

BUSINESS AND ENERGY

Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 24

5 March 2021

The Business Insights and Conditions Survey (BICS) is the new name for the Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey. This is the twelfth 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 8 February to 21 February 2021, the share of businesses 'currently trading' remained low at 81.7%, reflecting the continued lockdown restrictions.
- The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors continued to have the lowest shares of businesses 'currently trading' - estimated at 35.7% and 50.8% respectively.
- The share of the workforce on furlough leave was estimated at 21.3% in the period 25 January to 21 February 2021 – a slight increase on the previous period, but still below the rate of 32.1% in June 2020 (when comparable estimates began).
- The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors continued to have the highest shares of the workforce on furlough leave - estimated at 72.8% and 66.4% respectively.
- In the period 25 January to 21 February 2021, of businesses currently trading that had exported in the last 12 months, 36% were exporting less than normal, while a further 5% had not been able to export. For importing, over a quarter (28%) of relevant businesses were importing less than normal, while 7% had not been able to import in the latest period.

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 now 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 has been 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 10,351 businesses responded to the Wave 24 BICS UK-wide – 1,419 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 1,301 responding businesses in Wave 24. 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 1st of February 2021 ONS published '[Understanding the business impacts of local and national restrictions - Office for National Statistics](#) – this provides an analysis of weighted data for areas within the UK (including Scotland). This latest ONS sub-national analysis is based on businesses that are single sites and so multi-site businesses are excluded. This differs to the approach taken for the Scottish Government estimates presented here which include single site and multi-site businesses, but 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

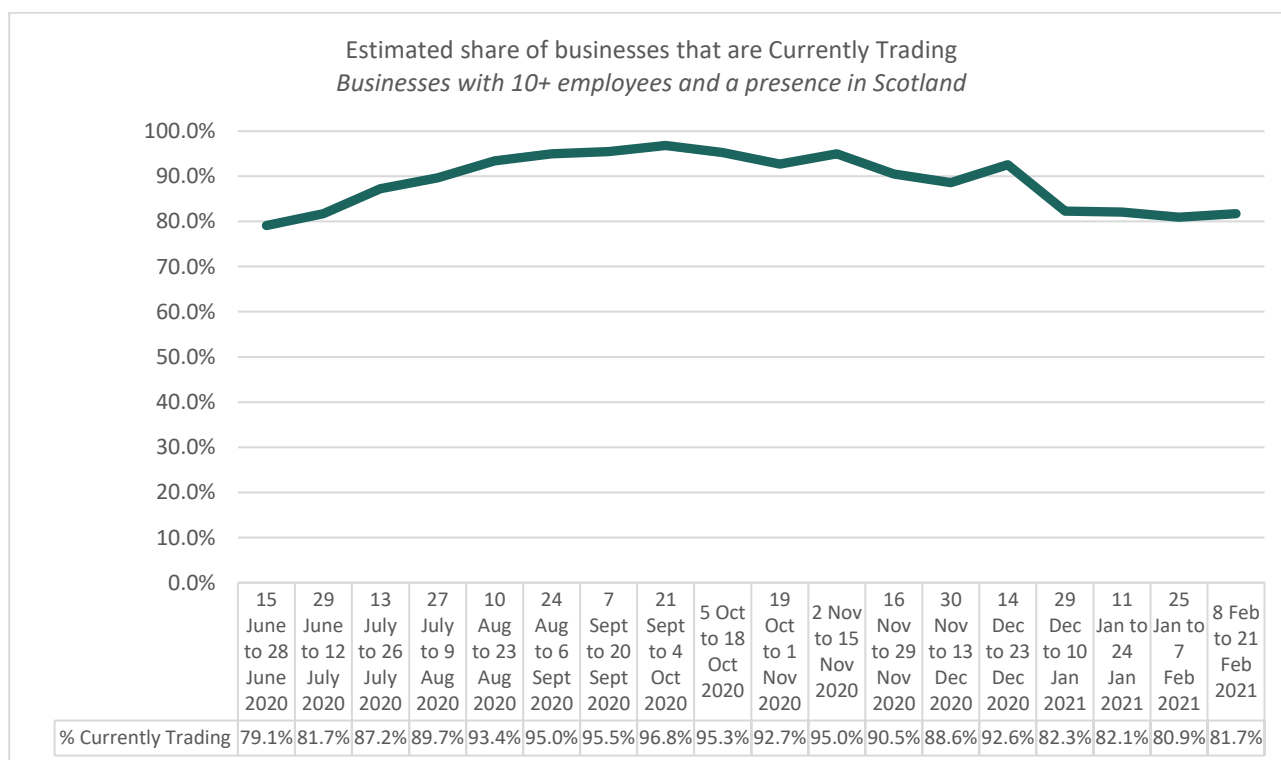
The BICS asks businesses about their trading status: the specific question³ asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (8 February to 21 February 2021 in Wave 24).

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

For presentational purposes, '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'. 'Paused trading but intends to restart in the next two weeks', and 'Paused trading and does not intend to restart in the next two weeks' have been combined to 'Paused Trading'. The breakdowns of these categories are available in the detailed data tables.

Figure 1: In the period 8 February to 21 February 2021, the share of businesses 'currently trading' remained low at 81.7%, reflecting the continued lockdown restrictions.

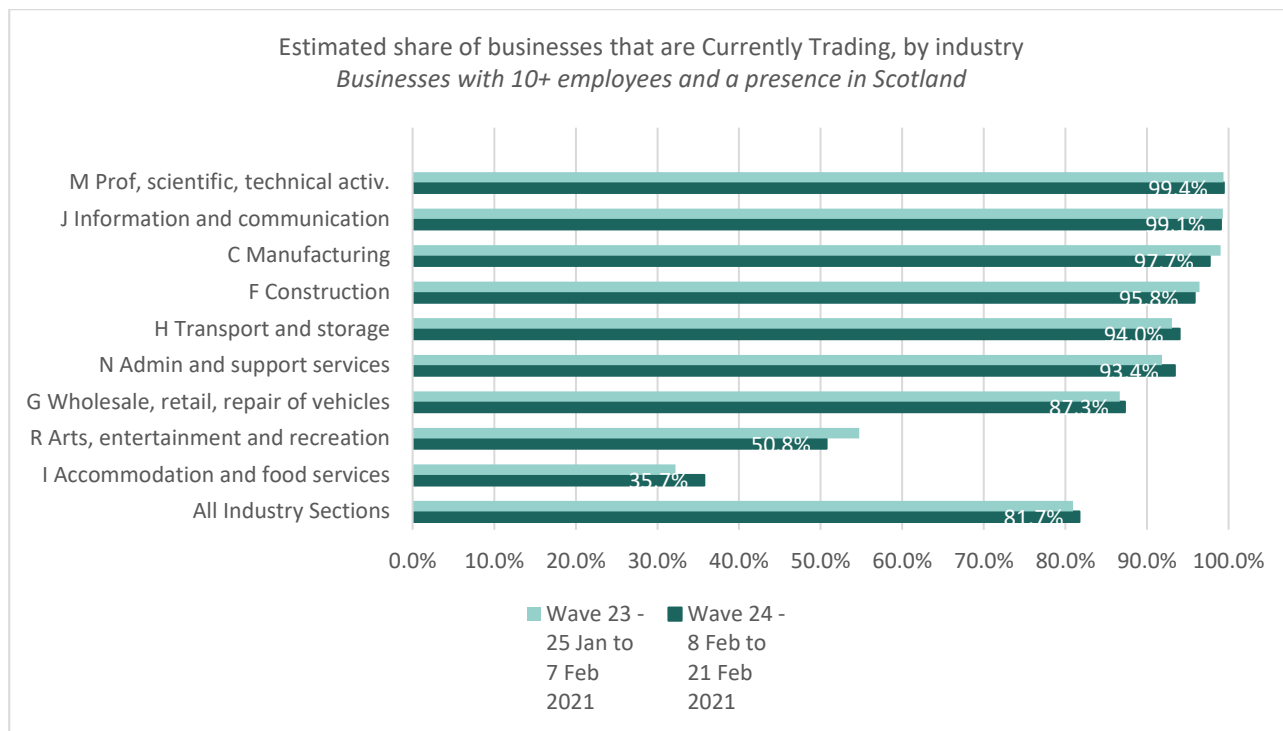


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 24

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 Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors continued to have the lowest shares of businesses 'currently trading' - estimated at 35.7% and 50.8% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 23 and Wave 24

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 (8 February to 21 February 2021 for Wave 24) with the full question reference period (looking back at the last two weeks) covering 25 January to 21 February 2021 for Wave 24.

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

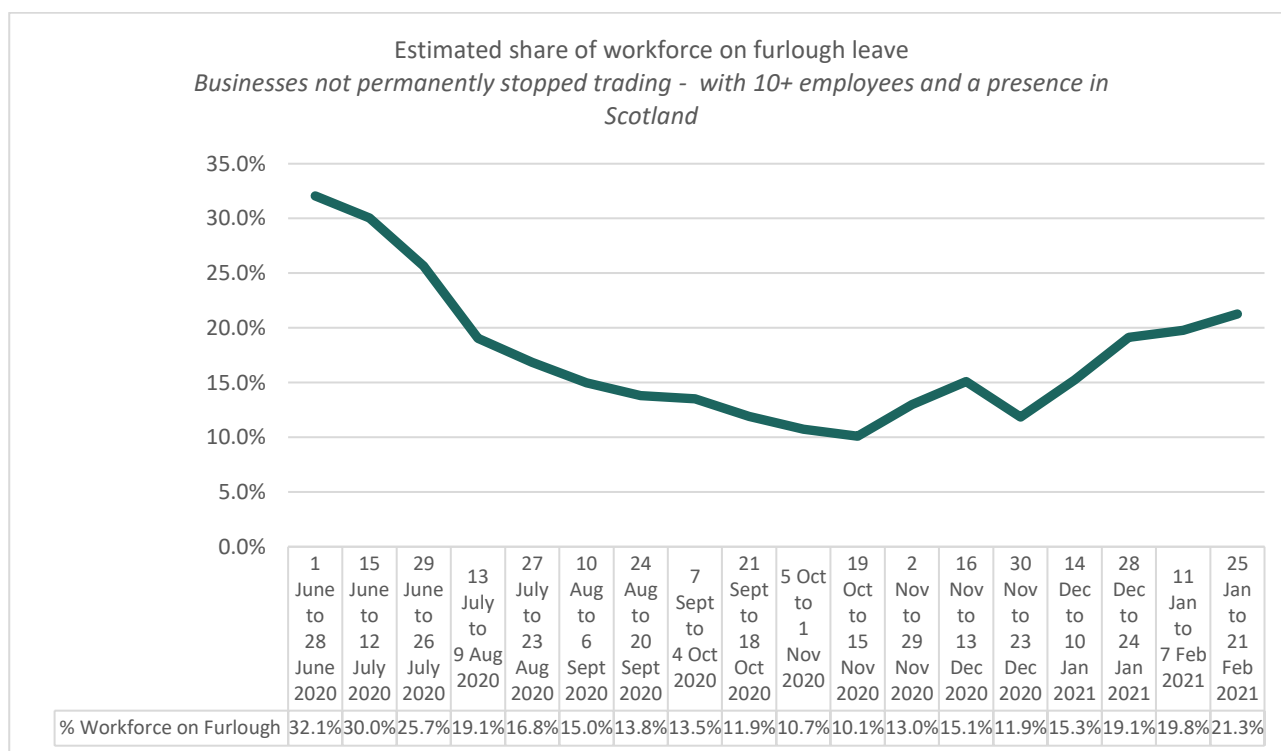
- On furlough leave
- Working at their normal place of work
- Working remotely instead of at their normal place of work
- Off sick or not working due to Covid-19, self-isolation or quarantine
- Made permanently redundant
- Other

In this report we focus on the furlough leave, but all the breakdowns are available in the detailed data tables.

There are different ways that we can analyse the furlough leave response. One way to look at it is to estimate the share of businesses that have any of their workforce on furlough leave – an estimated 59.3% of businesses that were currently trading had some share of their workforce on furlough leave in the period 25 January to 21 February 2021. This share increases to 66.1% when we widen the base out to all businesses that have not permanently stopped trading (i.e. those ‘Currently Trading’ or ‘Paused Trading’).

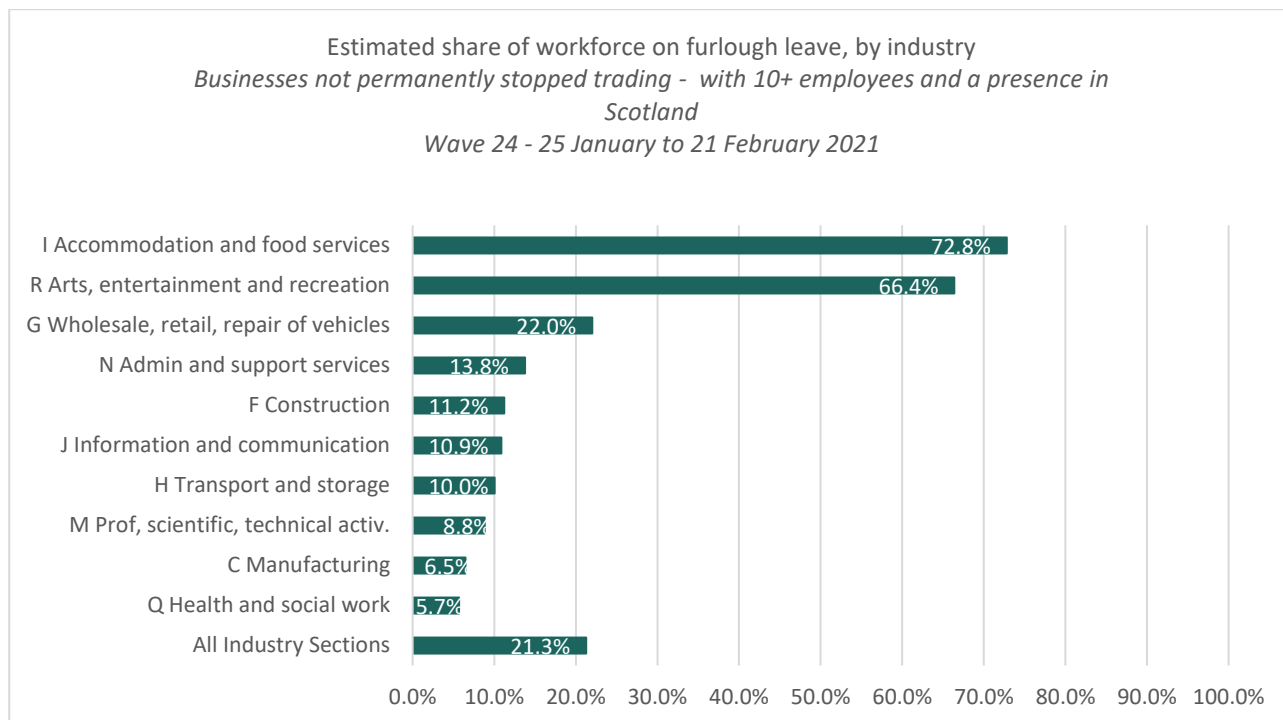
Another way to consider the workforce status question is to look at the share of the workforce that is furloughed. The workforce proportions are based on the responses provided by businesses. These are then applied to employment (in Scottish units) recorded for each reporting unit on the [Inter-Departmental Business Register \(IDBR\)](#). Then the data are weighted to ensure representativeness of the Scottish workforce in businesses with 10+ employees.

Figure 3: The share of the workforce on furlough leave was estimated at 21.3% in the period 25 January to 21 February 2021 – a slight increase on the previous period, but still below the rate of 32.1% in June 2020 (when comparable estimates began).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 24

Figure 4: The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors continued to have the highest shares of the workforce on furlough leave - estimated at 72.8% and 66.4% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 24

Financial Performance

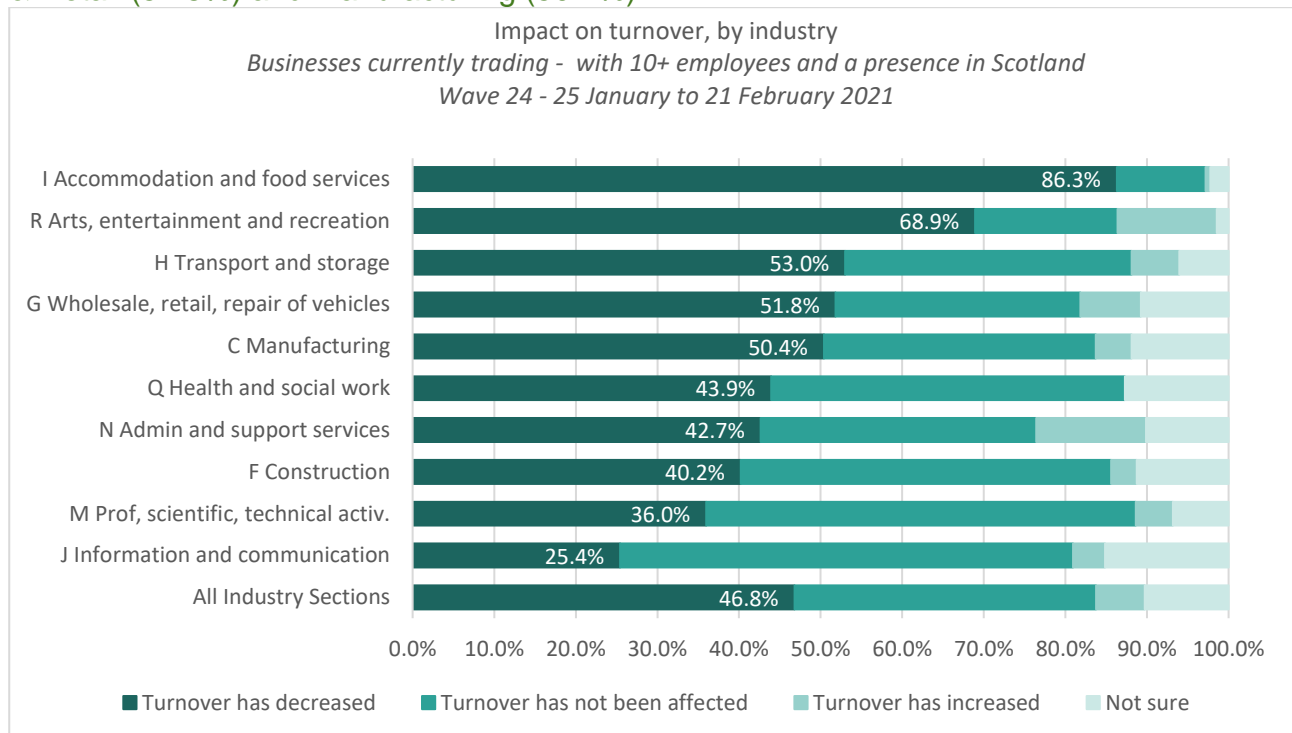
The BICS asks businesses, that are currently trading, about how turnover compares to business as usual - the specific question asked (from Wave 24) is shown below. Note that businesses were asked about the status of their turnover in the last two weeks and so responses will be from the time of completion of the survey questionnaire (8 February to 21 February 2021 for Wave 24) with the full question reference period (looking back at the last two weeks) covering 25 January to 21 February 2021 for Wave 24.

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. Note that prior to Wave 24 this question was slightly different in that businesses were specifically asked about the impact of the coronavirus (COVID-19) on turnover.

Figure 5: In the period 25 January to 21 February 2021, there were five industries where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected. These were Accommodation & Food Services (estimated at 86.3%), Arts, Entertainment & Recreation (68.9%), Transport & Storage (53.0%), Wholesale & Retail (51.8%) and Manufacturing (50.4%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 24

Business Resilience

The BICS asks businesses, that had not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about their cash flow - the specific question asked is shown below. Note that businesses were asked about cash flow from the time of completion of the survey questionnaire (8 February to 21 February 2021 for Wave 24).

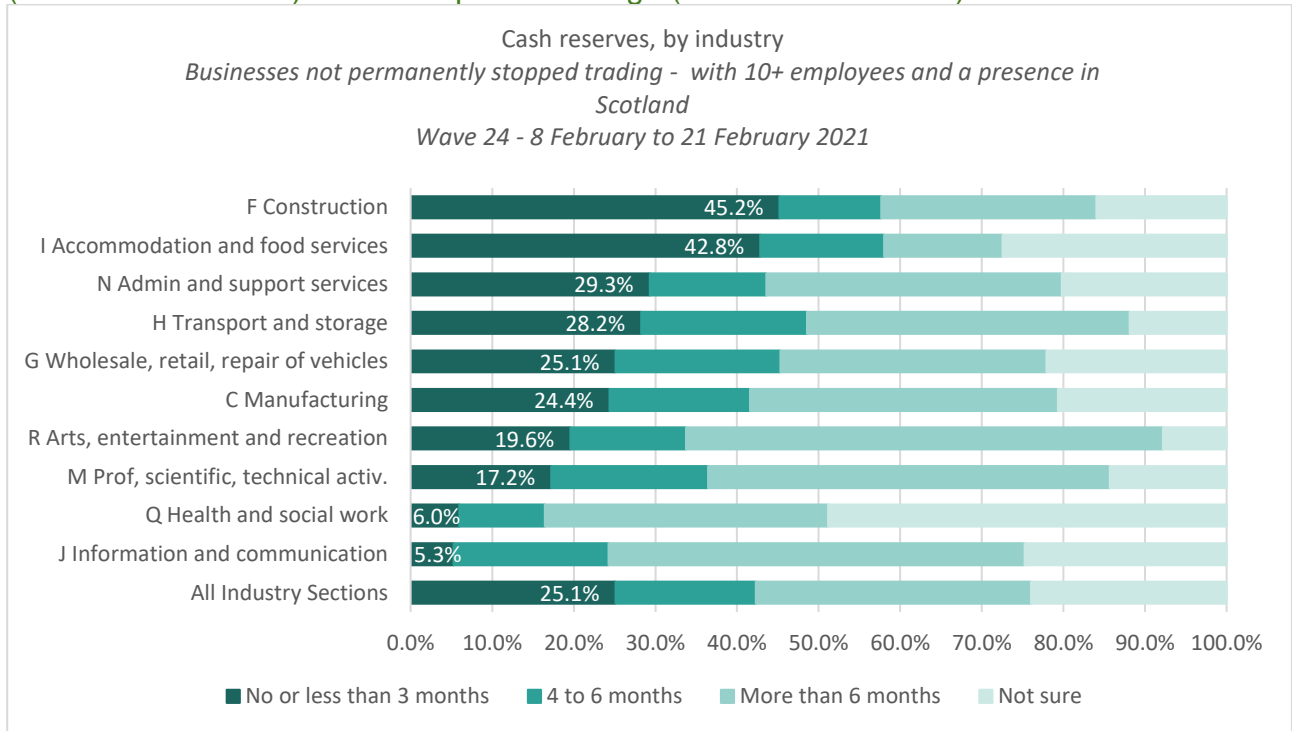
Question: How long do you think your business’s cash reserves will last?:

- No cash reserves
- Less than 1 month
- 1 to 3 months
- 4 to 6 months
- More than 6 months
- Not sure

For presentational purposes, cash reserve categories less than three months have been combined. The breakdowns of these categories are available in the detailed data tables.

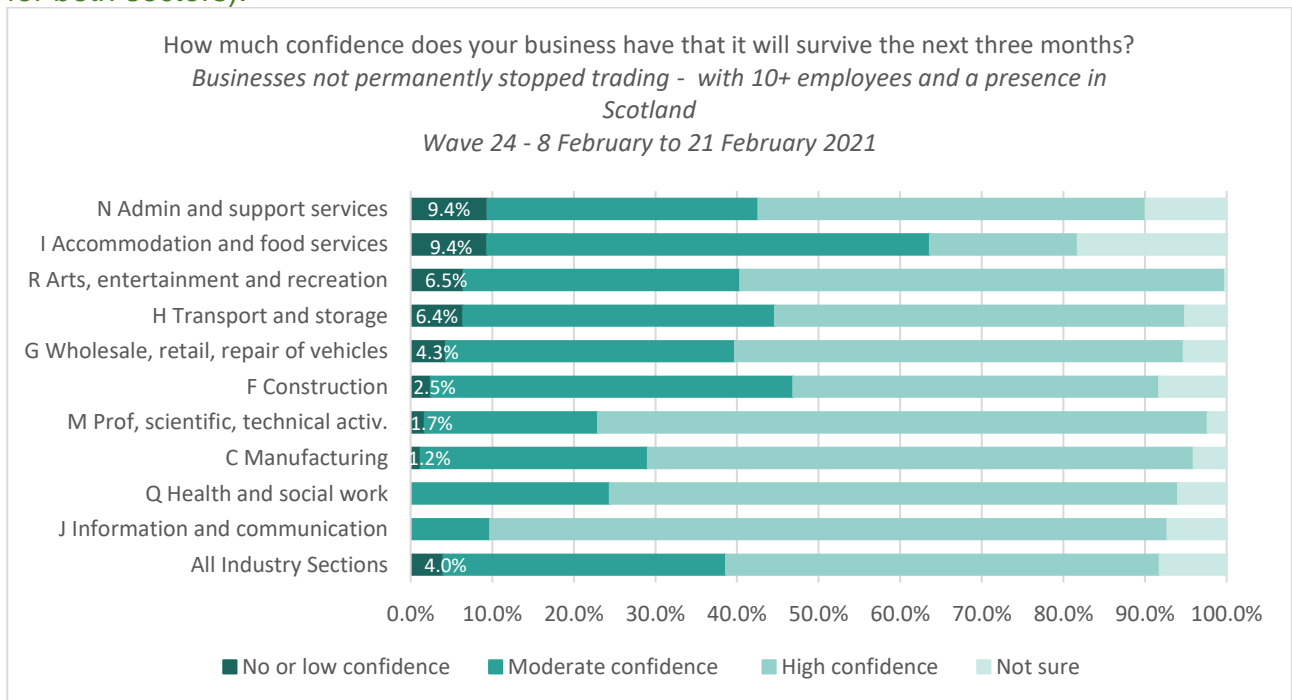
In Wave 24, businesses that had not permanently stopped trading were also asked how much confidence they had that they would survive the next three months.

Figure 6: In the latest period, 25.1% of businesses reported they had no or less than three months cash reserves, with higher rates for Construction (estimated at 45.2%), Accommodation & Food Services (estimated at 42.8%), Administrative & Support Services (estimated at 29.3%) and Transport & Storage (estimated at 28.2%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 24

Figure 7: In the latest period, 4.0% of businesses reported that they had no or low confidence that their business would survive the next three months, with the highest rates for Administrative & Support Services and Accommodation & Food Services (estimated at 9.4% for both sectors).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 24

Impact on businesses' exporting and importing

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?

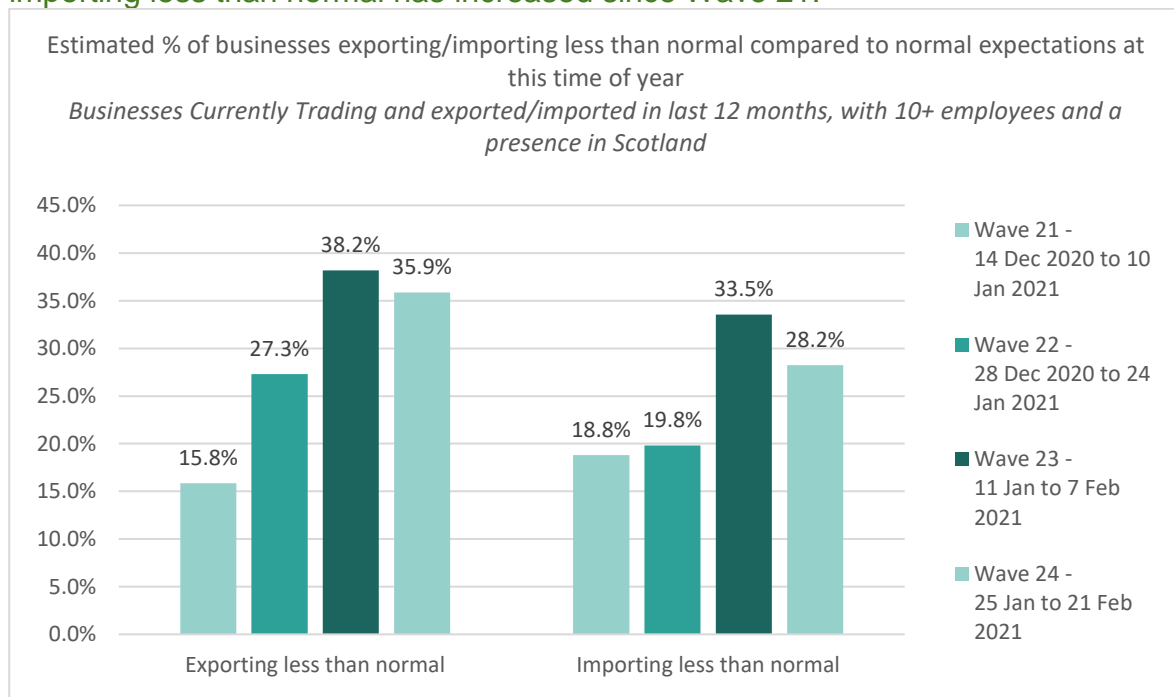
- Exporting / importing more than normal
- Exporting / importing as normal
- Exporting / importing, but less than normal
- Not been able to export / import in the last two weeks
- Not sure

Figure 8: In the latest period, of businesses currently trading that have exported in the last 12 months, 36% were exporting less than normal, while a further 5% had not been able to export. For importing, over a quarter (28%) of relevant businesses were importing less than normal, while 7% had not been able to import in the latest period.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 24

Figure 9: The estimated proportion of businesses reporting that they were exporting or importing less than normal has increased since Wave 21.

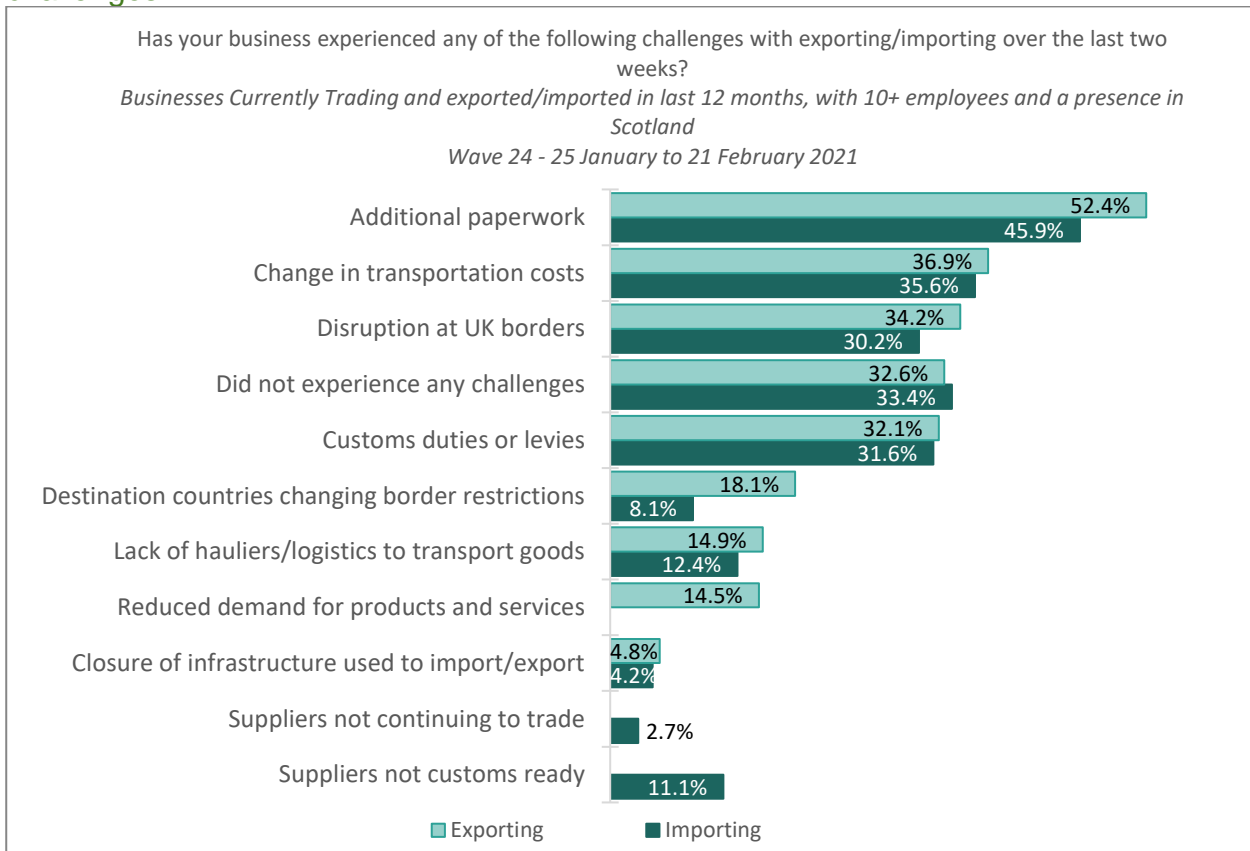


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 21 to Wave 24

Currently trading businesses that had exported or imported 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.

Three new response options were included in this question in Wave 24 – ‘Additional paperwork’, ‘Basing some staff in an EU member state to be allowed to work’, and ‘Work permit or visa restrictions, or lack of mutual recognition of professional qualifications’. In addition, ‘Lack of hauliers to transport goods’ and ‘Lack of logistics equipment’ have been combined into one category in Wave 24.

Figure 10: The most commonly reported challenge is now additional paperwork, with over half of companies (52%) reporting this as an exporting challenge and 46% reporting this as an importing challenge. However a third of exporters and importers did not experience any challenges.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 24

The percentage of the relevant companies reporting that they did not experience any challenges in exporting and importing has decreased from Wave 23, which saw 41% of companies reporting no challenges in exporting and 45% reporting no challenges in importing.

Businesses were also asked if they had changed where they sourced their imports of goods or services from in the last two weeks and the majority (80.4%) of relevant importing businesses reported making no changes. This was lower than the percentage reported in Wave 23 (85.4%). Around 3% reported changing from EU to non-EU suppliers, while the rest were unsure.

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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