistic than before, I presume they are no longer being told by their insurance company that someone with phone them in 10 min and collect their car tomorrow!
Business is too reliant on volume to make any profit!
Analyse everything in we do for free (uplift and delivery , the cost of c/cars the labor rates we get and what we have to pay, the bottom line, the commissions), the list goes on we conclude that our retail work gives a much better margins something for the future perhaps smaller staff ??????
Which staff members have gone the extra mile and that anything is possible if you make it happen
Stepping back from the business to make decisions
I believe that as work providers and partners Insurance companies have pretty much had their heads in the sand and have only there own concerns over cost. no real appetite to assist the repairers

Teamwork from all parties is key
Cash flow and customer loyalty
Cash is king!
My concern is that we get a second wave or in the winter the virus returns !!!!!
Do not treat insurers as friends, we give discounts for everything, but they have been appalling at paying us
Keep control of overheads
I will not allow as much credit/time to pay in future and will be chasing payment when due
how vulnerable we are to things outside our control
Who would have thought a virus would turn the world upside down. China has just won world 3 and hasn't fired a shot
Back to basics
Adjusting the business to the government guidelines and keeping staff safe
Can function with less staff?
Cashflow forecasting
Staff reaction to returning is interesting
How vulnerable we are and I feel sorry for the bodyshops that won't be able to survive
Our online marketing and exposure needs to increase
The wellbeing of staff members, having strong relationships with suppliers and customers
Having a stronger and more streamlined approach to workflow, in particular stock levels and staff assignments
When the chips are down, as usual its every man for himself

Finally, we asked: **Do you have any final comments?**
What are your current thoughts on the crisis now when relating it to your business?
Is your confidence greater than it was at the end of April now lockdown has eased a little and accident claims are starting to rise again?

Final comments and current thoughts on the crisis when relating it to your business? Verbatim Text

There is still so much unknown. How quickly will traffic levels build back up, what will be the levels of recession both severity and length. What will other body shops do when faced with a tough times ahead and how do we react to that.

How will our staff be with new safety measures, some have been off work for two months, how are they mentally.

Our return to work process is now thorough and includes training on new safety measures and looking after staff well being

Confidence in my business hasn't really changed much but there is a long way to go yet the business rates , property rentals , and energy cost are definitely areas that need addressing from the business reduction generated from COVID 19 outbreak

In a lot of cases, Furlough will just be a waiting room for redundancy.
I believe it will take longer to return to normal levels than is widely believed

I have the same level of confidence I had at the beginning that we would get through this but I'm still unsure as to what the new claims volume model will look like in our area once all businesses and schools are back open, I still believe there will ultimately be a level of claims at a local level that we require but we will also be a more leaner and keener business

Confidence is less now. Lockdown was easy, now the reality is that the claims levels are very low, and the release of lockdown has been very slow. It will be interesting to see how busy roads get once retail is back online. Like most shops we can't operate profitably unless we're at least at 90% capacity, even with staff cuts we believe profits in the future will be challenging

The business will never be the same and only time will tell if its viable to continue

There is still a long way to go to get back to normal referral levels, but the easing of lock down and the public's concerns over public transport and travelling abroad could mean that our sector bounces back quicker than others. The next 6 months will be very testing for all businesses in all sectors; only the strong will survive. One thing is for sure, pricing needs to change for bodyshop businesses to be sustainable

Losses are huge and unless volume returns this will dramatically chance the face of our business. We have strong cash reserves but over a prolonged period of reduced trading, this will diminish very swiftly. As the furlough support changes, industry wide mass redundancies will occur and certainly up to Christmas, the next six months will be the most challenging time for all businesses and no doubt a reduced number will survive!

Keep up the good work. I enjoy your updates as usual Mark :)

I don't believe that we can expect pre covid levels of business until sometime next year

I think many repairers will fall over in October when furlough ends and as volumes rise the groups will strengthen with the increased volumes

People will get in the habit of staying at home.
Once schools return Mums £ Dads can get back to work.
Written this year off for profit.
Back to normal in 2021

We are still in a very fluid situation as an industry

After having a record year in 2019, this pandemic has well and truly stopped us in our tracks. I am confident that we will navigate our way to safer waters, but how long it will take to reach 2019 levels of profit and turnover I wouldn't like to say.
The saddest part of all, is that whilst the volumes have been very low, our entire management team have actually enjoyed working again. Insurers, and customers have been more appreciative. Sad that we have built these hungry monsters

We need more sustainable rates for the future and we need a 'body' that will actually work with our industry to drive this change forward

Claims volumes are still lower than we would have wanted, I expect us to stay at this current staffing level through until the furlough scheme expires and we do expect to loose a portion of our work force with redundancies after that if the claim count does not increase

We have enjoyed tremendous support from our teams and customers throughout the crisis. We continue to work through a number of strategies mindful that we could face another period of lockdown in Q3, Q4

We have been pleasantly surprised in the last couple of weeks at the rate of increase in claims. The crisis has provided opportunity to implement restructuring and further centralisation to improve overall business efficiencies

We need to seriously think who we are working for and reflect on why we are in business. We are here to make a profit, not to subsidise insurers claims. If a task is done, it needs paying for

Getting more confident, but feel there may be another lock down as things opened up to fast and public not listening, staff reluctant to come back to work, using coronavirus worries to try and stay on furlough as long as possible

Claims volume is still pitifully low and will not return until traffic volumes increase and there lies the million dollar question as to when this will be

No longer too worried about the current crisis. Major concern is over the next six to eighteen months. The industry has an opportunity to change for the better and it needs to change for the long-term viability. If not, there is potentially a lot of older business owners who for one reason or another will simply exit the industry

The future is anything but certain, true impact as we progress is impossible to predict. Human nature and financial constraints are still to become evident

Greater confidence. highlighted true difference between profitability of varying work providers

We need to continue being paid for COVID cleans and reduced parts discounts for some time to come. The remuneration method for bodyshops needs to change

Fearful of the economy once furlough is finished at the end of October

For those that have relied on the "pile it high, sell it cheap" high volume formula working with Insurers and Accident Management Companies it is likely that they will not achieve any margin of profit without making drastic cut-backs and even after that may still continue in loss making territory. Now is the time for an urgent review of charge out rates, potential business volume reduction and profitability to enable bodyshops to remain in business instead of stumbling to a slow death

Not seeing an increase in claims as other operators are opening so additional volume is shared between more mouths

As we ease out of lockdown I am optimistic that the business will sustain, although I suspect we will be in recession moving forward thus I expect the volumes and therefore the business to shrink slightly

It is and we are slowly bringing more staff back in as and when necessary

My confidence decreased as any hope there was in a reduction of repairers leading to others being able to command better terms and rates has been quashed by the race to the bottom by repairers desperate to secure volumes at any cost

Its been an eye opener. We will cherry pick our future without doubt. Insurers have supported everyone other than us repairers! cash backs, support, payment holidays for all & sundry! We cant even get paid for additional work (Covid clean, PPE, additional admin, loan cars our for months), if is noted & we as a company are changing our own destiny we will not be as focused on insurers they are not focused on us

We are not yet seeing much of a rise in claims. Our confidence is less because at the end of April we thought retail would be open and limited bars and pubs. None of these are. Schools are only partially open and we are concerned about the sustained resistance to this which could still be in place in September, again reducing the volume of cars on the road

I think the shock of repairs falling so quickly at the start of the lockdown and the difficulties in obtaining parts put everyone on the back foot. The government have been exceptionally generous in business support and without that support most body shops would have failed

Just keep battling on as the fittest will survive, but its not been easy and not getting any easier

Claims are slowly picking up, Not sure it will go back to where it was pre Covid 19 for the foreseeable

future

Confidence is high as the claims increase, however, the low margin volume model is broken and needs replacing for a supply plus reasonable margin/profit. Insurers have had to cheap to long

It is disappointing that Insurers / WP's have been so reluctant to share the burden of the additional cost repairers face in managing Covid 19 H & S for their customers and R-R staff. The Motor Trade Associations that represent R-R should be lobbying a fixed Covid 19 H & S charge for every repair on behalf of the R-R

I think its great how the industry has come together to support each other, sad that there are some companies that have not tired to help, hopefully they will be held to account late although i doubt it. My confidence hasn't really changed as I believe our product is excellent. I find it highly unlikely claims will ever return to pre-lockdown levels due to a change in mindset and the economic fallout

We need more volume to bring back more staff other wise we will possibly look at redundancy in November

We have been optimistic from the very start of this crisis. The humanitarian cost is dreadful and sad and the main concern by far. In the background we have had a natural restart of our business and the opportunity to digitise many areas of what we do with fewer staff on site. We are now building the business again and bringing staff back to the point where we feel we are most efficient and of course profitable. We only want 80% of the business we had. The 'new normal' may well provide this

There will be an amount of re-alignment in our industry as claims will be significantly reduced for a longer period than people think.

We are now entering a period of recession and as the furloughing assistance reduces, redundancies will be on the rise.

We can only hope that things will improve in the last quarter of the year.

When we look back. 2020 won't be a good one!!!!!!!!!!!!!!

I would really like to see some national insurer figures for where the accidents are coming from. With every bodyshop fighting for survival we need to understand where the work is when it is out there...and of course where its going

I am quite confident that repairs will increase, but concerned that insurers and work providers are not recognizing what additional cost are upon us, we operate a high volume , low margin model, body shops for the last 20 years have squeezed every last drop out on being efficient. There needs to be some change on charges, even if temporary, while we are living with the virus, it is not even possible to go back to high turnover, even if the volume of claims was there as it would be far to unsafe

The government did a great job supporting business but the banks have applied a financial « ducking stool» to eligibility testing. Any business that has a strong enough balance sheet to give the bank comfort - doesn't need the support And any business that needs the support doesn't have a strong enough balance sheet. The organisation and decision making timescales are hopeless. We're on our own

The pandemic has had a significant impact on the business. However, I feel it is more important for insurers, accident management companies and customers generally to be more realistic with the discounts we are expected to give and referral fees charges

If repair volumes are unlikely to return to normal for at least the next 12 months then size your business accordingly and shed overhead to give yourself a chance of survival. Bodyshop closures may mean more work for the survivors which may reduce impact of lower claims ratios.

Claims are not rising fast enough and we are more likely to reduce operations once WIP is cleared than to increase capacity through new claims rates.

I was never confident and all about actively managing

I am very proud of our team who have worked tirelessly throughout. They have adapted to adversity and change willingly and contribute ideas on how to improve. I have been very disappointed by the dealer network that chose to close their parts departments with no notice then want to re-open with no deliveries as though nothing had happened. I won't forget!

I just hope we don't have a second lock down. This would be very damaging to us

More confident now but people will be slow to get back to normal

We haven't seen much evidence that claims are rising so we are still concerned how long we will need to survive on 50% of previous levels of referrals. We will need to make decisions soon relating to staff still on furlough because that support won't last forever

No real increase in claims volumes, I'm getting more success finding my own customers

Individual businesses will have to adapt their model to suit the new normal. It may be a while before volumes of business return to pre covid levels

There was going to be a drop in claims this year anyway and we prepared for it. The claims were set to reduce 30% without COVID

We are sure its going to get better slowly .

My main problems is our Local BMW dealer has stopped our account and there new company policy is no credit, you pay for your parts and also collect them by yourself. (We have been loyal and using this dealer for a very long time and always paid them on time.)

This does not help our cashflow.

So far no problems with other dealers

There is clearly no end in sight and so we must plan for dealing with Covid 19 for the next 18 months. Start building new habits now that will protect us moving forwards. If we can get 100% compliance from staff and suppliers and have a robust policy in place I am confident we can emerge stronger than before

Claims are very sporadic; my worry is that the lager groups will capture a majority of the work

It will be a slow return to previous levels especially here in Scotland, however, we have been very fortunate that claims are increasing and we had the foresight to order parts in advance for repairs just prior to lockdown and therefore were able to keep working through. Whilst things are not normal, there is structure and routine with a steady flow of work so hopefully we will be in a position to push through going forward

Claims are still very slow and its going to be a very slow recovery period. Much slower than I thought in April and May and some staff will remain on furlough for some weeks to come and a couple may be made redundant at the end

It is very evident which work providers are willing to support the repair community right now

I have come to realise that even after the end of this crisis we will have to reduce our staffing levels and this prospect saddens me

Still a waiting game, our average weekly estimates are up to around 40% of normal

Claims have decreased in our area over the last 2 weeks

The hard work could be just starting, as any financial help decreases, and deferred payments become due

We noted an increase in our retail work over the month of May. Whether that has been people not wanting to claim insurance or could not be bothered to sit on a phone for an hour trying to get through to their insurer I don't know. I feel for the sake of the future of this industry both repairers and insurers need to have a serious look at how much is being taken out it cannot be sustained, and I do not see us going back to a normal as we knew it

We are a long way from getting through this crisis as a country, so from a business point of view, it will be an uphill fight. We are small enough to be able to adapt, but big enough to get through it. We are expanding on the mechanical/MOT and service side, which support our body shop operation. We will get through this and be stronger and better

I still think its too early to comment. Its slow in uptake, repairers still closed and utilising the furlough option. July will be a good insight of the future months ahead

Starting to feel like we are heading in the right direction

You can see who really wants to work now over staff who sit back shows clearly when running at 60% workflow & staff.

Interesting times for many Bodyshops in many ways from here?

From this experience I think we should accept people's different views on the covid situation, if they are still nervous or cautious of returning that should be fine, with no questions asked. It should be up to the individual

I'm pretty confident that we can sustain what ever happens going forward, it will have made a massive hole in our turnover and ability to promote growth, but this had been due to the government help that was available and nothing whatsoever to do with anything that has come from an insurance partners within the industry. I also believe that moving forward I will look at my work mix with a view to reducing the capacity we give to the insurer partners who in my view have been posted missing

What this has done is open, us the repairers, eyes at the poor rates we receive from certain management customers. Hopefully bodyshops won't be dropping their pants / rates to win back work as it will be very detrimental to the network as a whole

Wales reduced restrictions later than England and i think it shows on the CAPS data with very little movement in claims from the lowest point. We benefited from other bodyshops closing and opening up our postcode areas in April & May so we've actually seen a slight reduction in claims volume since the restrictions have eased in England, because more shops have opened. Hopefully, claims will rise steadily in Wales in the coming weeks and months

My confidence is not as high as it was mainly because I would have hoped that claims would have risen by far more than they have by now

We will have to make some hard decisions with redundancies if the volumes do not return; this industry is based on volume and low margins but this pandemic has spotlighted that repairers cannot carry on like this rates are not sustainable; we now have additional compliance, RA etc that we will have to work with due to the social distancing to ensure staff feel 'safe' at work

Survival of the fittest, only those with a good business model will survive

Business has been very slow to pick up and I am hoping that the next few weeks sees a marked increase I rely very little on insurance work and mainly on retail and private agreements with companies. Due to the stay at home policy I am seeing very few walk ins at the moment and whilst I welcome the governments financial assistance I'm not sure it will be enough to prevent redundancies in the future

Cautious optimism although after an initial flurry of activity, the past week has been very quiet again

Why is the government not allocating grants to our established bodyshops who have payed business rates, taxes and employed people for years (38) but are throwing £10000 to other business's who don't pay any business rates at all. Our industry bodies need to get a voice and take the government to task on this. As an independent I am less confident moving forward as volumes will be down. The bigger shops will capture anything in their postcode. The insurers doubling excess payments does not help us

The confidence level remains the same, lets hope people start driving again to sustain our work level

Will wait and see

I feel cautiously confident it will improve and we all get more confident because COVID 19 is not going away so we all have to adjust

Confidence slowly restoring

We are not seeing a increase in bodyshop work at present our service department is flying

I think there will be a long flat spot in sales for months to come, though we are in quite a good position, and fortunate to have good cash flow reserves, only time will tell how long the recovery period will be.

Parts are still an issue as of the beginning of June, if a supplement is required with extra parts it's a disaster

More confident now and excited about the future as we will be far more alert to costs and staffing levels

NBRA Comment - Chris Weeks, Director – NBRA / VBRA Commercial

The Trend Tracker / NBRA / ARC360 report has provided excellent further insight into this unique period of Bodyshop trading and is even more revealing as owners begin to reflect.

Whilst claims are now starting to recover from their low of 25% to more like 65%, up to 97% of bodyshops are now open to some degree albeit in most instances with a high proportion of staff still on the “lifeline” government job retention scheme.

The government on the whole has done a good job of supporting this industry and others with 84% of those surveyed making use of at least some of the available government schemes, many with support and guidance from the NBRA. As an industry, I feel that Rishi Sunak and the government should be applauded, because without the various schemes, almost the entire industry would have surely failed by now.

But what of other assistance? The response from work providers with some notable exceptions has been anywhere from poor to unsatisfactory in NBRA’s view. Whilst the average “Covid-19 assistance” level has been above what those surveyed suggested was appropriate per claim (£75.50), NBRA has already evidenced clearly with data that has not been challenged a requirement north of £300 was necessary.

There has been so much focus on cleaning charges, but a widespread failure collectively and formally to accept many other costs that have been borne by repairers including PPE, leasing costs, loss of discounts, and generally rates retained on a level that was set on the assumption of high volumes which evaporated overnight. Without a doubt bodyshops have been significant fiscal losers through the virus and it may take many years to recover.

What is clear, is we have no mechanism to come together and make a small number of common-sense non-competitive decisions as an industry that would help everyone. In truth, we have never had a challenge of this magnitude and our hope is that this experience will not be wasted and some good comes from it in the form of a heightened level of collaboration.

In spite of it all, bodyshops on the whole still feel confident about the future. If they have survived this, I imagine they feel they can survive anything. Every difficult experience in normal life (and it applies to business life) leads to learning and realisation too. Bodyshops have seen the best and worst of their staff, the best and worst of the work provider relationships and through adversity many have found efficiencies and superstars in their businesses they never realised they had.

We are far from through this and financially things may get even tougher as the job retention scheme starts to tail off by October. Time will tell, but the NBRA will continue to throw every assistance possible at the challenges and will continue to push for fair treatment and common-sense terms to aid recovery.

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.

Copyright Notice

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

The Report was conducted in association with *The National Body Repairers Association* and ARC360, in association with *I Love Claims*. The Report is provided **free of charge** without warranty of any kind, either express or implied.

Trend Tracker has made every effort to ensure the accuracy of the information contained in the Report. It cannot accept liability for any information therein or any interpretation made thereof.

Trend Tracker, as the author of the Report shall not be liable for incidental or indirect damages whatsoever, including without limitation – damage for loss of business profits, business interruption, or any other pecuniary loss that may arise out of the interpretation of data contained within the Report.

Trend Tracker Sponsor Partners



www.trendtracker.co.uk