

BUSINESS AND ENERGY

Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 37

3 September 2021

This is the 25th publication of weighted Scotland estimates from the ONS' BICS. These are experimental statistics, which means that they are still in development but have been released to enable their use at an early stage. All results are provisional and subject to revision.

Latest main findings for businesses with 10+ employees and a presence in Scotland

- In the period 9 to 22 August 2021, the share of businesses 'currently trading' was estimated at 98.4% - up from 98.1% in the previous period and the highest rate since comparable estimates began in June 2020.
- The Arts, Entertainment & Recreation industry sector continued to have the lowest share of businesses 'currently trading' - estimated at 94.5%.
- The share of the workforce on furlough leave was estimated at 4.5% in the period 26 July to 22 August 2021 – down from 4.9% in the previous period and the lowest rate since comparable estimates began in June 2020.
- In the latest period, the Arts, Entertainment & Recreation industry sector continued to have the highest share of the workforce on furlough leave - estimated at 18.3%.
- In the period 26 July to 22 August 2021, 28.8% of businesses reported a decrease in turnover compared with what is normally expected - the lowest percentage recorded since comparable estimates began in June 2020. There were two industry sectors where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected – Arts, Entertainment & Recreation (estimated at 62.5%) and Accommodation & Food Services (estimated at 52.2%).
- In the latest period, almost a quarter (22.9%) of businesses currently trading that have exported in the last 12 months, reported exporting less than normal and around a fifth (19.5%) reported importing less than normal.

Introduction

The ONS' BICS is a voluntary fortnightly business survey, which captures businesses' responses on how their turnover, workforce, prices, trade and business resilience have been affected by current conditions, including the coronavirus (COVID-19) pandemic and the end of the EU transition period.

BICS stands for the Business Insights and Conditions Survey (BICS) – previous to Wave 24, the survey was called "Business Impact of Coronavirus (COVID-19) Survey". The BICS was renamed to reflect the current question set, which goes wider than the impact of the coronavirus (COVID-19).

Currently, the main [Scottish BICS results published by the Office for National Statistics](#) are unweighted which means that we can only make inferences about the businesses that have responded.¹ Weighting the BICS responses enables us to produce estimates for Scottish businesses more generally, not just those that have responded. The ONS has provided the Scottish Government with the BICS microdata², which we have used to develop the weighted Scotland estimates. More information on the weighting method we have used for these early estimates and our plans for future developments is provided here: [BICS weighted Scotland estimates: data to wave 12](#).

The weighted Scotland estimates, in this publication, are for businesses with 10 or more employees. The weighted Scotland estimates are for businesses that have a presence in Scotland, as opposed to only those businesses headquartered in Scotland. Having a presence in Scotland means that the business has a local unit or site (e.g. shop, office, factory) in Scotland. In terms of the base of the estimates 8,879 businesses responded to the Wave 37 BICS UK-wide – 1,211 of these responding businesses had a presence in Scotland. Excluding the micro businesses (those with less than 10 employees) takes the base for the weighted Scotland estimates down to 1,118 responding businesses in Wave 37. The weighted Scotland estimates are derived from results collected from UK businesses for the UK as a whole, but weighted by business counts or employment in Scotland. Currently no account is being made for regional differences between business sites.

The coverage of the ONS BICS includes most sectors of the Scottish economy; however, the public sector is excluded, as is 'Section A – Agriculture, forestry & fishing', 'Section D – Electricity, gas, steam & air conditioning supply' and 'Section K – Financial & insurance activities'.

¹ Note that on the 20th of July 2021 ONS published [Understanding the business impacts of local and national restrictions, UK: July 2021](#) – this provides an analysis of weighted data for areas within the UK (including Scotland). This latest ONS sub-national analysis breaks down the business base into single-site and multi-site businesses. This differs to the approach taken for the Scottish Government estimates presented here which include single-site and multi-site businesses together, and the Scottish Government estimates are constrained to businesses with 10 or more employees.

² The BICS microdata can be accessed, by accredited researchers, via the [Secure Research Service \(SRS\)](#).

Trading Status

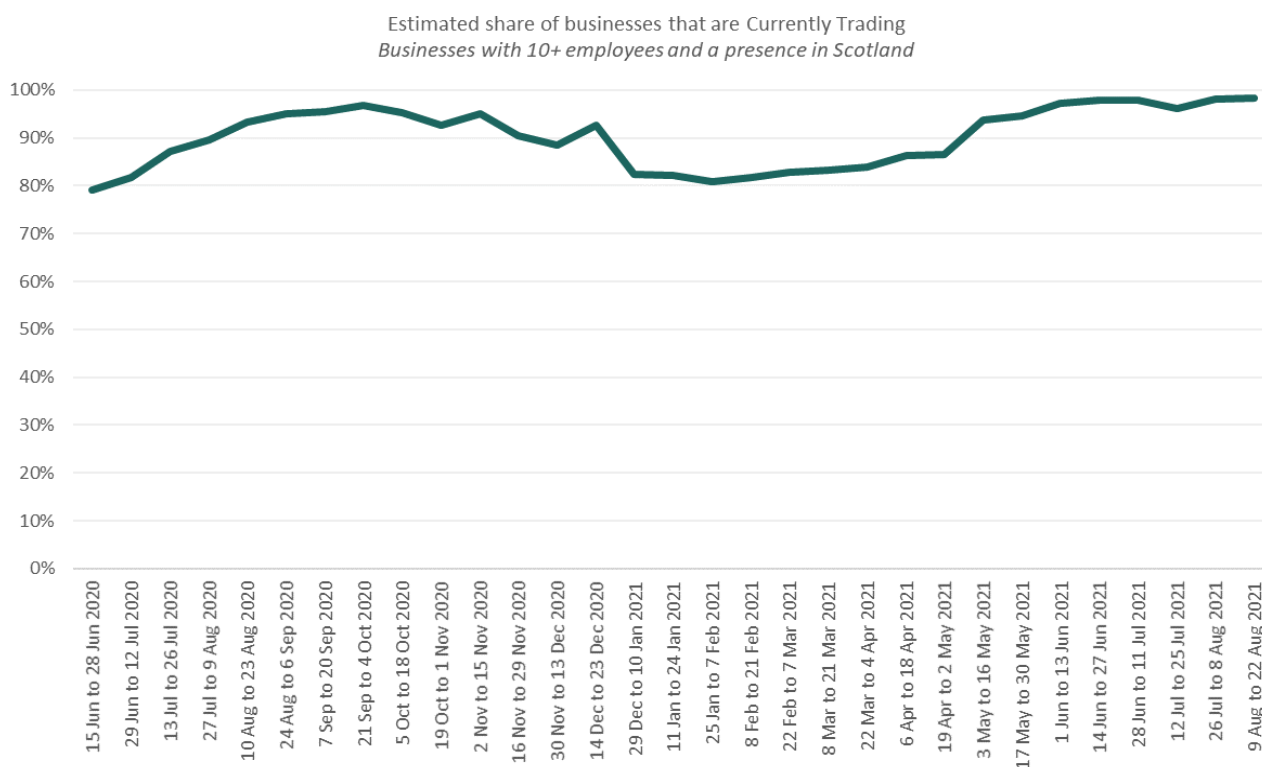
The BICS asks businesses about their trading status: the specific question³ asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (9 to 22 August 2021 in Wave 37).

Trading Status Question: Which of the following statements best describes your business's trading status?

- Currently trading and has been for more than the last two weeks
- Started Trading within the last two weeks after a pause in trading
- Paused trading but intends to restart in the next two weeks
- Paused trading and does not intend to restart in the next two weeks
- Has permanently ceased trading

'Currently trading and has been for more than the last two weeks', and 'Started trading within the last two weeks after a pause in trading' have been combined to 'Currently Trading'.

Figure 1: In the period 9 to 22 August 2021, the share of businesses 'currently trading' was estimated at 98.4% - up from 98.1% in the previous period and the highest rate since comparable estimates began in June 2020.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 37

³ The ONS publishes all the questions for each wave at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/businessimpactofcovid19surveyquestions/previousReleases>

Figure 2: The Arts, Entertainment & Recreation industry sector continued to have the lowest share of businesses 'currently trading' - estimated at 94.5%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

It should be noted that those businesses not currently trading may be less likely to respond to requests to complete the survey and, therefore, that these numbers may be an overestimate.

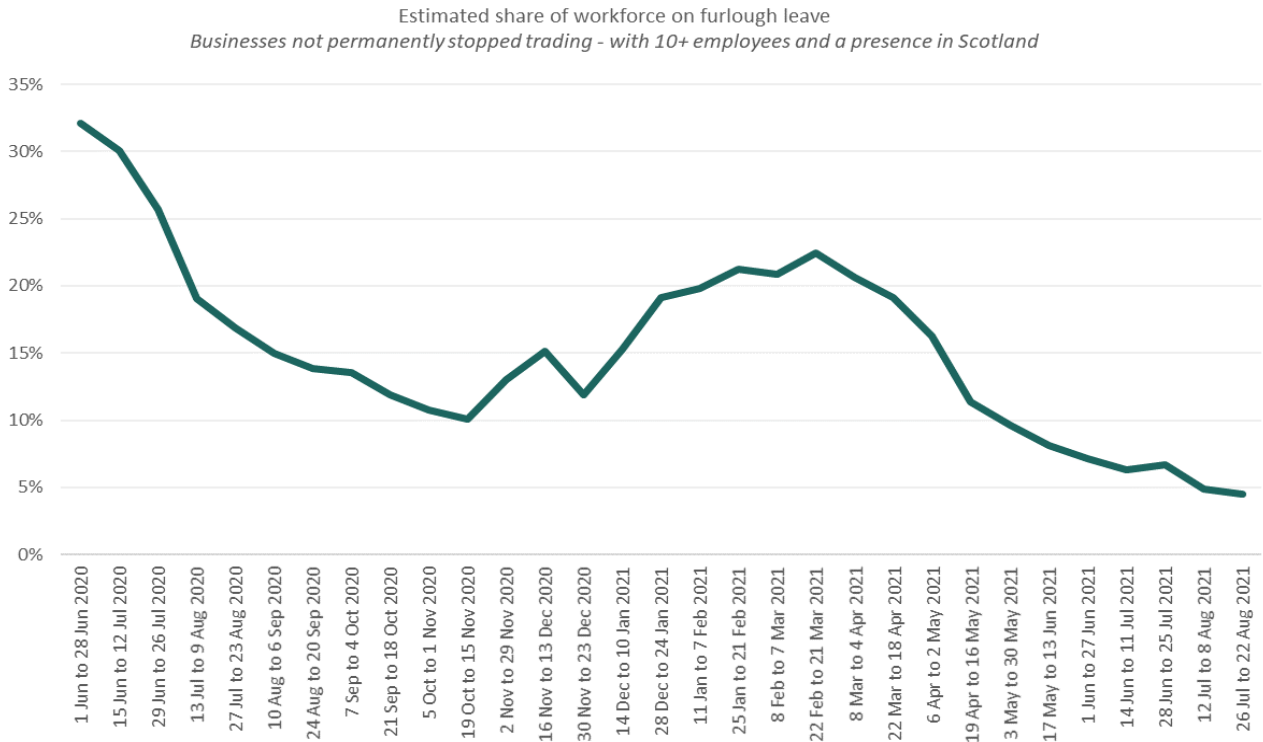
Workforce Status

The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), about the status of their workforce - the specific question asked is shown below. Note that businesses were asked about the status of their workforce in the last two weeks and so responses will be from the time of completion of the survey questionnaire (9 to 22 August 2021 for Wave 37) with the full question reference period (looking back at the last two weeks) covering 26 July to 22 August 2021 for Wave 37.

Workforce Status Question: In the last two weeks, approximately what percentage of your business's workforce were:

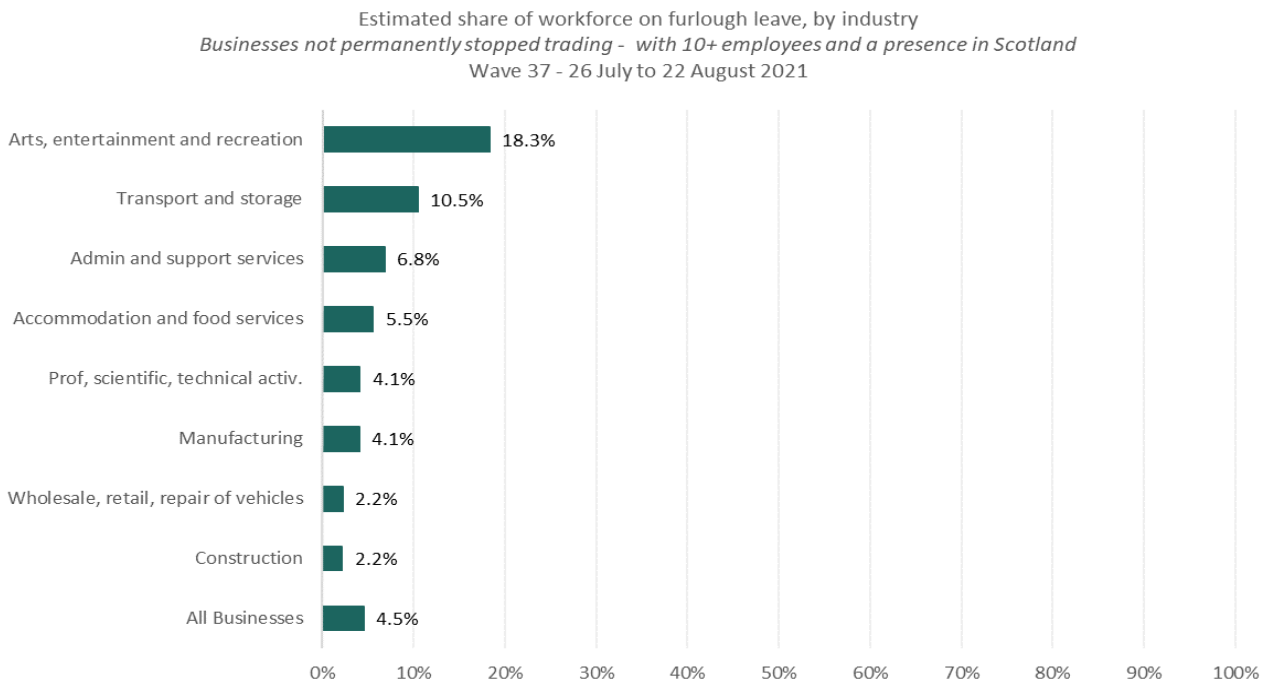
- On furlough leave
- Mainly working at the same place they were working before the pandemic
- Mainly working from home, instead of where they were working before the pandemic
- Made permanently redundant
- On sick leave or not working due to coronavirus (COVID-19) symptoms, self-isolation or quarantine
- Other

Figure 3: The share of the workforce on furlough leave was estimated at 4.5% in the period 26 July to 22 August 2021 – down from 4.9% in the previous period and the lowest rate since comparable estimates began in June 2020. The proportion of the workforce reported to be on full furlough (1.4%) continues to be lower than that on partial furlough (3.1%).



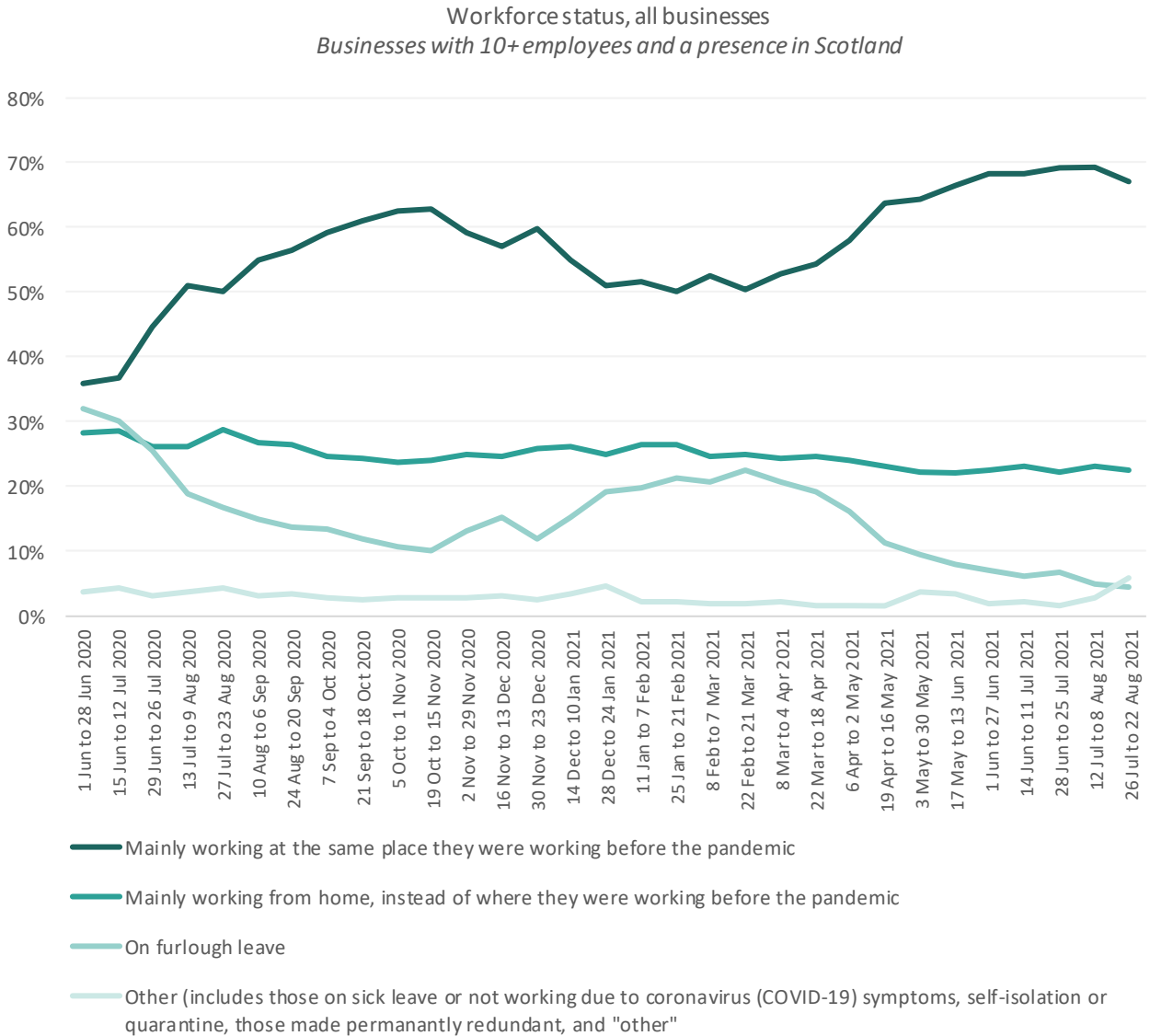
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 37

Figure 4: In the latest period, the Arts, Entertainment & Recreation industry sector continued to have the highest share of the workforce on furlough leave - estimated at 18.3% - down from 32.0% in the previous period.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

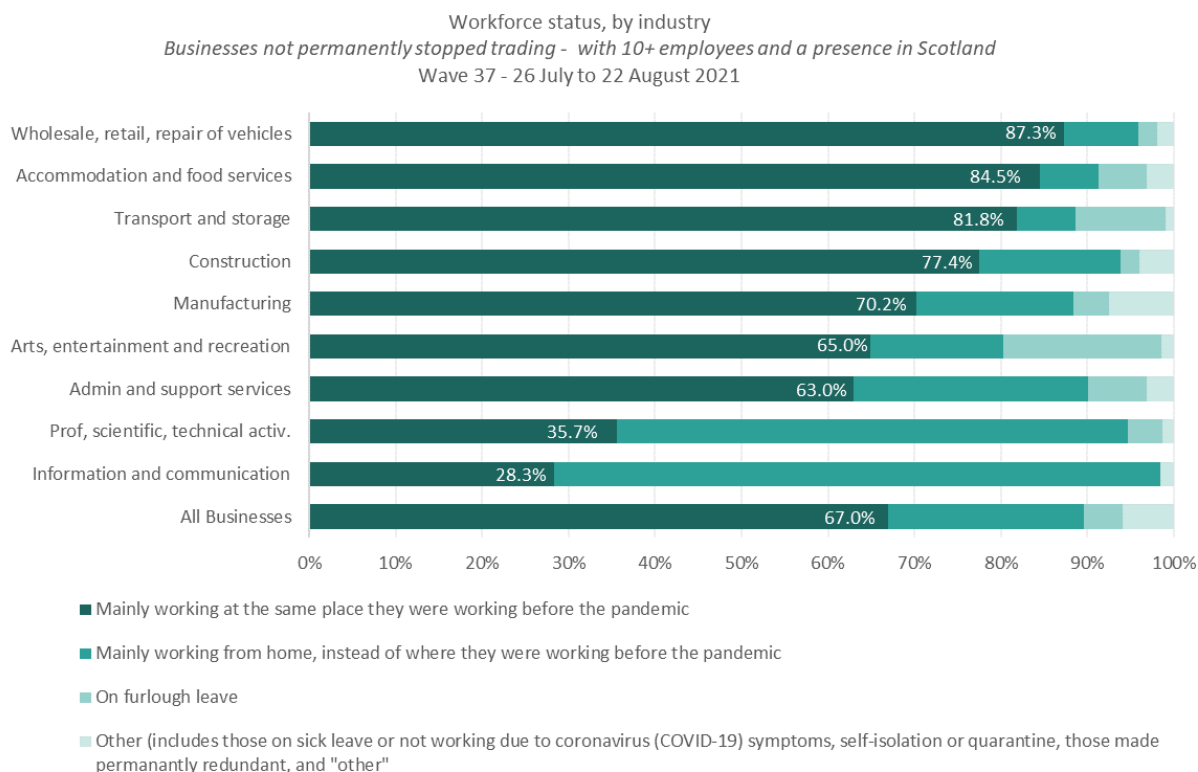
Figure 5: The share of the workforce working at their normal place of work has increased over recent months, from 50.6% in March 2021 (Wave 26) to 67.0% in the latest period (Wave 37, 26 July to 22 August 2021). Over the same period, there has been a small reduction in the share of the workforce working mainly from home; from 25.0% in March 2021 to 22.6% in the latest period.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 37

In Wave 37, businesses reported 4.9% of their workforce were off sick or not working due to Covid-19 symptoms or self-isolation. This has increased since the previous period (1.1% in Wave 36).

Figure 6: The share of the workforce that are mainly working at their pre-pandemic place of work is lowest in the Information and Communication (28.3%) and Professional, Scientific and Technical Activities (35.7%) sectors - reflecting the high share of remote working in these sectors. In contrast, 87.3% of the Wholesale, Retail, Repair of Vehicles workforce are mainly working at their previous place of work.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), about changes to their workforce status in the next two weeks. In Wave 37, businesses reported that 3.4% of the workforce will move from fully homeworking to a hybrid model of working, 2.7% will move from homeworking back fully to where they were working before the pandemic and 1.6% will move from full or partial furlough back to where they worked before the pandemic in the next two weeks.

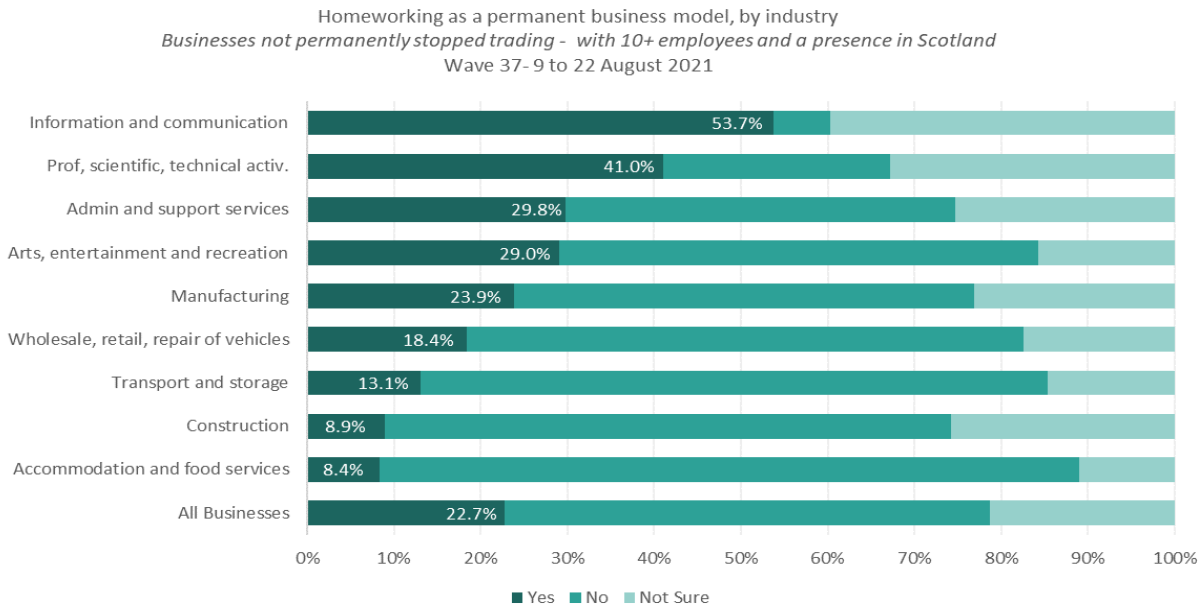
Homeworking

The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), about whether they intend to use increased homeworking as a permanent business model going forward- the specific question asked is shown below.

Homeworking Question: Does your business intend to use increased homeworking as a permanent business model going forward?

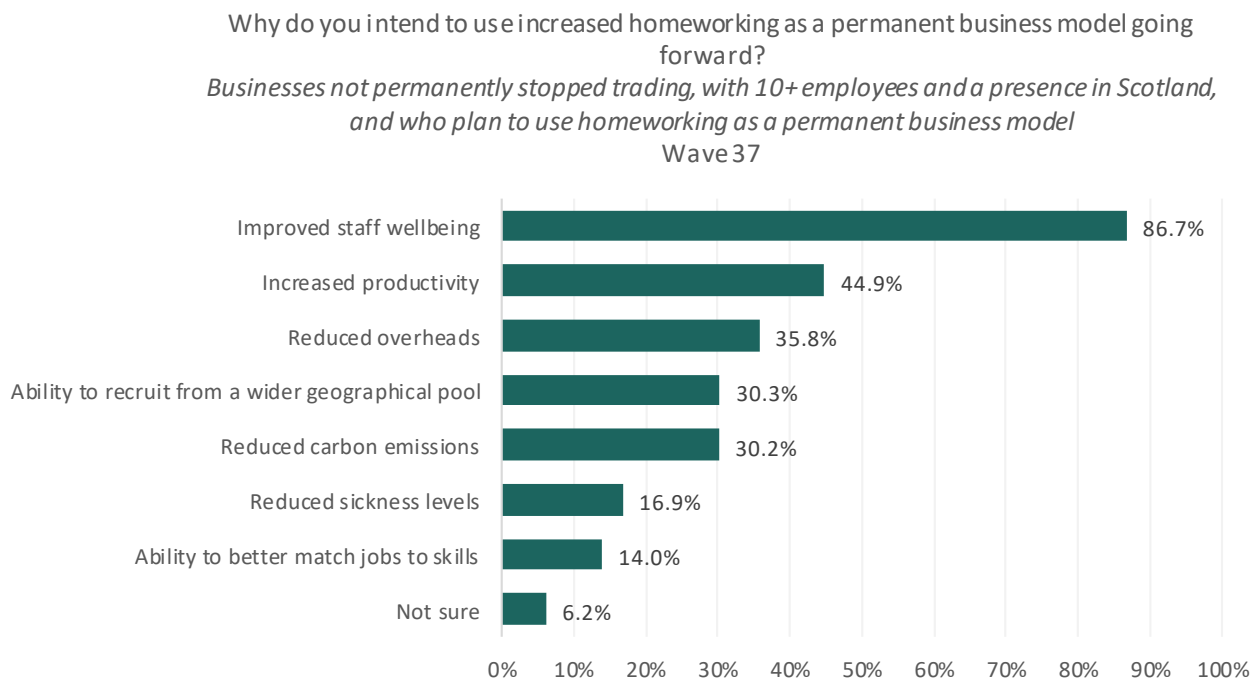
- Yes
- No
- Not Sure

Figure 7: In the latest period, the share of the businesses that intend to use increased homeworking as a permanent business model is highest in the Information and Communication (53.7%) and Professional, Scientific and Technical Activities (41.0%) sectors. The rates are much lower in some other sectors, with only 8.4% of businesses in the Accommodation and Food Services sector, and 8.9% of Construction businesses intending to use increased homeworking as a permanent business model.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

Figure 8: Improved staff wellbeing was the most commonly reported reason for using increased homeworking as a permanent businesses model going forward - this was reported by 86.7% of businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

Financial Performance

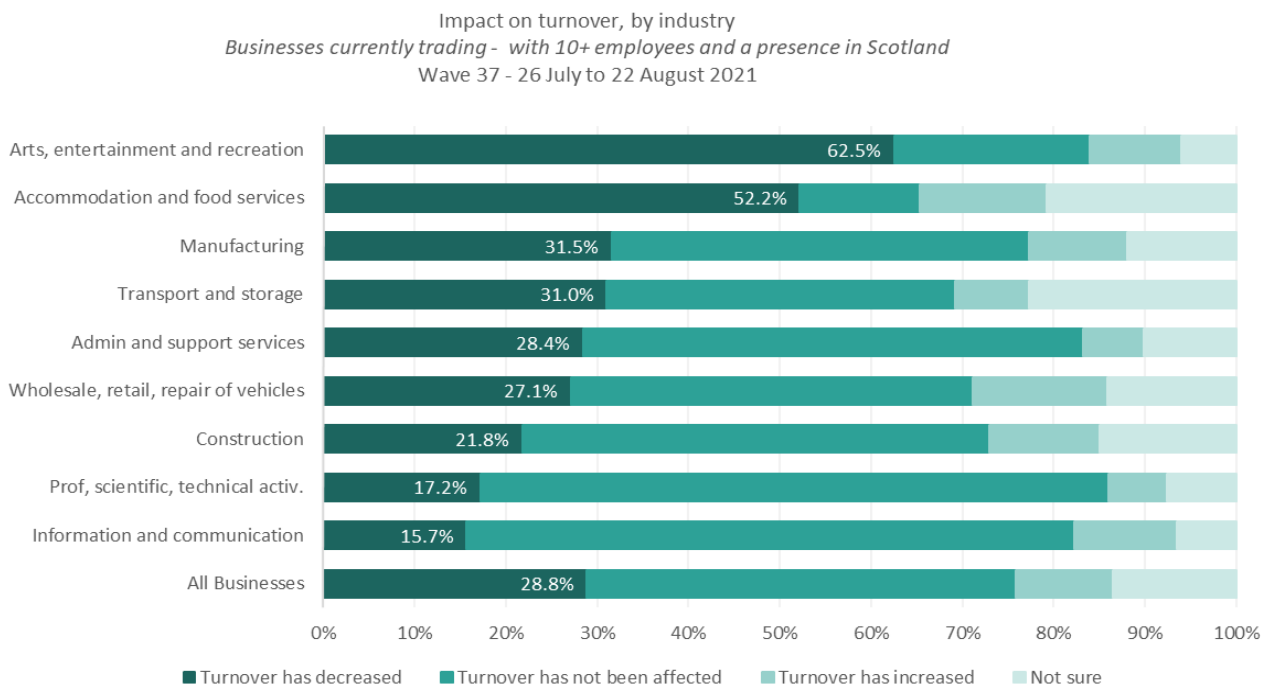
The BICS asks businesses, that are currently trading, about how turnover compares to business as usual - the specific question asked is shown below. Note that businesses were asked about the status of their turnover in the last two weeks and so responses will be from the time of completion of the survey questionnaire (9 to 22 August 2021 for Wave 37) with the full question reference period (looking back at the last two weeks) covering 26 July to 22 August 2021 for Wave 37.

Financial Performance Question: How does turnover for the last two weeks, compare to normal expectations for this time of year?

- Turnover has increased by more than 50%
- Turnover has increased between 20% and 50%
- Turnover has increased by up to 20%
- Turnover has not been affected
- Turnover has decreased by up to 20%
- Turnover has decreased between 20% and 50%
- Turnover has decreased by more than 50%
- Not sure

For presentational purposes, increased turnover categories and decreased turnover categories have been combined. The breakdowns of these categories are available in the detailed data tables.

Figure 9: In the period 26 July to 22 August 2021, 28.8% of businesses reported a decrease in turnover compared with what is normally expected - the lowest percentage recorded since comparable estimates began in June 2020. There were two industry sectors where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected – Arts, Entertainment & Recreation (estimated at 62.5%) and Accommodation & Food Services (estimated at 52.2%).

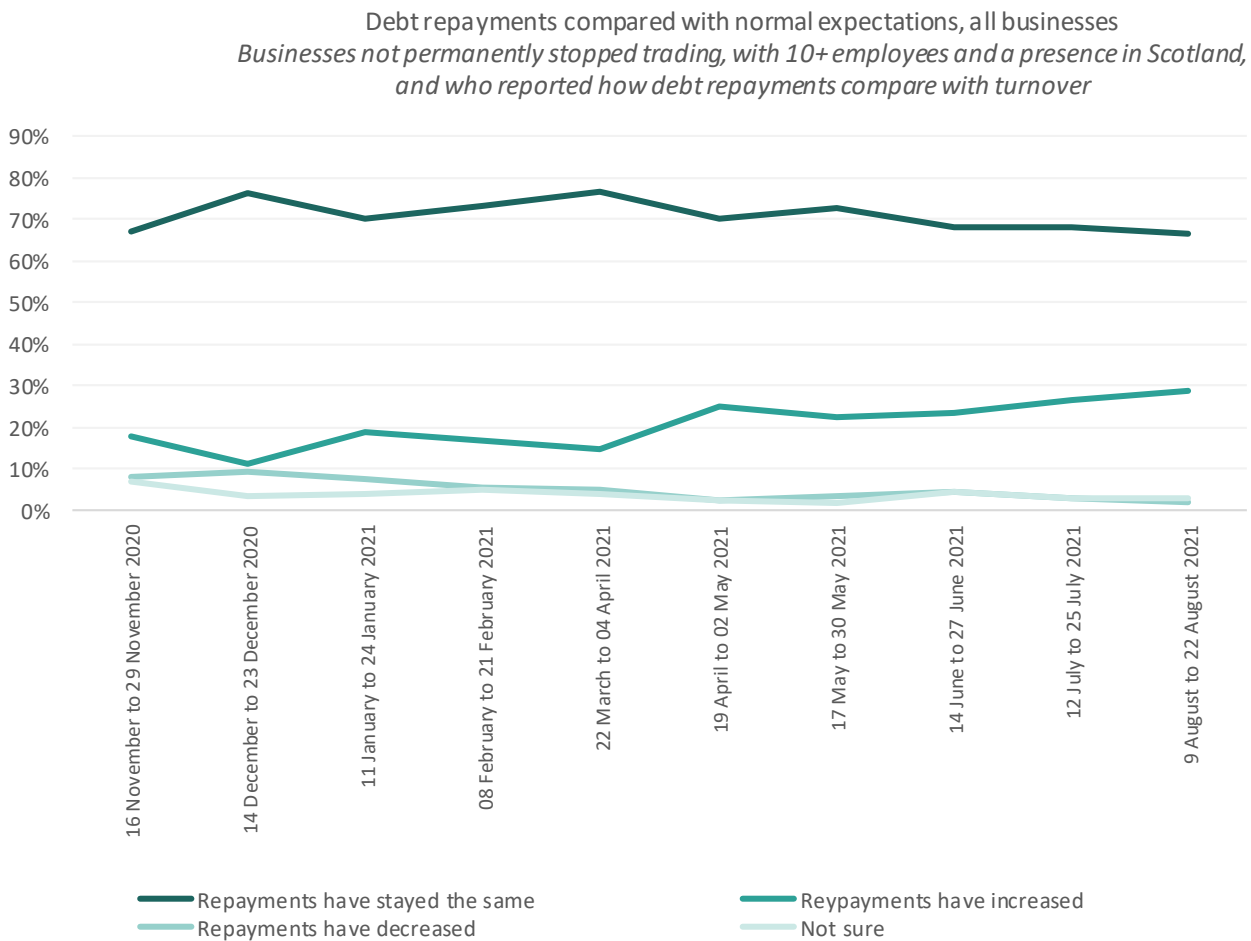


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

Debt

The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading') and who reported how debt repayments compare with turnover, about how their debt repayments over the last month compare with normal expectations.

Figure 10: The share of businesses reporting their debt repayments have increased compared to normal expectations has steadily increased over previous months, from 22.4% in May 2021 (Wave 31) to 28.7% in the latest period (Wave 37). Over the same period there has been a steady reduction in the share of the businesses reporting their repayments have stayed the same; from 72.5% in May 2021 to 66.5% in the latest period. In the latest period, only 1.9% of businesses reported that their debt repayments had decreased compared to normal expectations.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 18, 20, 22, 24, 27, 29, 31, 33, 35 and 37

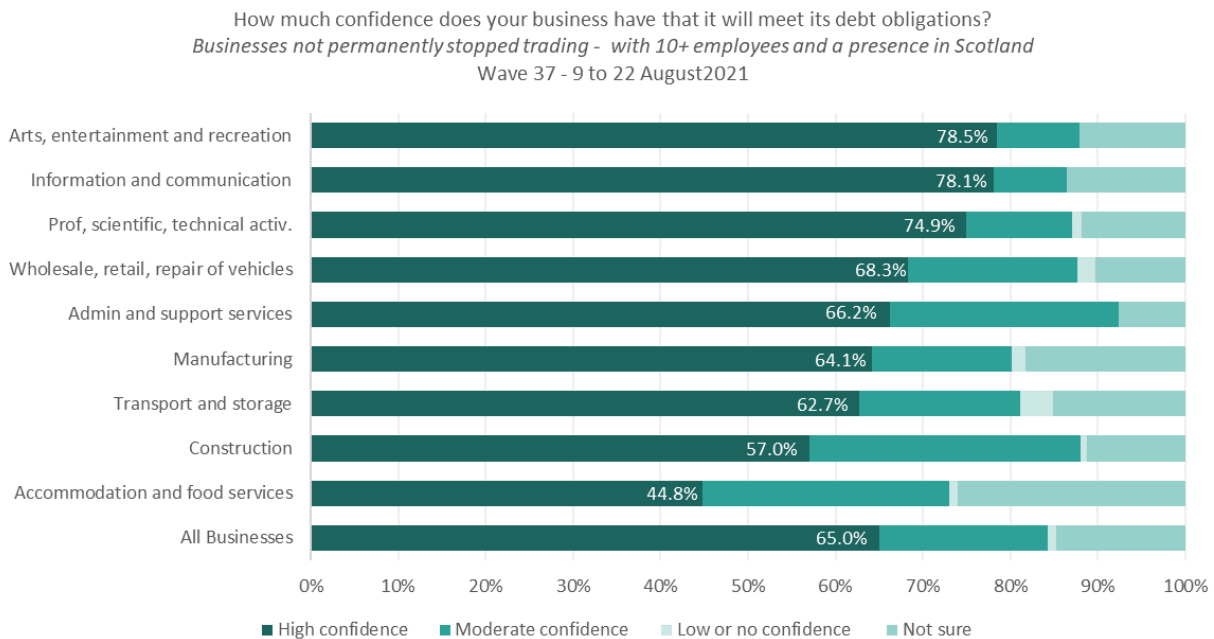
The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), about their confidence in meeting their debt obligations- the specific question asked is shown below.

Debt Question: How much confidence does your business have that it will meet its debt obligations?

- High confidence
- Medium confidence
- Low confidence
- No confidence
- Not Sure

For presentational purposes, the “low” and “no” confidence categories have been combined. The breakdowns of these categories are available in the detailed data tables.

Figure 11: In the latest period, almost two thirds of businesses (65.0%) reported having high confidence that they will meet their debt obligations. The rates are much lower in some sectors, with less than half of businesses in the Accommodation & Food Services sector reporting high confidence (44.8%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

Exporting and importing challenges

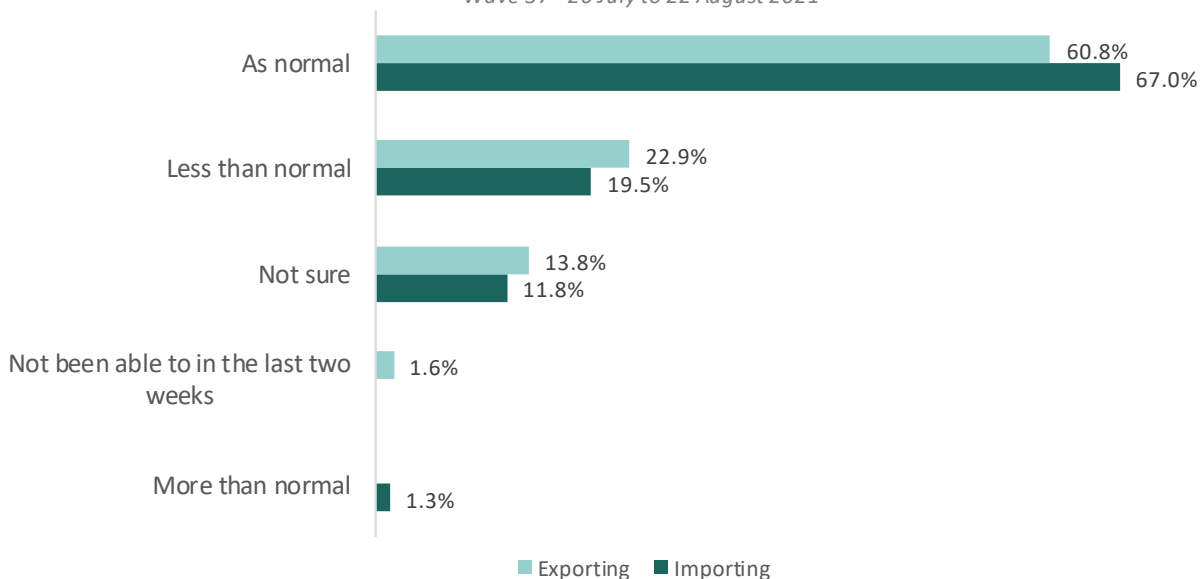
The BICS asks businesses that are currently trading about how current conditions, including the end of the EU transition period, have impacted on their exporting and importing – the specific questions asked are shown below.

Question: How does your business's exporting / importing in the last two weeks compare with normal expectations for this time of year?

- Exporting / importing more than normal
- Exporting / importing as normal
- Exporting / importing, but less than normal
- Not been able to export / import in the last two weeks
- Not sure

Figure 12: In the latest period, 22.9% of businesses currently trading that have exported in the last 12 months, reported exporting less than normal, and 19.5% reported importing less than normal.

How does your business's exporting / importing in the last two weeks compare with normal expectations at this time of year?
Businesses Currently Trading and exported / imported in last 12 months, with 10+ employees and a presence in Scotland
 Wave 37 - 26 July to 22 August 2021



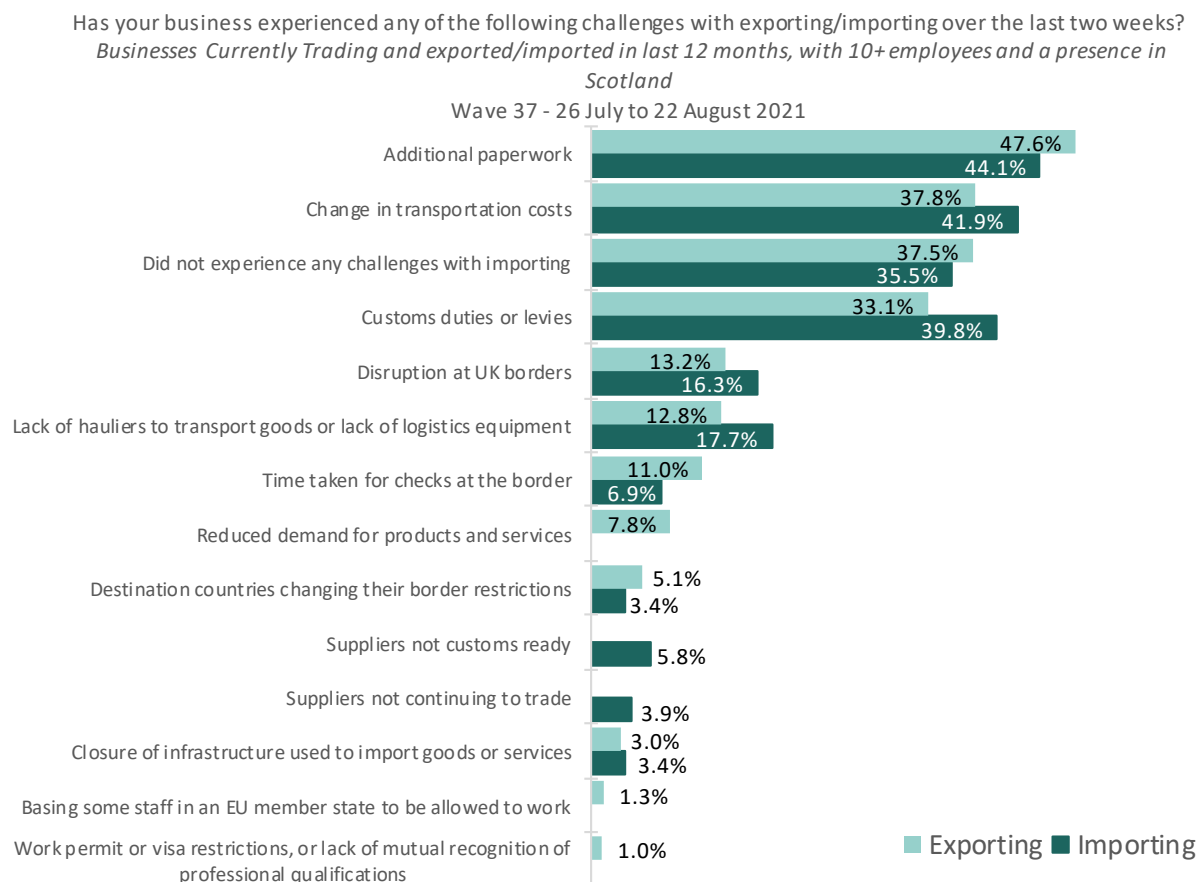
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

In the latest period, 60.8% of currently trading businesses reported that they exported as normal; this proportion has increased since the end of February (Wave 25) when 41.8% of businesses reported exporting as usual. Over two thirds (67.0%) of currently trading businesses reported importing as usual in the latest period and this proportion has been generally increasing since March (52.5% in Wave 27).

After a slight rise in July, the proportion of relevant businesses that have not been exporting or have exported less than usual decreased from 31.3% in Wave 36 to 24.5% in the latest period (Wave 37), thus returning to the general decreasing trend shown since February (42.8% in Wave 23). The proportion of businesses that have not been importing or have imported less than usual decreased from 37.1% in February (Wave 23) to 18.0% at the end of May (Wave 32), but has remained broadly stable since the start of June.

Currently trading businesses that have imported or exported in the last 12 months, and who reported on their exporting or importing in the last two weeks, were asked about the challenges they had experienced in doing so.

Figure 13: Additional paperwork was the most commonly reported challenge for exporting (47.6%) and importing (44.1%) experienced during the latest period.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

The second most commonly reported challenge was change in transportation costs for both importing and exporting.

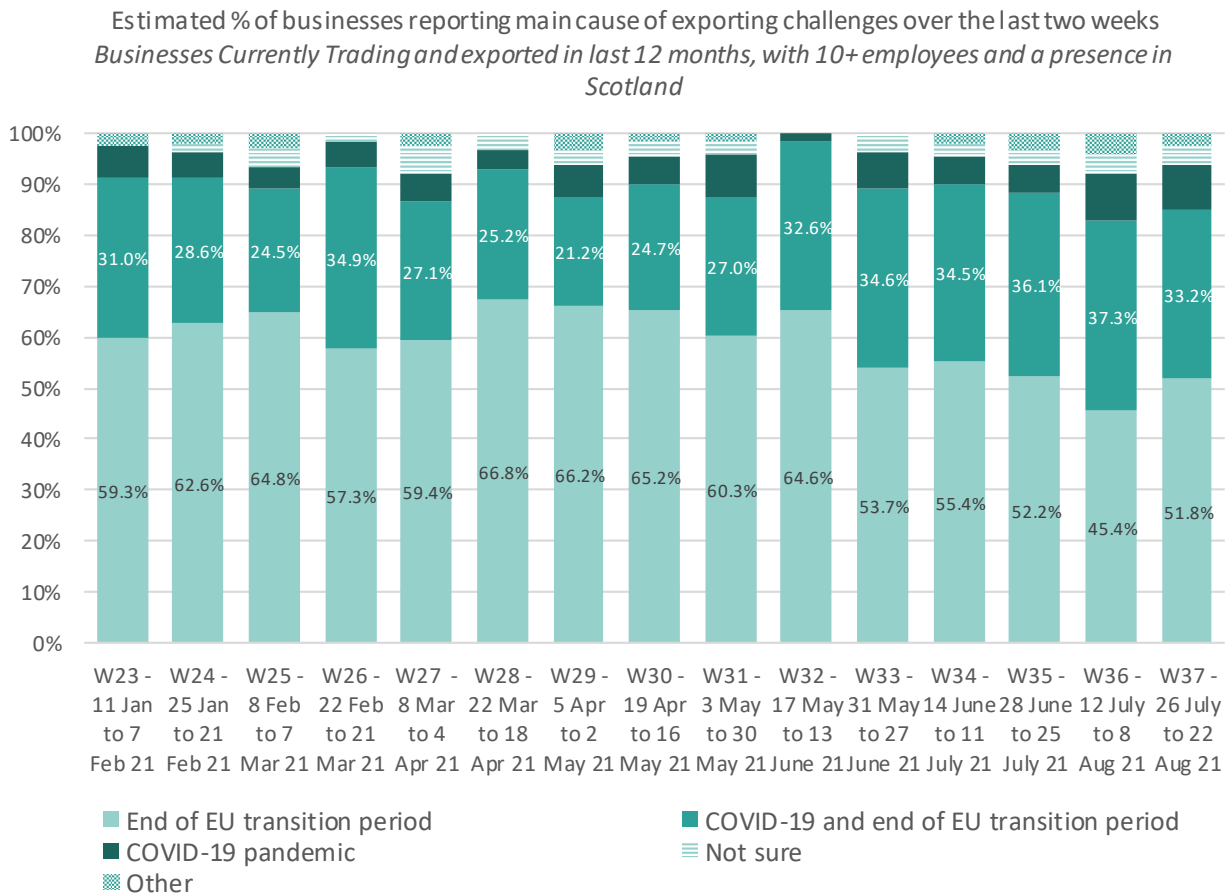
More than a third of companies that had exported / imported in the last 12 months reported that they did not experience any challenges with exporting (37.5%) or importing (35.5%) over the last two weeks and this has remained relatively constant since February.

Companies that reported experiencing challenges with exporting in the last two weeks were asked about the main cause of these challenges.

Question: What was the main cause of these exporting challenges?

- Coronavirus (COVID-19) pandemic
- End of the EU transition period
- Coronavirus (COVID-19) pandemic and the end of the EU transition period
- Other
- Not sure

Figure 14: The end of the EU transition period continues to be a challenge for exporting with just over half (51.8%) of relevant companies reporting the end of the EU transition period as the main cause of their exporting challenges in the latest period. A further 33.2% reported that the end of the EU transition period combined with COVID-19 was the main cause of their exporting challenges.

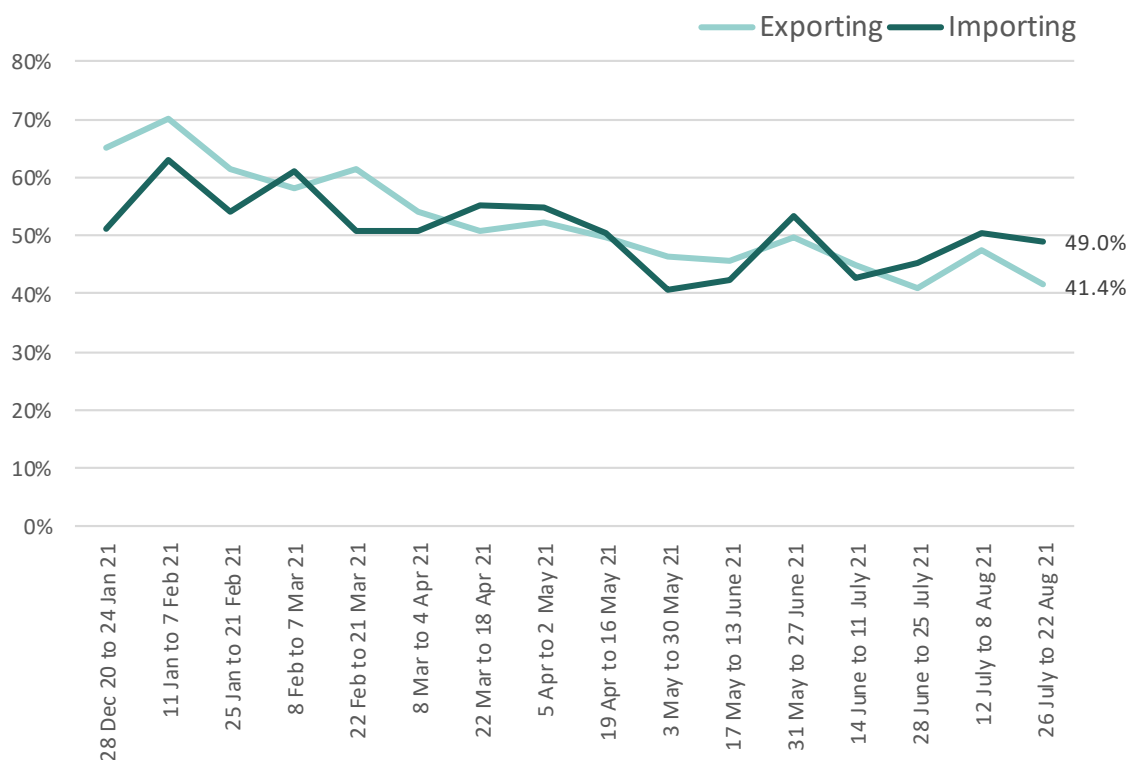


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 22 to 37

The results for importing were similar with just over half of companies (51.3%) reporting that the end of the EU transition period was the main cause of their importing challenges and a further 38.6% reporting that it was a combination of EU exit and the COVID-19 pandemic.

Figure 15: The proportion of relevant businesses that experienced moderate or severe disruption to exporting and/or importing has generally declined since the start of February, however, this decrease has been greater for exporting than for importing.

Estimated % of businesses experiencing moderate or severe disruption to exporting and importing over the previous two weeks
 Businesses Currently Trading and exported in last 12 months, with 10+ employees and a presence in Scotland



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 22 to 37

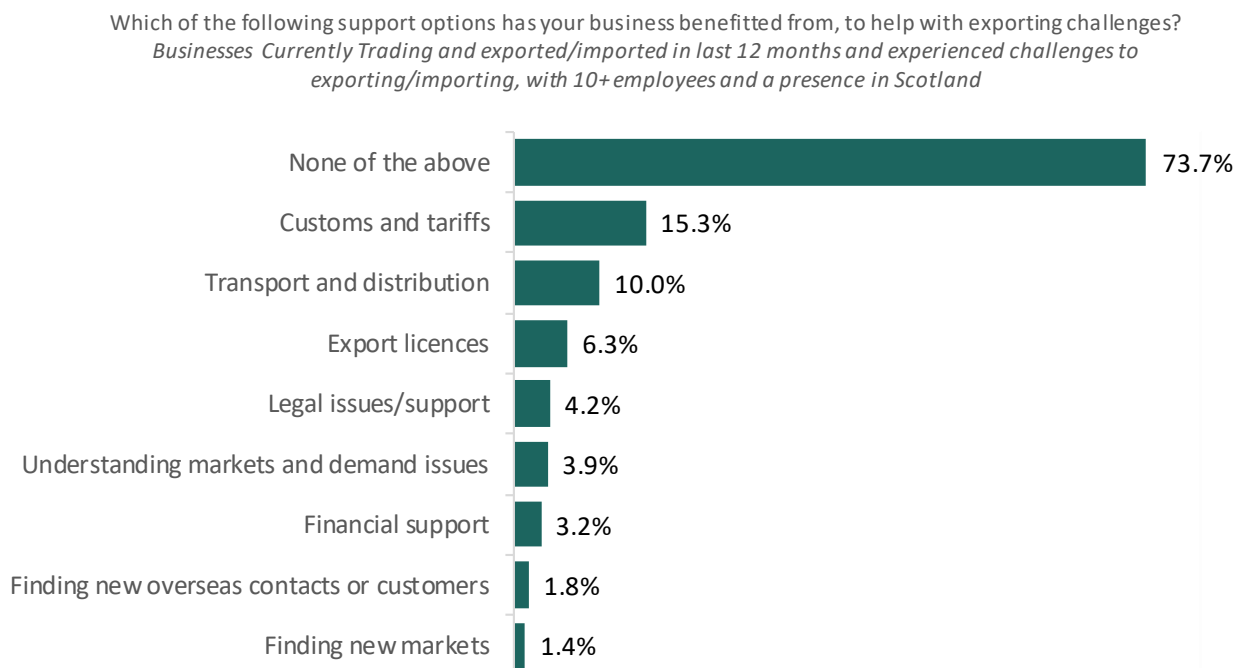
Of the businesses experiencing challenges to exporting, a greater proportion reported moderate or severe disruption to importing (49.0%) than exporting (41.4%) over the latest period.

Relevant businesses who experienced exporting challenges were also asked about support options their business has benefitted from to help with these challenges.

Question: Which of the following support options has your business benefitted from, to help with exporting challenges?

- Customs and tariffs
- Export licenses
- Financial support
- Finding new markets
- Finding new overseas contacts or customers
- Legal issues
- Transport and distribution
- Understanding markets and demand issues
- Other
- None of the above

Figure 16: The support options that businesses most commonly reported benefitting from were customs and tariffs (15.3%) and transport and distribution (10.0%), however, the majority (73.7%) of businesses reported that they did not benefit from any of these options to help with exporting challenges.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 37

When asked to choose which support options they would benefit from to help with importing challenges, an estimated 36.9% of currently trading businesses selected customs and tariffs and 31.3% selected transport and distribution, however, 41.7% reported that none of the available options would benefit them.

Businesses were asked if they had changed where they exported goods or services to in the last two weeks and the majority (91.8%) of relevant exporting businesses reported making no changes. Similarly, the majority (93.0%) of relevant businesses reported making no changes to where they sourced their imports of goods and services, which was an increase from 83.8% in the previous wave and the highest since this was first measured in January.

Supply Chains

The BICS asks businesses that have not permanently stopped trading, about supply chains and the impact of the end of the EU transition period.

Question: Has your business made changes to supply chains due to the end of the EU transition period?

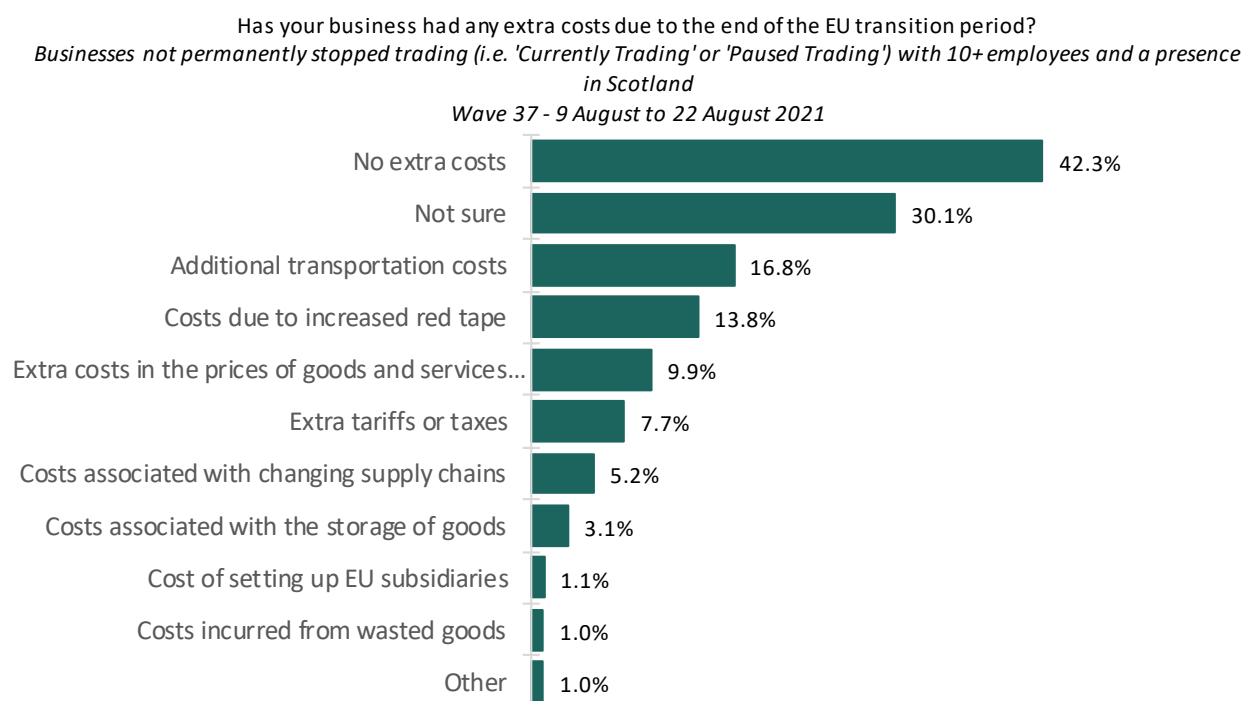
- Yes
- No
- Not sure
- Not applicable

Note for the results for this question, we have excluded 'not applicable' responses from the analysis.

Three quarters of applicable businesses (75.2%) reported not making any changes to supply chains due to the end of the EU transition period. Of the businesses that had made changes due to the end of the EU transition period, 40.3% reported doing so as a result of the new UK trade agreement.

Businesses not permanently stopped trading were also asked if they had any extra costs due to the end of the EU transition period.

Figure 17: Of the relevant businesses, an estimated 42.3% reported incurring no extra costs in the latest period due to the end of the EU transition period. The most commonly reported additional costs were those associated with transportation (16.8%) and increased red tape (13.8%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 37

The proportion of relevant businesses reporting that they have incurred no extra costs has been generally decreasing since March (53.0% in Wave 27). Additional transportation costs has been the most commonly reported cost incurred in recent waves.

The majority (89.4%) of businesses not permanently stopped trading reported that they do not intend to open any new branches or subsidiaries in the EU in the next 12 months. The results for this question have remained stable since first introduced in April.

Stock

In terms of accessing materials, 80.6% of applicable businesses who had not permanently stopped trading reported that they were able to get the materials, goods or services they needed from the EU in the past two weeks, but 12.5% reported that the business had to

change suppliers or find alternative solutions. The estimated proportion of businesses that had not been able to get the materials, goods or services they needed from the EU in the past two weeks has increased from 4.1% in March to 7.0% in the latest period.

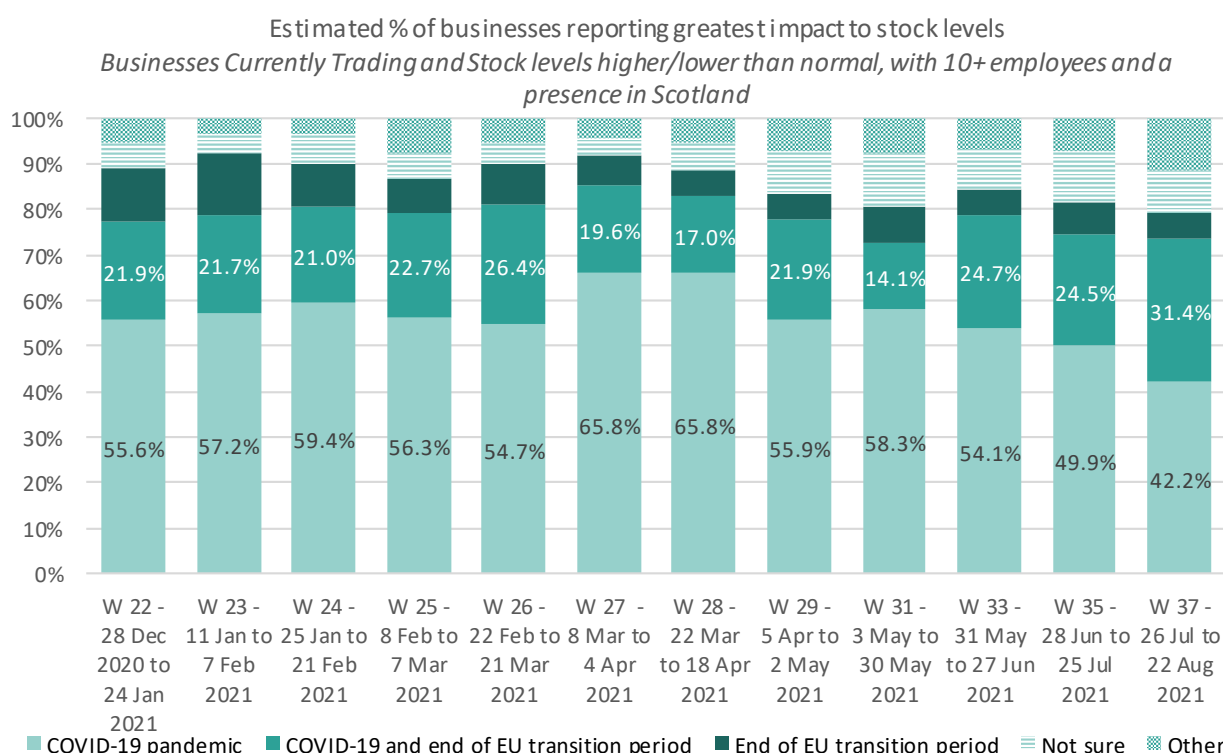
In relation to stock levels, over half (55.0%) of applicable companies reported that stock levels haven't changed over the past two weeks compared to normal expectations, while a fifth (20.9%) reported that stock levels are lower than normal and 11.1% said that stock levels are higher than normal.

Businesses currently trading were asked what has had the greatest impact to stock levels in the past two weeks.

Question: In the last two weeks, what has had the greatest impact to your business's stock levels?

- Coronavirus (COVID-19) pandemic
- End of the EU transition period
- Coronavirus (COVID-19) pandemic and the end of the EU transition period
- Other
- Not sure

Figure 18: The biggest factor impacting stock levels continues to be the COVID-19 pandemic, with 42.2% of businesses reporting it as having the greatest impact on stock levels in the current period. However this is the lowest proportion since this was first measured in January 2021.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Waves 22 to 29, 31, 33, 35, 37

Businesses were also asked about stockpiling, and of businesses not permanently stopped trading, the majority (88.4%) reported that they are not stockpiling any goods or materials;

this has remained relatively stable since February. Of the businesses reporting stockpiling, the majority (81.5%) sourced these goods or materials from UK suppliers, 44.7% sourced them from EU suppliers and 24.7% reported sourcing goods and materials from non-EU suppliers.

The most commonly reported stockpiled materials were metals and materials (38.9%), other consumer goods (20.1%) and manufacturing parts (18.3%).

An Experimental Statistics Publication for Scotland

Experimental statistics are a subset of newly developed or innovative statistics undergoing evaluation. They are published to involve users and stakeholders in the assessment of their suitability and quality at an early stage.

The Office for Statistics Regulation publishes guidance on experimental statistics [here](#). The Scottish Government is developing these estimates on an ongoing basis, and is grateful to the ONS which has shared the BICS data.

We welcome any feedback on the development of these statistics, using the contact details below.

Correspondence and enquiries

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