

## BUSINESS AND ENERGY

### Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 44

10 December 2021

This is the 32<sup>nd</sup> 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 15 November to 28 November 2021, the share of businesses 'currently trading' was estimated at 98.8%. The share of businesses reporting that they were fully trading was estimated at 95.0%, with 3.7% of businesses reporting that they were partially trading.
- In the period 1 November to 28 November 2021, an estimated 70.0% of the workforce were working from a designated workspace, with a further 11.0% working from home and another 15.0% using a hybrid model of working.
- In Wave 44, 38.3% of businesses reported experiencing a shortage of workers, with 65.3% of these businesses reporting that the shortage of workers has resulted in employees working increased hours.
- In Wave 44, 44.3% of businesses reported that vacancies were more difficult to fill in the last month compared with normal expectations for this time of year – down from 47.4% in Wave 42.
- Hygiene Measures (85.0%), Social Distancing (74.8%) and Personal Protective Equipment (PPE) (71.8%) continue to be the workplace safety measures most frequently reported by businesses in Wave 44.
- In Wave 44, 44.0% of currently trading businesses reported that the prices of materials, goods or services bought had increased by more than normal price fluctuations. In contrast, only 16.5% of businesses currently trading reported that they had increased the price of goods or services sold.

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## 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.<sup>1</sup> 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 microdata<sup>2</sup>, 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 8,872 businesses responded to the Wave 44 BICS UK-wide – 1,200 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 1,096 responding businesses in Wave 44. 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'.

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<sup>1</sup> 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.

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

## Trading Status

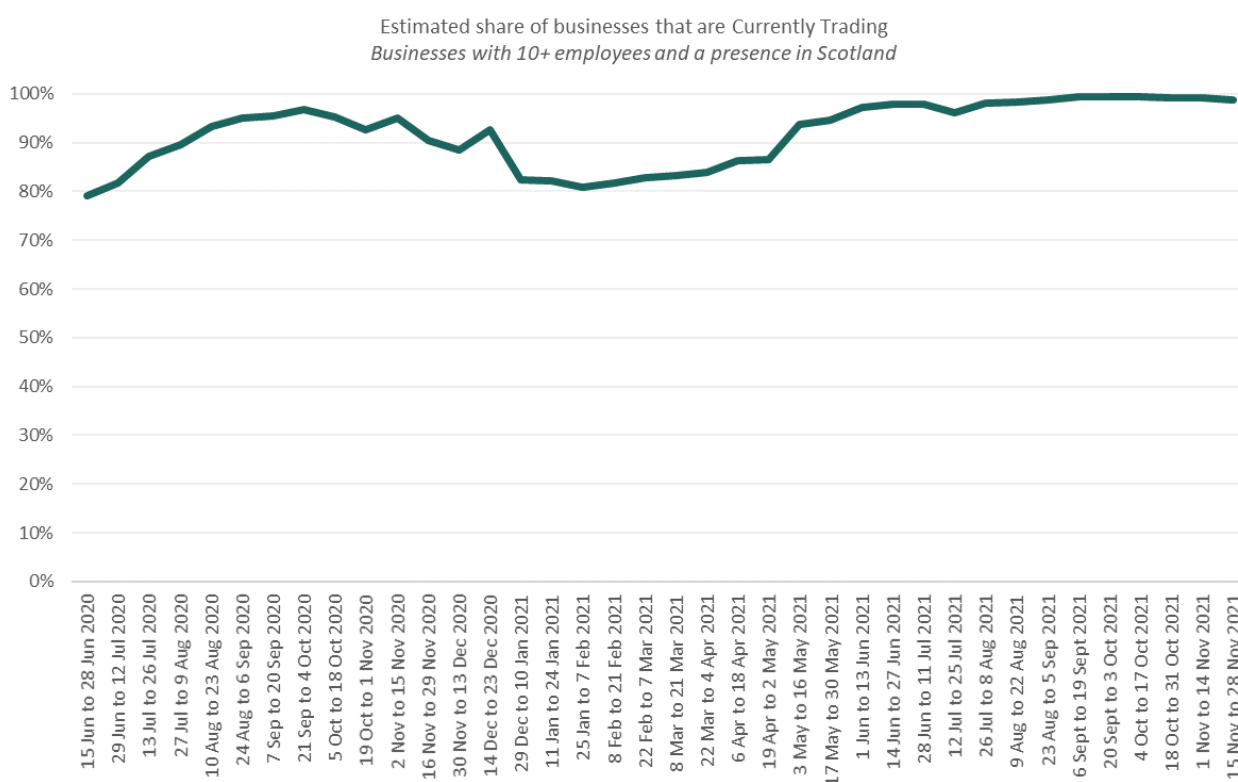
The BICS asks businesses about their trading status: the specific question<sup>3</sup> asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (15 November to 28 November 2021 in Wave 44).

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

- Currently fully trading
- Currently partially 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 fully trading' and 'Currently partially trading' have been combined to 'Currently Trading'.

Figure 1: In the period 15 November to 28 November 2021, the share of businesses 'currently trading' was estimated at 98.8% - in line with the rate in recent waves.

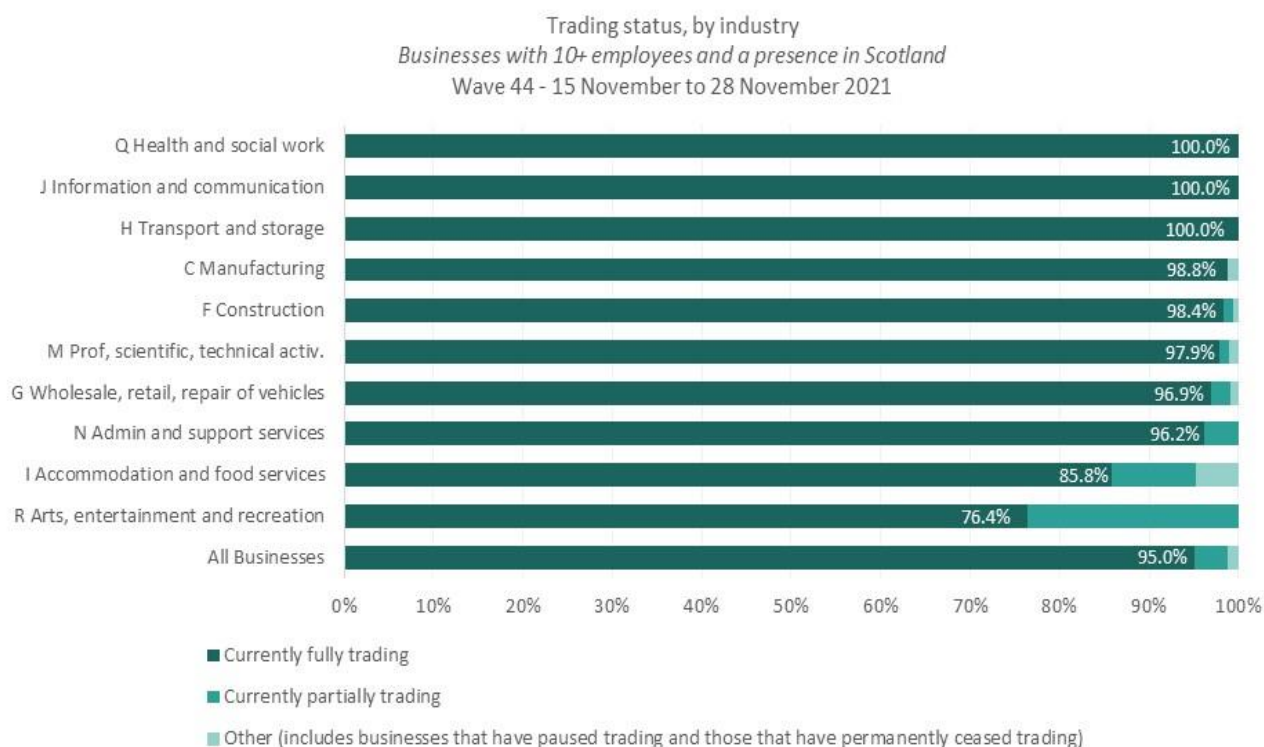


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 44

<sup>3</sup> The ONS publishes all the questions for each wave at:

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

Figure 2: The share of businesses reporting that they were fully trading was estimated at 95.0%, with 3.7% of businesses reporting that they were partially trading. The Arts, Entertainment & Recreation and Accommodation & Food Services industry sectors had the lowest shares of “fully trading” businesses, at 76.4% and 85.8% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 44

## Workforce Status

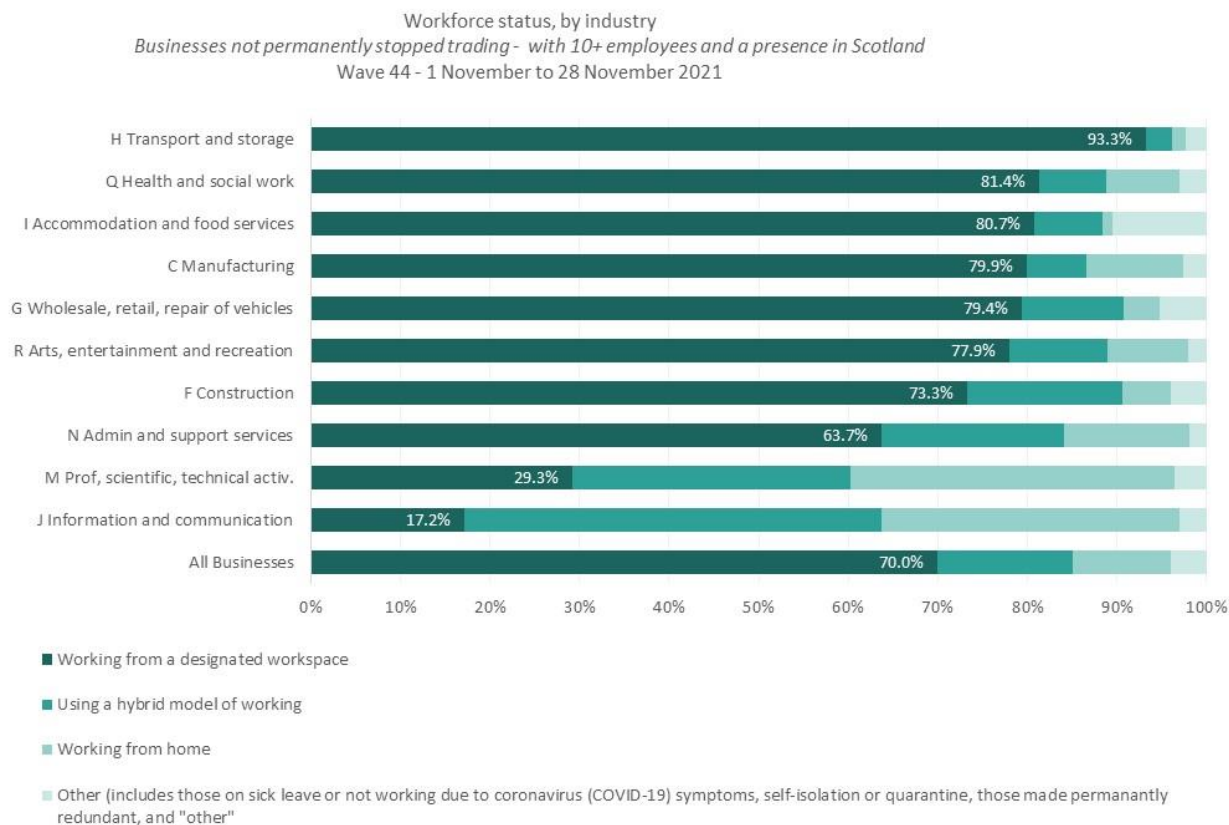
The BICS asks businesses that have not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about the status of their workforce. Note that businesses were asked about the status of their workforce in the last two weeks and so responses will be from the time of completion of the survey questionnaire (15 November to 28 November 2021 for Wave 44) with the full question reference period (looking back at the last two weeks) covering 1 November to 28 November 2021 for Wave 44.

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

- Working from a designated workspace
- Made permanently redundant
- Using a hybrid model of working
- Working from home
- On sick leave or not working due to coronavirus (COVID-19) symptoms, self-isolation or quarantine
- Other

In the period 1 November to 28 November 2021, an estimated 70.0% of the workforce were working from a designated workspace, with a further 11.0% working from home and another 15.0% using a hybrid model of working.

Figure 3: The share of the workforce working from a designated workspace was estimated to be 70.0%. This share was highest in the Transport & Storage and Health & Social Work industry sectors, estimated at 93.3% and 81.4% respectively. In contrast, around one third of workers in the Professional, Scientific & Technical Activities and Information & Communication industry sectors are working from home, with 36.1% and 33.3% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 44

The latest data show that 15.0% of the workforce are estimated to be using a hybrid model of working, with this share rising to 46.5% in the Information & Communication industry sector.

### Worker Shortages

In Wave 44, businesses that have not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), were asked whether they are currently experiencing a shortage of workers. An estimated 38.3% of businesses reported experiencing a shortage of workers - rising to 51.2% of businesses in the Health & Social Work industry sector, and 50.0% of businesses in the Arts, Entertainment & Recreation industry sector.

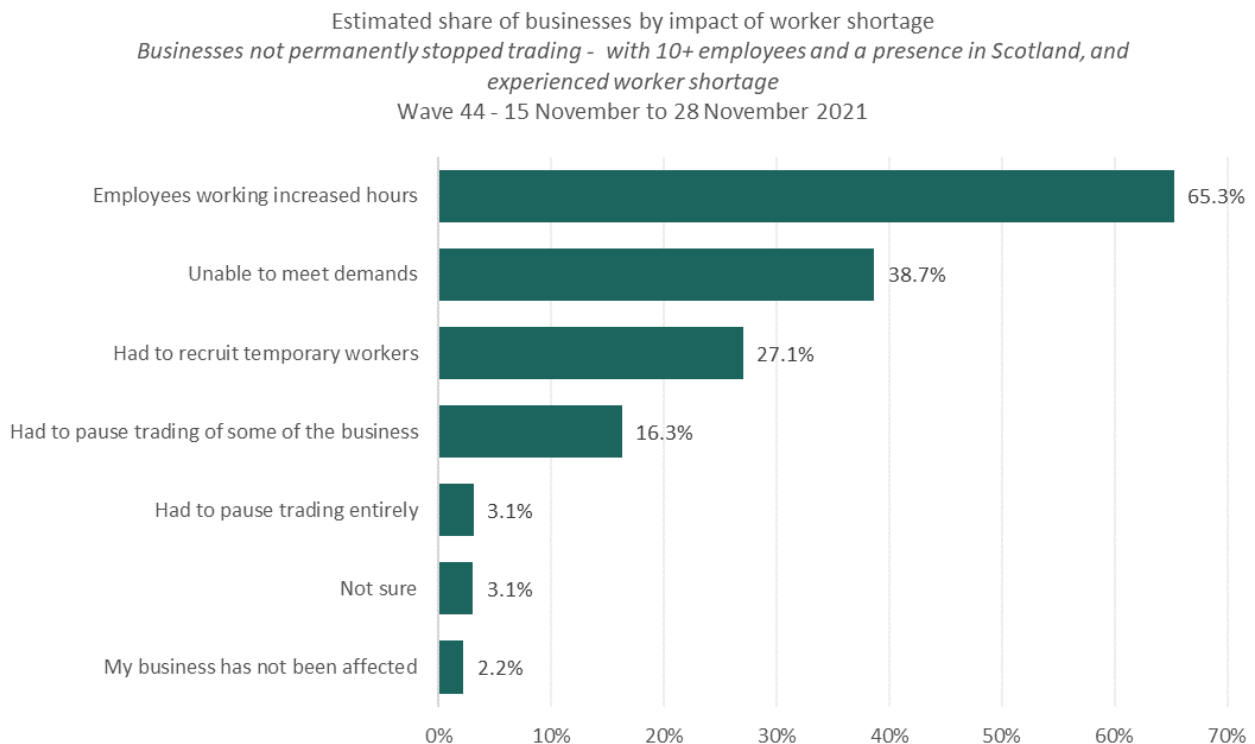
The BICS also asks businesses that have not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’) and that are experiencing a shortage of workers, about how their businesses has been affected by this – the specific question asked is shown below.

**Worker Shortage question:** How has the shortage of workers affected your business?

- Employees working increased hours
- Had to pause trading entirely
- Had to pause trading of some of the business

- Had to recruit temporary workers
- Unable to meet demands
- Not sure
- My business has not been affected

Figure 4: In Wave 44, 65.3% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 38.7% of businesses reported that they have been unable to meet demands due to a shortage of workers.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 44

## Vacancies

In Wave 44, businesses were asked about how difficult it has been to fill vacancies in the last month compared to normal expectations. Of businesses not permanently stopped trading, 44.3% reported that vacancies were more difficult to fill in the last month compared with normal expectations for this time of year – down from 47.4% in Wave 42. In Wave 44, the Transport & Storage and Construction industry sectors had the highest shares of businesses reporting that vacancies were more difficult to fill, at 58.6% and 52.3% respectively.

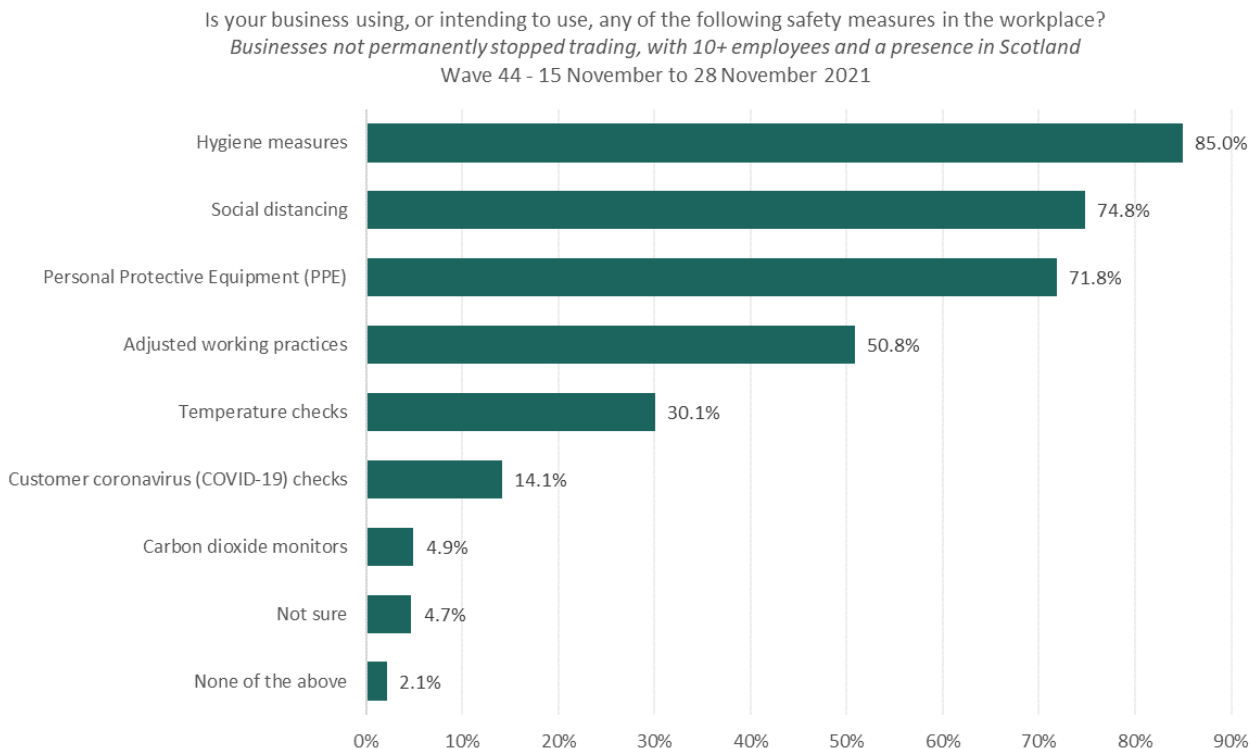
## Safety Measures

The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), whether they are using, or intending to use, any safety measures in the workplace – the specific question asked is shown below. Businesses were asked about their safety measures at the time of completion of the survey questionnaire (15 November to 28 November 2021 in Wave 44).

**Safety Measures Question:** Is your business using, or intending to use, any of the following safety measures in the workplace?

- Adjusted working practices
- Customer coronavirus (COVID-19) checks
- Hygiene measures
- Personal Protective Equipment (PPE)
- Social distancing
- Temperature checks
- Carbon dioxide monitors
- None of the above
- Not sure

Figure 5: Hygiene Measures (85.0%), Social Distancing (74.8%) and Personal Protective Equipment (PPE) (71.8%) continue to be the workplace safety measures most frequently reported by businesses in Wave 44.



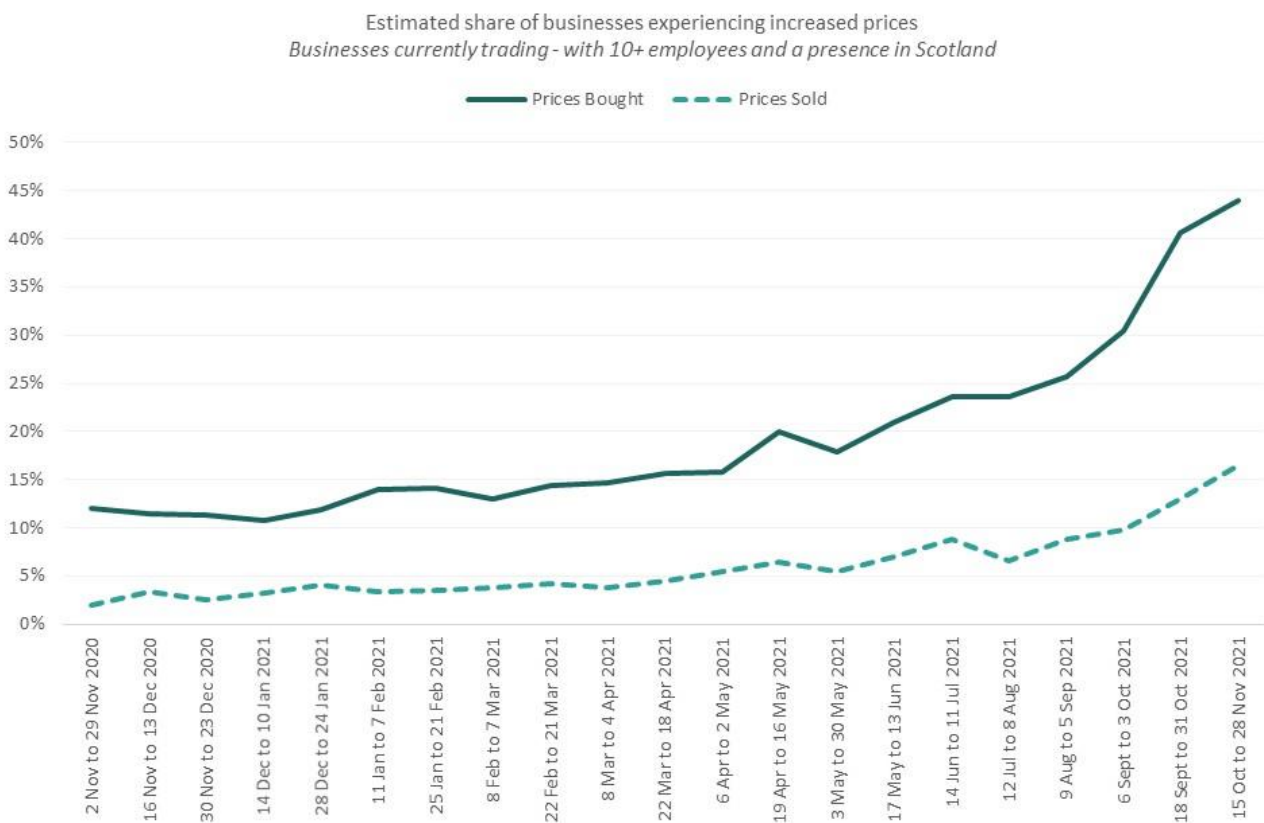
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 44



## Prices

The BICS asks businesses, that are currently trading, about how the prices of materials, goods and services bought and sold compare to normal price fluctuations. Note that businesses were asked about prices in the last month and so responses will be from the time of completion of the survey questionnaire (15 November to 28 November 2021 for Wave 44) with the full question reference period (looking back at the last month) covering 15 October to 28 November 2021 for Wave 44. Prior to Wave 42, these questions asked about prices in the last two weeks rather than the last month.

Figure 6: In the latest period, 44.0% of currently trading businesses reported that the prices of materials, goods or services bought had increased by more than normal price fluctuations. By contrast, only 16.5% of businesses currently trading reported that they had increased the price of goods or services sold.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 18 to Wave 44

In the latest period, the industry sectors with the highest proportion of businesses reporting increases in prices of materials, goods and services bought were Manufacturing (68.3%) and Construction (64.8%).

## 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.

Since Wave 42, businesses have been asked about changes to their business over the past month. In the waves prior to Wave 42, businesses were asked about changes in the previous two weeks. This should be borne in mind when interpreting time series trends.

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

- Yes
- No
- Not sure
- Not applicable

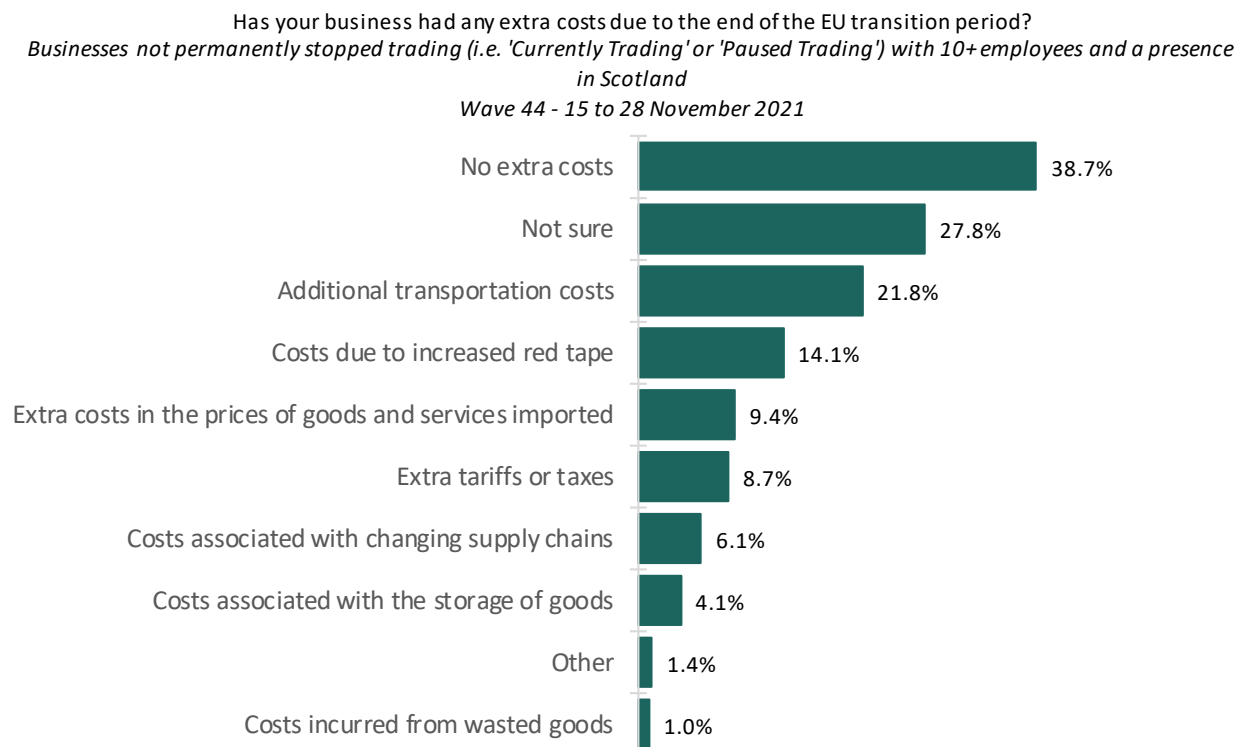
Note for the results for this question, we have excluded 'not applicable' responses from the analysis.

Of the businesses this question applied to, 81.5% reported not making any changes to supply chains due to the end of the EU transition period, and this has been relatively consistent since this question was first asked in April 2021 (Wave 28). A further 8.1% of businesses reported that they had made changes to supply chains in the latest period, which is the highest it has been since the series began in April 2021 (Wave 28). The rest of the companies (10.4%) were unsure.

The majority (71.4%) of applicable businesses who had not permanently stopped trading reported being able to access materials from within the UK over the past month. Over three quarters (77.2%) of applicable businesses reported that they were able to get the materials, goods or services they needed from the EU in the last month, but 15.3% of companies 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 has decreased since September (from 10.8% in Wave 39 to 7.5% in Wave 44).

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

Figure 7: Of the relevant businesses, an estimated 38.7% reported incurring no extra costs in the latest period. The most commonly reported additional costs were those associated with transportation (21.8%) and increased red tape (14.1%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 44

The proportion of relevant businesses reporting no extra costs has decreased since the series began in March (53.0% in Wave 27). Since May 2021 (Wave 30), additional transportation costs has been the most commonly reported cost and this has generally been increasing since March (11.8% in Wave 27).

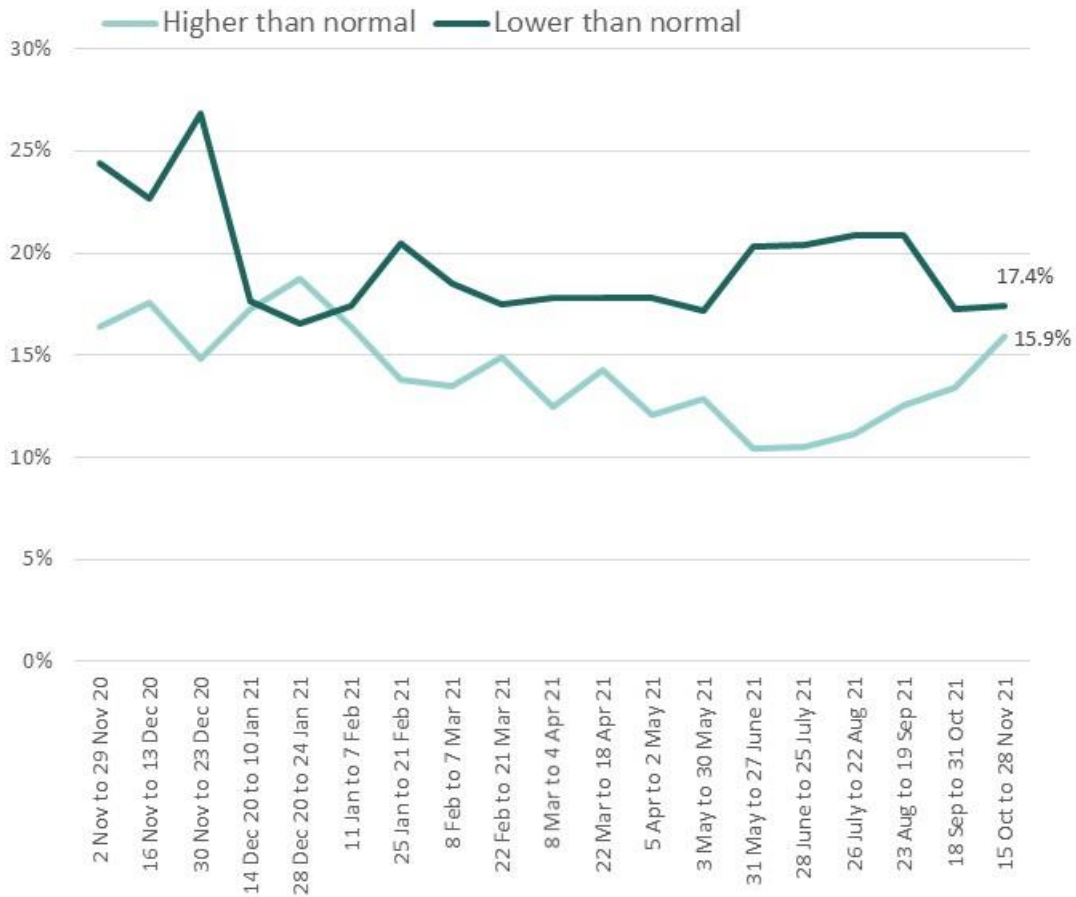
## Stock

In the latest period, the majority (87.2%) of businesses not permanently stopped trading reported that they were not stockpiling goods or materials. The proportion of businesses reporting that they were not stockpiling goods or materials has been relatively consistent since this question was first asked in February 2021 (Wave 25).

Businesses were also asked how their stock levels in the past month compared to normal expectations for this time of year. Over half (58.5%) of applicable companies reported that stock levels had not changed over the past month compared to normal expectations, while 17.4% reported that stock levels were lower than normal.

Figure 8: The proportion of businesses reporting that stock levels were higher than normal decreased between January and June but has been increasing in recent waves.

Estimated % of businesses reporting stock levels as higher or lower than normal over the previous two weeks/month  
*Businesses Currently Trading and exported in last 12 months, with 10+ employees and a presence in Scotland*



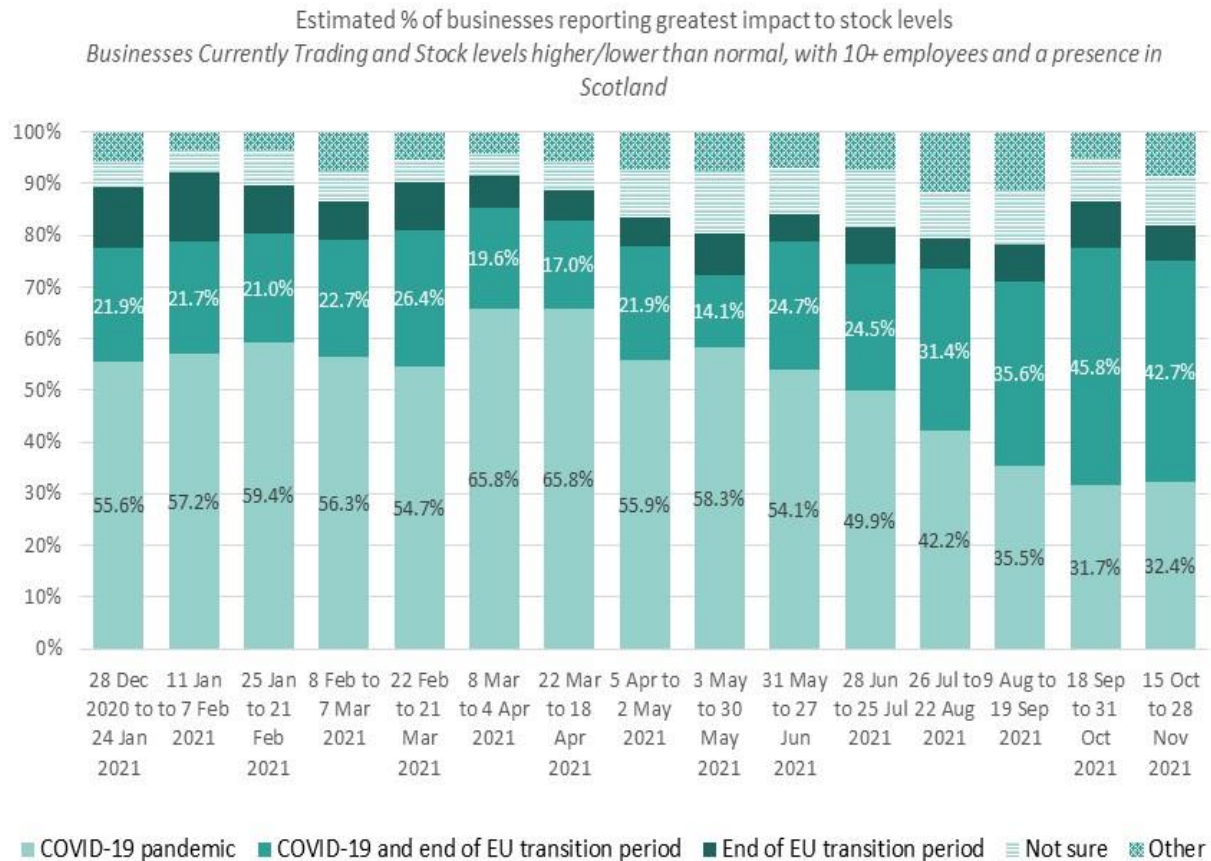
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 18-29, 31, 33, 35, 37, 39, 42, 44

Businesses currently trading that reported stock levels as being higher or lower than normal were asked what has had the greatest impact to stock levels in the past month.

**Question:** Over the last month, 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 9: Despite a slight increase in the most recent wave, the proportion of relevant businesses reporting COVID-19 as the biggest factor to impact stock levels has been generally decreasing since late March 2021 (from 65.8% in Wave 28 to 32.4% in Wave 44).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 22-29, 31, 33, 35, 37, 39, 42, 44

The proportion of companies reporting a combination of COVID-19 and the end of the EU transition period as being the biggest factor to impact stock levels has been generally increasing since May 2021 (from 14.1% in Wave 31 to 42.7% in the latest period), although this has slightly decreased since October (45.8% in Wave 42).

## **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.

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