



**Rail Supply Group**

*Research undertaken by*

**Savanta:**  
**ComRes**

# Rail Supply Group:

**Pulse Survey Results:  
Impact of the Pandemic on Rail Businesses**

**February 2021**

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# Foreword

As Chair of the Rail Supply Group (RSG) – the leadership body for the UK rail supply chain – I'd like to thank the many businesses that gave up their time to take part in our second Pulse Survey. Our surveys revealed some remarkable findings about the resilience of our industry and are incredibly important to us as we continue to inform government through our work.

Back in Spring 2020, the Government tasked the RSG to form a Covid-19 Taskforce to put in place measures to support the industry and accelerate the Rail Sector Deal priorities which would bring about the best possible and fastest recovery.

We undertook the first industry-wide Pulse Survey in Spring 2020, followed by a second survey in Winter 20/21. Both surveys asked similar questions. The results have allowed us to better understand the impact of the pandemic on the rail sector over the past nine months – in what has been one of the most turbulent times endured by our nation during peacetime.

It is evident that there are still a lot of businesses across the rail sector that are very concerned about their future, and a lot of businesses are experiencing difficulty. That said, there are signs of the impact lessening with fewer businesses reporting reduced revenue and demand than in Spring 2020.

Having read the Pulse Survey results, it was great to see the resilience and ambition shown by businesses right across the sector which have quickly adapted to new ways of working and are determined that they will survive this crisis. I believe the sector will be stronger for it.

Our latest research confirms that the visibility of the work pipeline and cash flow are still by far the most important priorities for ensuring short-term survival and longer-term recovery. And, importantly, the availability of labour and skills in both the short-term and longer-term are now also increasingly critical.

This Pulse Survey sits alongside our ACT NOW report which focusses on improving work pipeline visibility – which has been incredibly positive and shown that there is strong appetite for collaboration and that the whole industry is in a position where its customers and suppliers can provide in-flight project visibility of their work pipelines.

We will continue to work with the government and industry clients to help rail businesses plan and deliver with greater confidence, invest in their workforce, drive improvements in their productivity and create even better outcomes for the passenger.

Given the rapid programme of vaccines and easing of restrictions on our movement, we can only look forward with great optimism. I will be sharing more progress on the Covid-19 Taskforce initiatives over the next few weeks.

In the meantime, I'd very much welcome your thoughts on the work of the RSG.

**Philip Hoare, Chair Rail Supply Group**  
[www.railsupplygroup.org](http://www.railsupplygroup.org) | [www.rsgtaskforce.org](http://www.rsgtaskforce.org)

# Executive summary

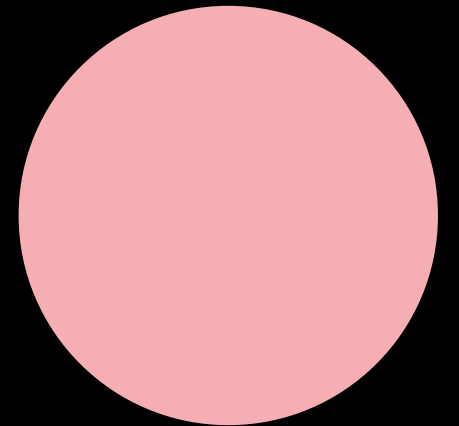
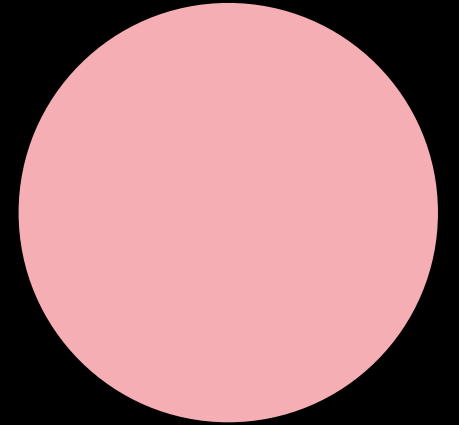
## Continuing impact of the pandemic

- Many businesses across the rail sector remain concerned about their long-term future, but the short-term impact is lessening with fewer businesses reporting reduced revenue and demand for services.
- On the whole, organisations are confident they can survive the crisis. Businesses are significantly more confident of survival, even if the impact continues into 2022, than they were in Spring 2020 at the outset of the pandemic.
- Two in five organisations in the rail supply sector say their access to materials and resources and the availability of employees to work has declined compared with pre-virus levels.
- There is less concern about the impact on productivity than there was in Spring 2020, but three in ten businesses are still reporting a fall on pre-virus levels.
- The vast majority of organisations are continuing to use changed practices in the workplace and increased use of working from home. However, use of the Government's Job Retention Scheme and special arrangements with clients and suppliers has fallen since the last wave of research.

## Areas important for future success

- Organisations are still most likely to say sufficient cash flow and work pipeline visibility are the most important priorities for ensuring their short term survival.
- Work pipeline visibility is the most important when looking at medium to long term success.
- Although these remain the two most important areas in the short and long term, both are considered less important than they were at the start of the pandemic in Spring 2020.
- The availability of labour and skills in both the short-term and long-term is now being seen as increasingly important.
- While lack of demand and cash flow remain the most significant barriers to recovery, immediate staff availability is an increasing concern. Organisations are more than twice as likely to identify this as a significant barrier to their recovery than having to maintain social distancing rules.

# Objectives, methodology and sample



# Objectives

This research was conducted on behalf of the Rail Supply Group's (RSG) Coronavirus Taskforce in order to:

- Assess and track the impact of the Coronavirus crisis on organisations in the UK's rail supply sector.
- Understand where organisations need support to ensure their survival and success in the short and long term.
- Explore the anticipated barriers to achieving success in the future.



# Methodology

Savanta ComRes surveyed 399 companies working in the UK rail supply sector online between 25<sup>th</sup> November 2020 and 20<sup>th</sup> January 2021.

The previous wave of this research was conducted between 30<sup>th</sup> April and 18<sup>th</sup> May 2020.

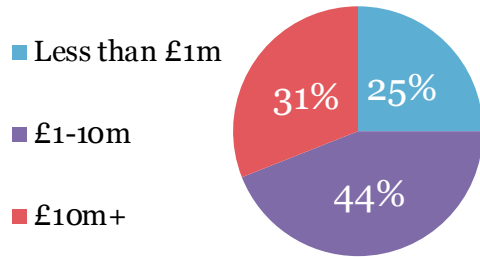
Savanta ComRes is a member of the British Polling Council and Market Research Society. This research was designed to obtain **unbiased and statistically relevant results**, through:

- A logical structure to minimise the impact of each question on the rest of the survey.
- Randomisation of answer options to avoid first-response bias.
- Intelligent routing to ensure only relevant questions are asked to each respondent.
- Text piping to remind participants of previous answers or vary question wording where appropriate.

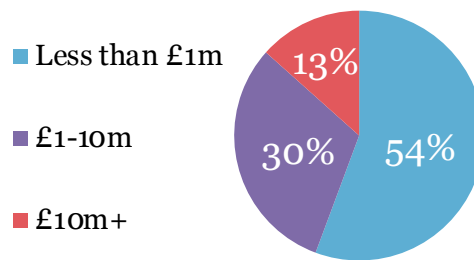


# A breakdown of survey respondents

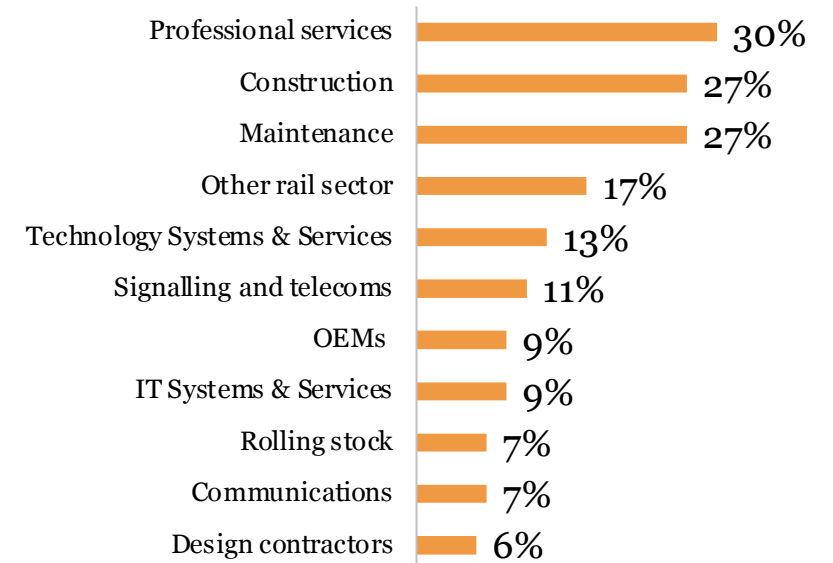
## Annual revenue



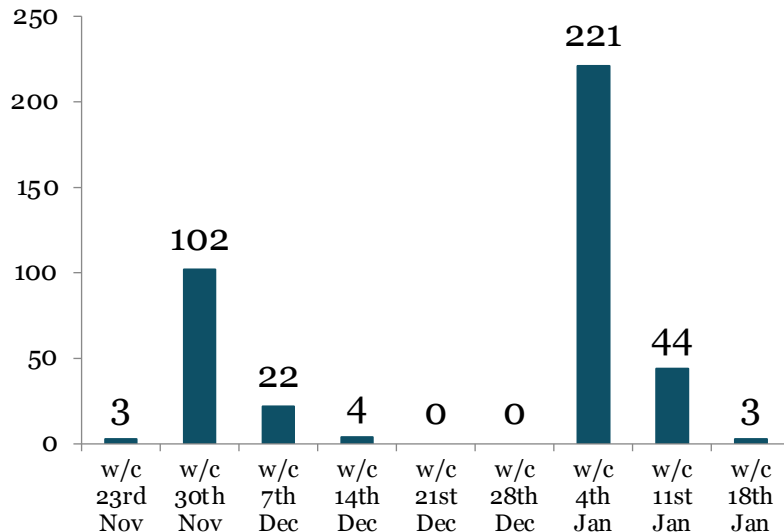
## Rail related annual revenue



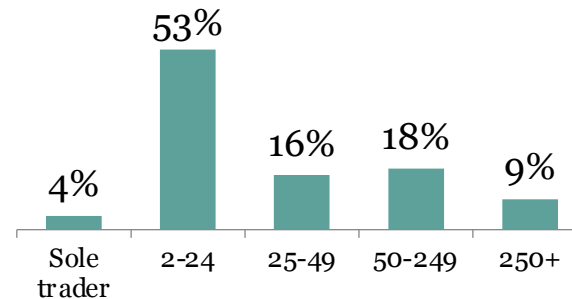
## Areas that make up at least 25% of revenue



## Survey completes by week



## Number of UK rail employees



## Regions where staff are employed



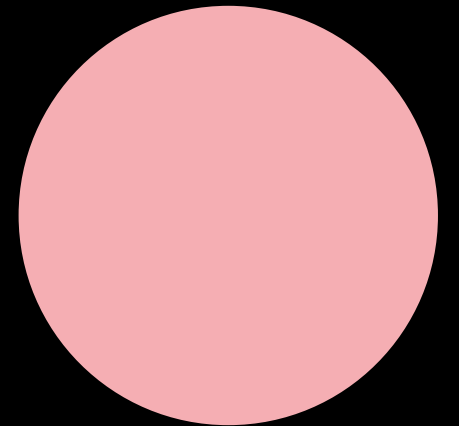
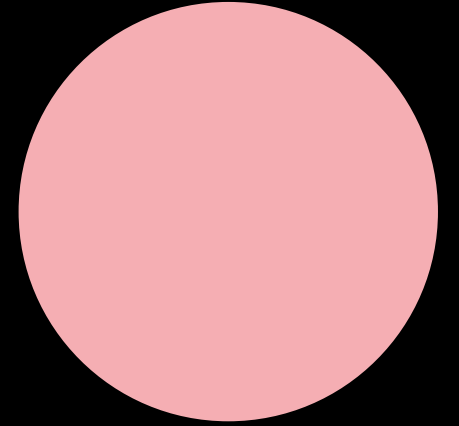
Q1. To the best of your knowledge, what is your organisation's annual income / turnover / sales (i.e. revenue)? Q2. To the best of your knowledge, what is your organisation's rail related annual income / turnover / sales (i.e. revenue)? Q3. Which of the following describe your organisation's role(s) in the rail sector and its supply chain? Please select all that make up at least 25% of your organisation's revenue. Q4. In which regions does your business employ staff to provide products or services into the rail sector? Q5. To the best of your knowledge, how many employees work in your UK rail organisation?



Rail Supply Group

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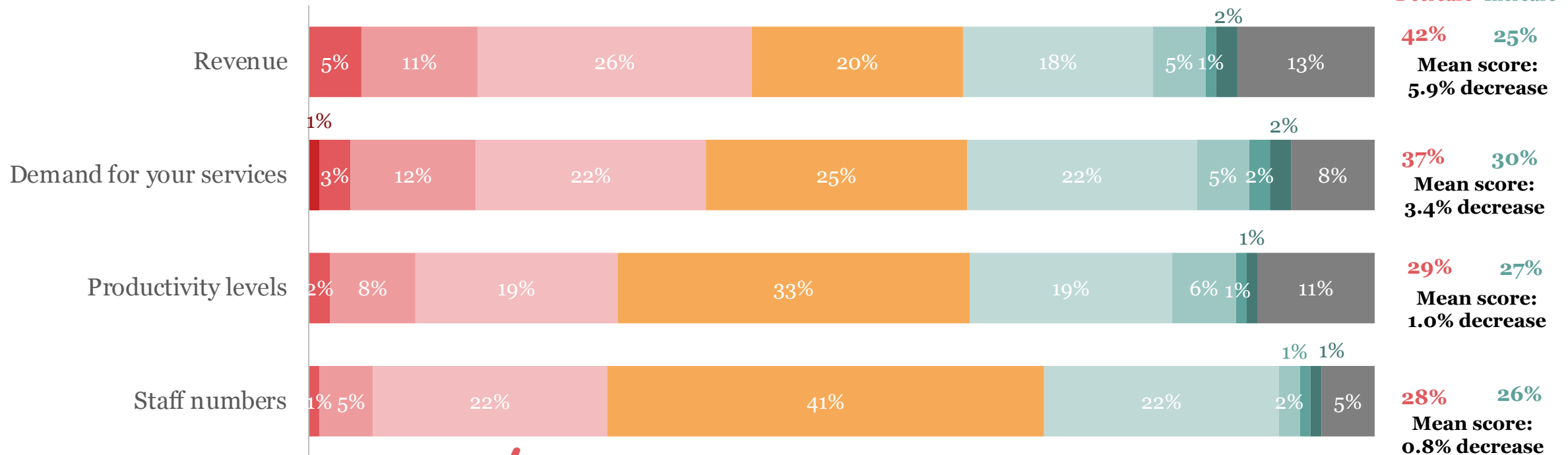
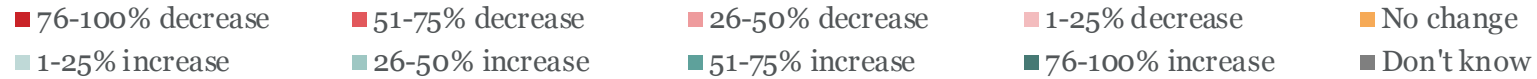
# Impact of the pandemic





# On average, organisations have seen 5.9% decrease in revenue and a 3.4% decrease in demand compared to before the crisis

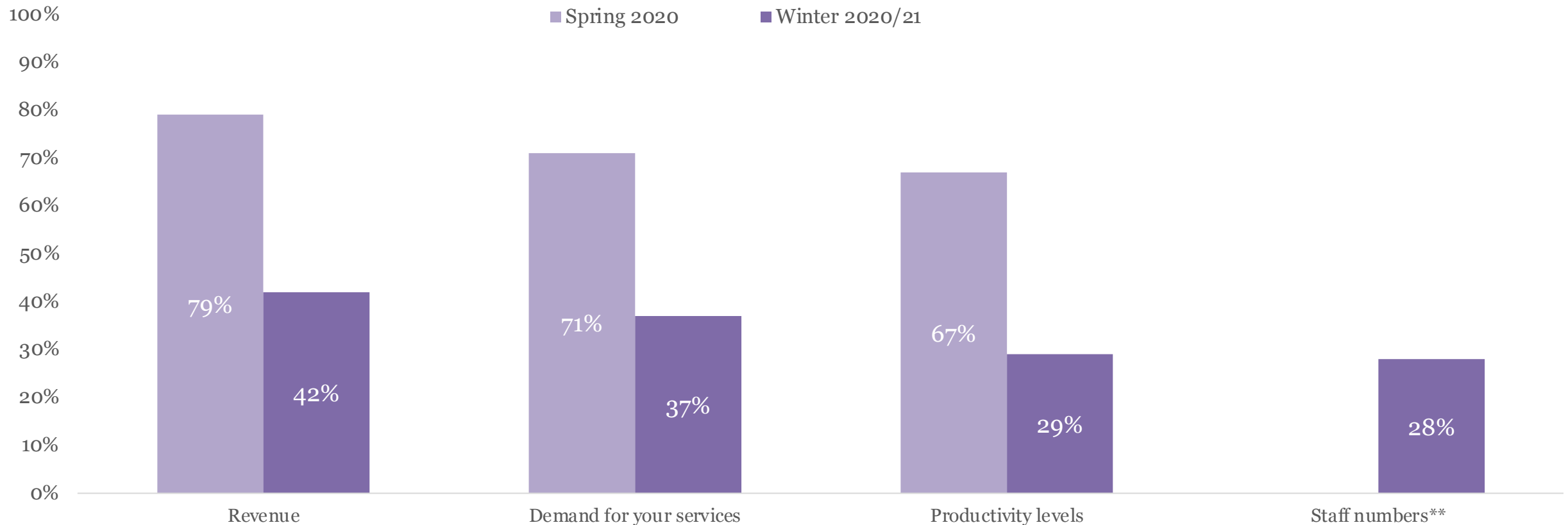
Impact of the Coronavirus pandemic



42% of organisations with 50+ employees report a decrease in staff numbers, compared to just 22% of those with less than 50 employees who say the same.

# Organisations are less likely to say they are experiencing reduced revenue, demand and productivity than they were in Spring 2020

Impact of the Coronavirus pandemic over time – NET: Decline/NET: Decrease\*

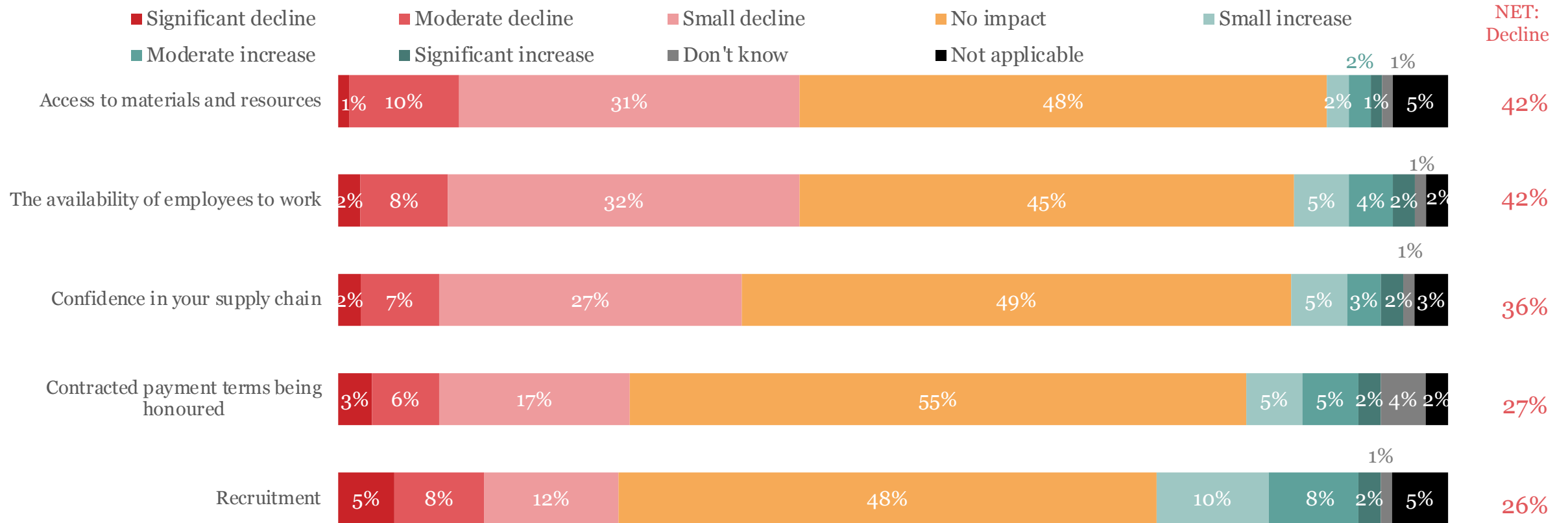


\*Question wording has changed from asking about the extent of any changes in Spring 2020, to asking for the exact percentage change in Winter 2020/21. This may cause minor differences in the tracking data, but does not change the overall pattern of results.  
 \*\* New option for this wave

10 Q6. Spring 2020. What impact, if any, has Coronavirus had on each of the following aspects of your organisation compared with pre-virus levels?  
 Base: All respondents (n=442) Winter 2020/21. Compared to before the Coronavirus pandemic (i.e. before March 2020), please indicate to what extent, if at all, each of the following have changed. Base: All respondents (n=399)

# Two in five organisations in the rail supply sector say their access to materials and resources and the availability of employees to work has declined compared with pre-virus levels

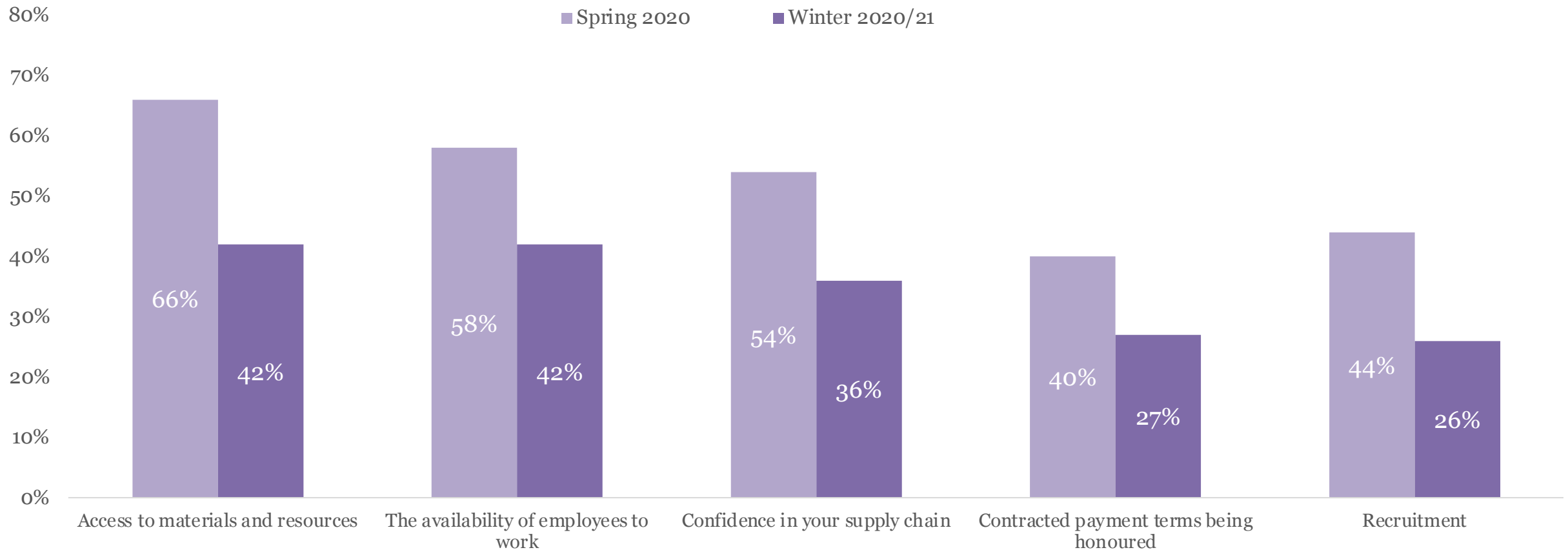
Impact of the Coronavirus compared with pre-virus levels



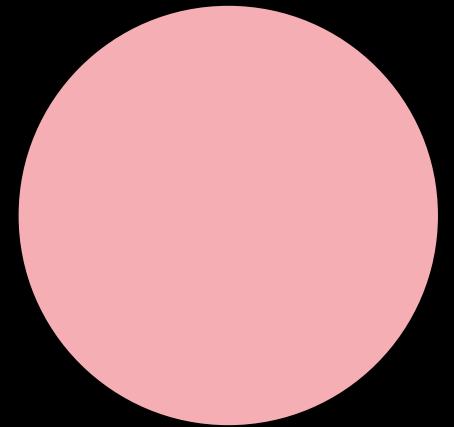
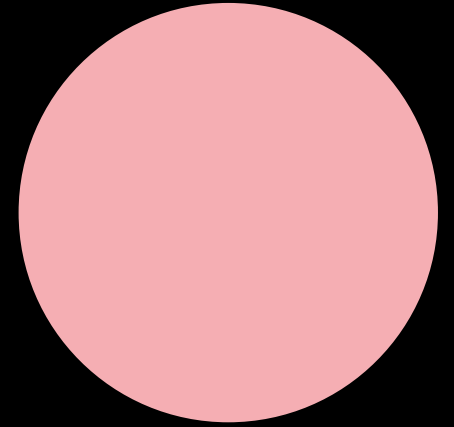
35% of organisations with 50+ employees report a decline in recruitment, compared to just 22% of those with less than 50 employees who say the same.

# Organisations are less likely to say they are experiencing a reduction in access to materials, the availability of employees, confidence in their supply chain, terms being honoured and recruitment level than they were in Spring 2020

Impact of the Coronavirus pandemic over time – NET: Decline

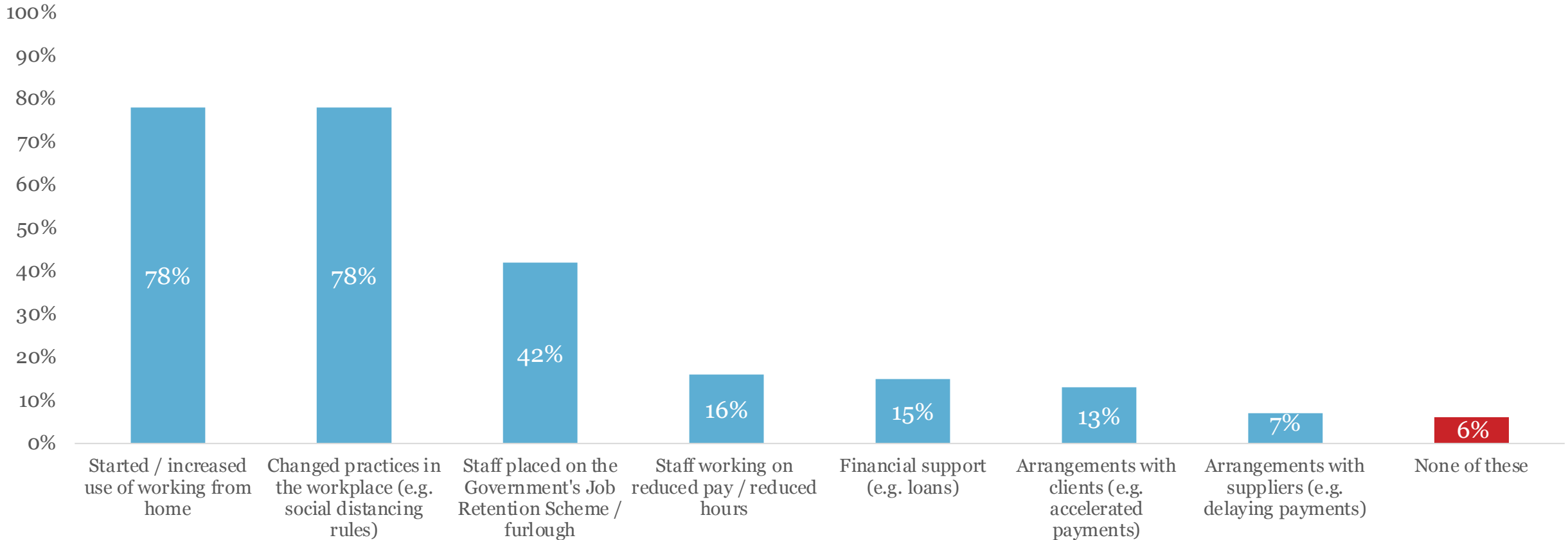


# Actions taken to alleviate the impact of the Coronavirus crisis



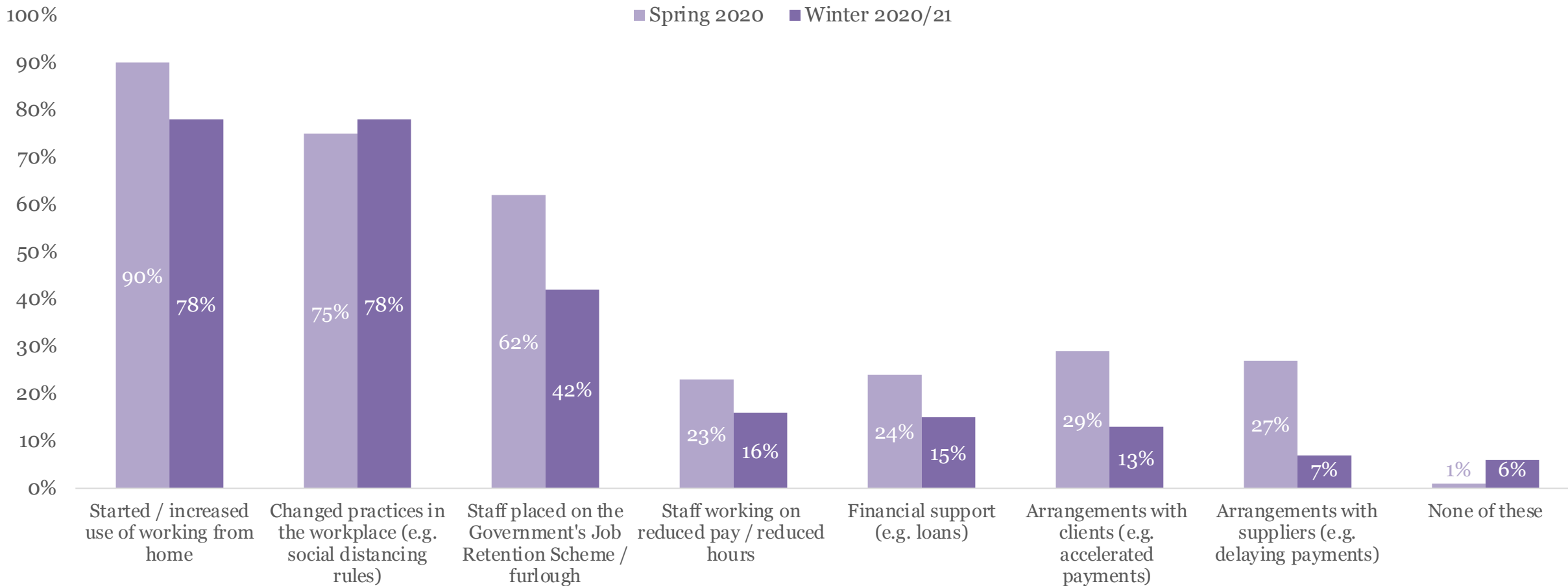
# More than three quarters of organisations have started/increased use of working from home or changed practices in the workplace, while two in five have furloughed staff to reduce the impact of the Coronavirus

Actions taken to reduce the impact of Coronavirus



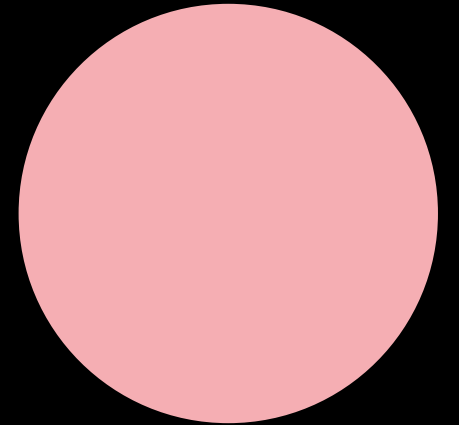
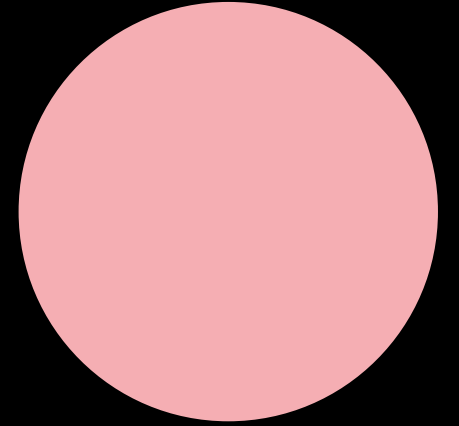
# Usage of all actions, with the exception of changing practices in the workplace, has fallen since Spring 2020, with use of the furlough scheme down 20 percentage points

Actions taken to reduce the impact of Coronavirus – over time



Q7. Which of the following, if any, has your organisation done to reduce the impact of the Coronavirus crisis? Base: Spring 2020 All respondents (n=442), Winter 2020/21 All respondents (n=399). Some option wording has changed slightly since Spring 2020 but can still be tracked over time.

# Confidence in surviving the Coronavirus crisis

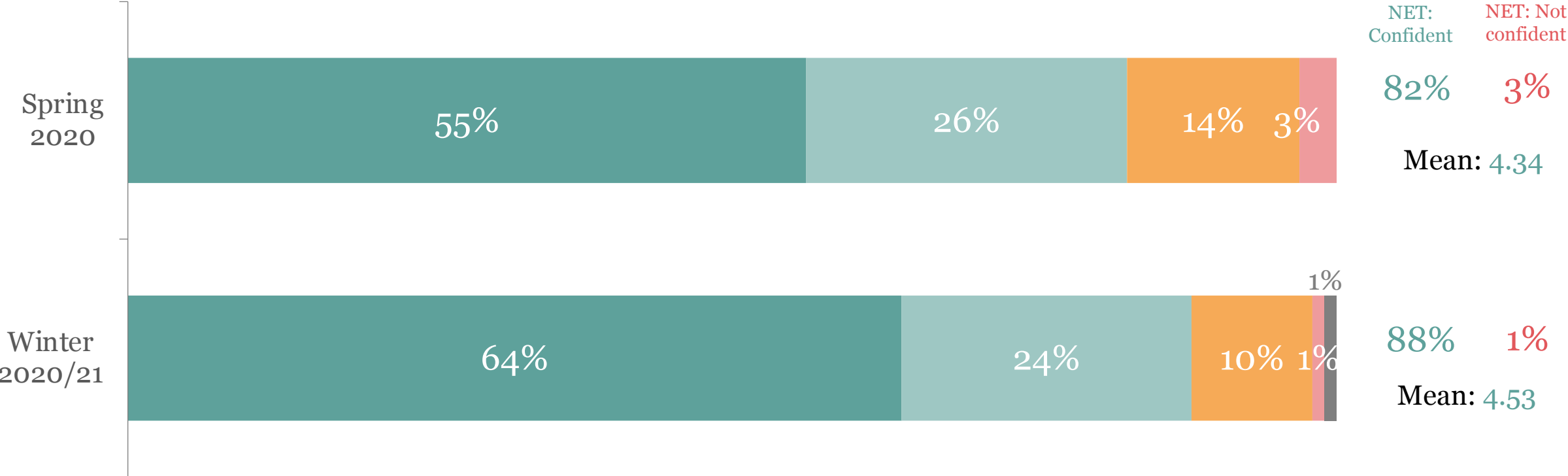




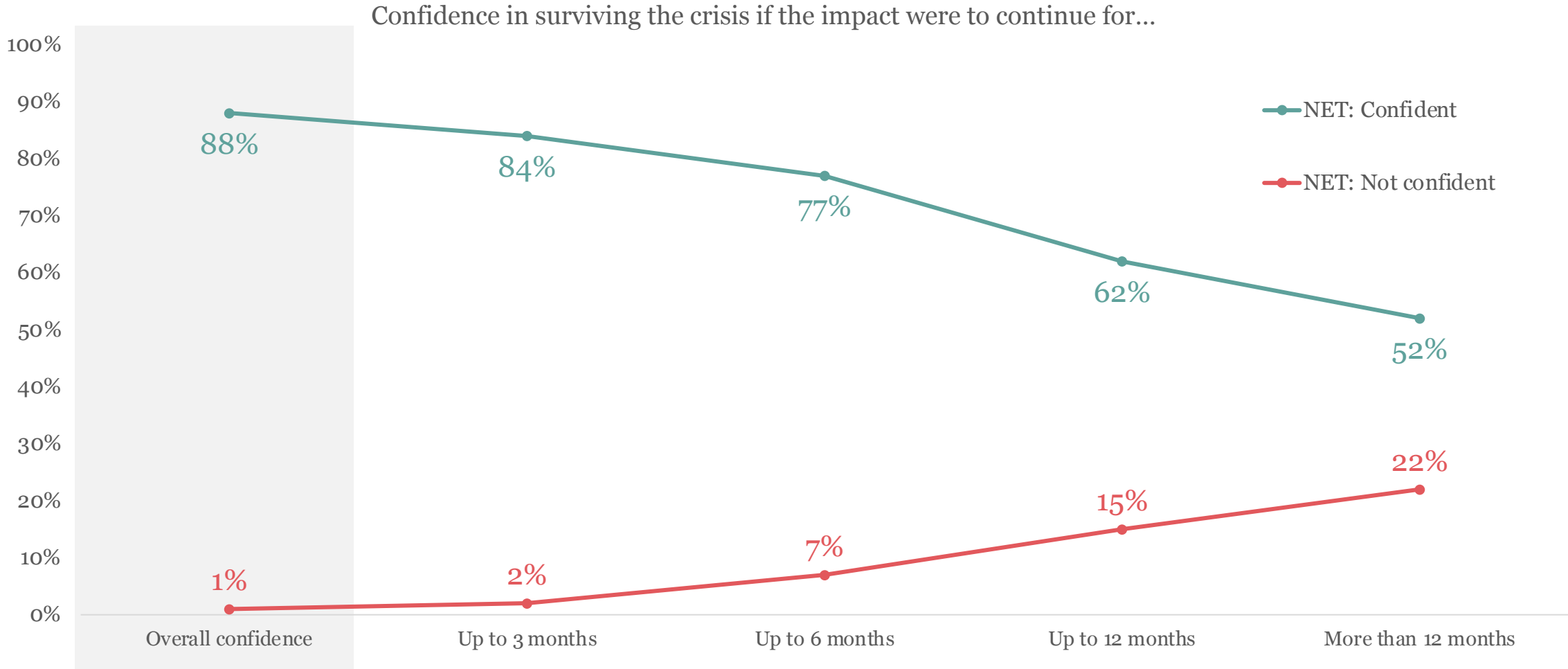
# The vast majority of organisations remain confident they will survive the Coronavirus crisis, with the proportion saying they are very confident rising to almost two thirds

Confidence in surviving the crisis

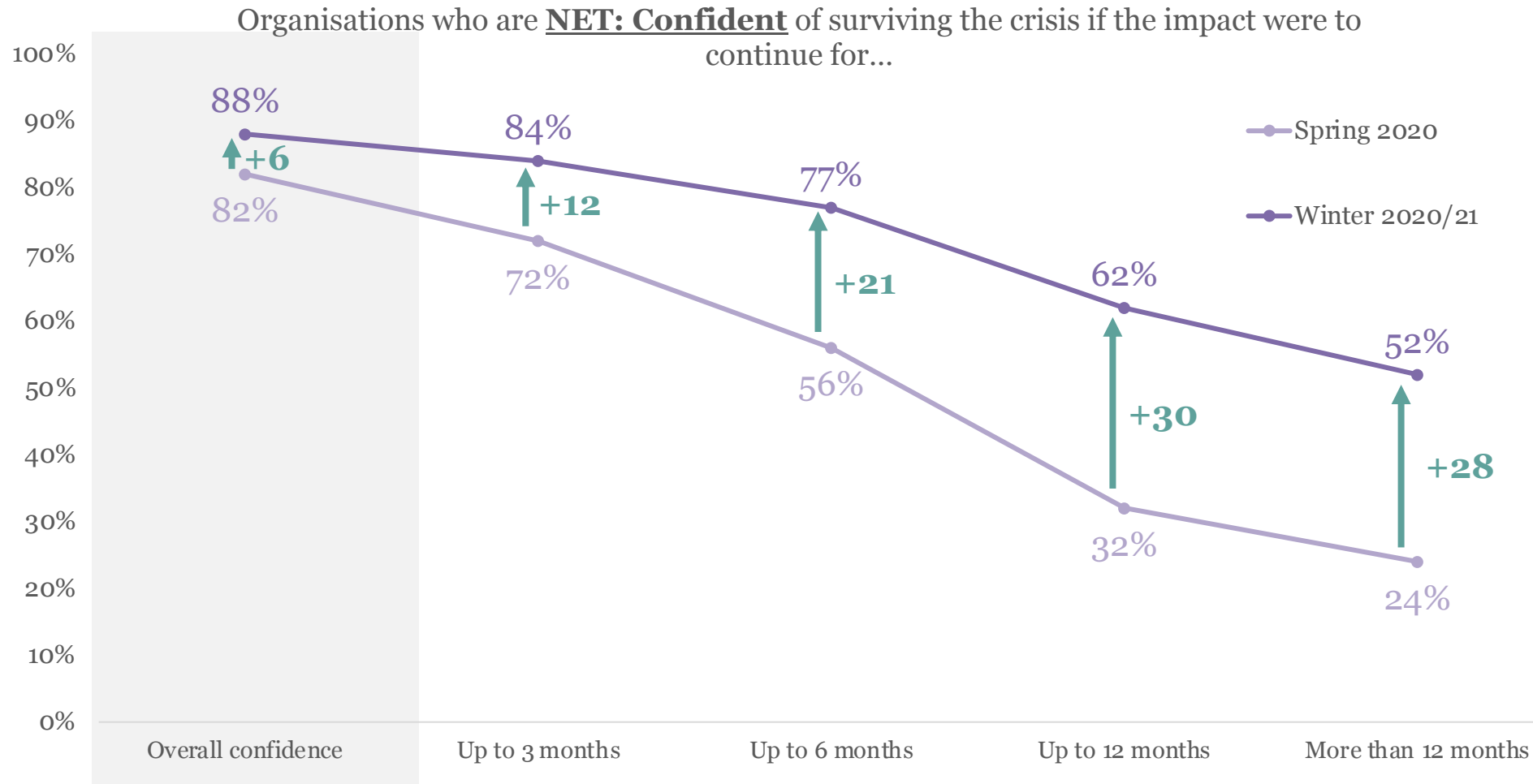
■ 5 - Very confident ■ 4 ■ 3 ■ 2 ■ 1 - Not at all confident ■ Don't know



# While almost nine in ten firms are confident of surviving the Coronavirus crisis, if the impact were to continue for more than 12 months, this drops to around half

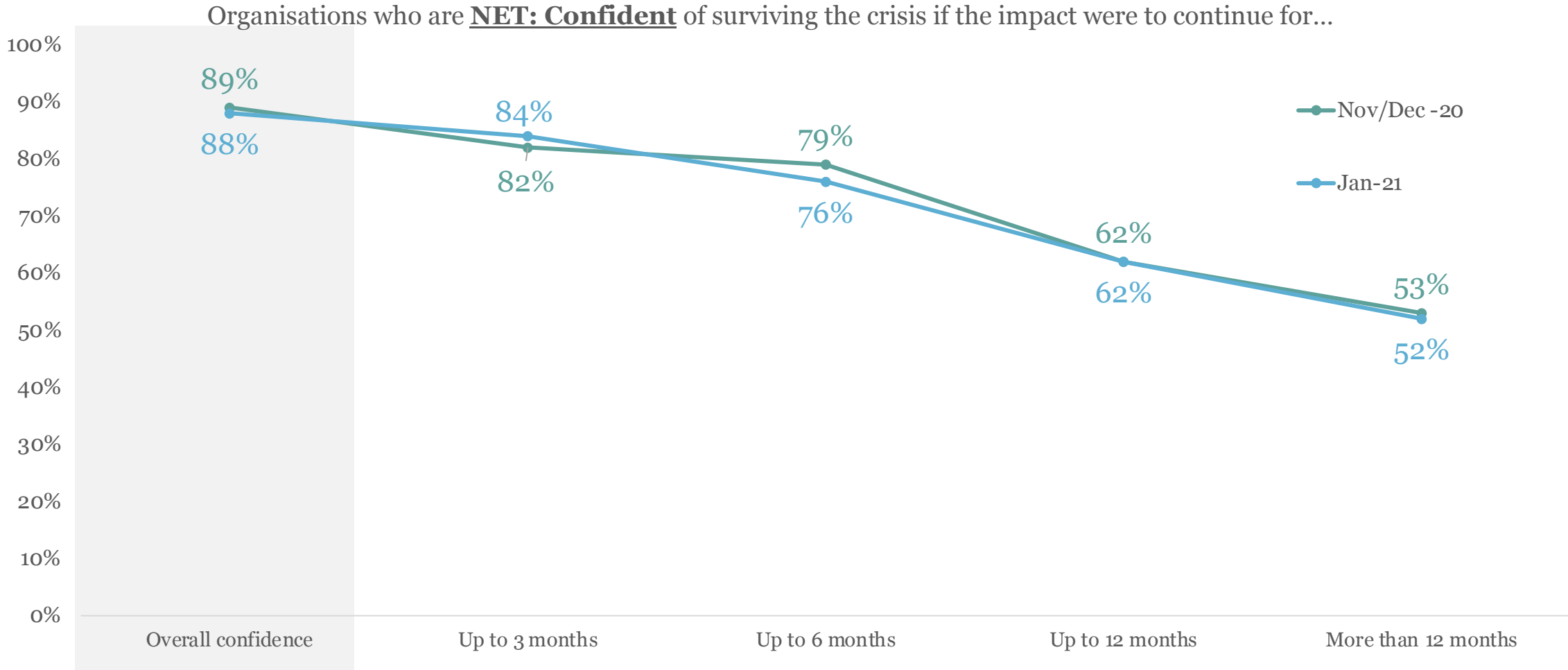


# However, compared with expectations in Spring 2020, there has been a significant increase in confidence of survival even if the impact continues for more than 12 months

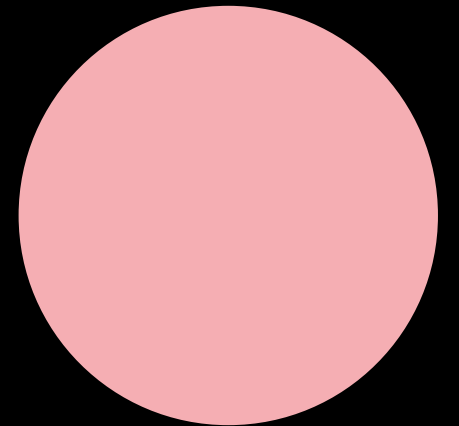
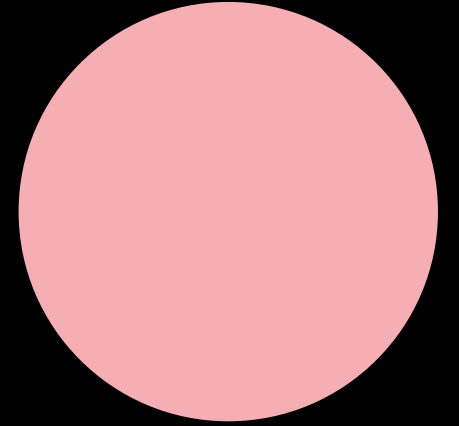


In Spring 2020, only a third (32%) of respondents were confident in their organisation's survival if the impact of the crisis were to last up to 12 months (i.e. to April/May 2021). However, now more than three quarters (77%) are confident of surviving if the impact were to last up to 6 months (i.e. May/June 2021). This suggests that the impact of the crisis has not been as significant as first feared, or that firms have been more resilient than they expected to be.

# The announcement of a national lockdown appears to have had no impact, with organisations who completed the survey in January just as likely as those who did so before Christmas to say they were confident of surviving the crisis

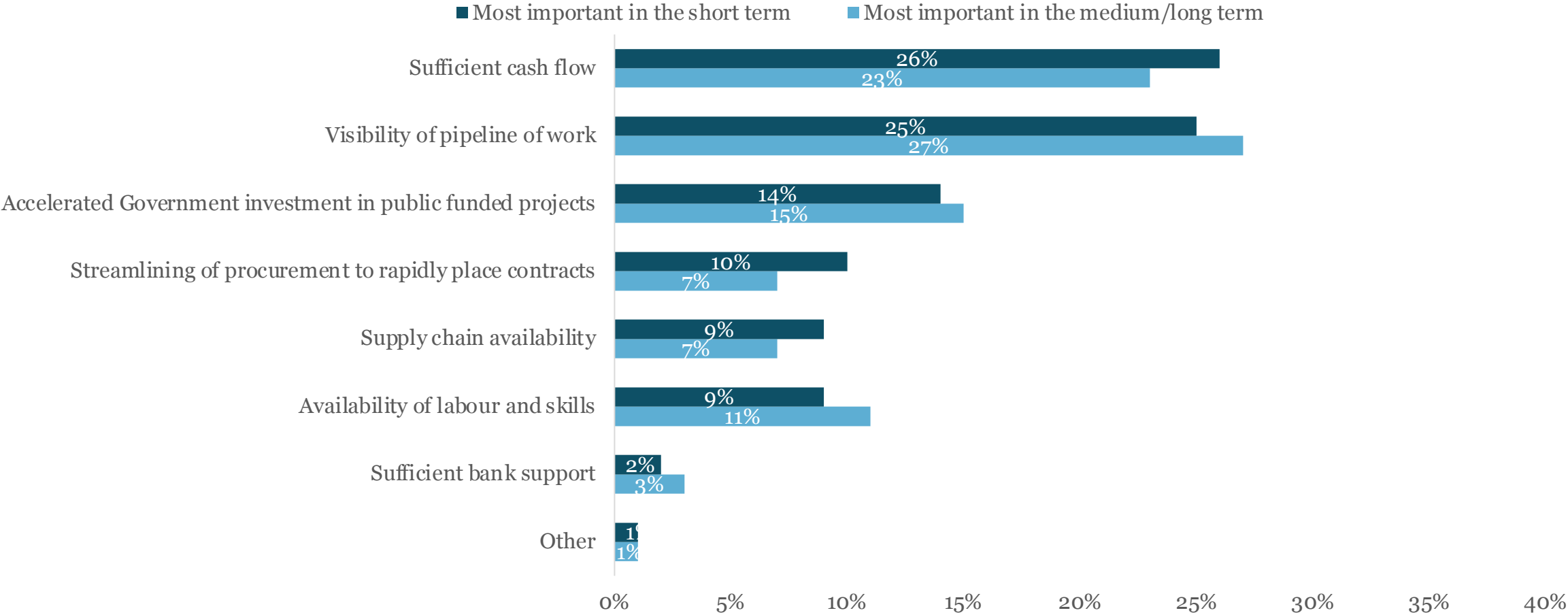


# Areas important for future success



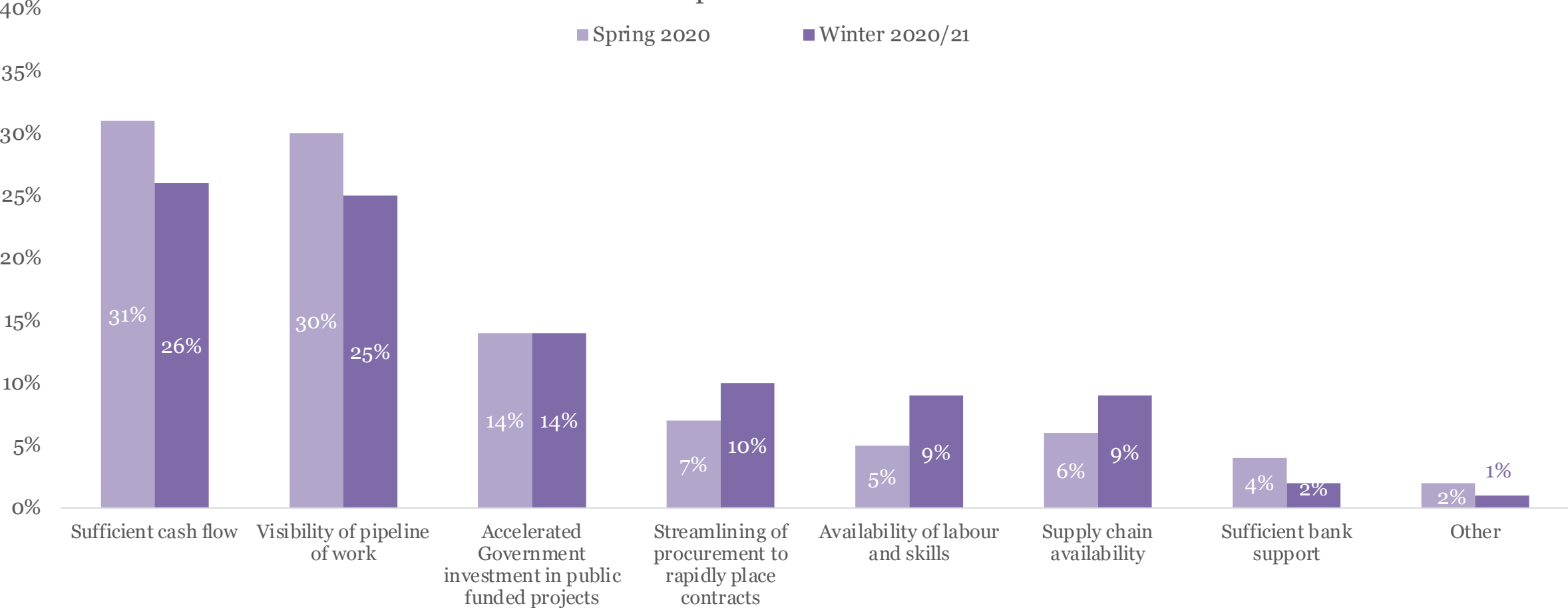
# While the importance of different criteria to survival / success is broadly consistent over time, sufficient cash flow is slightly more likely to be the most important priority in the short term, while visibility of pipeline of work is most important to medium/long term success

Areas considered most important for short term survival vs. medium to long term success

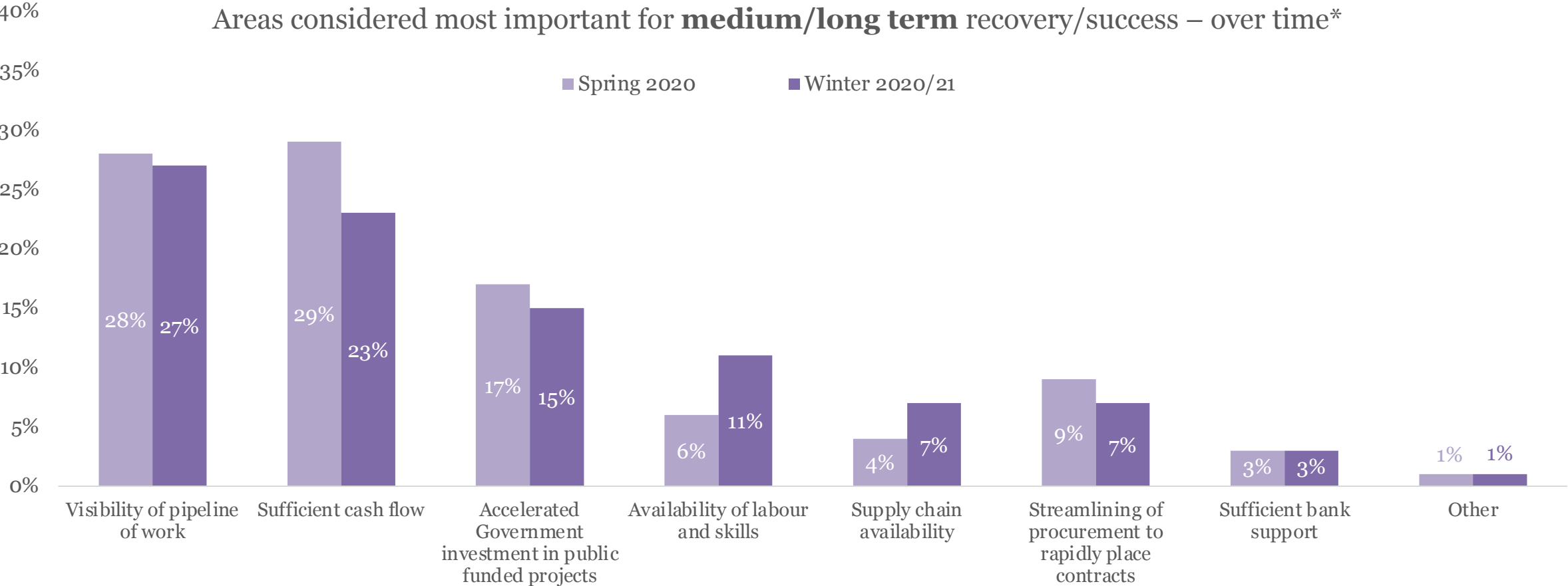


# Although sufficient cash flow and visibility of pipeline of work remain the two most important areas for short term survival, both areas are considered less important than they were in Spring 2020

Areas considered most important for **short term** survival – over time



# Sufficient cash flow is less likely to be considered important in the medium/long term than it was in Spring 2020, with availability of labour and skills being seen as increasingly important

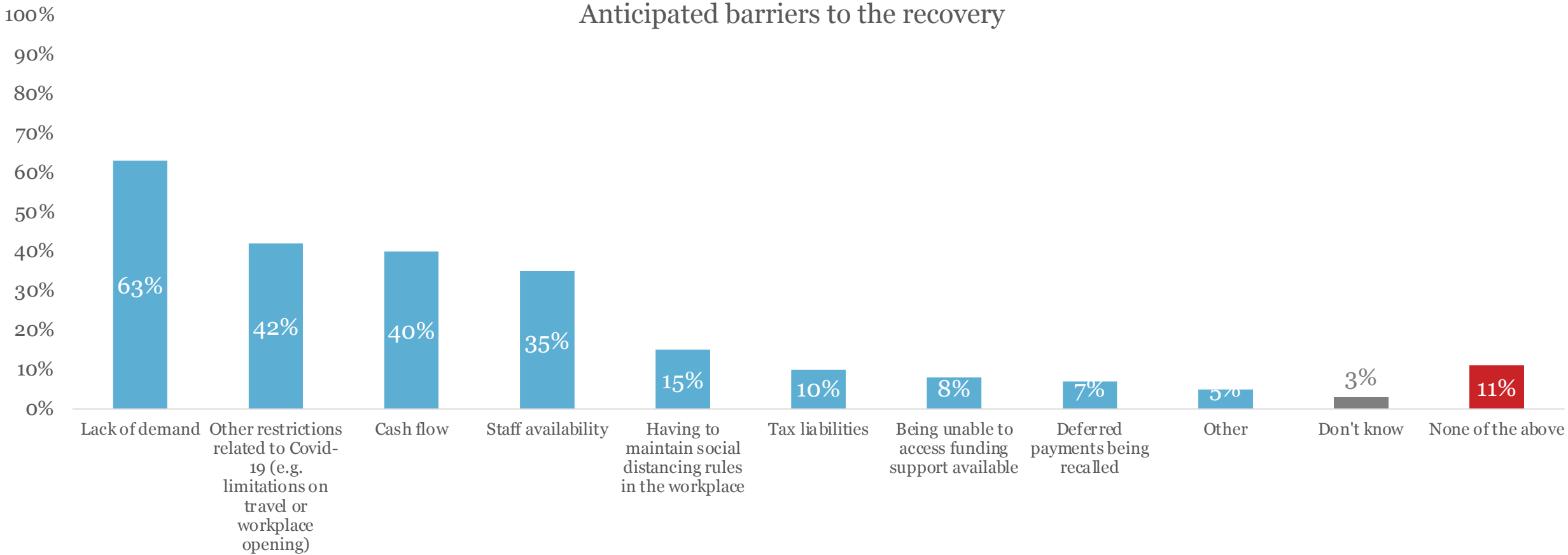


\*Question wording has changed from asking about medium/long term *ability to make a full recovery* in Spring 2020, to focusing on medium/long term *success* in Winter 2020/21. This may lead to minor differences in the tracking data.

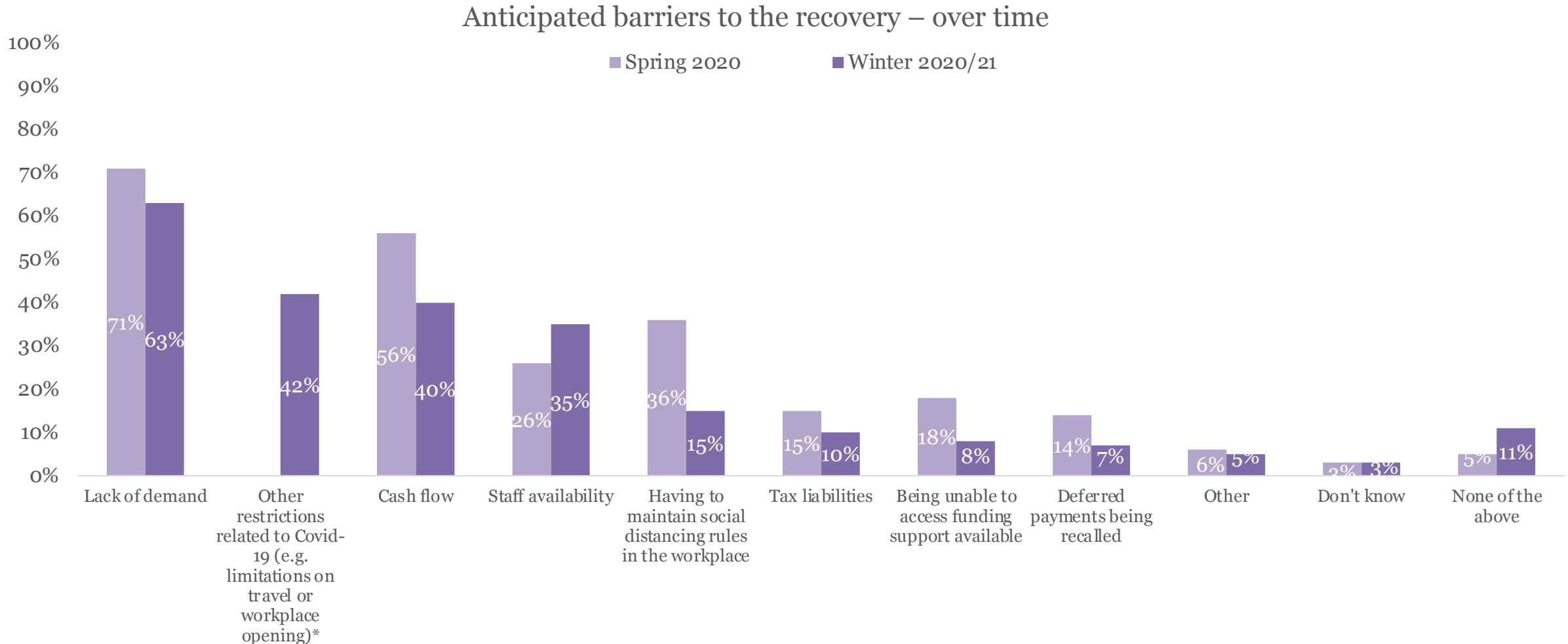
24 Spring 2020. Which of the following do you consider to be the three most important areas for your organisation's ability to make a full recovery in the medium to long term (i.e. the next 6 months) Base: All respondents (n=442). Winter 2020/21. Which of the following do you consider to be the three most important areas for your organisation's survival in the in the ability to be successful in the medium to long term (i.e. 7-12 months time) All respondents (n=399)



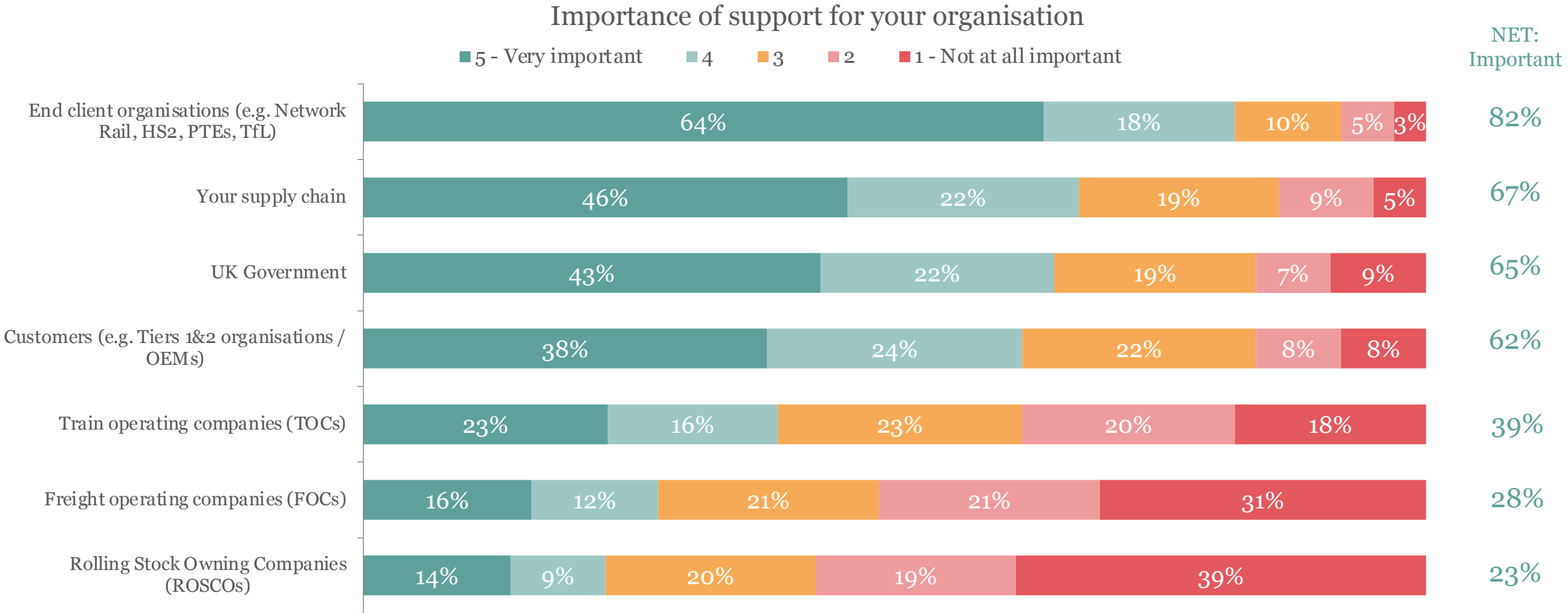
# Lack of demand, cash flow, staff availability and other restrictions related to Covid-19 are the most significant barriers for the recovery of their organisation to pre-virus levels



# While lack of demand, cash flow and social distancing rules are less likely to be viewed as barriers to recovery, staff availability is an increasing concern for organisations

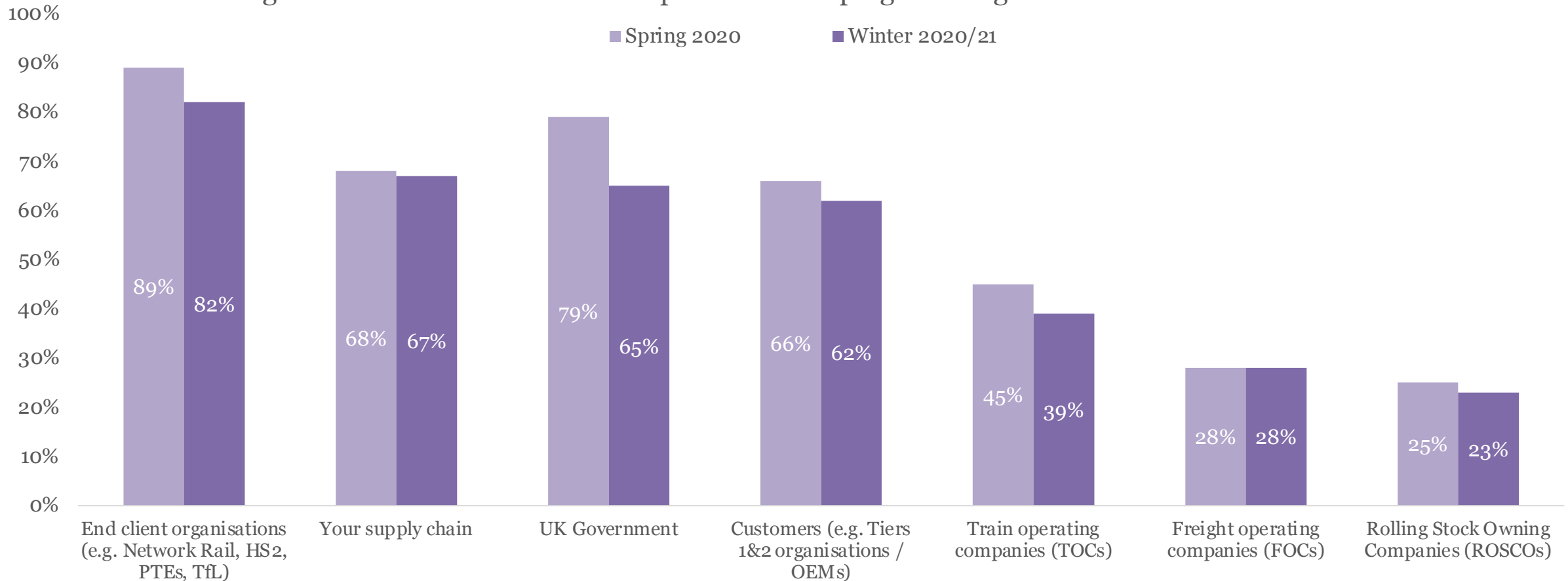


# Four in five organisations consider support from end client organisations to be important for their recovery from the Coronavirus crisis

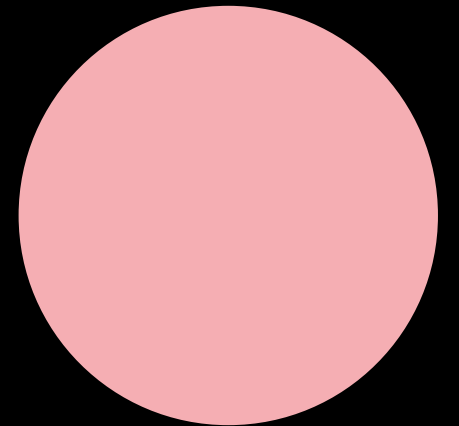
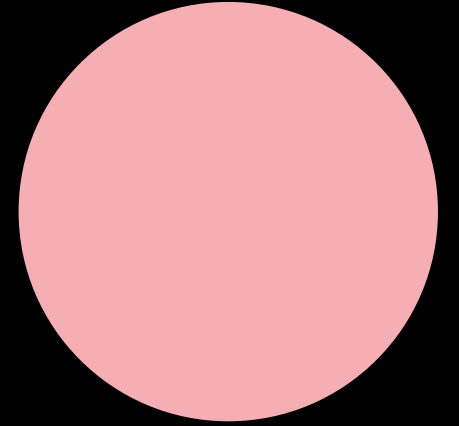


# Organisations are less likely to consider the UK Government important in helping their recovery from the Coronavirus crisis than they were in Spring 2020

Organisations considered NET: Important for helping their organisation recover – over time

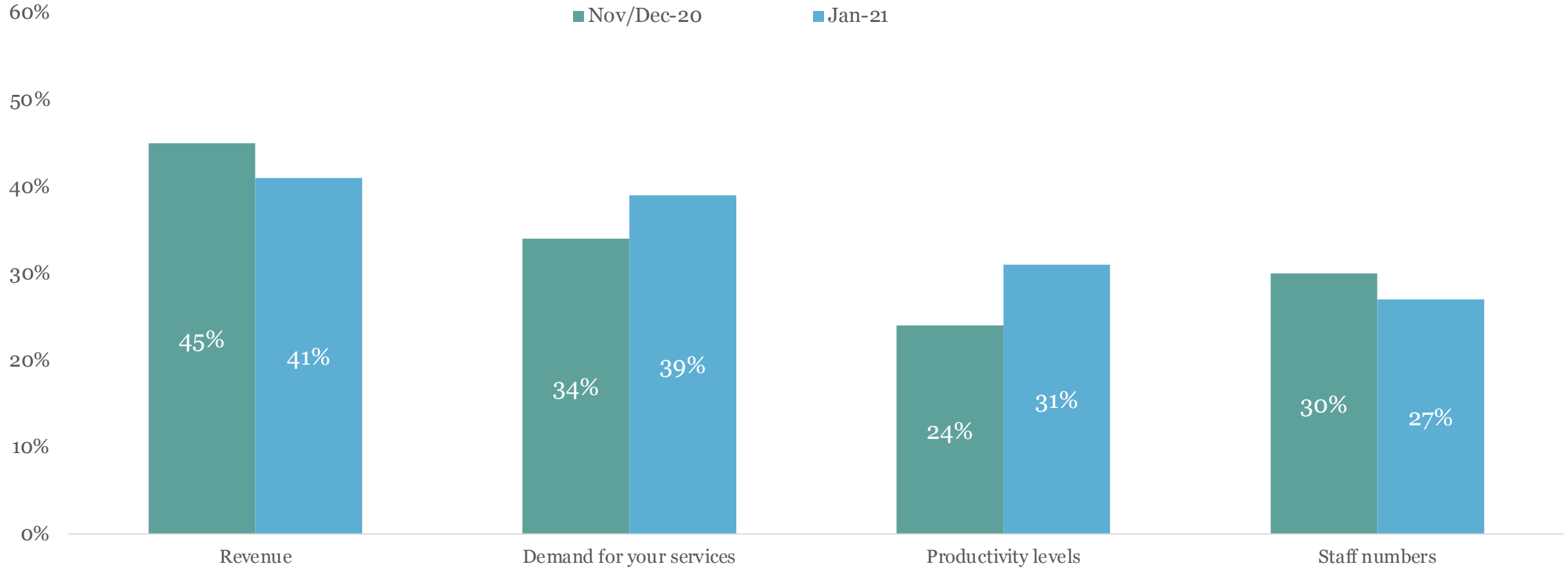


# Appendix



# Overall, the January 2021 national lockdown has had little impact on the proportion of businesses reporting decreases in revenue and demand

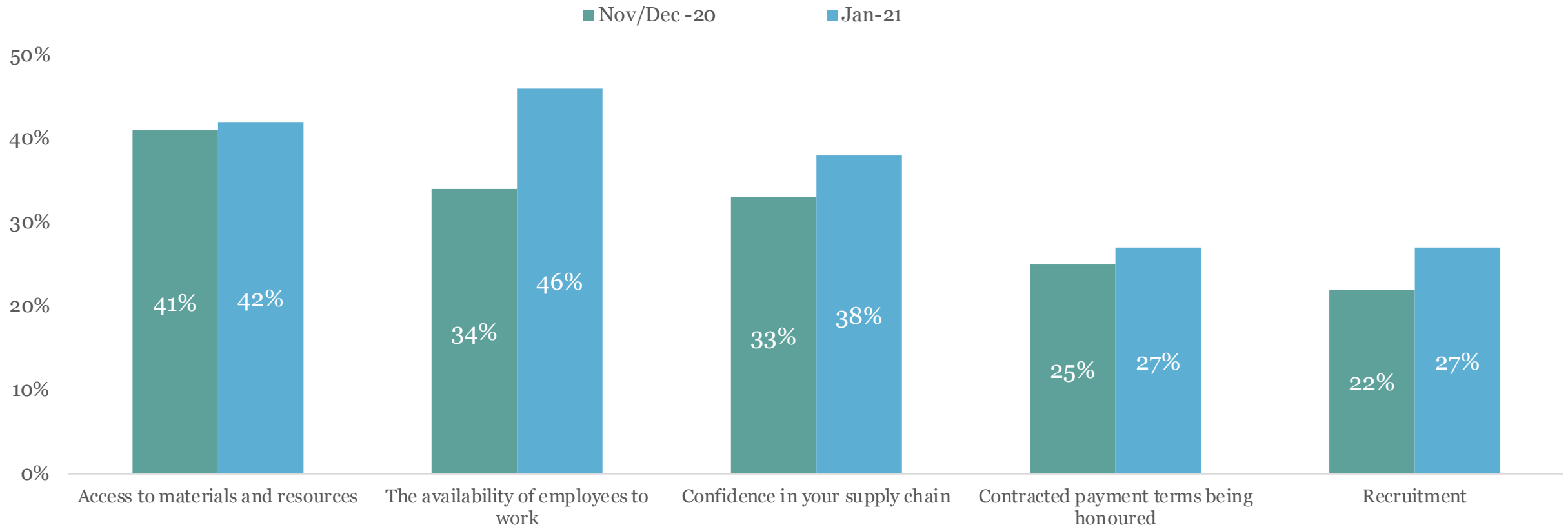
Impact of the Coronavirus pandemic – NET: Decrease  
Split between responses received in Nov/Dec 2020, and those received in January 2021



30 Q6. Compared to before the Coronavirus pandemic (i.e. before March 2020), please indicate to what extent, if at all, each of the following have changed. Base: All respondents Nov/Dec (n=131), All respondents in Jan (n=268)

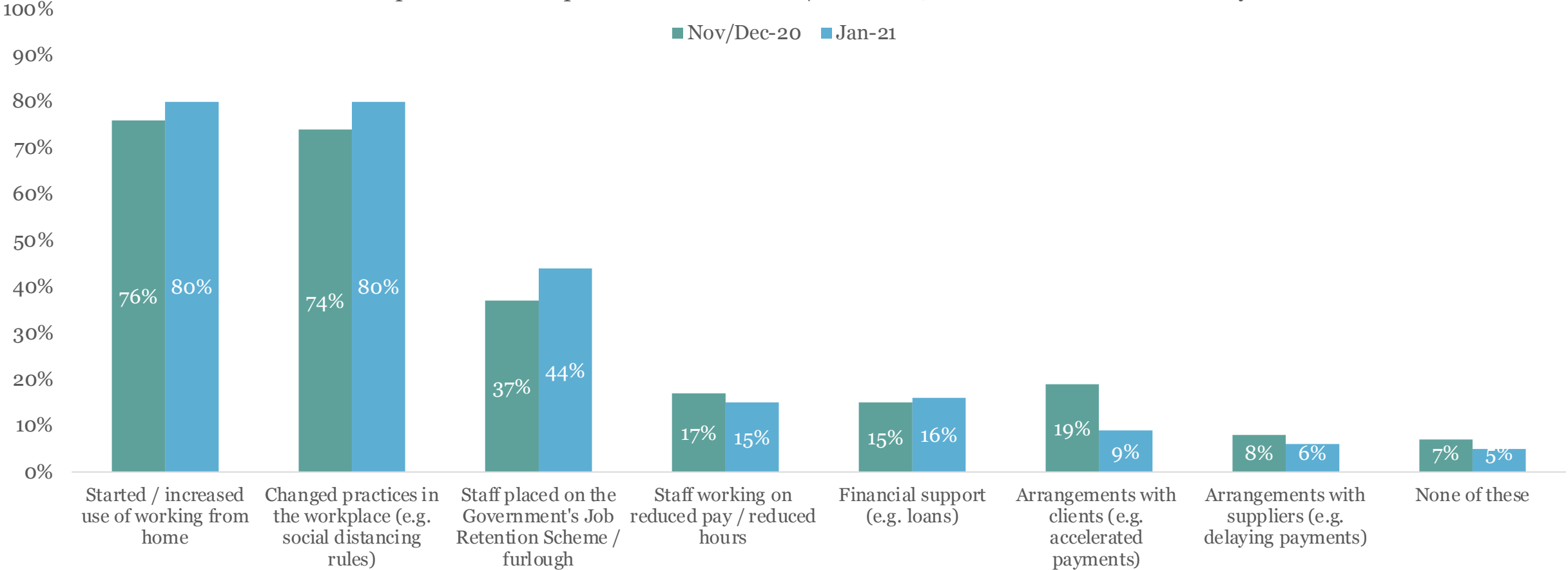
# Respondents who completed the survey during the January national lockdown were more likely to report a decline in the availability of employees compared with those who answered before Christmas

Impact of the Coronavirus pandemic– NET: Decline  
Split between responses received in Nov/Dec 2020, and those received in January 2021



# Respondents who completed the survey during the January national lockdown were slightly more likely to report placing staff on furlough

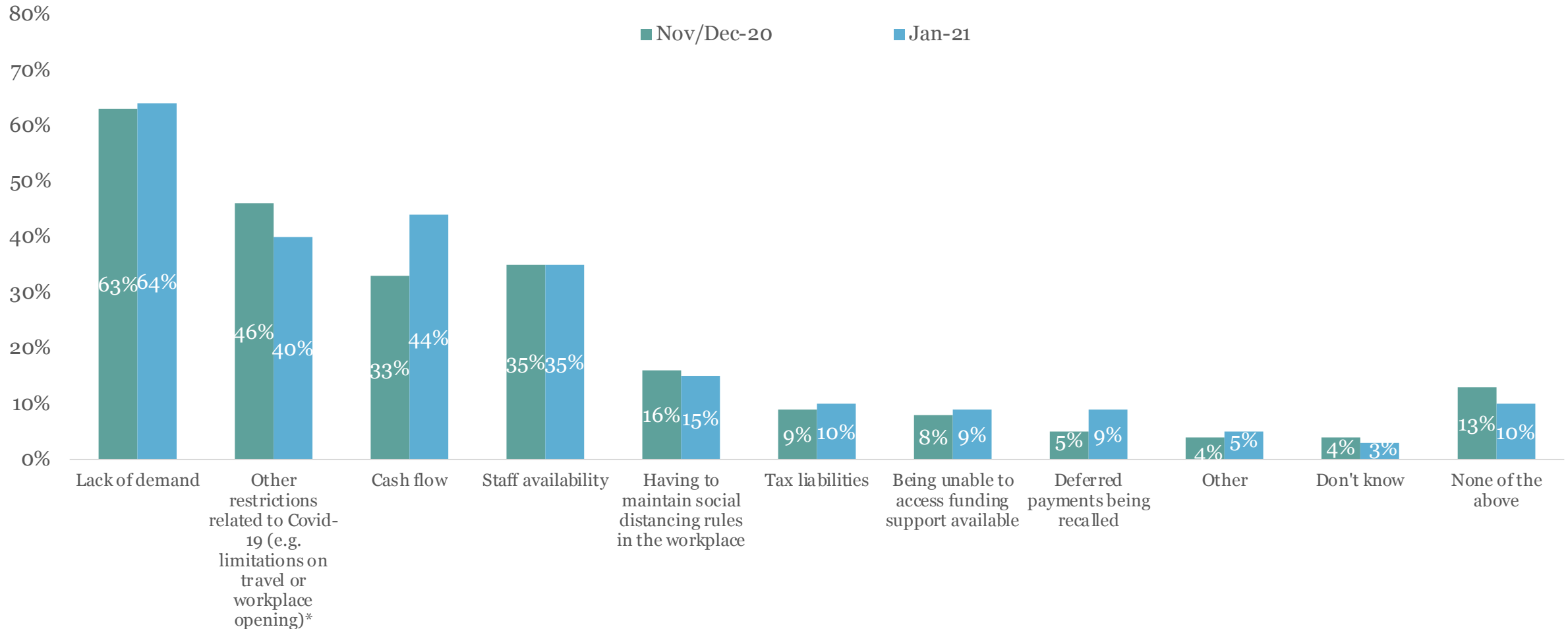
Actions taken to reduce the impact of Coronavirus  
 Split between responses received in Nov/Dec 2020, and those received in January 2021



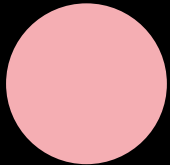


# Respondents who completed the survey during the January national lockdown were more likely to say they anticipate cash flow being a significant barrier to the recovery of their organisation

Anticipated barriers to the recovery  
Split between responses received in Nov/Dec 2020, and those received in January 2021

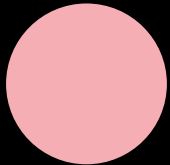


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**For more information about the work of the Rail Supply Group's  
Coronavirus Taskforce go to <https://rsgtaskforce.org>**