

## BUSINESS AND ENERGY

### Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 48

4 February 2022

This is the 35<sup>th</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 10 January to 23 January 2022 (Wave 48), the share of businesses 'currently trading' was estimated at 98.0%, similar to the rate in Wave 47 (97.8% of businesses were 'currently trading' during the period 29 December 2021 to 9 January 2022).
- In Wave 48, the share of businesses reporting that they were fully trading was estimated at 89.3%, up from 88.2% in the previous period. In Wave 48, the Arts, Entertainment and Recreation industry sector had the lowest share of "fully trading" businesses, estimated at 56.7%.
- In Wave 48, 3.2% of the workforce were estimated to be on sick leave or not working because of coronavirus (COVID-19) symptoms, self-isolation or quarantine - remaining at the highest level reported since comparable estimates began in June 2020.
- In Wave 48, 28.8% of businesses reported a decrease in turnover compared with what is normally expected; with this share rising to 59.2% in the Accommodation & Food Services industry sector.

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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 9,377 businesses responded to the Wave 48 BICS UK-wide - 1,259 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 1,128 responding businesses in Wave 48. 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

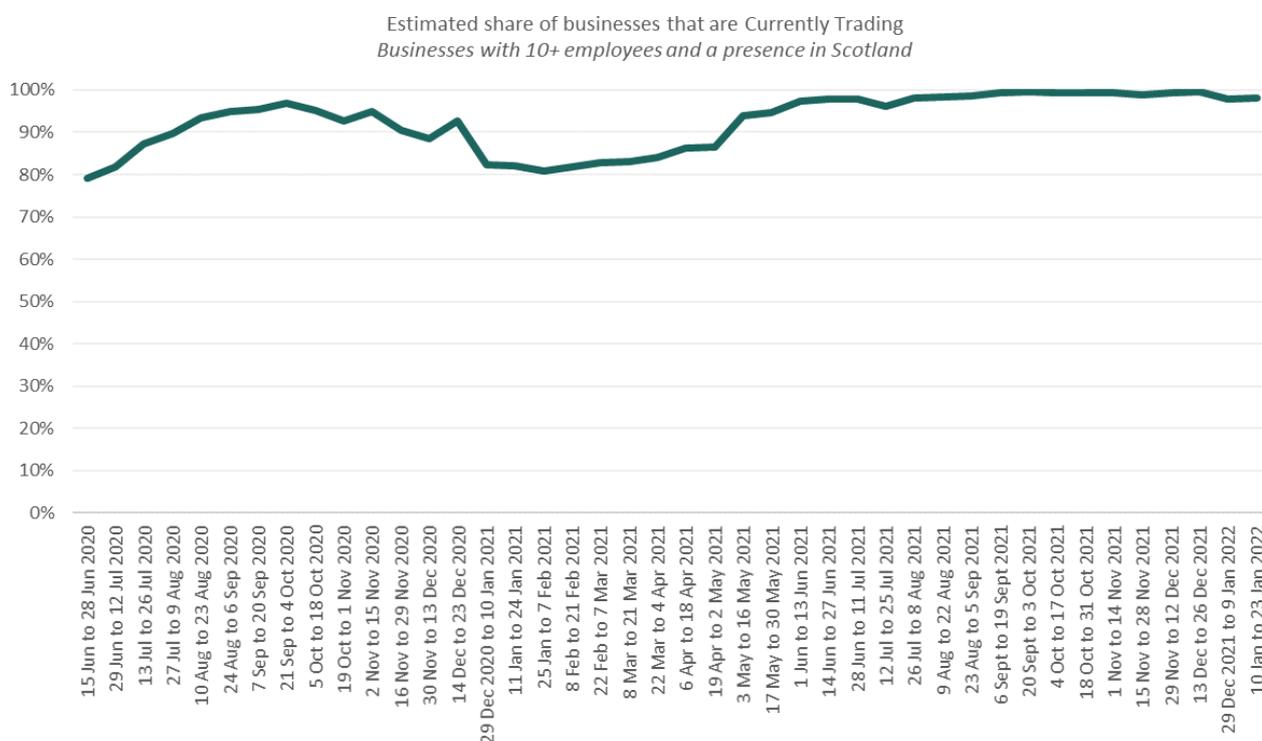
The BICS asks businesses about their trading status: the specific question<sup>3</sup> asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (10 January to 23 January 2022 in Wave 48).

**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 10 January to 23 January 2022 (Wave 48), the share of businesses 'currently trading' was estimated at 98.0%, similar to the rate in the previous period (97.8% in Wave 47).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 48

<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: In Wave 48, the share of businesses reporting that they were fully trading was estimated at 89.3%, up from 88.2% in the previous period. In Wave 48, the Arts, Entertainment and Recreation industry sector had the lowest share of “fully trading” businesses, estimated at 56.7%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 48

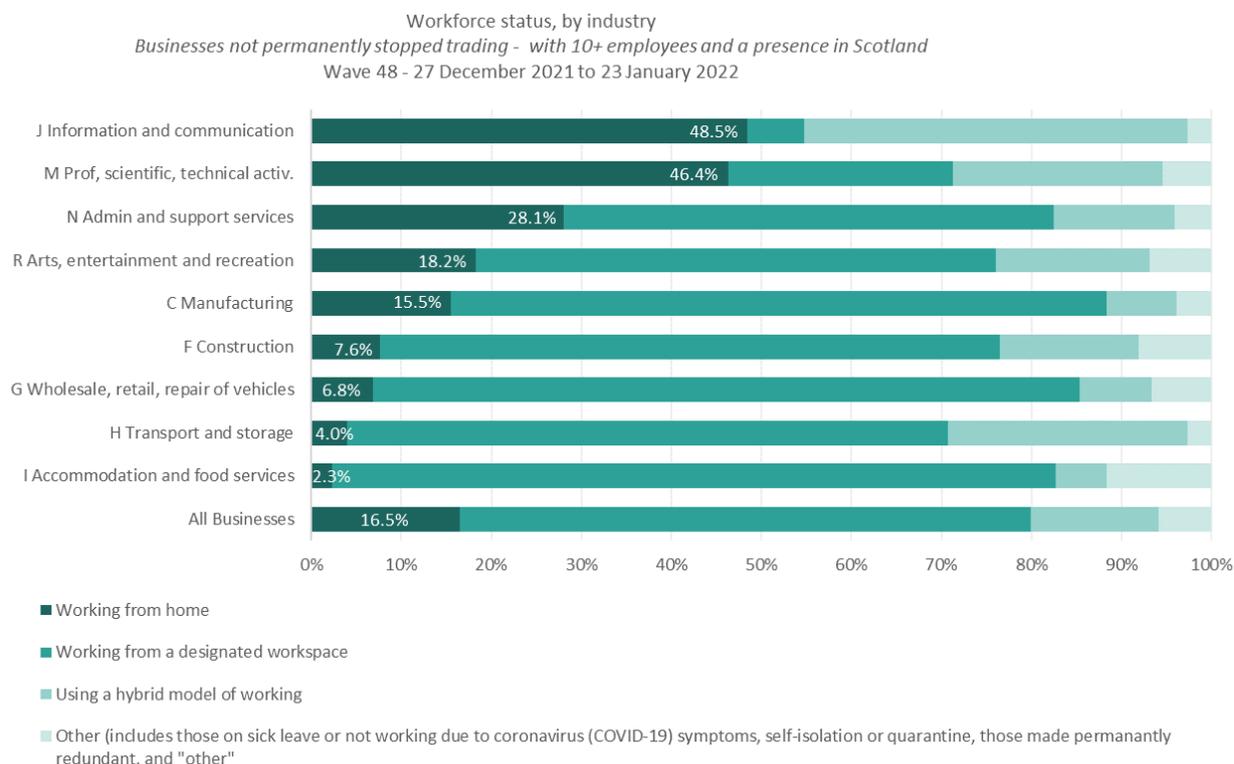
## Workforce Status

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 (10 January to 23 January 2022 for Wave 48) with the full question reference period (looking back at the last two weeks) covering 27 December 2021 to 23 January 2022 for Wave 48.

**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 working from home in Wave 48 was estimated to be 16.5% - up from 15.7% in Wave 47. In the latest period, the industry sectors with the highest proportion of the workforce working from home were the Information & Communication and Professional, Scientific & Technical Activities sectors, estimated at 48.5% and 46.4% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 48

In Wave 48, 3.2% of the workforce were estimated to be on sick leave or not working because of coronavirus (COVID-19) symptoms, self-isolation or quarantine - remaining at the highest level reported since comparable estimates began in June 2020. The Accommodation & Food Services industry sector reported the highest absence share at 6.0%, however this was slightly down on the previous period (7.7% in Wave 47).

## 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 (10 January to 23 January 2022 for Wave 48) with the full question reference period (looking back at the last two weeks) covering 27 December 2021 to 23 January 2022 for Wave 48.

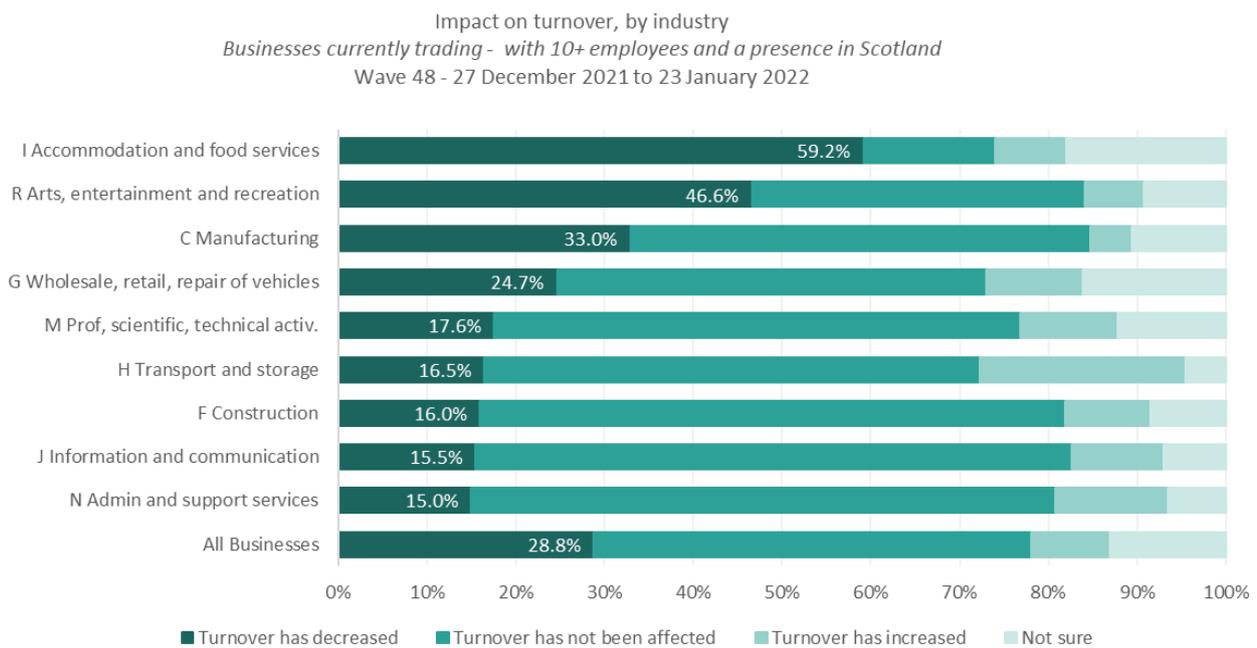
Note that in Waves 43, 45 and 47 this question asked about turnover in the last month rather than the last two weeks.

**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 4: In the period 27 December 2021 to 23 January 2022, 28.8% of businesses reported a decrease in turnover compared with what is normally expected. The Accommodation & Food Services industry sector continued to have the highest share of businesses experiencing a decrease in turnover compared with what is normally expected (estimated at 59.2%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 48

## Worker Shortages

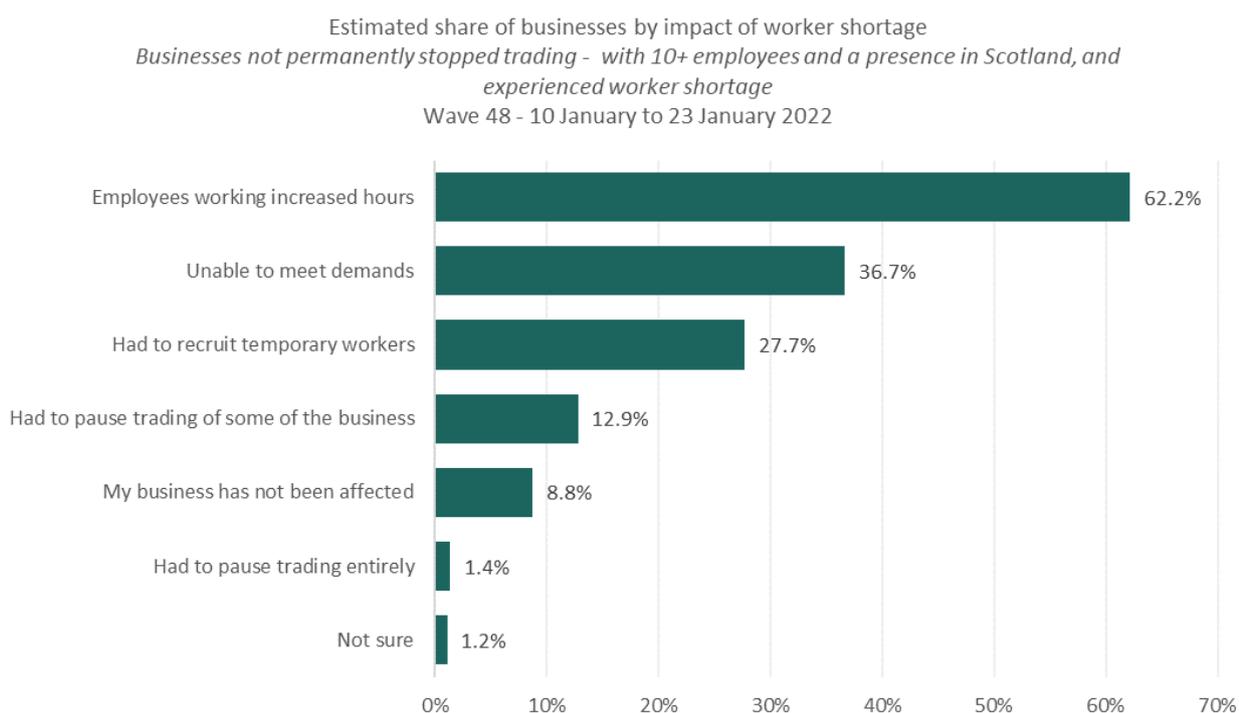
In Wave 48, businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), were asked whether they are currently experiencing a shortage of workers. An estimated 33.5% of businesses reported experiencing a shortage of workers - rising to 46.4% in the Construction sector and 37.4% of businesses in the Accommodation & Food Services 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 5: In Wave 48, 62.2% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 36.7% 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 48

## Vacancies

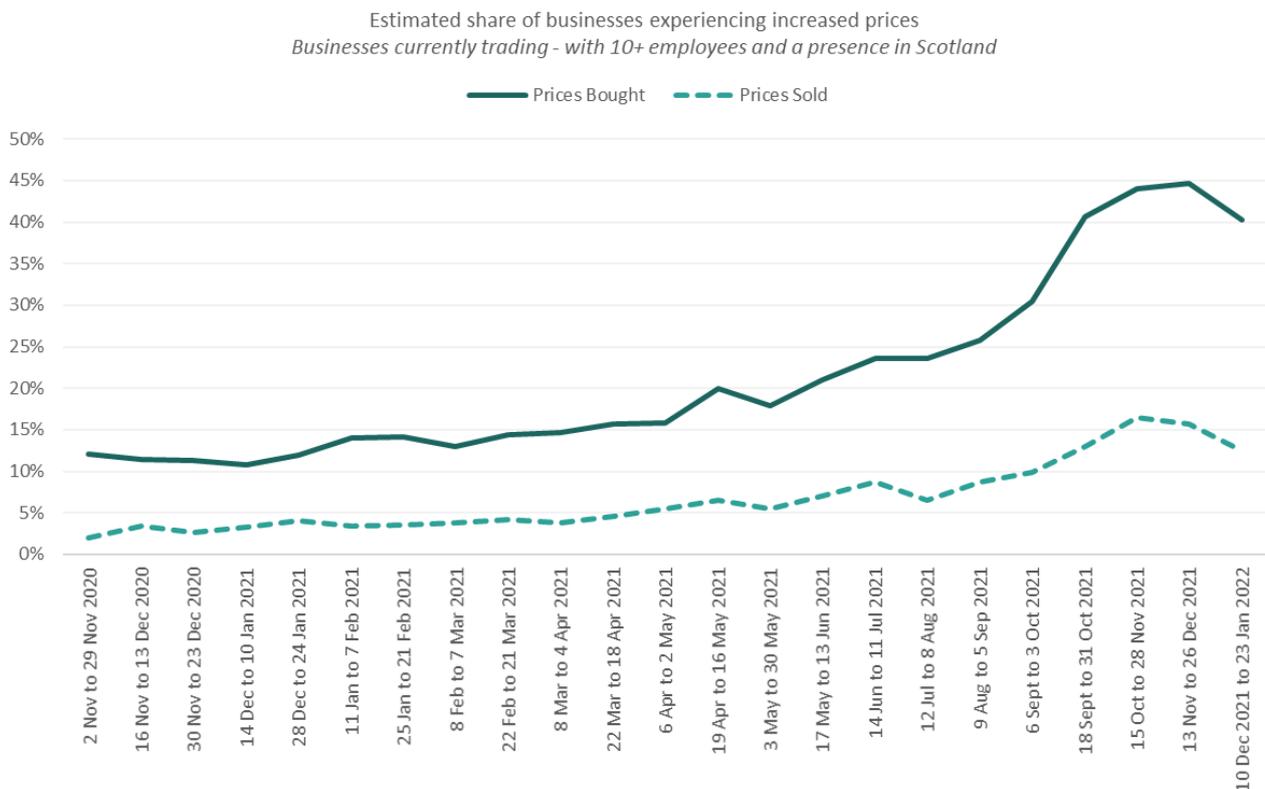
In Wave 48, businesses were asked about how difficult it has been to fill vacancies in the last month compared to normal expectations. Of businesses not permanently stopped trading, 38.3% reported that vacancies were more difficult to fill in the last month compared with normal expectations for this time of year – down from 42.8% in Wave 46. In Wave 48, the Accommodation & Food Services and Transport & Storage industry sectors had the highest shares of businesses reporting that vacancies were more difficult to fill, at 43.0% and 42.2% respectively.

Businesses who reported that vacancies were more difficult to fill were asked about the reasons for this. Overall, the most frequently reported reasons were the low number of applications for the roles on offer, and the lack of qualified applicants for the roles on offer (reported by 55.0% and 52.0% of businesses respectively).

## 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 (10 January to 23 January 2022 for Wave 48) with the full question reference period (looking back at the last month) covering 10 December 2021 to 23 January 2022 for Wave 48. Prior to Wave 42, these questions asked about prices in the last two weeks rather than the last month.

Figure 6: In Wave 48, 40.3% 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 12.5% 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 32, 34, 36, 38, 40, 42, 44, 46, 48

In the latest period, the industry sectors with the highest proportion of businesses reporting increases in prices of materials, goods and services bought were Accommodation & Food Services (57.1%) and Manufacturing (56.9%).

## Changes to Financial or Operational Activities

In Wave 48, businesses were asked if they had experienced any unexpected changes to financial or operational activities in the last two weeks. Of businesses not permanently stopped trading, 9.9% reported that they had experienced unexpected changes to activities in the last two weeks. In the latest period, the Accommodation & Food Services industry sector had the highest share of businesses reporting unexpected changes, at 25.4%.

In Wave 48, businesses were also asked if they were expecting any financial or operational activities to be affected by the coronavirus (COVID-19) pandemic in the next two weeks. Of businesses not permanently stopped trading, 28.5% reported that they were expecting activities to be affected in the next two weeks. In the latest period, the Accommodation & Food Services industry sector had the highest share of businesses reporting that they were expecting activities to be affected, at 51.5%.

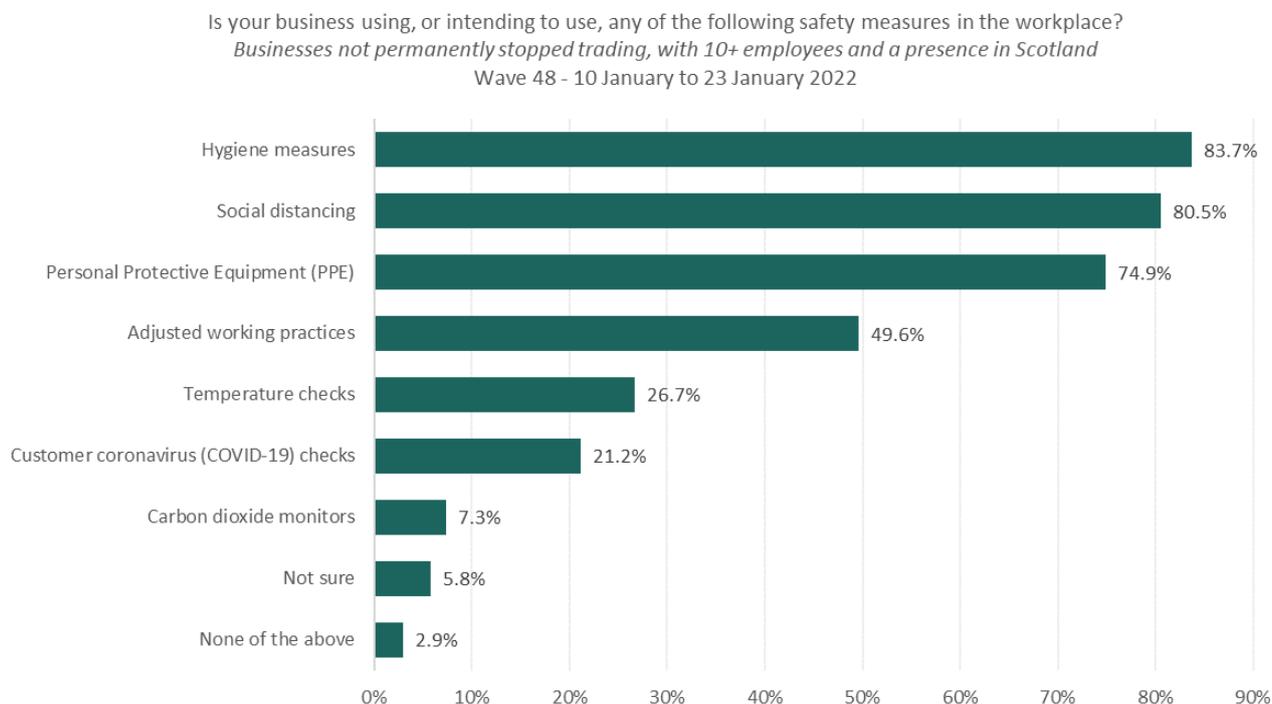
## Safety Measures

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 (10 January to 23 January 2022 in Wave 48).

**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 7: In Wave 48, Hygiene Measures (83.7%), Social Distancing (80.5%) and Personal Protective Equipment (PPE) (74.9%) continued to be the workplace safety measures most frequently reported by businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 48

In Wave 48, businesses who indicated they were using or intending to use a safety measure were asked how the implementation of these has affected operating costs. Overall, an estimated 10.3% of businesses reported that operating costs have substantially increased, rising to 24.1% of businesses in the Accommodation & Food Services industry sector. Overall, 55.7% of businesses reported that operating costs have increased a little as a result of implementing safety measures.

## 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 43, businesses have been asked about changes to their business over the past month. In the waves prior to Wave 43, businesses were asked about changes in the previous two weeks. Any time series trends in the following sections should be interpreted with this in mind.

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

- Yes
- No
- Not sure
- Not applicable

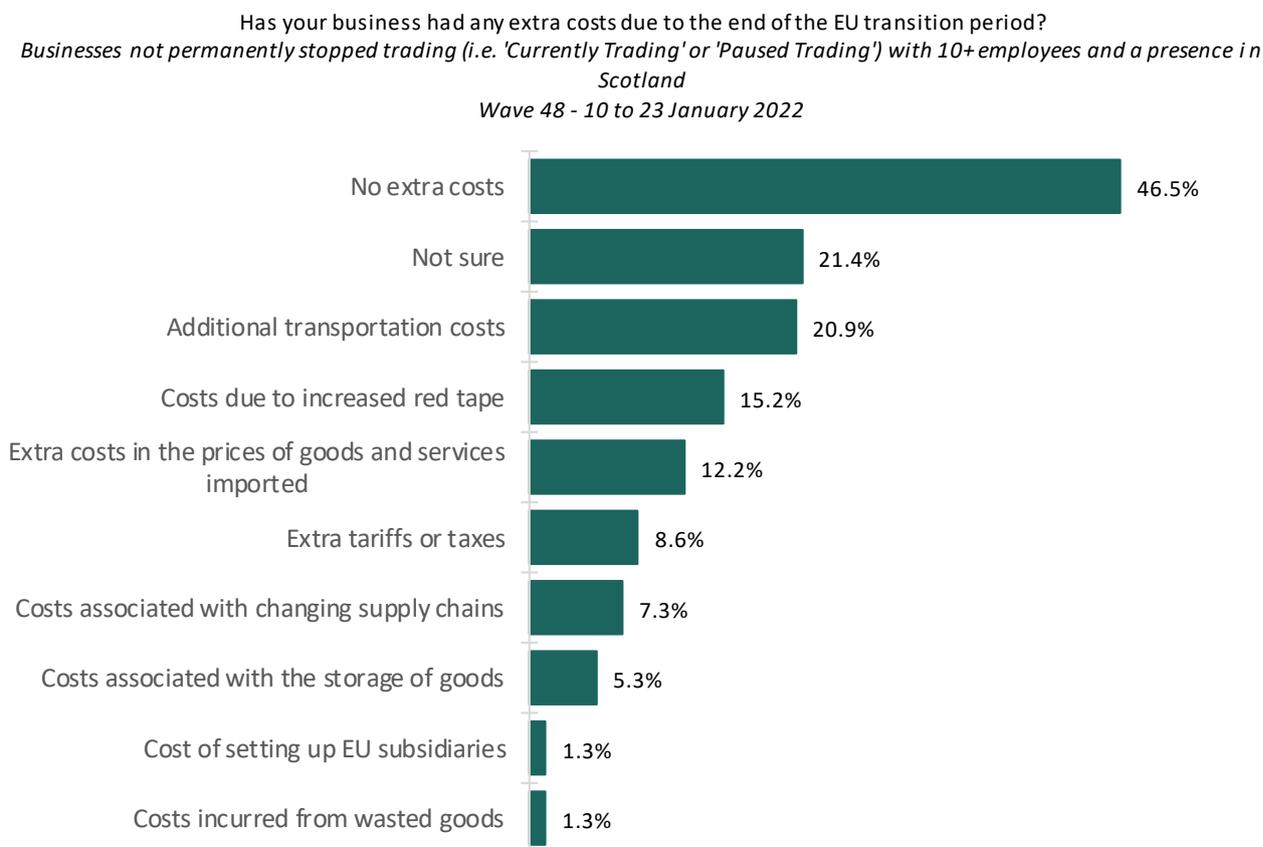
Note for the results for this question, we have excluded 'not applicable' responses from the analysis.

Of the businesses this question applied to, 78.8% reported not making any changes to supply chains due to the end of the EU transition period. This figure has remained consistent since it was last measured in December (78.8% in Wave 46). A further 9.3% of businesses reported that they had made changes to supply chains in the latest period. This figure has increased slightly since April 2021 (5.1% in Wave 28), when this question was first asked. The rest of the businesses (11.9%) were not sure.

The majority (78.4%) of applicable businesses who had not permanently stopped trading reported being able to access materials from within the UK over the past month. Similarly, over three quarters (78.9%) 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 a further 14.4% of businesses reported that they had to change suppliers or find alternative solutions. An estimated 6.7% of businesses had not been able to get the materials, goods, or services they needed from the EU. The proportion of businesses reporting that they had been able to access materials, goods, or services from the EU was substantially higher than the proportion of businesses reporting they had not been able to do so, and this has been a consistent pattern since this question was first asked in March 2021 (Wave 27).

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

**Figure 8: Of the relevant businesses, an estimated 46.5% reported incurring no extra costs due to the end of the EU transition period. The most commonly reported additional costs were those associated with transportation (20.9%) and increased red tape (15.2%).**



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 48

Although the proportion of relevant businesses reporting no extra costs has been increasing since November 2021 (38.7% in Wave 44), it remains lower than 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 2021 (11.8% in Wave 27).

Of the applicable businesses, 60.7% reported that they expected all of their UK distribution demands to be met by logistics services in the next two weeks, while a further 10.4% of businesses expected some UK distribution demands to be met. The rest (28.4%) were not sure.

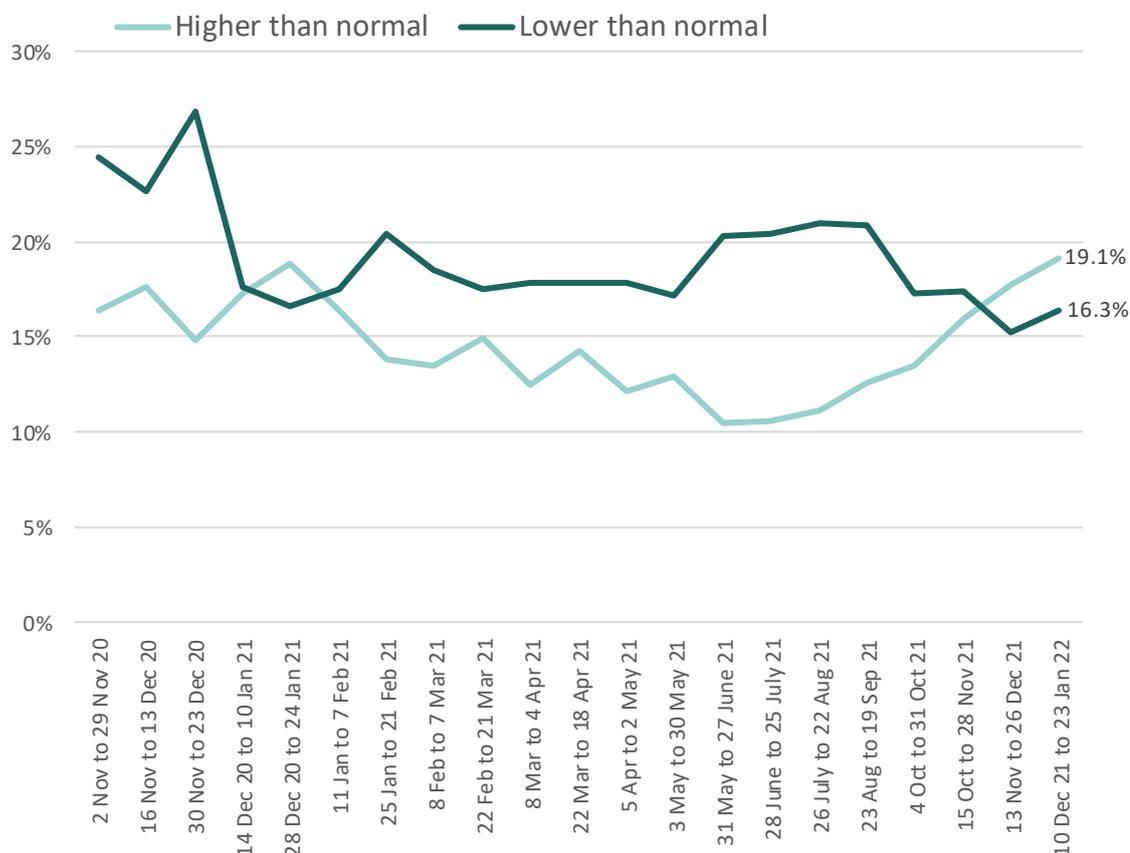
## Stock

In Wave 48, the majority (84.8%) of businesses not permanently stopped trading reported that they were not stockpiling goods or materials, which is slightly lower than in February 2021 (90.8% in Wave 25). An estimated 8.7% of businesses reported stockpiling goods or materials in Wave 48.

Businesses were also asked how their stock levels in the past month compared to normal expectations for this time of year. Over half (56.1%) of applicable businesses reported that stock levels had not changed over the past month compared to normal expectations, while 16.3% reported that stock levels were lower than normal.

Figure 9: In Wave 48, more businesses reported that stock levels are higher than normal (19.1%) compared to lower than normal (16.3%), which has been the case since November 2021 (Wave 46)

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, 46, 48

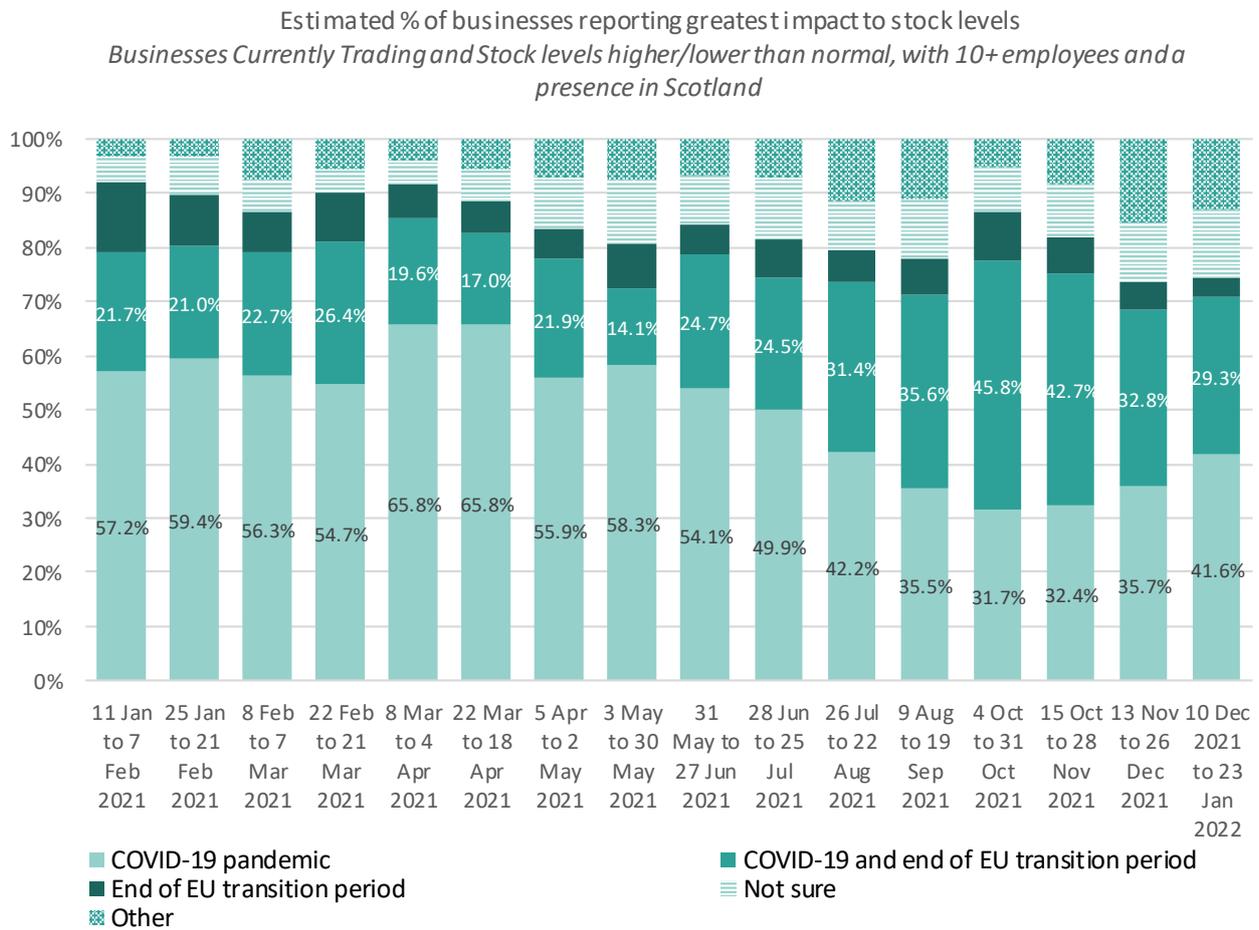
The proportion of businesses reporting that stock levels are higher than normal has been steadily increasing since July 2021.

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 10: The proportion of relevant businesses reporting COVID-19 as the biggest factor to impact stock levels has increased since October 2021 (from 31.7% in Wave 42 to 41.6% in Wave 48), but remains lower than in April 2021 (65.8% in Wave 28).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 23-29, 31, 33, 35, 37, 39, 42, 44, 46, 48

The proportion of businesses reporting a combination of COVID-19 and the end of the EU transition period as being the biggest factor to impact stock levels has decreased since October 2021 (from 45.8% in Wave 42 to 29.3% in Wave 48).

## 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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