



## > The phs Index: How has COVID-19 impacted UK organisations?

phs' barometer of the coronavirus on closures, reopening rates and building occupancy

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# > Introductions: The phs Index

In March 2020, Prime Minister Boris Johnson made the momentous announcement of instigating a full national lockdown. People were told in no uncertain terms to stay home and organisations closed overnight.

Lockdown officially begun on Monday, 23 March 2020 to limit the spread of the coronavirus. From then on, people were only allowed to leave their home for limited purposes, including shopping for essentials, one form of exercise and travel from work – only when absolutely necessary. All shops selling non-essential goods, including clothing and electronic stores were shut down, along with hotels, libraries, playgrounds, gyms and churches. Cafes and restaurants were only allowed to stay open if they offered takeaway or delivery services.

Throughout the ensuing six months, further lockdown restrictions were introduced while others were eased. Life was certainly very different from normal. But what was the real impact on organisations?

Due to the nature of its operations, **phs** Group is uniquely positioned to give unrivalled insights into the experiences of organisations throughout lockdown.

By servicing more than 120,000 customers of all sizes across all economic sectors across the UK, facilities services provider **phs** Group is uniquely positioned to identify trends in how businesses, governmental and non-governmental organisations are being impacted by COVID-19. We visit over 300,000 business premises each month delivering a range of facilities services, including washroom services. Using our comprehensive data, we can determine the impact of COVID-19 on organisations in the UK while the waste we collect provides a good proxy for building occupancy usage. From this, we've created the inaugural **phs** Index; a COVID-19 barometer which reports on:

- Business and organisation closures and reopenings
- Rates of building occupancy
- The impact on different sectors of the economy
- The impact on different geographical areas of the UK

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## ➤ Shutdowns: How many premises closed as a result of COVID-19 lockdowns?

The **phs** Index reveals that during the lockdown period, 43% of customer sites closed. That's nearly half of premises across all sectors, throughout the UK which were shutdown throughout lockdown.

By 15 September 2020, a total of 5% of premises were still closed having been unable to reopen and have now been shut for as much as six months.

The UK regions have been impacted by closures to different extents. Scotland saw an above average proportion of closures, with 51% of premises shutting down. By comparison, 42% of organisations' premises closed down in Wales while in England, the figure was 43% and in Northern Ireland, just 32% of premises closed.

When it comes to reopening, 95% of UK organisations' premises were open by 15 September 2020. In Scotland, the open rate is 92% while in England it is 95% and in Wales it is 96%. In Northern Ireland, 97% of premises are open.

**phs'** data on closure rates demonstrates the extent of the coronavirus lockdown on organisations. It is unprecedented for nearly half of organisations' premises to

be shut down – for their bottom line, for consumers, for the workforce and for the economy as a whole.

While it's certainly encouraging that nearly 95% of premises are now reopen, that still means that 5% are still closed and feeling the pain. Long-term closure is not sustainable for any organisation and with 5% representing one in 20 premises which are still shut down, that's still a significant proportion.

The concern now is what happens next. Having closed their sites for up to six months, there is a risk some of these organisations may struggle to reopen again.

The history of the last recession tells us that it took just under five years (19 quarters) for the economy to fully recover to its pre-recession level. Over the five year period following the 2008 recession, **phs** experienced a cancellation rate owing to permanent closure that was 65.4% higher than before the recession. With insolvency forecasts indicating a rise in business failures this year, it seems likely that the current recession will have a similar impact, meaning more business closures could be on the horizon.

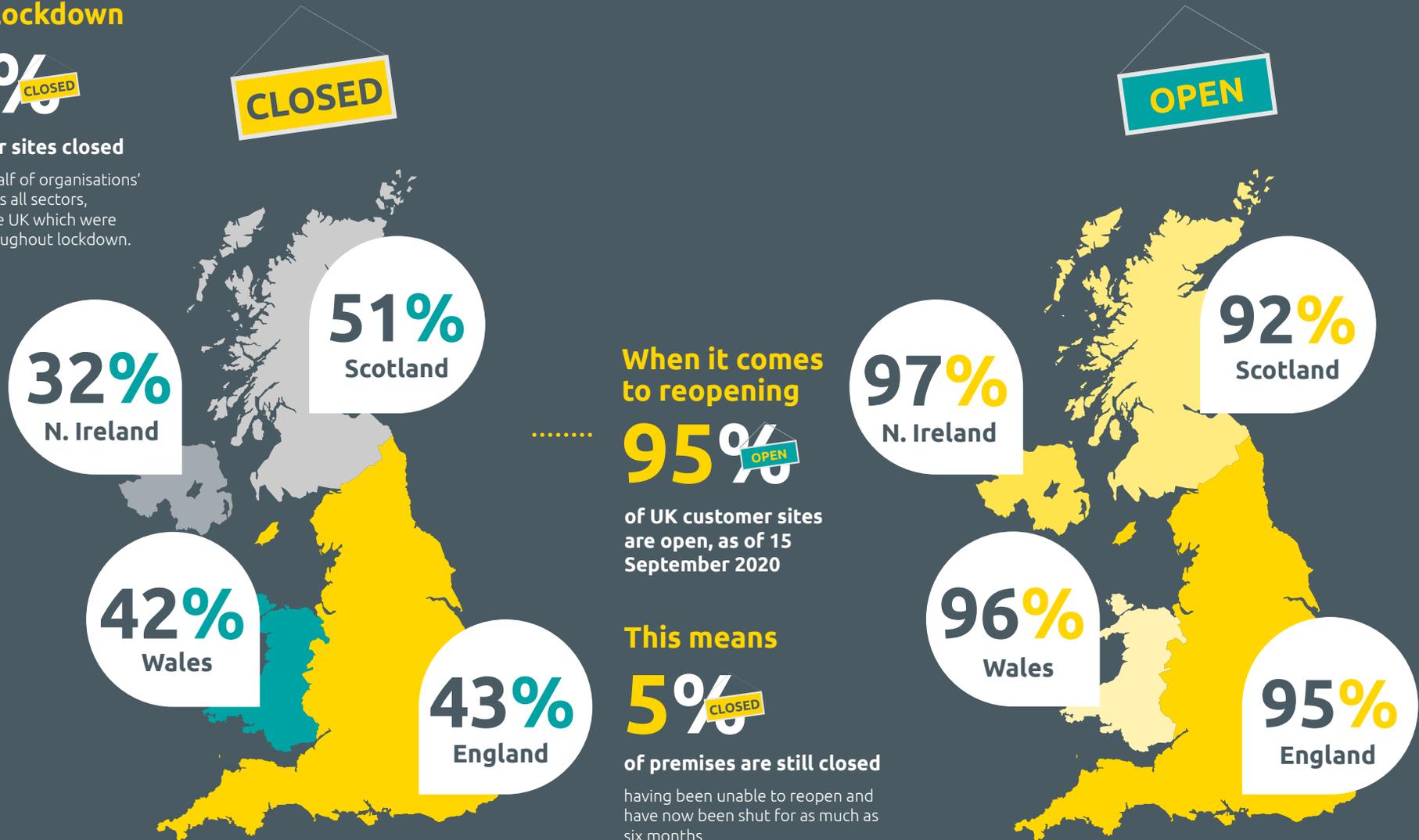


## During lockdown

**43%** CLOSED

of customer sites closed

That's nearly half of organisations' premises across all sectors, throughout the UK which were shutdown throughout lockdown.



When it comes to reopening

**95%** OPEN

of UK customer sites are open, as of 15 September 2020

This means

**5%** CLOSED

of premises are still closed

having been unable to reopen and have now been shut for as much as six months

The UK regions have been impacted by closures to different extents



## > Industry trends: The hardest hit sectors

Widespread shutdowns affected each sector to varying extents. With people told to stay home and meet-ups between different family groups prohibited and venues such as pubs, cafes, restaurants and hotels remained vacant. It's therefore no surprise that these premises saw the largest quantity of closures across all sectors. While we saw some food outlets convert to takeaway or delivery only services, for many that was not a viable option.

**73%**

of accommodation and food service premises were shutdown at the peak of closures, reached at the end of May

**8%**

are still shut today



Another sector which brings members of the public together, the arts, entertainment and recreation sector was the second-worst affected. This includes theatres, museums, play centres, zoos and entertainment venues such as cinemas and bowling alleys. This sector relies on customers attending their premises and unlike many other sectors, it cannot fully compensate by switching its activity online.

**62%** **11%**

of arts, entertainment and recreation premises were shut at the peak of closures, reached in mid-June

are still shut today, more than double the national average



But it's not just about public-facing buildings. Premises shut down for a multitude of reasons, not just because they were banned from opening. Some were forced to close as a result of diminished demand, others were hit by supply chain interruptions and every workplace which could facilitate home working was implored to do so.



**38%**

of financial, insurance, admin and support service sites were shutdown at the peak of closures, reached at the end of May.

**11%**

are still shut today, more than double the national average

In education, the **phs** Index reveals that:



**43%**

of schools, colleges and universities were shut down at the peak of closures, reached at the end of May

**99%**

opened their doors for the start of the new academic year



**Accommodation and food service**



**73%**

shut at the peak of closures, reached at the end of May



**8%**

are still shut today



**Arts, entertainment and recreation**



**62%**

shut at the peak of closures, reached in mid-June



**11%**

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**Financial, insurance, admin and support services**



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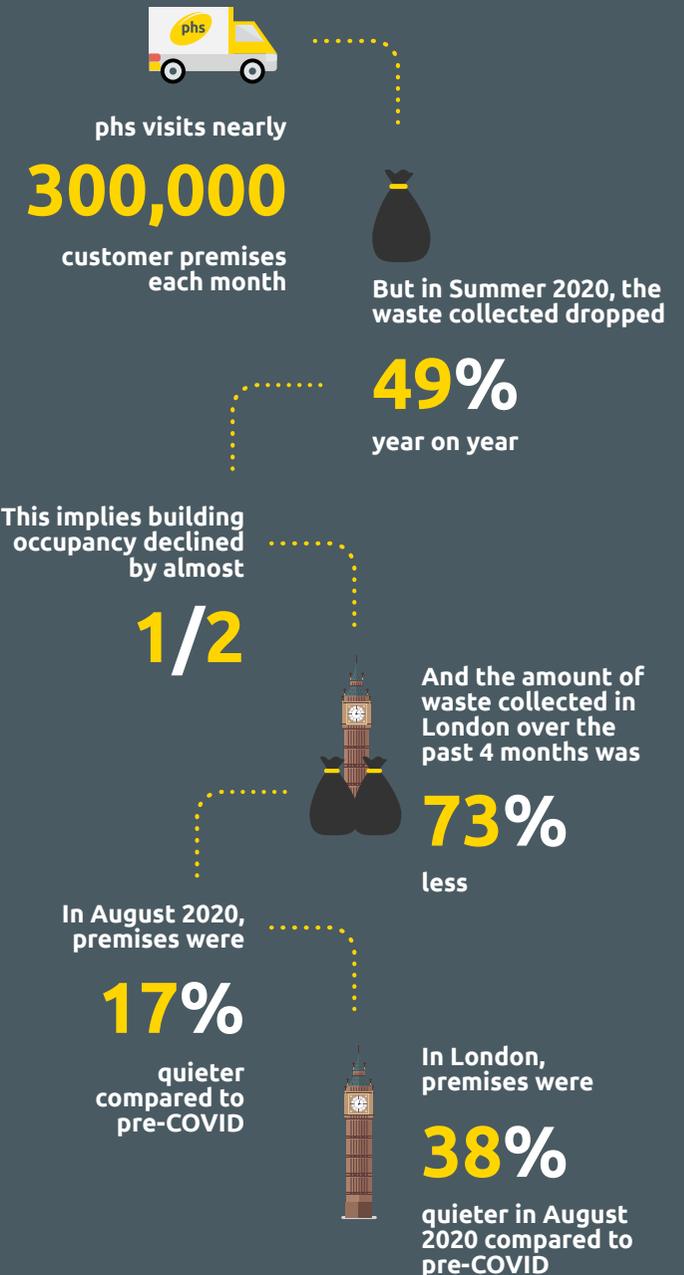
## > Building occupancy: Are people returning?

It's certainly encouraging to see that the majority of organisations' premises are now open in the aftermath of mass, widespread closures. However, this doesn't tell the full story. Just because a premises is open, doesn't mean everything is business as usual. An open door does not mean that staff, visitors and customers have returned to the level they did pre-lockdown – or even at all.

Due to the nature of our operations, **phs** visits nearly 300,000 premises of businesses and public sector organisations each month, delivering a range of facilities services. This includes collecting washroom waste. The amount of waste collected provides a good proxy for building occupancy usage and is something we track over the long term.

In the last four months, the amount of washroom waste we collected was 49% less than the same period in 2019. This indicates that building occupancy has halved over Summer 2020 compared with the previous year, with a significant reduction in staff, visitors and customers within the nation's organisations. And in London, the difference is starker still; over the past four months, total waste collection in London was down 73% year on year.

Furthermore, data analysis on the amount of waste **phs** collected per site implies that buildings were **17% quieter in August 2020** compared to pre-COVID-19 rates (based on 1 March 2020). **That's a drop in usage of nearly one fifth.** The difference is even more pronounced in London which has been hit the hardest by fewer people returning to the city's buildings than anywhere else in the UK. The reduction in waste per site implies that building occupancy in **London is down 38%** compared to pre-COVID-19 levels.





# › The London problem: What's happening in the city?

With its population near to nine million, London is the busiest city in the UK and the biggest city in Europe. A huge attraction to tourists and visitors, London is home to six major airports and welcomed 21.7 million international visitors last year. But this year is very different. Visitor numbers have plummeted. Hotels, restaurants and shops have closed. Tourist attractions have been left deserted. And commuters have stayed home. The **phs** Index reports the extent of closures and building usage in the capital city.



We've already seen that business sectors including:

- Accommodation and food service
- Arts, entertainment and recreation
- Finance, admin and support services

suffered high shutdown rates (73%, 62% and 38% respectively).

As these sectors are synonymous with London's economy, the prolonged closures in these sectors tell the story of London's struggle to bounce back.

In a normal day, Central London is a hive of activity generated from tourists, visitors, shoppers, workers and commuters. With a near-instant deterioration in tourism and visitor numbers and uptick in home working, building occupancy is understandably subdued and is likely to remain so until people return to their workplaces, restrictions ease and confidence in social distancing measures within premises grows. What is clear is that the return of workers and visitors is pivotal to the London's recovery.

## Greater London

## Central London



**46%**  
of organisations' premises closed throughout the lockdown

**56%**  
of organisations' premises closed throughout the lockdown



**94%**  
were open by 15 September 2020

**90%**  
were open by 15 September 2020

However, London is not only experiencing more shutdowns and a lower open rate than the rest of the UK. Using the amount of washroom waste generated during lockdown compared to pre-COVID-19, **phs** indicates London has also been hit the hardest by fewer people returning to the city's buildings than elsewhere.

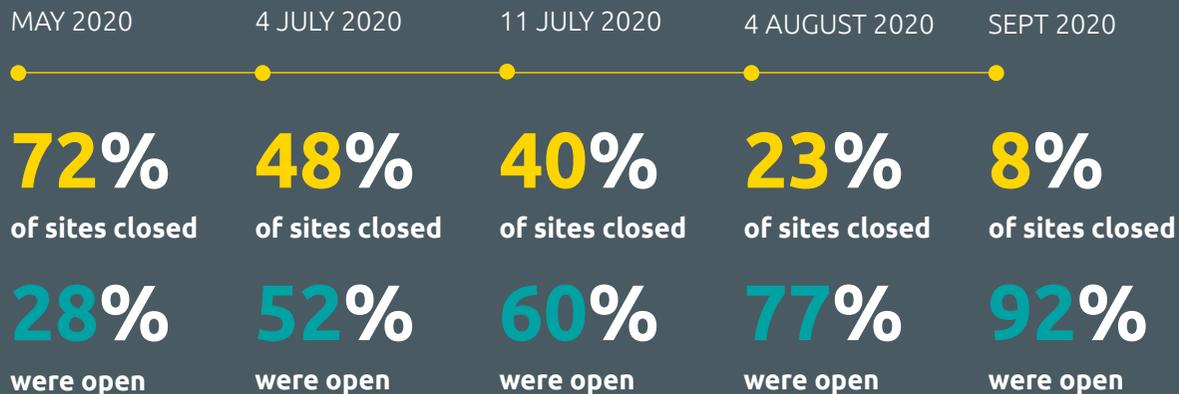
**38%**  
decrease in building occupancy in London in August since March 2020

compared to  
**17%**  
decrease in building occupancy in the UK

# ➤ Key openings: How quickly did organisations respond to restriction easings?

Once the nation entered full lockdown on 23 March 2020, businesses simply had to wait until they were given the green light to reopen. While some hints were given as to potential lockdown easing dates, others came seemingly at a moment's notice. But with new regulation and social distancing measures to implement once open, how quickly were organisations able to respond to key reopening dates and get their premises ready to welcome people?

phs' analysis on reopening data reveals that when the Government announced that a sector of the economy could reopen, it took up to two weeks for organisations to respond and still 5% of premises remain closed today. Taking the accommodation and food service sector (which includes cafes, pubs, restaurants and hotels) as an example:



Ahead of being allowed to officially reopen on 4 July 2020, only 52% of accommodation and food service premises were open. Within one week, only 8% more opened. It took a month for 25% more to open. More than two months on, 92% have reopened.

Interestingly, 24% of sites reopened before the official Government reopening date of the 4 July indicating that businesses were either reformatting themselves into 'takeaways', home delivery outlets or essential retail outlets

The evidence indicates that the impact of lockdown easings was gradual with a slow increase in reopenings. This could indicate that organisations were simply not ready to reopen or that customers or organisations perceived it as unsafe or not economically viable for them to reopen. It not only emphasises the need for organisations to have advance notice of reopenings so they can prepare but the scale of the challenge in making changes to premises to ensure they are safe for people to return.





## ➤ Consumer insight: Why aren't people returning?

The data from the **phs** Index clearly indicates building occupancy is significantly lower today than it was pre-COVID; with premises 17% quieter nationally and 38% quieter in London. To find out more about the reasons behind this, **phs** commissioned independent research asking 2,000 people across the nation how they felt about going into local businesses.

The results show that, worryingly, nearly one in five consumers (19%) admitted they were not confident about hygiene measures within local businesses and just over a quarter (26%) said they did not feel confident about social distancing practices within these premises.

Interestingly, the research discovered that confidence in returning to local businesses varies by gender with women more likely to have concerns about hygiene and social distancing practices. The results reveal that 30% of women said they were not confident about hygiene measures in premises compared to 22% of men. And 39% of women admitted they were not confident about social distancing practices in these premises, compared to 30% of men.

Confidence in social distancing also decreases across older age groups. The research found that 40% of people aged over 45 were not confident about social distancing in premises, compared to just 28% of 25-34 year olds, 29% of 35-44 year olds and 30% of 16-24 year olds. When asked how they felt about hygiene measures, 31% of 45-54 year olds and 27% of over 55s said they were not confident. By comparison, 20% of 35-44 year olds, 23% of 25-34 year olds and 27% of 16-24 year olds said they were not confident.

This lack of confidence should be a major action point for organisations as it indicates that concerns about not being able to adhere to COVID safety measures are holding people back from returning to the workplaces, retailers, pubs and venues they would usually visit. Whether these consumer concerns are based on fact (from poor experiences) or perception, there are clear actions to be taken. Those who are not complying with recommended practices or have only minimal hygiene and social distancing measures risk deterring people from returning to their premises at a time when footfall is critical for recovery. And those organisations who do have comprehensive hygiene measures and are ensuring social distancing is maintained throughout, they need to be instilling confidence in their premises to allay these concerns and attract back staff, customers and visitors safely.



## > Rebuilding confidence: The phs solution

The new **phs** Index gets to the heart of the impact of the coronavirus on organisations, creating a barometer for closures and occupancy during a turbulent and unpredictable time when organisations across the country shut their doors overnight and people were told to stay home. While the strictest period of lockdown is over, the **phs** Index demonstrates there is a long way to go until organisations fully recover. Even though we're seeing reasonably high reopen rates for organisations, the real story is that people – staff, visitors and customers – have not yet returned with **buildings being 17% quieter** overall and **38% quieter in London**. It remains to be seen how many more people will return in the coming months as the pandemic, risk of future local lockdowns and new measures to control the spread of the coronavirus play out.

What we do know is that we are still a long way from business as usual pre-COVID – and that's without any new restrictions hampering recovery

and squeezing organisations even further. We also know that a significant number of consumers are concerned about returning to local businesses with nearly one in five admitting they are not confident about hygiene measures and a quarter not confident about social distancing in these premises. For those organisations with stringent hygiene and social distancing measures throughout their premises, changing consumers' mindset is a hurdle they need to overcome – and fast.

For the foreseeable future, the only solution for organisations is to instil indisputable staff and consumer confidence in their premises, reassuring people that everything is being done to ensure their premises is as safe as possible. This includes adhering to safety protocols such as facilitating social distancing and ensuring compliance within their premises, training and equipping staff and safeguarding workers and visitors with comprehensive hygiene measures.



To support organisations through all of this, **pphs** is here. We provide a full range of essential services and products, offering the right solutions to support organisations get back to business safely, creating a hygienic and safe environment for all.

This includes:

- Air care solutions with our **AERAMAX PROFESSIONAL** and **BIOZONE** air purification systems
- Hygiene services including waste management; with waste diverted from landfill into power generation
- Hygiene products such as hand sanitisers, washroom consumables, PPE bins, hand sanitiser vending machines, cleaning products and hygiene message mats
- Emergency response deep cleaning with **pphs** InterClean
- Planted solutions to help with social distancing with **pphs** Greenleaf
- Surface swab testing, mandatory water system checks and fire risk assessments with **pphs**

Whatever your need, **pphs** is by your side.



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