

## BUSINESS AND ENERGY

### Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 43

25 November 2021

This is the 31st 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 1 November to 14 November 2021, the share of businesses 'currently trading' was estimated at 99.2% - in line with the rate in the previous five waves.
- The share of businesses reporting that they were fully trading was estimated at 95.2%, with 4.1% of businesses reporting that they were partially trading.
- In the period 1 to 14 November 2021, 28.5% of businesses reported a decrease in turnover compared with what is normally expected.
- The Arts, Entertainment & Recreation and Accommodation & Food Services industry sectors continued to have the highest shares of businesses experiencing a decrease in turnover compared with what is normally expected (estimated at 65.5% and 40.2% respectively).
- In the latest period, of businesses currently trading that have exported in the last 12 months, 24.7% reported exporting less than normal, and 20.3% of relevant businesses reported importing less than normal.

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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 8,884 businesses responded to the Wave 43 BICS UK-wide – 1,248 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 1,131 responding businesses in Wave 43. 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

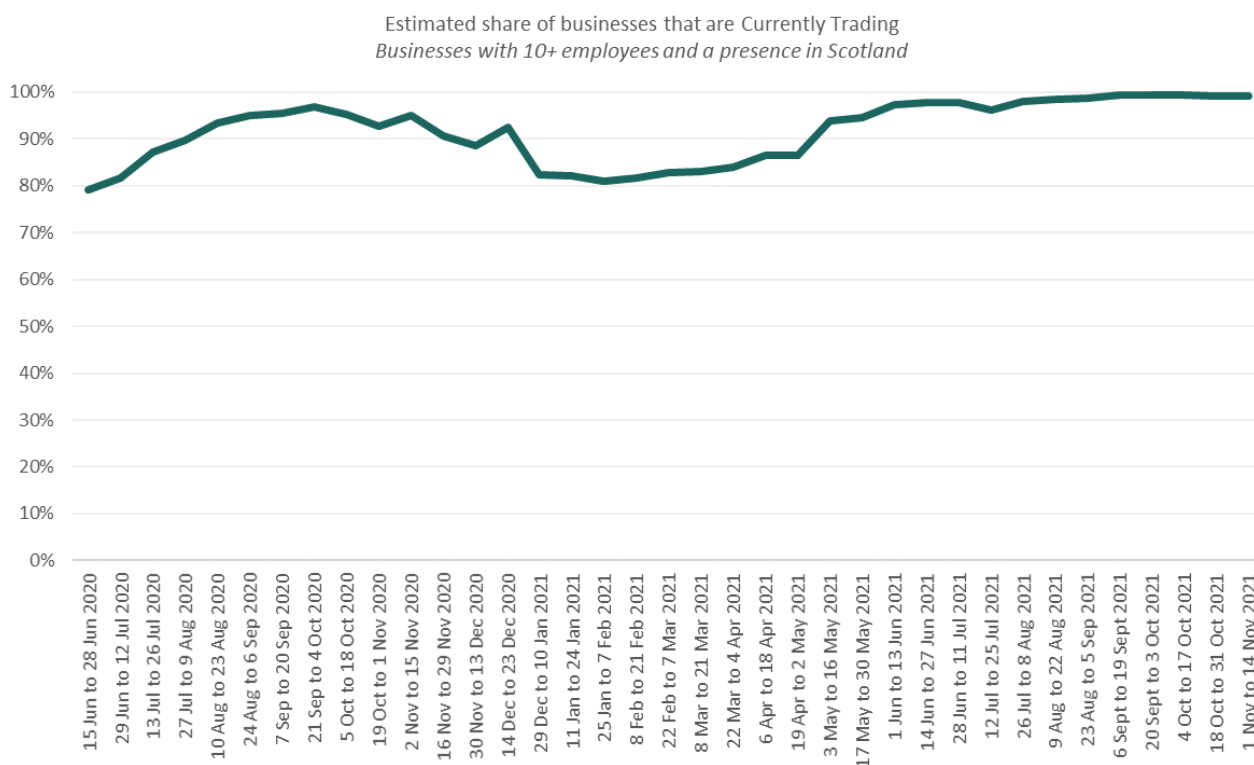
The BICS asks businesses about their trading status: the specific question<sup>3</sup> asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (1 November to 14 November 2021 in Wave 43).

**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 1 November to 14 November 2021, the share of businesses 'currently trading' was estimated at 99.2% - in line with the rate in the previous five waves.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 43

<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 95.2%, with 4.1% 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 74.7% and 87.7% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

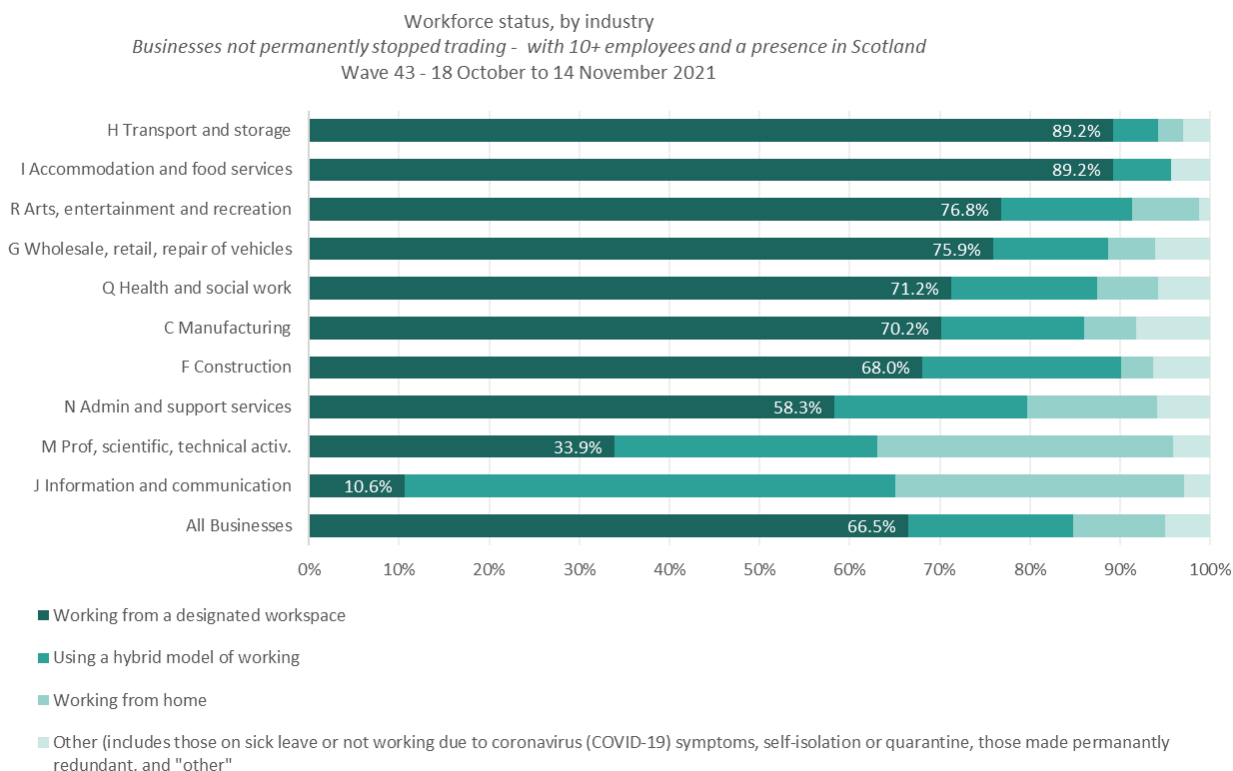
## Workforce Status

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 (1 November to 14 November 2021 for Wave 43) with the full question reference period (looking back at the last two weeks) covering 18 October to 14 November 2021 for Wave 43.

**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

Figure 3: The share of the workforce that are working from a designated workspace was highest in the Transport & Storage and Accommodation & Food Services industry sectors, estimated at 89.2% for both industry sectors. In contrast, 32.8% of workers in the Professional, Scientific & Technical Activities industry sector are working from home.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

The latest data show that 18.2% of the workforce are estimated to be using a hybrid model of working, with this share rising to 54.4% in the Information & Communication industry sector.

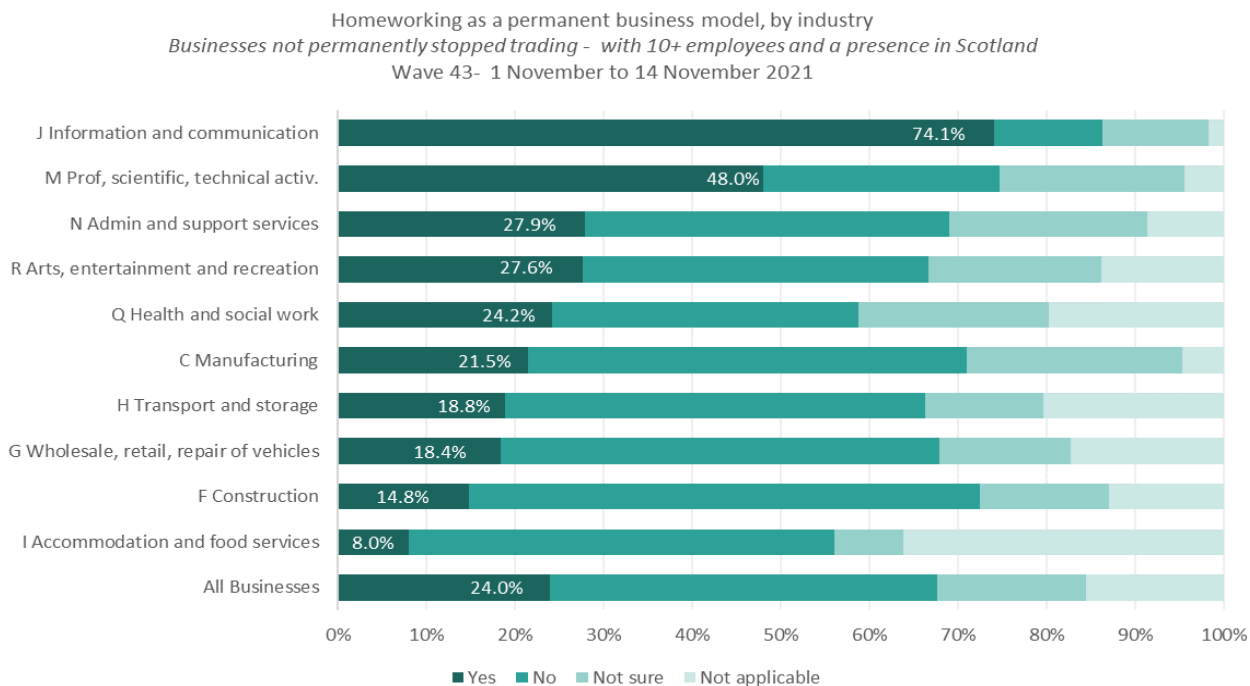
## Homeworking

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?

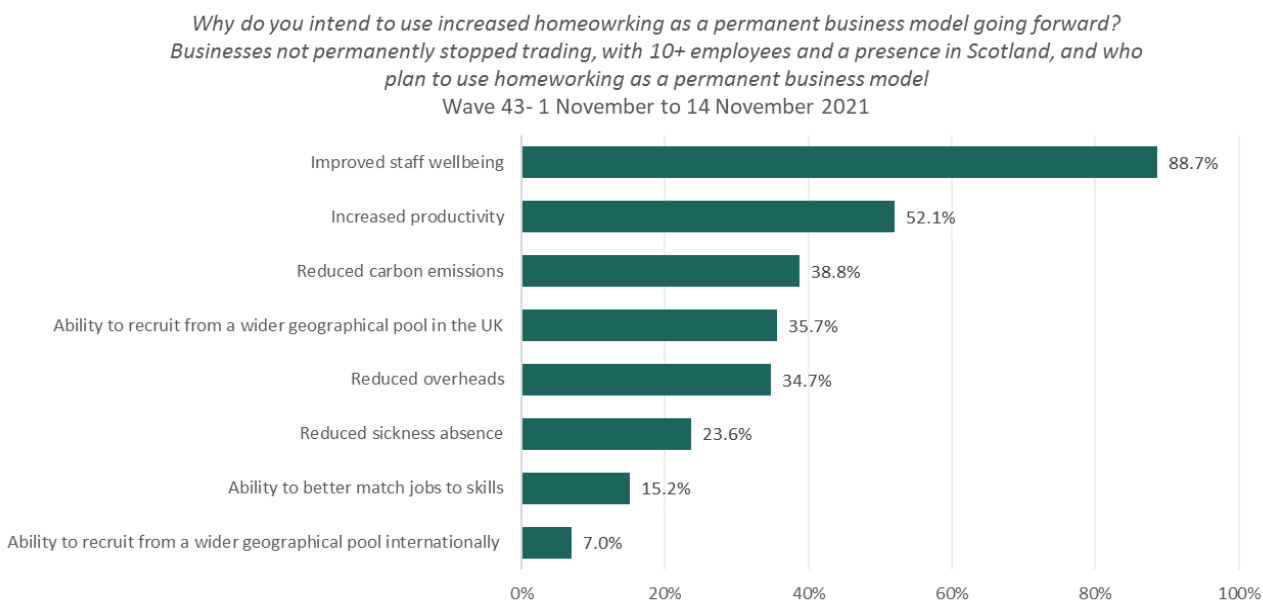
- Yes
- No
- Not Sure
- Not Applicable

Figure 4: 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 & Communication (74.1%) and Professional, Scientific & Technical Activities (48.0%) sectors. The rates are much lower in some other sectors, with only 8.0% of businesses in the Accommodation & Food Services sector, and 14.8% of Construction businesses intending to use increased homeworking as a permanent business model.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

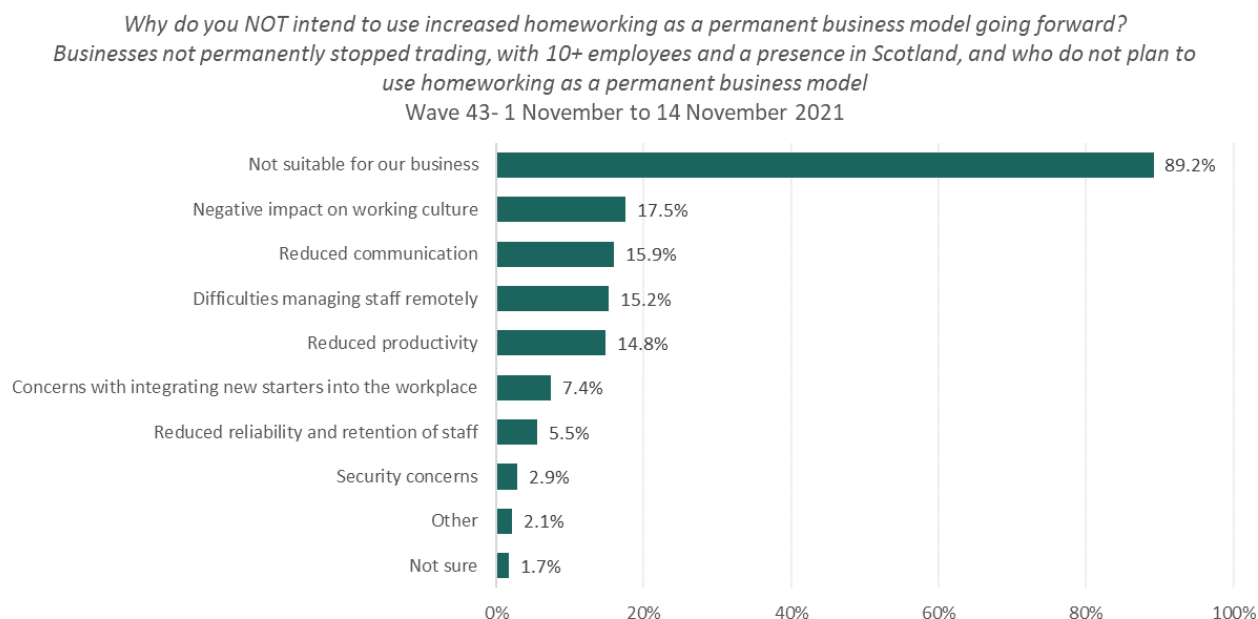
Figure 5: Improved staff wellbeing was the most commonly reported reason for using increased homeworking as a permanent businesses model going forward - this was reported by 88.7% of businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

In Wave 43, businesses not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading') who do not plan to use increased homeworking as a permanent business model going forward were asked about their reasons for this.

Figure 6: Homeworking not being suitable for the business was the most commonly reported reason for not using increased homeworking as a permanent businesses model going forward - this was reported by 89.2% of relevant businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

## 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 month and so responses will be from the time of completion of the survey questionnaire (1 November to 14 November 2021 for Wave 43) with the full question reference period (looking back at the last month) covering 1 October to 14 November 2021 for Wave 43. Prior to Wave 43, this questions asked about turnover in the last two weeks rather than the last month.

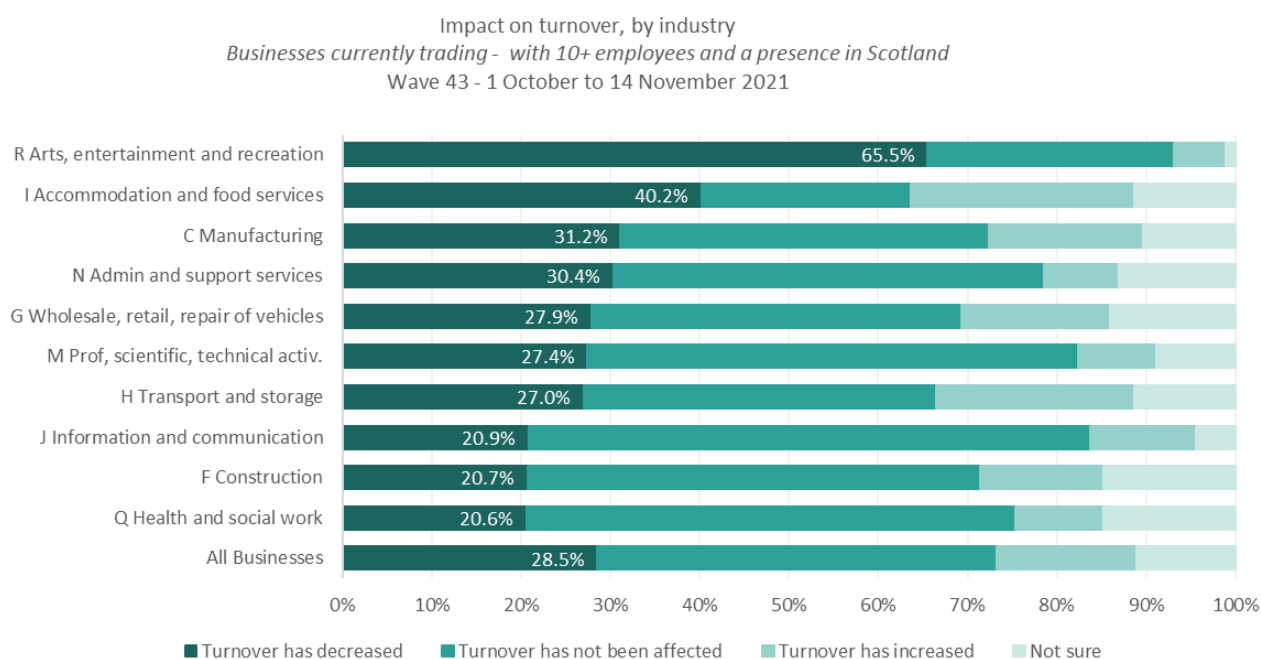
**Financial Performance Question:** How does turnover for the last month compare to normal expectations for this time of year?

- 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 7: In the period 1 October to 14 November 2021, 28.5% of businesses reported a decrease in turnover compared with what is normally expected. The Arts, Entertainment & Recreation and Accommodation & Food Services industry sectors continued to have the highest shares of businesses experiencing a decrease in turnover compared with what is normally expected (estimated at 65.5% and 40.2% respectively).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

## Debt

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.

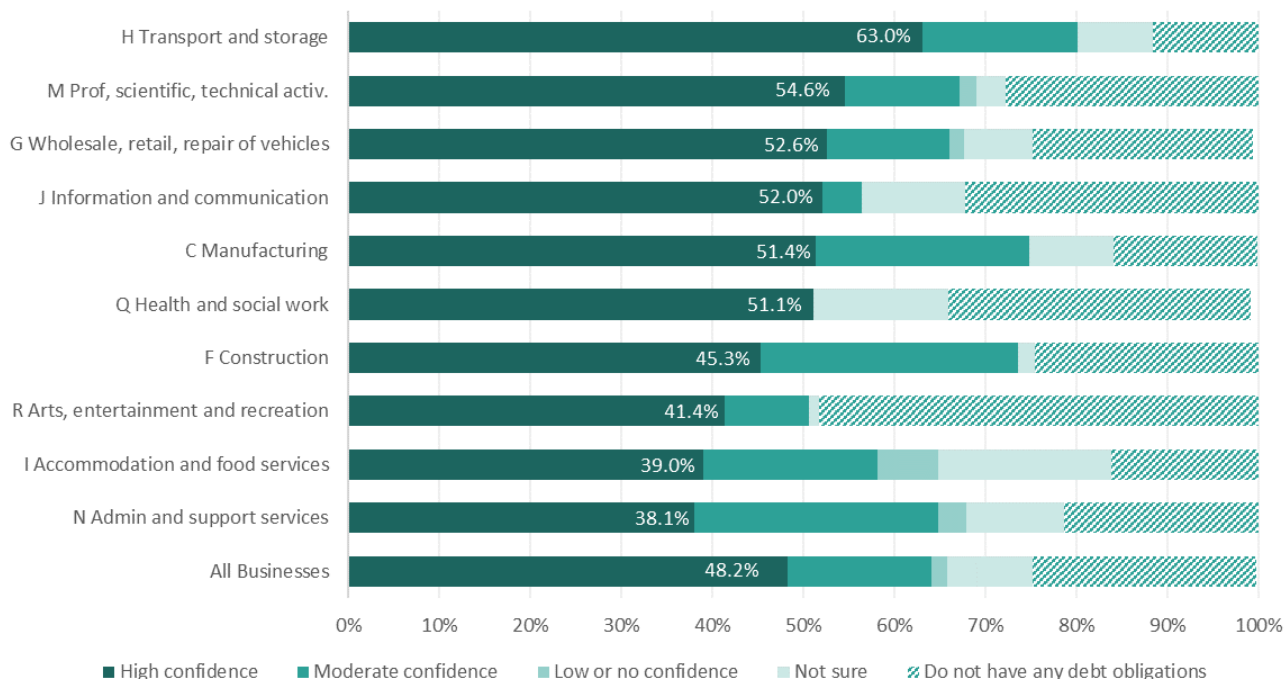
**Debt Question:** How much confidence does your business have that it will meet its debt obligations?

- 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 8: In the latest period, almost half of businesses (48.2%) reported having high confidence that they will meet their debt obligations. The rates were lower in the Administration & Support Services and Accommodation & Food Services sectors, with 38.1% and 39.0% of businesses respectively reporting high confidence.

How much confidence does your business have that it will meet its debt obligations?  
 Businesses not permanently stopped trading - with 10+ employees and a presence in Scotland  
 Wave 43 - 1 November to 14 November 2021



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

## Business Resilience

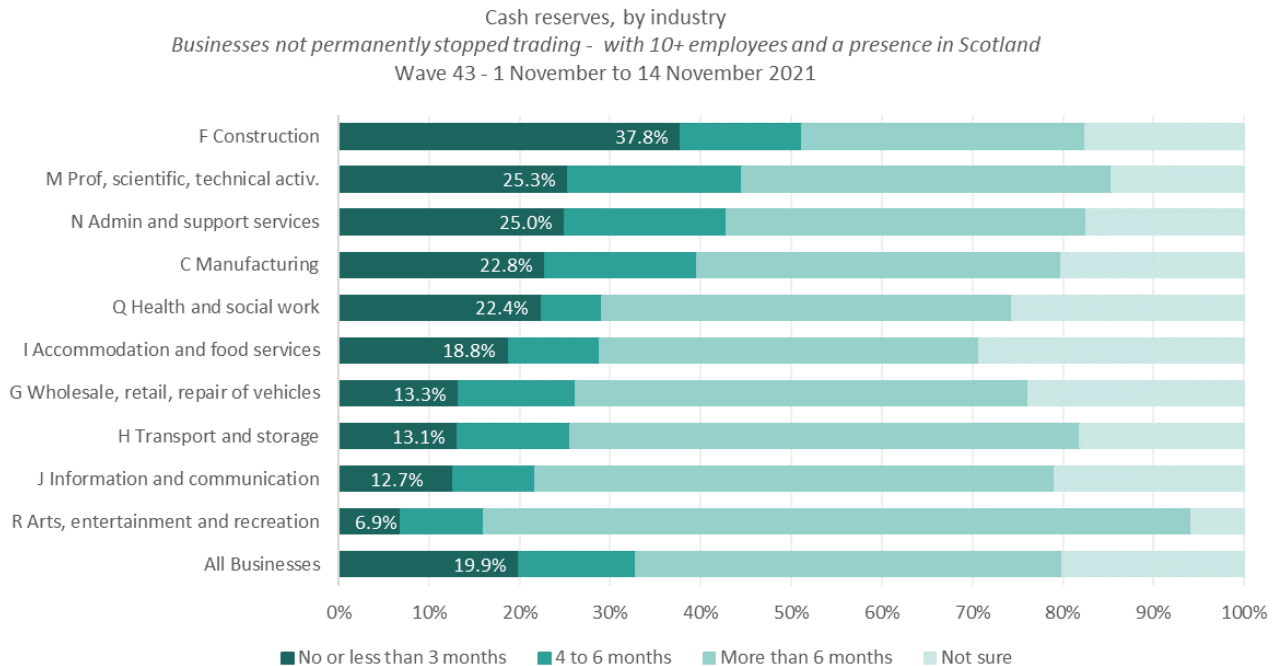
The BICS asks businesses, that had not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about their cash flow - the specific question asked is shown below. Note that businesses were asked about cash flow from the time of completion of the survey questionnaire (1 November to 14 November 2021 for Wave 43).

**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.

Figure 9: In the latest period, 19.9% of businesses reported they had no or less than three months cash reserves, with the highest rates for Construction (estimated at 37.8%) and Professional, Scientific and Technical Activities (estimated at 25.3%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

### 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.

For the first time, businesses were asked about changes to their business over the past month. In previous waves, businesses had been asked about changes in the previous two weeks. This should be borne in mind when comparing the present wave with previous waves.

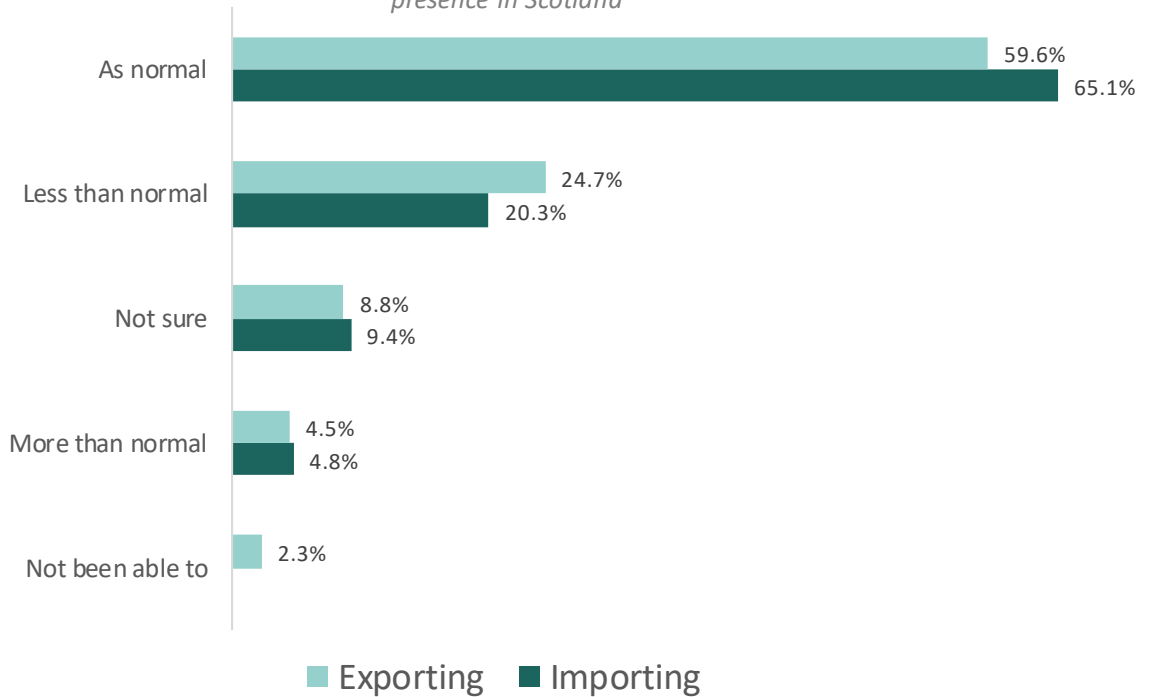
**Question:** How does your business's exporting / importing in the last month compare with normal expectations for this time of year?

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

Figure 10: In the latest period, of businesses currently trading that have exported in the last 12 months, almost a quarter (24.7%) reported exporting less than normal, and a fifth (20.3%) reported importing less than normal in the past month.

How does your business's exporting / importing in the last month 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*



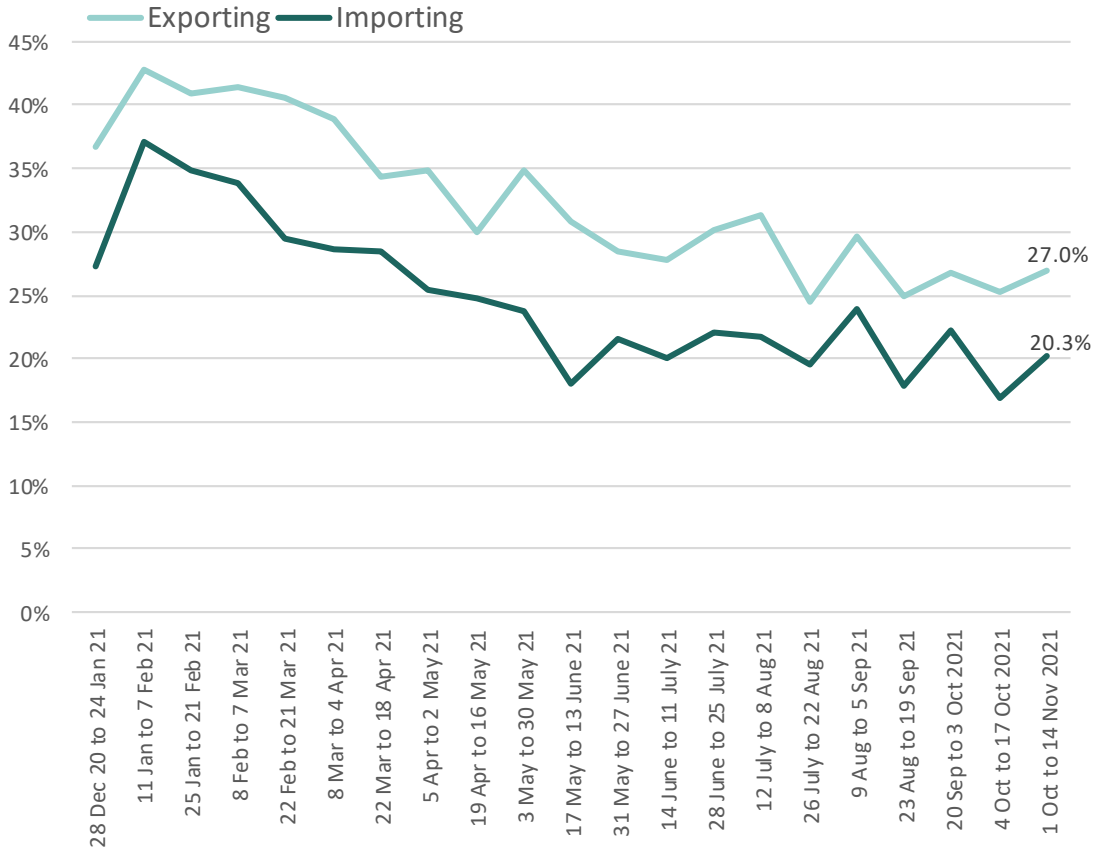
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

In the latest period, 59.6% of currently trading businesses reported that they exported as normal; this proportion has generally increased since the end of February (Wave 25) when 41.8% of businesses reported exporting as usual. Since January (Wave 22), a higher proportion of companies have reported importing as normal than exporting as normal, with the exception of Wave 30 where the proportion was broadly the same for both exporting and importing.

Figure 11: The proportion of relevant businesses that have not been exporting or have exported less than usual has been generally decreasing since early February (42.8% in Wave 23). Importing shows a similar trend.

Estimated % of businesses unable to export or import and/or exporting and importing less than normal over the previous month/two weeks

*Businesses Currently Trading and exported in last 12 months, with 10+ employees and a presence in Scotland*

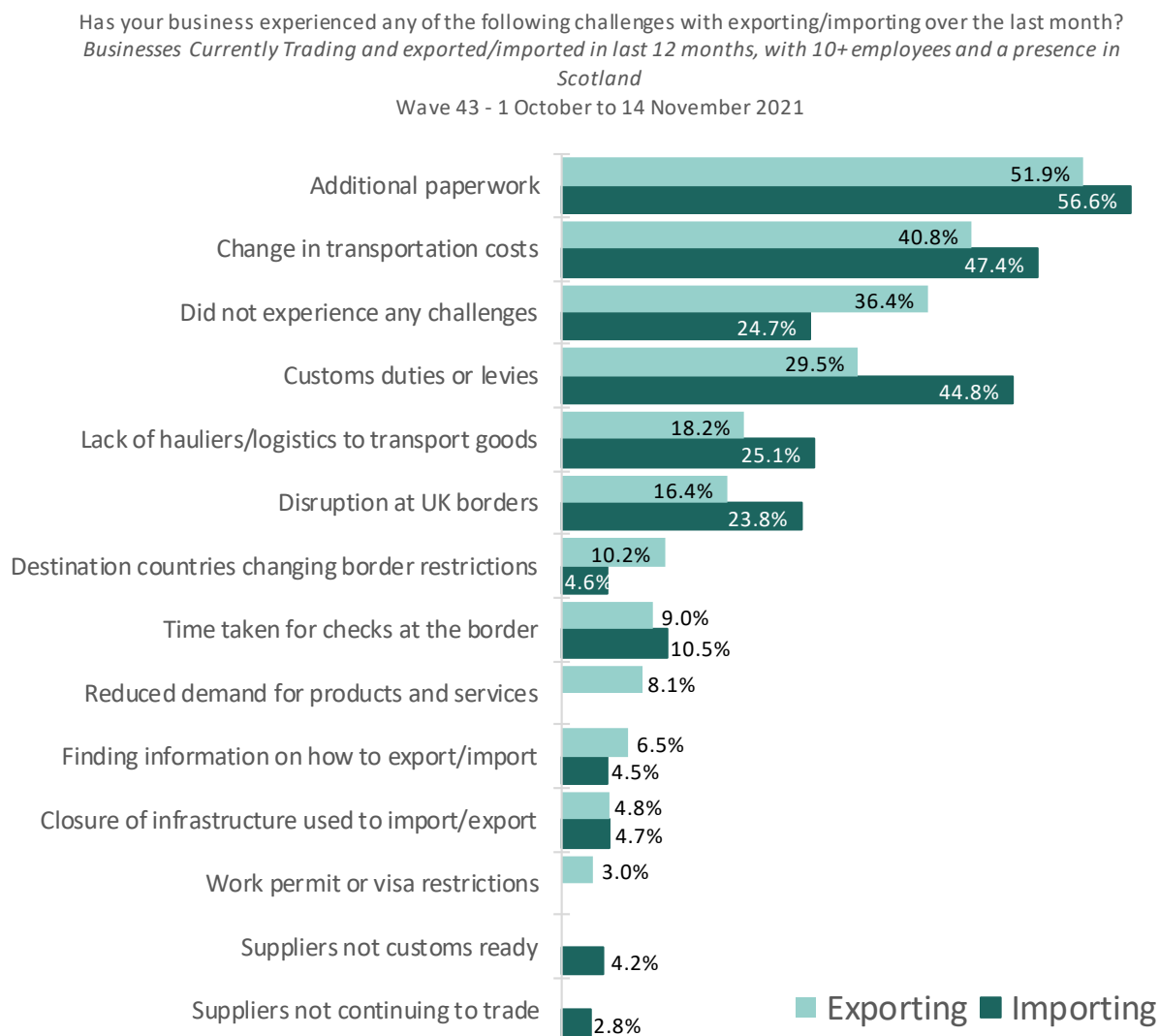


Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 22 to 41, 43

The proportion of businesses that have reported being unable to export or exporting less than normal has been consistently higher than for importing since the series began.

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

Figure 12: The most commonly reported challenge continues to be additional paperwork, with over half (51.9%) of relevant companies reporting this as an exporting challenge and 56.6% reporting this as an importing challenge.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

The other main challenges for exporting and importing were change in transportation costs and customs duties or levies. However, 36.4% of exporters and 24.7% of importers did not experience any challenges. The percentage of exporters reporting no challenges has decreased in recent weeks, down from 46.8% in Wave 40. A similar pattern can be seen for importing, with the percentage of importers reporting no challenges decreasing from 39.2% in Wave 39.

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

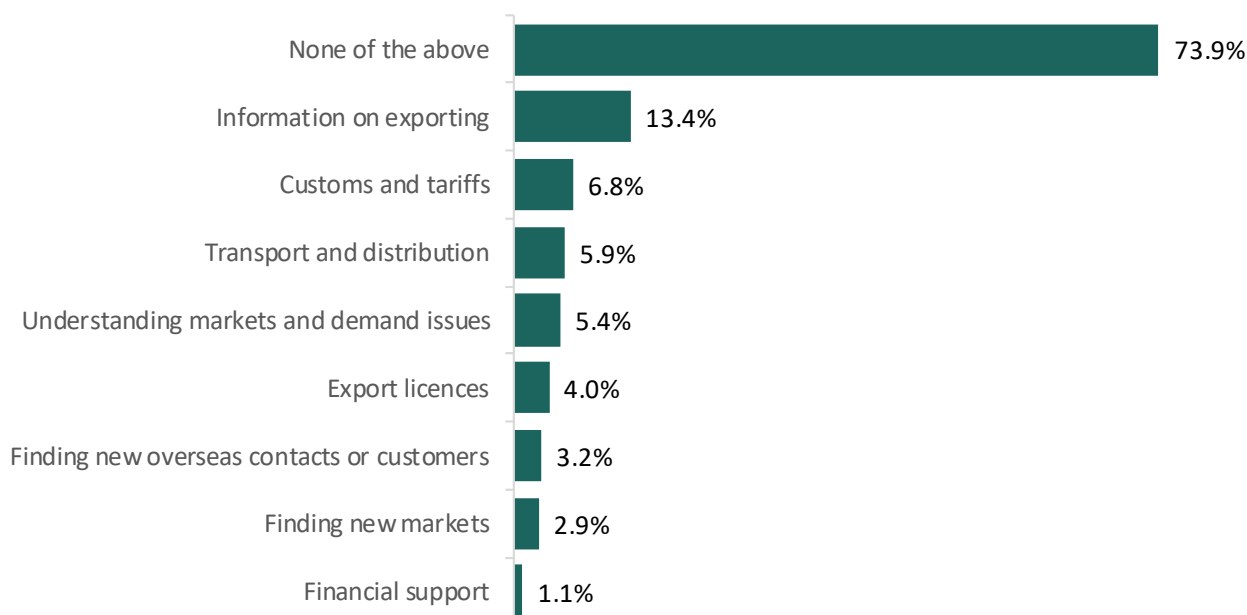
**Question:** Which of the following support options has your business benefitted from, to help with exporting challenges?

- Customs and tariffs
- Export licenses
- Financial support
- Finding new markets

- Finding new overseas contacts or customers
- Legal issues / support
- Transport and distribution
- Understanding markets and demand issues
- Information on exporting
- Other
- None of the above

Figure 13: The support options that businesses most commonly reported benefitting from were information on exporting (13.4%), and customs and tariffs (6.8%). However, almost three quarters (73.9%) of businesses did not benefit from any of these options to help with exporting challenges.

Which of the following support options has your business benefitted from, to help with exporting challenges?  
*Businesses Currently Trading and exported/imported in last 12 months and experienced challenges to exporting/importing, with 10+ employees and a presence in Scotland*  
 Wave 43 - 1 October to 14 November 2021



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

When asked to choose which support options they would benefit from to help with importing challenges, 29.8% of relevant businesses selected customs and tariffs, 26.2% selected information on importing, and 24.4% selected transport and distribution. The percentage of businesses reporting customs and tariffs as a support option for importing challenges has been declining since April (57.4% in Wave 29), and is now the lowest it has been since the series began. Of the relevant businesses, 42.0% reported that none of the available options would benefit them.

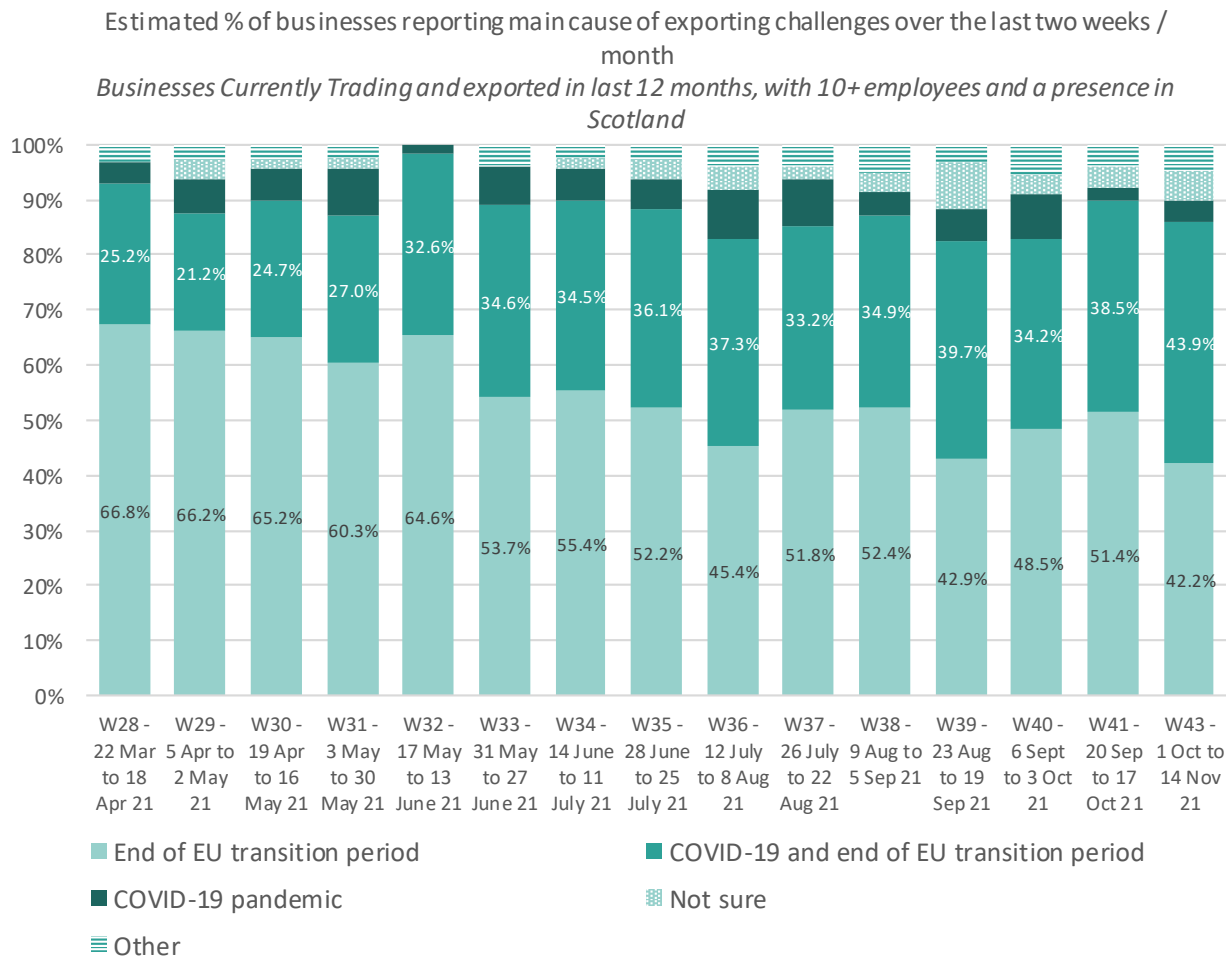
Companies that reported experiencing challenges with exporting in the last month were asked about the main cause of these challenges.

**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 proportion of businesses (43.9%) reporting EU exit combined with COVID-19 as the main challenge for exporting is the highest it has been since the series began. EU exit also continues to be an issue for exporting, with 42.2% of relevant companies reporting this as the main cause of their exporting challenges in the latest period.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 28 to 41, 43

Companies also reported that the end of the EU transition period combined with the COVID-19 pandemic was the biggest challenge to importing, with almost half (46.0%) of companies reporting this. A further 43.0% of companies reported EU exit alone as the biggest challenge to importing.

Businesses were also asked about the cost of exporting/importing and time spent on exporting/importing compared with normal expectations for this time of year.

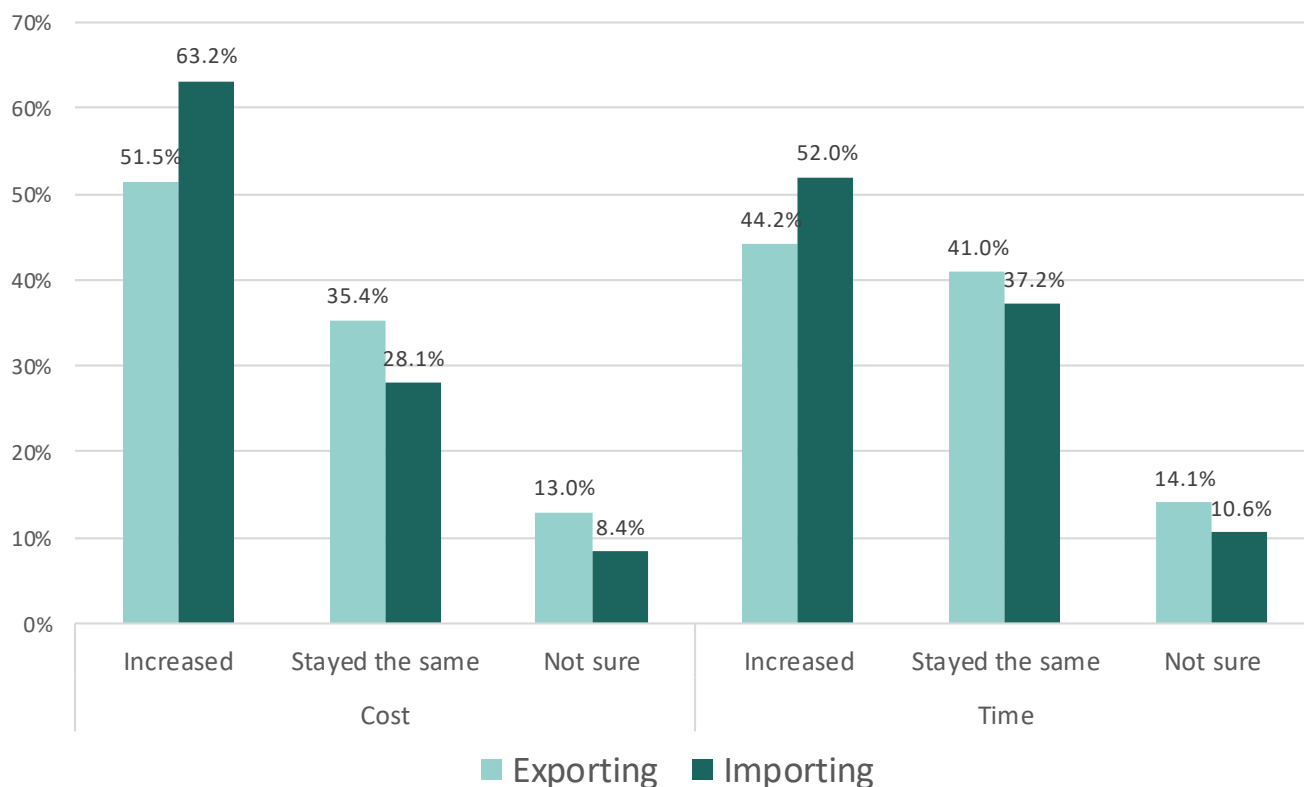


Figure 15: Almost two thirds (63.2%) of relevant businesses reported that the cost of importing has increased compared to normal for this time of year, which is greater than for exporting (51.5%).

*How does the cost of/time spent on exporting/importing in the last month compare with normal expectations for this time of year?*

*Businesses Currently Trading and exported/imported in last 12 months and experienced challenges to exporting/importing, with 10+ employees and a presence in Scotland*

Wave 43 - 1 October to 14 November 2021



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 43

Of currently trading businesses that have exported in the last 12 months, around a third (35.4%) reported that the cost of exporting in the past month has stayed the same compared with normal expectations for this time of year, but fewer businesses (28.1%) reported this for importing. A slightly higher percentage of businesses reported that time spent on importing (52.0%) has increased over the past month, compared to businesses reporting this for exporting (44.2%).

### Production and suppliers

For the first time this wave, companies were asked if they experienced any challenges when trading with customers in other UK nations. The majority (70.2%) of applicable companies, that had not permanently stopped trading, reported that they were not experiencing challenges, while 12.0% of companies reported that they were experiencing challenges, and the rest (17.8%) were not sure.

Companies were also asked about their choice of suppliers and number of competitors since the COVID-19 pandemic. Of the relevant companies, 62.3% reported that their choice of suppliers has not changed since the start of the COVID-19 pandemic, 12.5% reported that

their choice has decreased, 4.1% reported that their choice has increased, and the rest (21.0%) were unsure. Around half (50.9%) of relevant companies also reported that the number of businesses selling similar goods or services to their business has not changed since the start of the COVID-19 pandemic, 7.4% reported that it has decreased, 2.9% reported that it has increased, and 38.9% of companies were not sure.

## **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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