

## BUSINESS AND ENERGY

### Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 45

22 December 2021

This is the 33<sup>rd</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 29 November to 12 December 2021, the share of businesses 'currently trading' was estimated at 99.4%. The share of businesses reporting that they were fully trading was estimated at 96.1%, with 3.3% of businesses reporting that they were partially trading.
- In the period 15 November to 12 December 2021, an estimated 66.1% of the workforce were working from a designated workspace, with a further 12.7% working from home and another 15.6% using a hybrid model of working.
- In the latest period, 24.8% of businesses reported a decrease in turnover compared with what is normally expected.
- The Accommodation & Food Services and Arts, Entertainment & Recreation industry sectors continued to have the highest shares of businesses experiencing a decrease in turnover compared with what is normally expected (estimated at 48.8% and 38.5% respectively).
- In the latest period, of businesses currently trading that have exported in the last 12 months, 19.6% reported exporting less than normal, and 18.2% of relevant businesses reported importing less than normal.

Note that BICS Weighted Scotland Estimates for Wave 46 and Wave 47 are scheduled for release on Friday 21<sup>st</sup> of January 2022.

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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 8,535 businesses responded to the Wave 45 BICS UK-wide – 1,167 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 1,065 responding businesses in Wave 45. 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

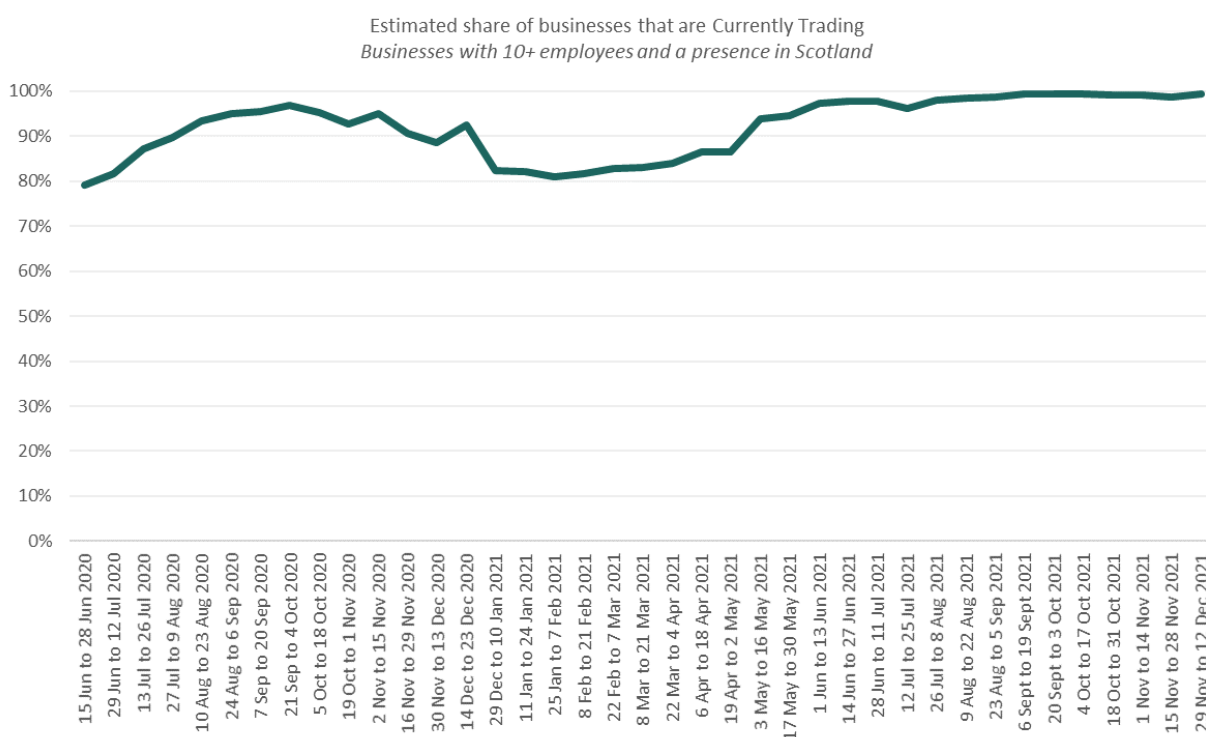
The BICS asks businesses about their trading status: the specific question<sup>3</sup> asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (29 November to 12 December 2021 in Wave 45).

**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 29 November to 12 December 2021, the share of businesses 'currently trading' was estimated at 99.4% - in line with the rate in recent waves.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 45

<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 96.1%, with 3.3% of businesses reporting that they were partially trading. The Arts, Entertainment & Recreation had the lowest share of “fully trading” businesses, estimated at 84.4%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

## Workforce Status

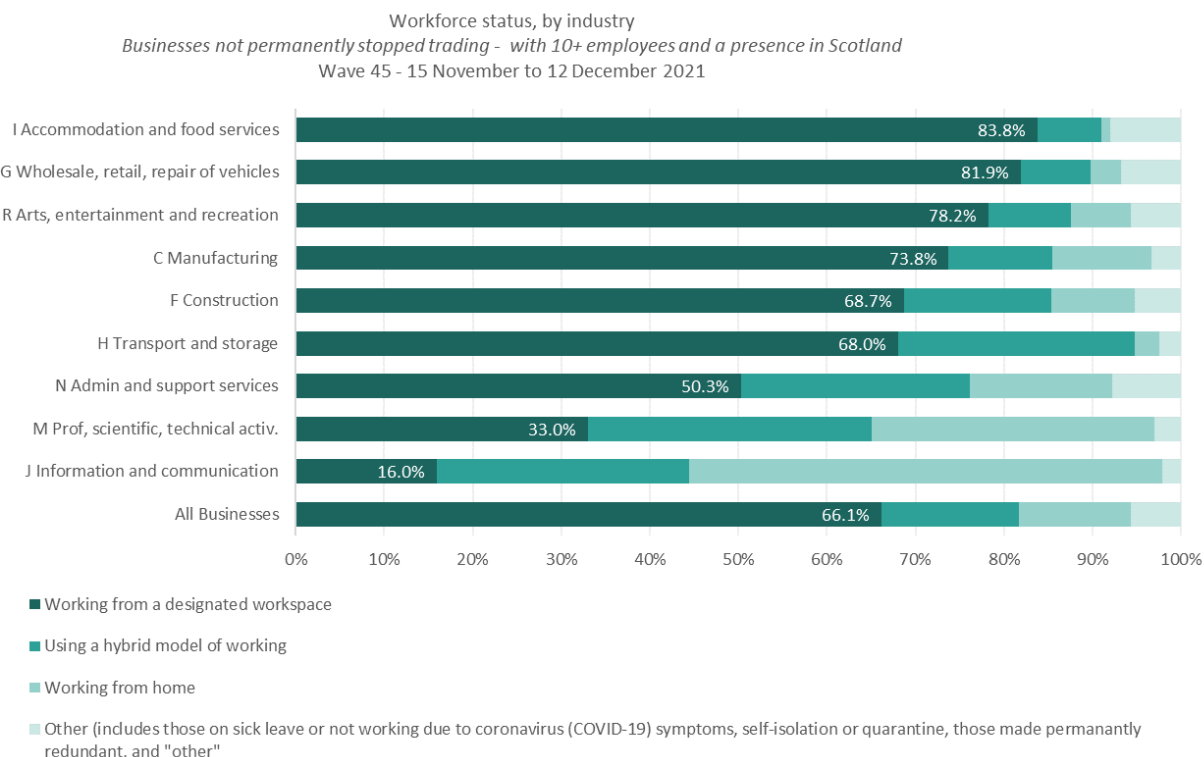
The BICS asks businesses that have not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about the status of their workforce. Note that businesses were asked about the status of their workforce in the last two weeks and so responses will be from the time of completion of the survey questionnaire (29 November to 12 December 2021 for Wave 45) with the full question reference period (looking back at the last two weeks) covering 15 November to 12 December 2021 for Wave 45.

**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 15 November to 12 December 2021, an estimated 66.1% of the workforce were working from a designated workspace, with a further 12.7% working from home and another 15.6% using a hybrid model of working.

Figure 3: The share of the workforce working from a designated workspace was estimated to be 66.1%. This share was highest in the Accommodation & Food Services and Wholesale, Retail & Repair of Vehicles industry sectors, estimated at 83.8% and 81.9% respectively. In contrast, an estimated 53.5% of workers in the Information & Communication industry sector and 31.9% of workers in the Professional, Scientific & Technical Activities are working from home.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

The latest data show that 15.6% of the workforce are estimated to be using a hybrid model of working, with this share rising to 32.1% in the Professional, Scientific & Technical Activities industry sector.

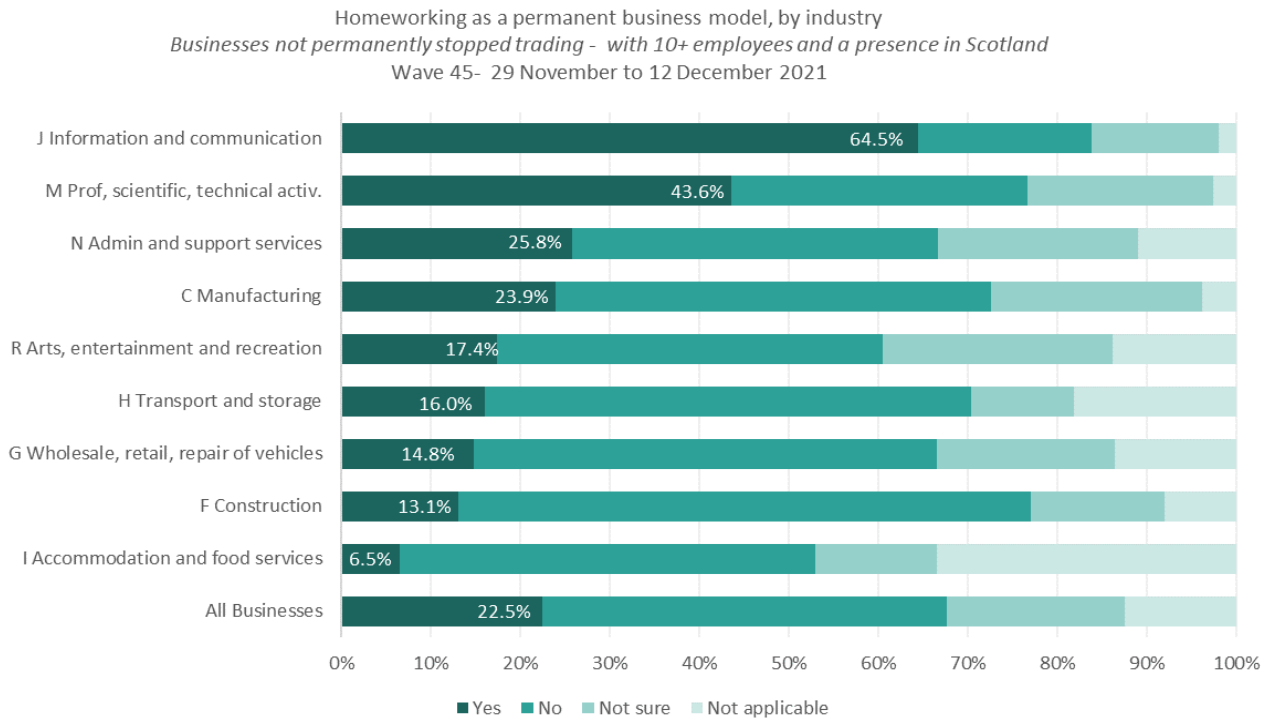
### Homeworking

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?

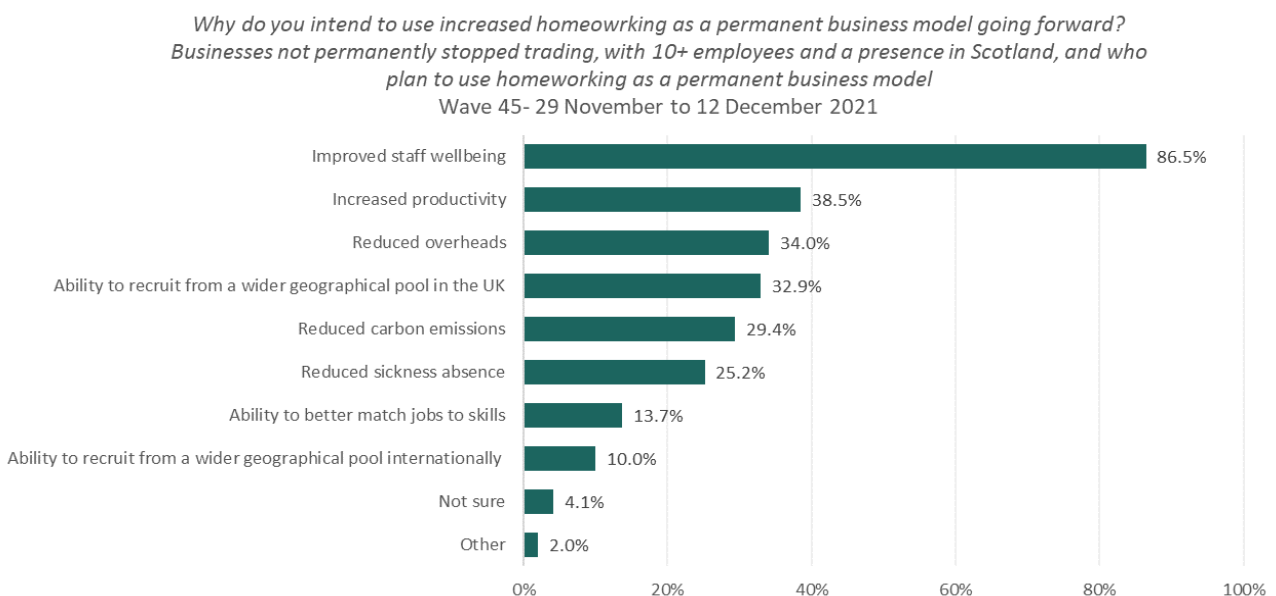
- Yes
- No
- Not Sure
- Not Applicable

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 (64.5%) and Professional, Scientific & Technical Activities (43.6%) sectors. The rates are much lower in some other sectors, with only 6.5% of businesses in the Accommodation & Food Services sector, and 13.1% of Construction businesses intending to use increased homeworking as a permanent business model.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

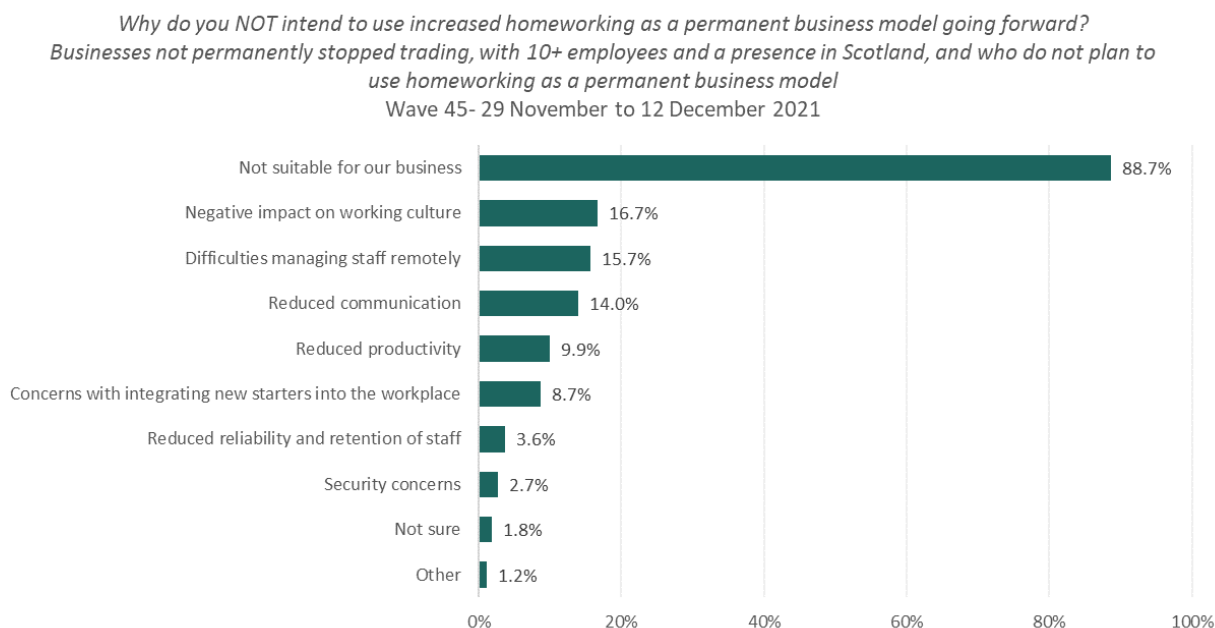
Figure 5: Improved staff wellbeing was the most commonly reported reason for using increased homeworking as a permanent businesses model going forward - this was reported by 86.5% of businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

In Wave 45, 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 88.7% of relevant businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

## 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 (29 November to 12 December 2021 for Wave 45) with the full question reference period (looking back at the last month) covering 29 October to 12 December 2021 for Wave 45.

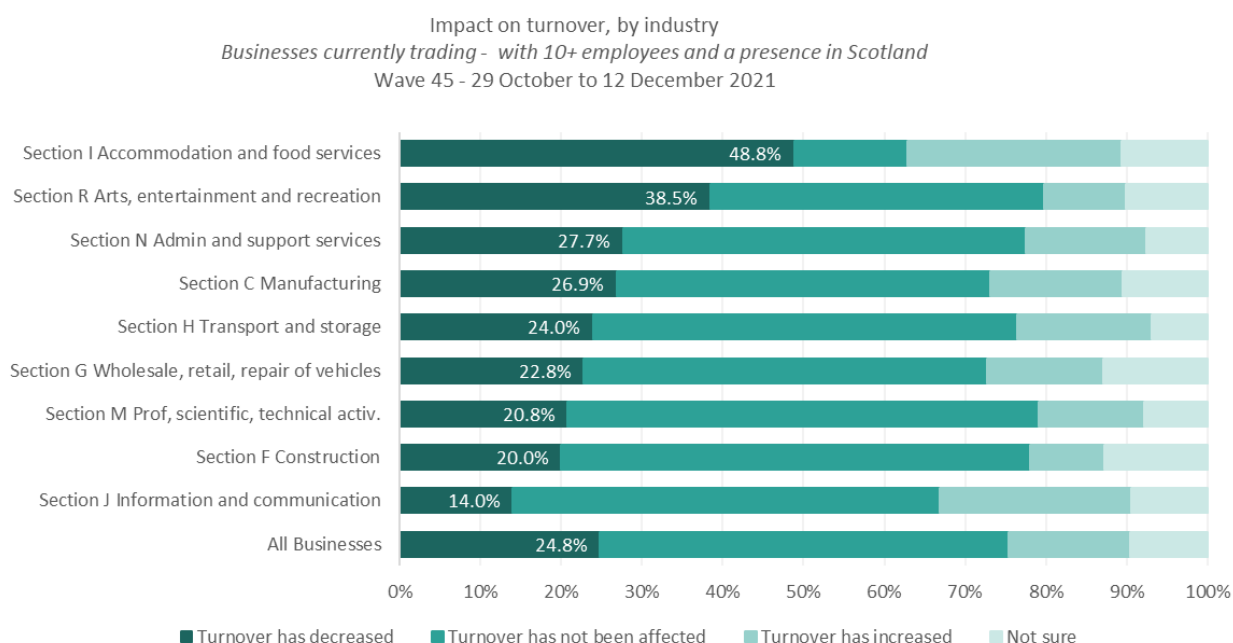
**Financial Performance Question:** How does turnover for the last month compare to normal expectations for this time of year?

- 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 29 October to 12 December 2021, 24.8% of businesses reported a decrease in turnover compared with what is normally expected. The Accommodation & Food Services and Arts, Entertainment & Recreation industry sectors continued to have the highest shares of businesses experiencing a decrease in turnover compared with what is normally expected (estimated at 48.8% and 38.5% respectively).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

## Business Resilience

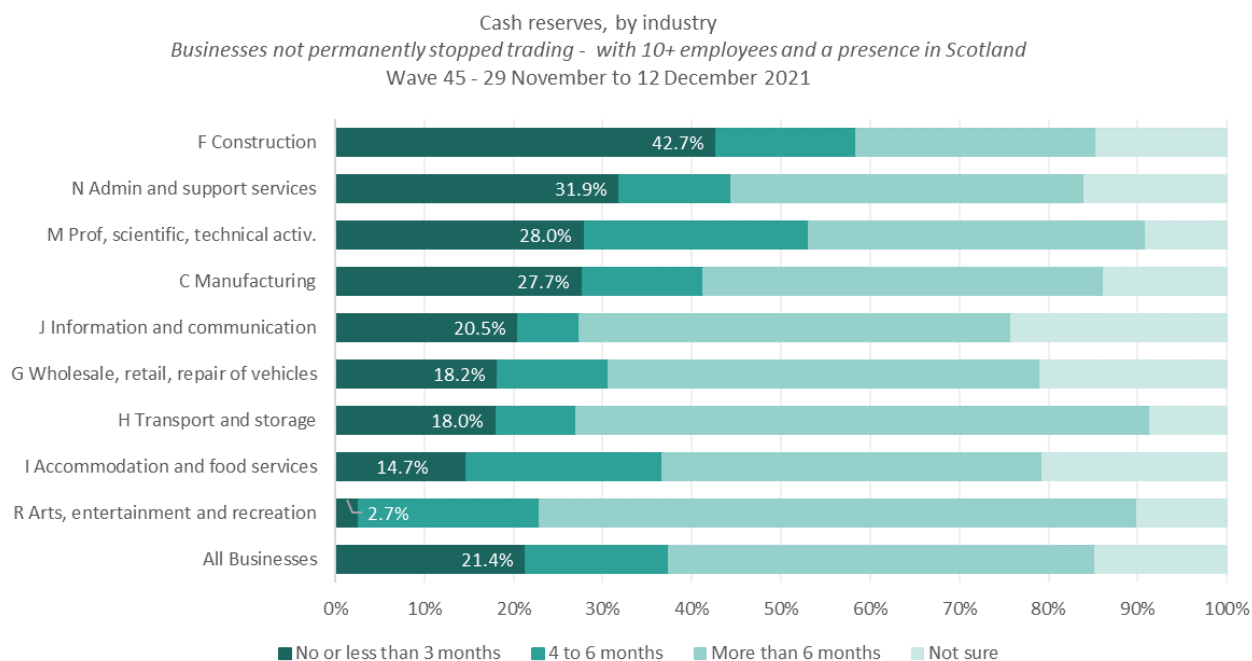
The BICS asks businesses, that had not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), about their cash flow - the specific question asked is shown below. Note that businesses were asked about cash flow from the time of completion of the survey questionnaire (29 November to 12 December 2021 for Wave 45).

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

- Business has 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 8: In the latest period, 21.4% of businesses reported they had no or less than three months cash reserves, with the highest rates for Construction (estimated at 42.7%) and Administration and Support Services (estimated at 31.9%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

## Employee Wages

In Wave 45, businesses not permanently stopped trading were asked about how wages for existing and new employees over the last month compare with normal expectations for this time of year.

Overall, 65.9% of businesses reported that wages for existing employees have not been affected, with 20.0% of businesses reporting wages are higher than expected. In the Accommodation & Food Services industry sector 47.2% of businesses reported that wages for existing employees are higher compared to normal expectations for this time of year.

For new employees, 53.3% of businesses reported that wages have not been affected, and 22.8% of businesses reported that wages are higher than expected for this time of year. This share increases to 49.6% of businesses in the Accommodation & Food Services industry sector.

## Net Zero Carbon Emissions

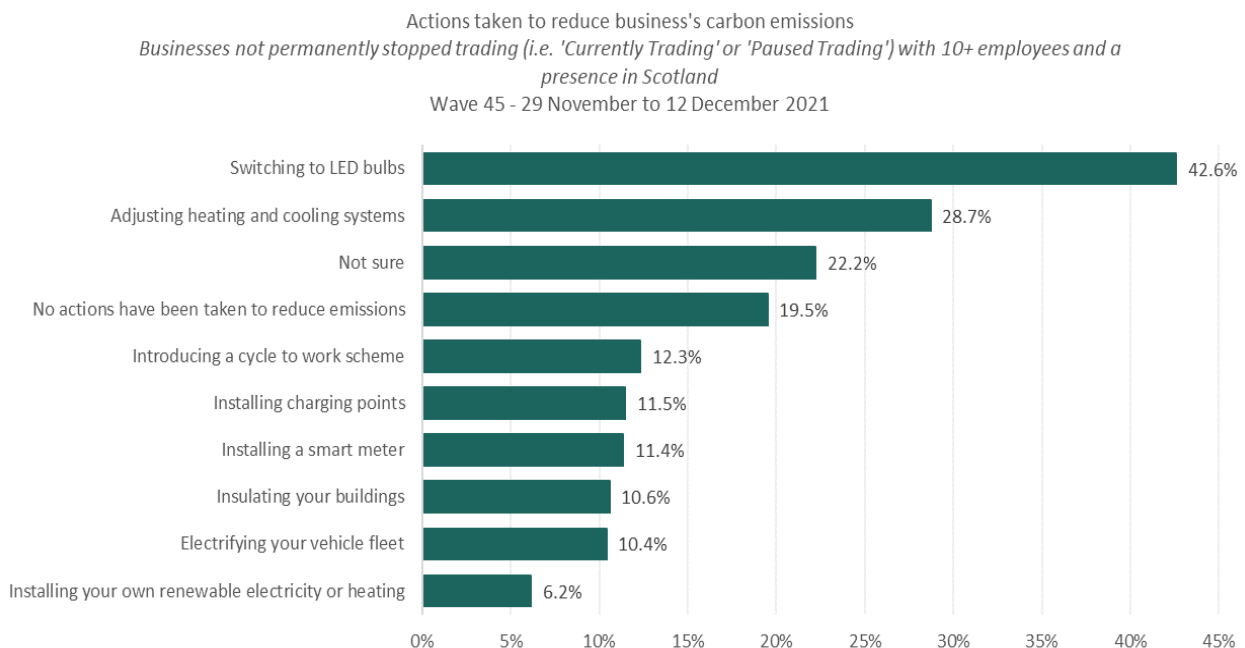
The BICS asks businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), whether they have taken any actions to reduce the business's carbon emissions – the specific question asked is shown below. Businesses were asked about their actions at the time of completion of the survey questionnaire (29 November to 12 December 2021 in Wave 45).

**Question:** Which of the following actions, if any, have you taken to reduce your business's carbon emissions?

- Adjusting heating and cooling systems
- Electrifying your vehicle fleet
- Installing a smart meter
- Installing charging points
- Installing your own renewable electricity or heating
- Insulating your buildings
- Introducing a cycle to work scheme
- Switching to LED bulbs
- Not sure
- No actions have been taken to reduce emissions

Note that the response option "Do not have any emissions" was removed for Wave 45.

Figure 9: Switching to LED bulbs (42.6%) and Adjusting heating and cooling systems (28.7%) were the actions most frequently reported by businesses in Wave 45. 19.5% of businesses reported that they had taken no actions to reduce their carbon emissions.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

## Exporting and Importing Challenges

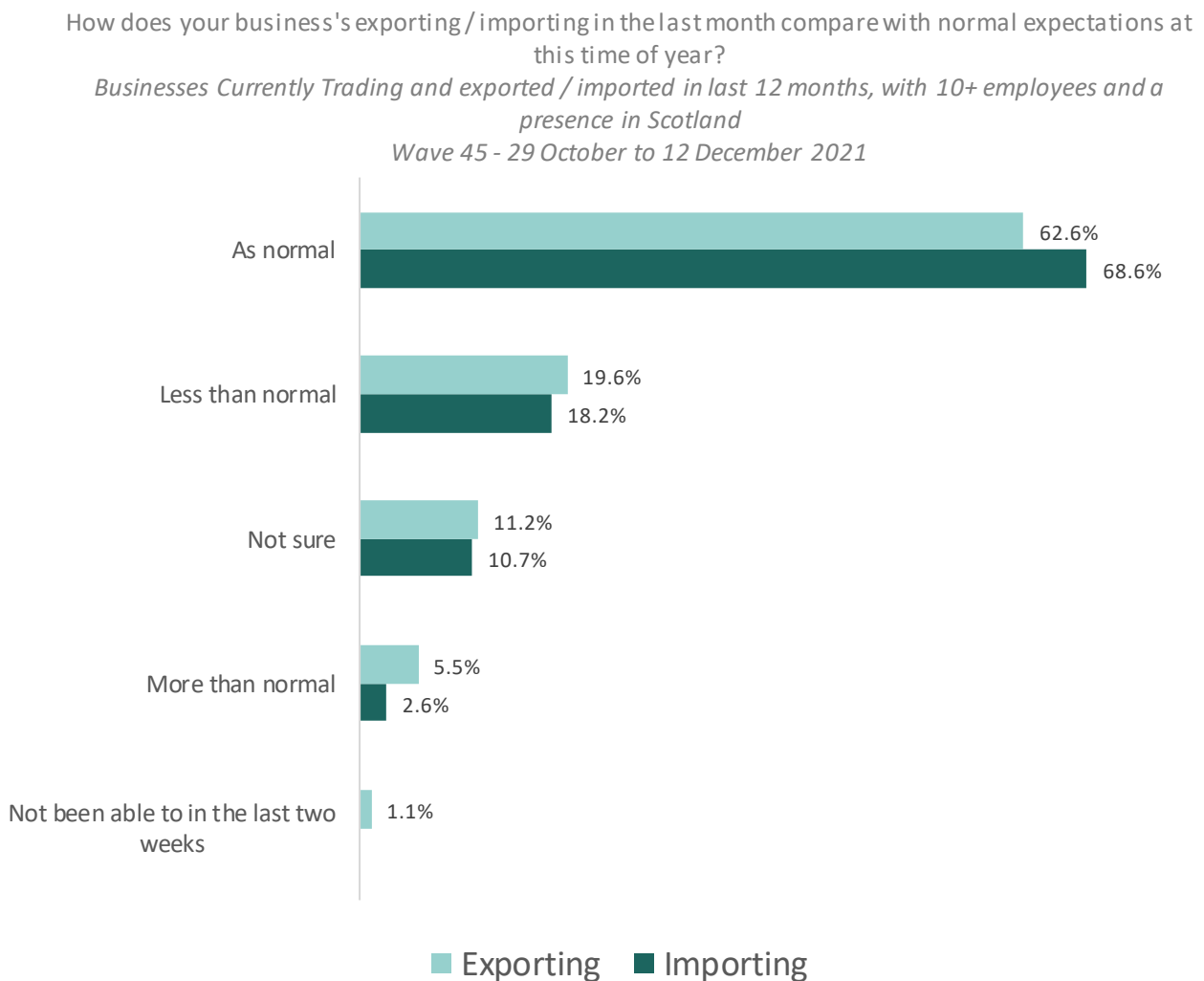
The BICS asks businesses that are currently trading about how current conditions, including the end of the EU transition period, have impacted on their exporting and importing – the specific questions asked are shown below.

In this wave, businesses were asked about changes to their business over the past month. Prior to Wave 43, businesses had been asked about changes in the previous two weeks. This should be borne in mind when comparing the latest 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

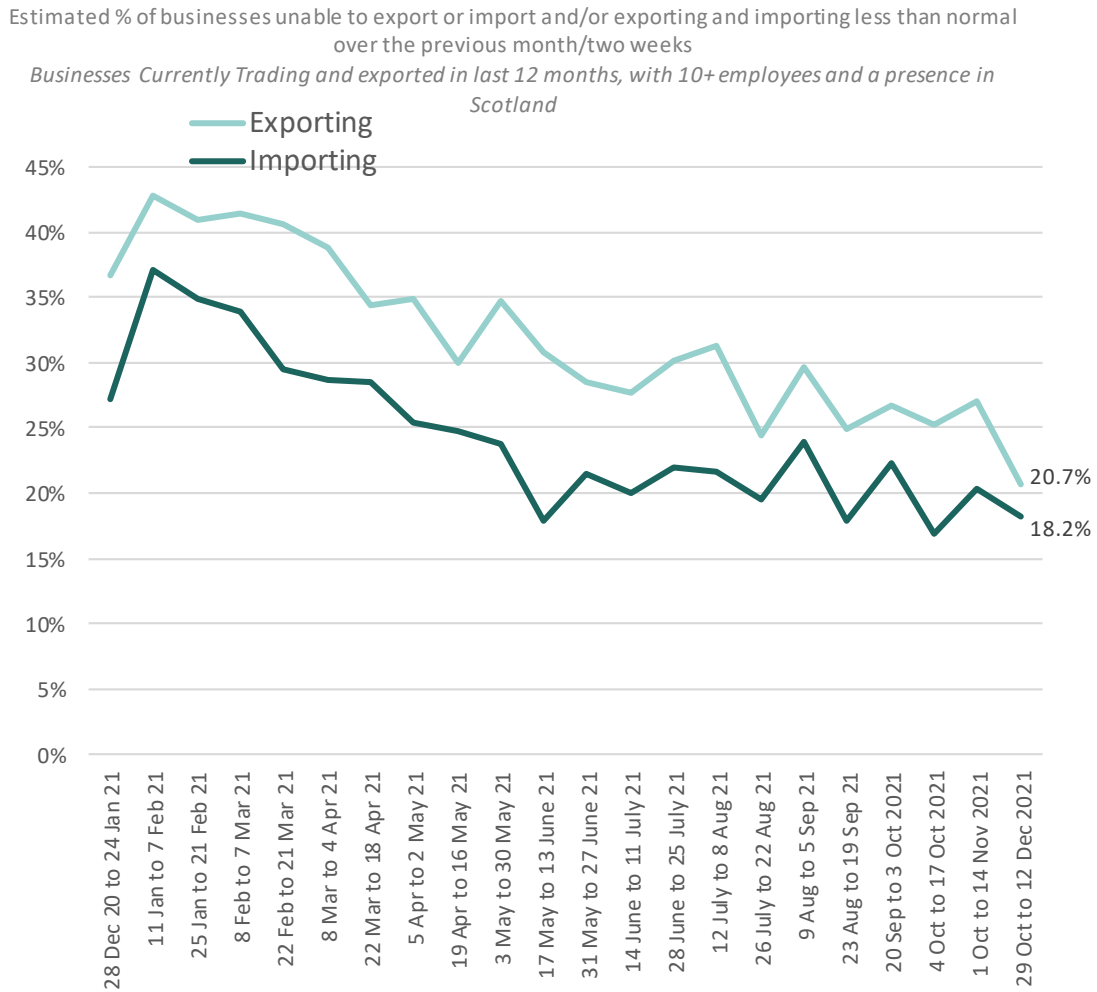
Figure 10: In the latest period, of businesses currently trading that have exported in the last 12 months, around a fifth (19.6%) reported exporting less than normal, and 18.2% reported importing less than normal in the past month.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

In the latest period, 62.6% of currently trading businesses, that have exported in the last 12 months, reported that they exported as normal. This has increased since the end of February (Wave 25) when 41.8% of businesses reported exporting as usual, and is the highest proportion since the series began. 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 the same for both exporting and importing.

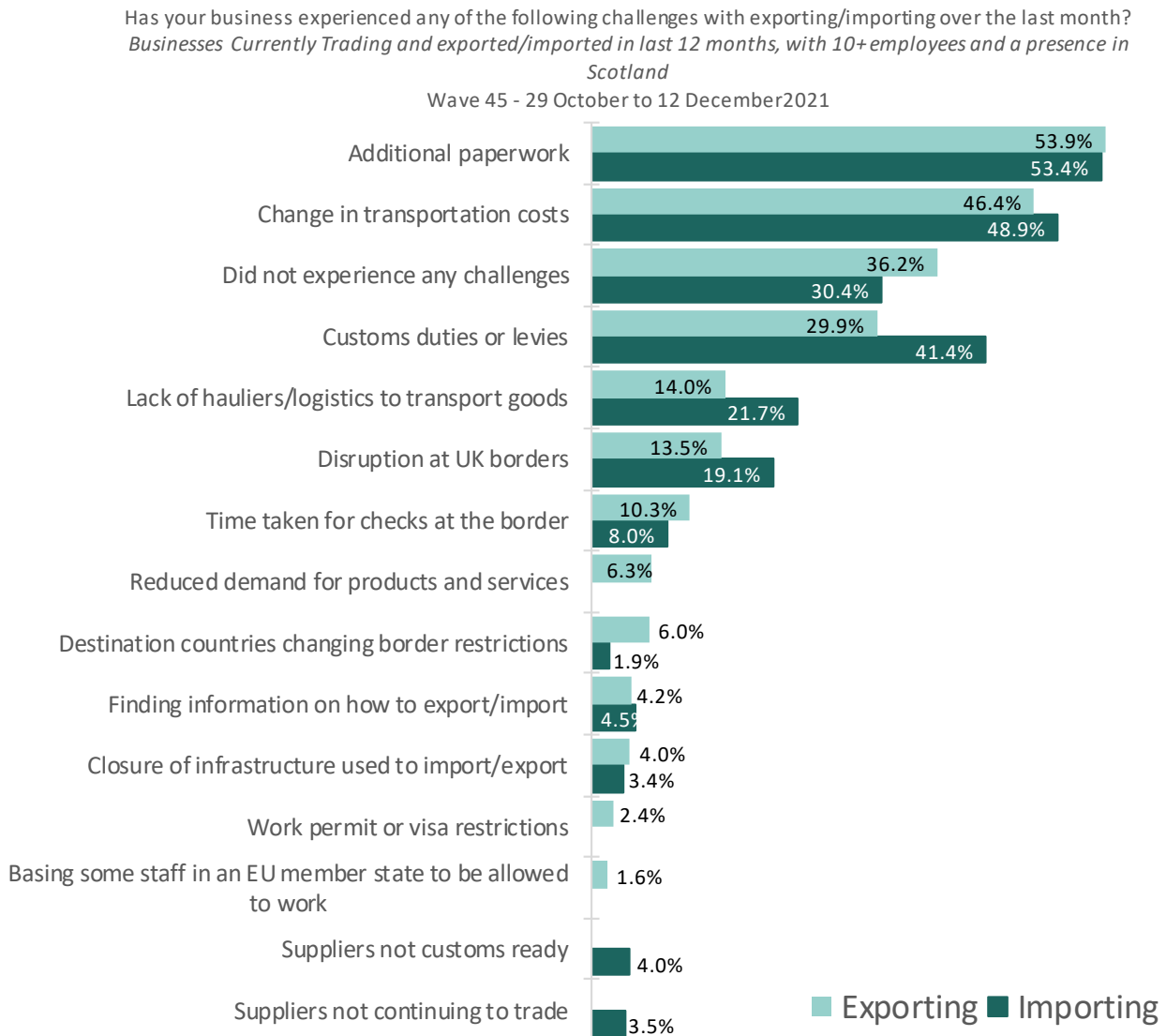
Figure 11: The proportion of relevant businesses that have not been exporting or have exported less than usual has been generally decreasing since early February (42.8% in Wave 23). Importing shows a similar trend.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 29 to 41, 43, 45.

Currently trading businesses that have 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.

Figure 12: The most commonly reported challenge continues to be additional paperwork, with over half (53.9%) of relevant companies reporting this as an exporting challenge and 53.4% reporting this as an importing challenge.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

The other main challenges for exporting and importing were change in transportation costs and customs duties or levies. However, 36.2% of exporters and 30.4% 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. On the other hand, companies reporting no challenges with importing has slightly increased, up from 24.7% in Wave 43.

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

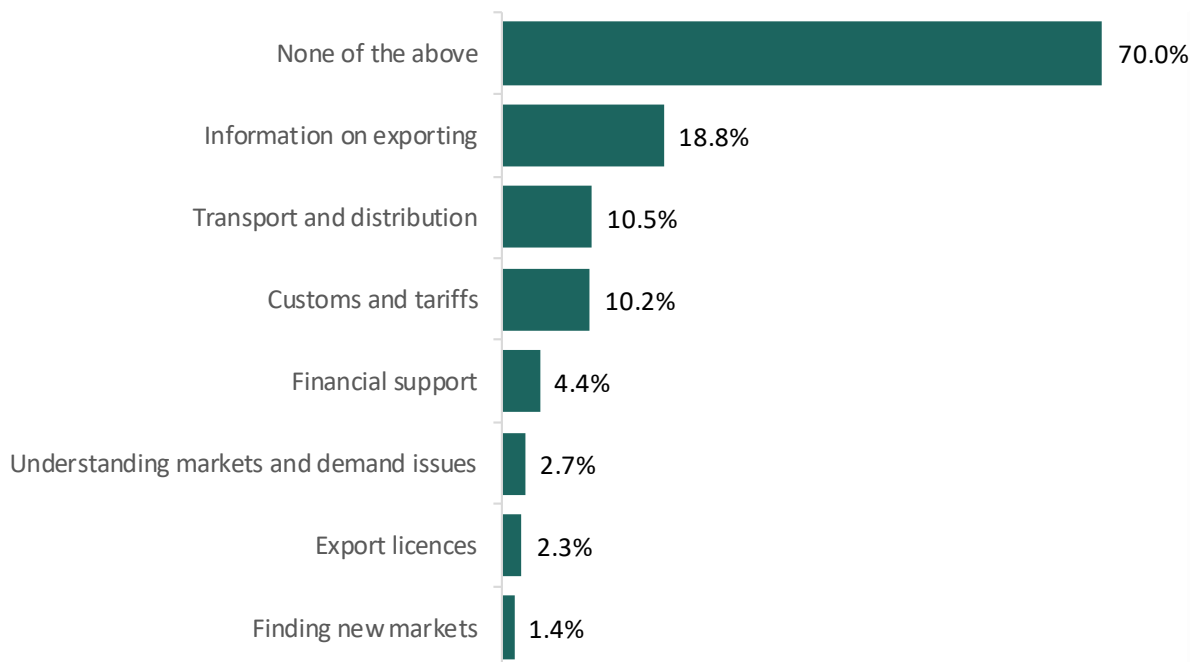
**Question:** Which of the following support options has your business benefitted from, to help with exporting challenges?

- 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 (18.8%), and transport and distribution (10.5%) However, 70.0% 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 45 - 29 October to 12 December 2021



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

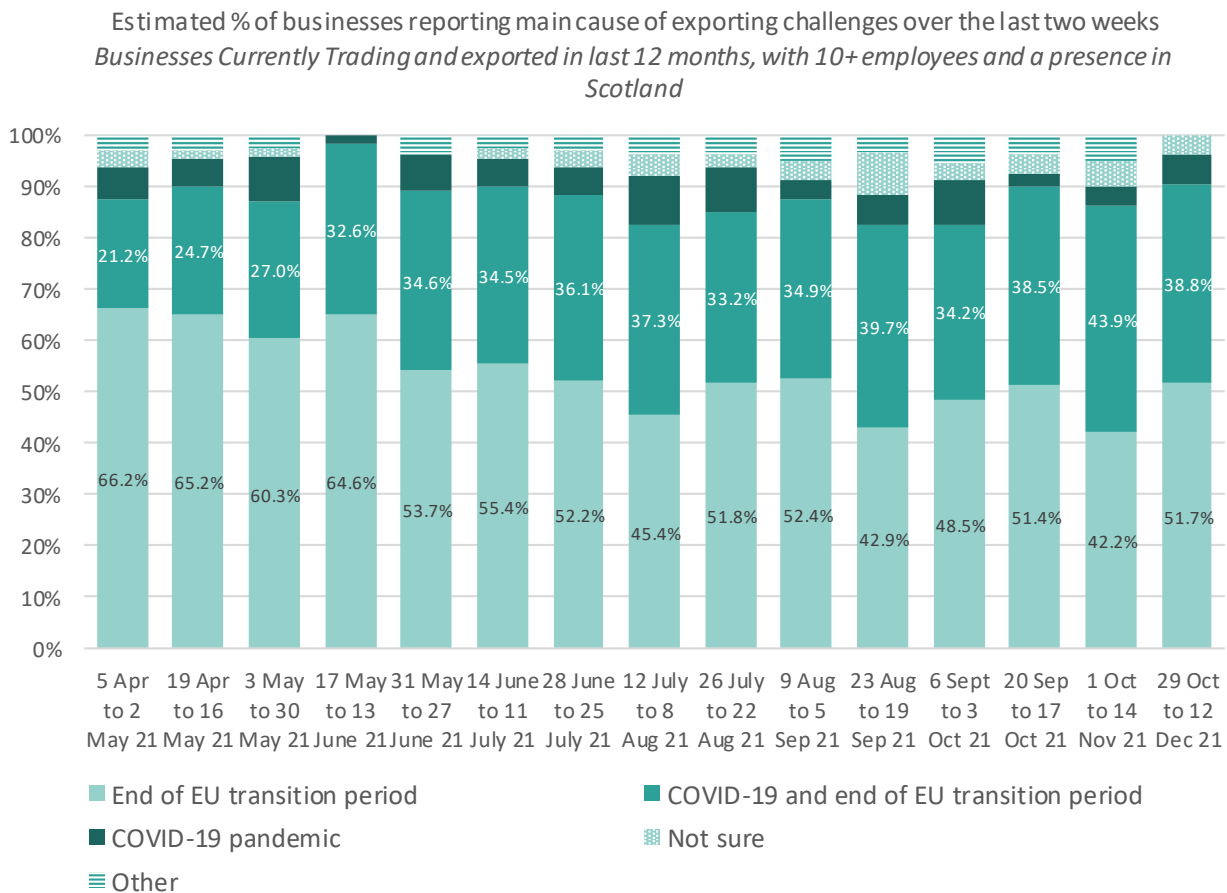
When asked to choose which support options they would benefit from to help with importing challenges, 27.8% of relevant businesses selected customs and tariffs, 22.6% selected information on importing, and 17.4% selected transport and distribution. The percentage of businesses reporting customs and tariffs 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 (27.8%). Of the relevant businesses, 40.8% 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: EU exit continues to be an issue for exporting, with over half (51.7%) of relevant companies reporting this as the main cause of their exporting challenges in the latest period. Companies reporting EU exit combined with COVID-19 as the main cause of exporting challenges has decreased since this was last measured in Wave 43.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 29 to 41, 43, 45.

Companies reported that the end of the EU transition period combined with the COVID-19 pandemic was the biggest challenge to importing, with 45.0% of companies reporting this. A further 44.3% of companies reported EU exit alone as the biggest challenge to importing.

An estimated 60% of currently trading companies reported that export challenges caused low or no disruption to their business, which is the highest proportion since the series began. A further 31.9% of companies reported that this caused moderate disruption, and 7.3% reported severe disruption from exporting challenges.

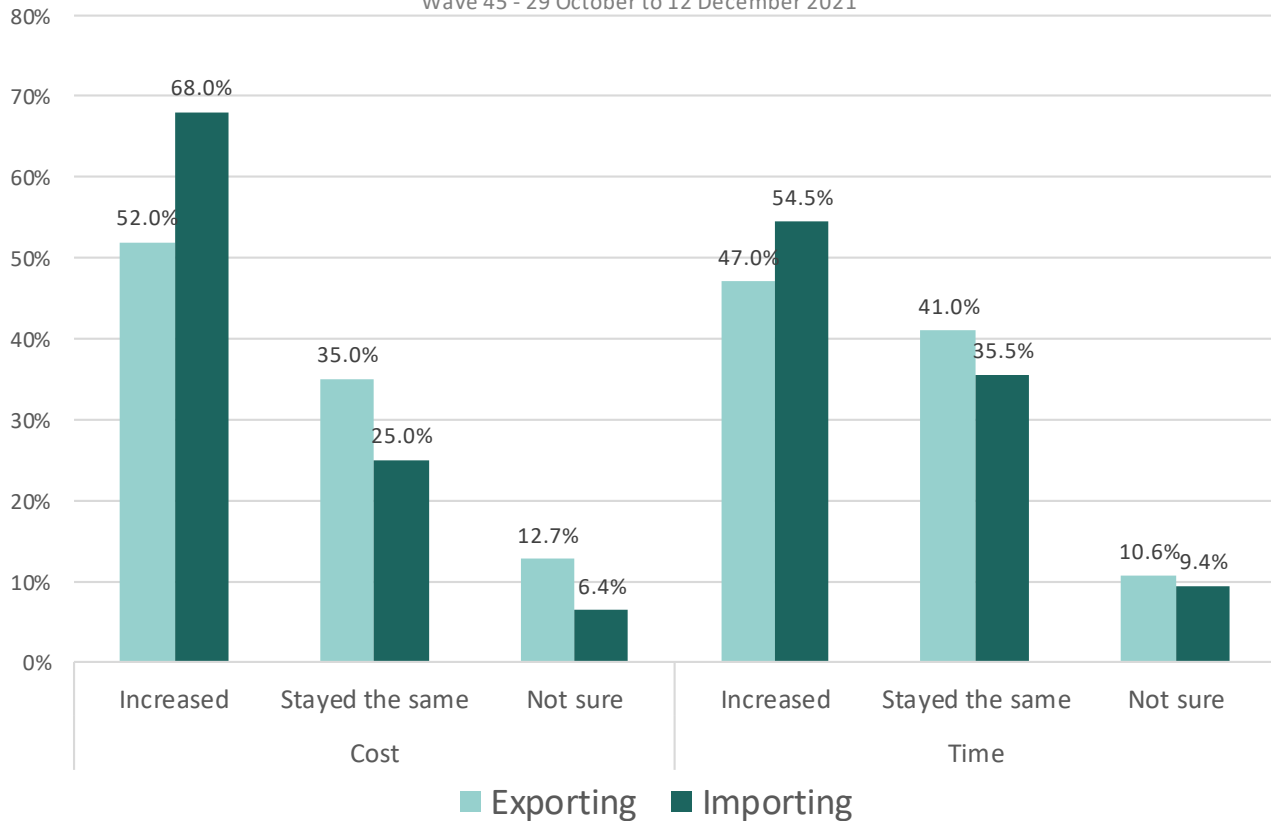
Businesses were also asked about the cost of exporting/importing and time spent on exporting/importing compared with normal expectations for this time of year.



Figure 15: An estimated 68.0% 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 (52.0%).

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 45 - 29 October to 12 December 2021



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 45

A larger proportion of currently trading businesses reported that costs had increased compared to normal for importing (68.0%) than exporting (52.0%). The same was true for the amount of time spent on importing (54.5%) and exporting (47.0%).

Over half (59.4%) of currently trading companies reported that they exported goods or services to both EU and non-EU countries in the past 2 months, while a further fifth (20.3%) reported that they exported to the EU only, and 9.3% reported exporting to non-EU countries only. The majority of exporters (92.0%) and importers (86.3%) reported not making any changes to where they exported/imported goods or services from/to in the last two months.

For the first time this wave, companies were asked how prepared they were for the introduction of full customs controls for goods imported from the EU from 1 January 2022. Of the relevant businesses, almost half (48.3%) reported that they are somewhat prepared, while a further 15.4% were fully prepared, 4.7% were not prepared, and the rest (31.6%) were not sure. Of these businesses, 33.4% expected that this will cause minor disruption, 23.8% reported that it will cause moderate disruption, 6.1% reported no disruption, 4.2% reported major disruption, while the rest (32.5%) 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.

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