

## BUSINESS AND ENERGY

### Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 52

1 April 2022

This is the 39<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 7 March to 20 March 2022 (Wave 52), the share of businesses 'currently trading' was estimated at 99.4%.
- In Wave 52, the share of businesses reporting that they were fully trading was estimated at 95.3%, up from 94.5% in the previous period. In Wave 52, the Accommodation & Food Services and Arts, Entertainment & Recreation industry sectors had the lowest shares of "fully trading" businesses, estimated at 83.4% and 90.2% respectively.
- In Wave 52, 64.7% of the workforce were estimated to be working from a designated workspace, 20.9% to be using a hybrid model of working and 9.4% working from home.
- In Wave 52, an estimated 35.7% of businesses reported experiencing a shortage of workers. 60.7% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 31.8% of businesses reported that they have been unable to meet demands due to a shortage of workers.
- In Wave 52, 53.4% of currently trading businesses reported that the prices of materials, goods or services bought had increased by more than normal price fluctuations – up from 49.4% of businesses in Wave 50 and is the highest level in the series. By contrast, only 20.4% of businesses currently trading reported that they had increased the price of goods or services sold.

Note that BICS Weighted Scotland Estimates for Wave 53 and Wave 54 are scheduled for release on Friday 29<sup>th</sup> of April 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 9,638 businesses responded to the Wave 52 BICS UK-wide - 1,278 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 1,152 responding businesses in Wave 52. 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 17th of February 2022 ONS published [Understanding the business impacts of local and national restrictions, UK: February 2022](#) – 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

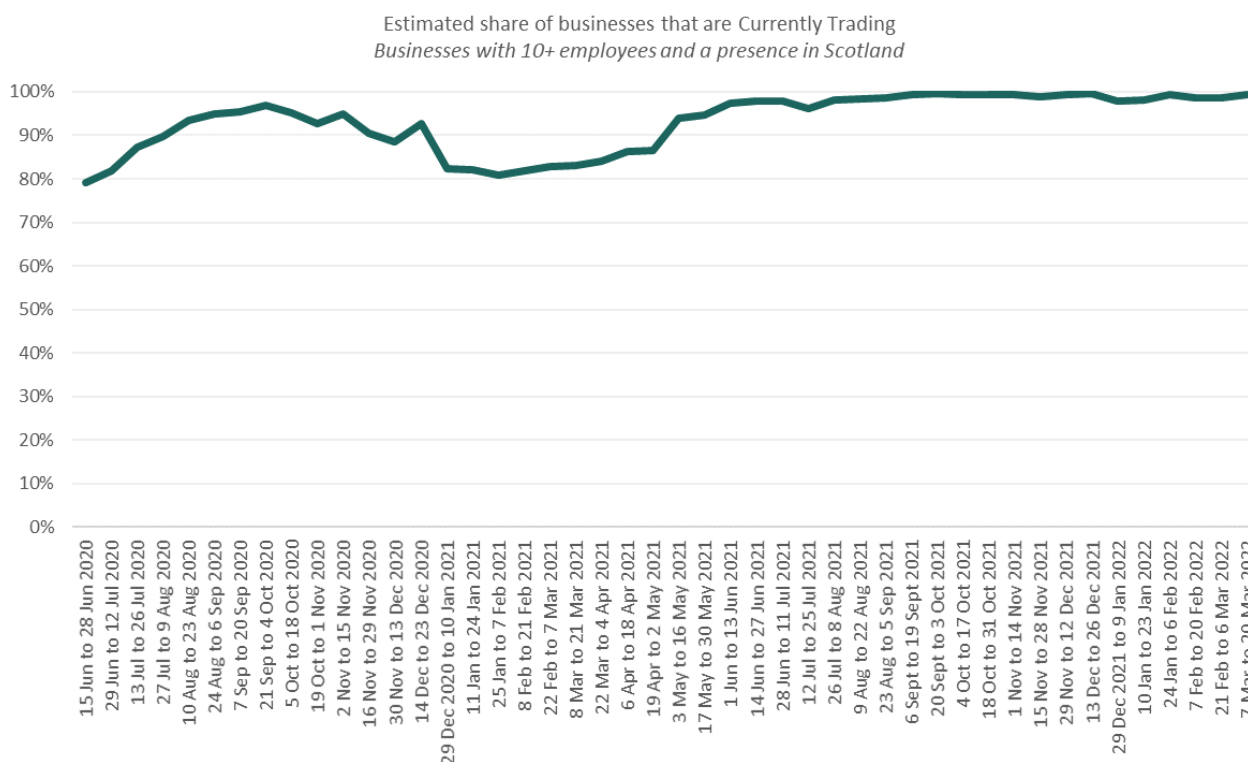
The BICS asks businesses about their trading status: the specific question<sup>3</sup> asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (7 March to 20 March 2022 in Wave 52).

**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 7 March to 20 March 2022 (Wave 52), the share of businesses 'currently trading' was estimated at 99.4%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 52

<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 52, the share of businesses reporting that they were fully trading was estimated at 95.3%, up from 94.5% in the previous period. In Wave 52, the Accommodation & Food Services and Arts, Entertainment & Recreation industry sectors had the lowest shares of “fully trading” businesses, estimated at 83.4% and 90.2% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 52

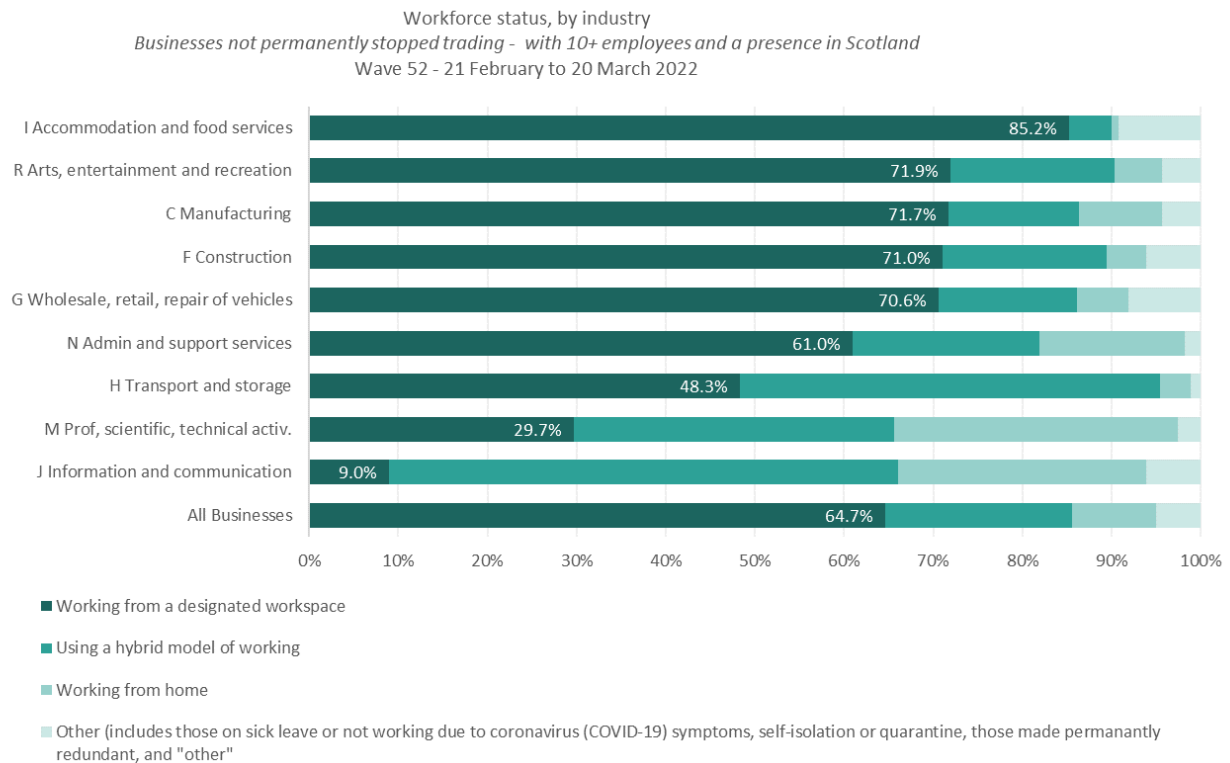
## Workforce Status

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 (7 March to 20 March 2022 for Wave 52) with the full question reference period (looking back at the last two weeks) covering 21 February to 20 March 2022 for Wave 52.

**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: In Wave 52, 64.7% of the workforce were estimated to be working from a designated workspace, 20.9% to be using a hybrid model of working and 9.4% working from home. In the latest period, the industry sectors with the lowest proportion of the workforce working from a designated workspace were the Information & Communication and Professional, Scientific & Technical Activities sectors, estimated at 9.0% and 29.7% respectively – with these sectors having high rates of hybrid working and home working.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 52

In Wave 52, 1.8% of the workforce were estimated to be on sick leave or not working because of coronavirus (COVID-19) symptoms, self-isolation or quarantine – broadly in line with the previous period (1.7% in Wave 51). The Information & Communication industry sector reported the highest absence share at 4.3%.

### Worker Shortages

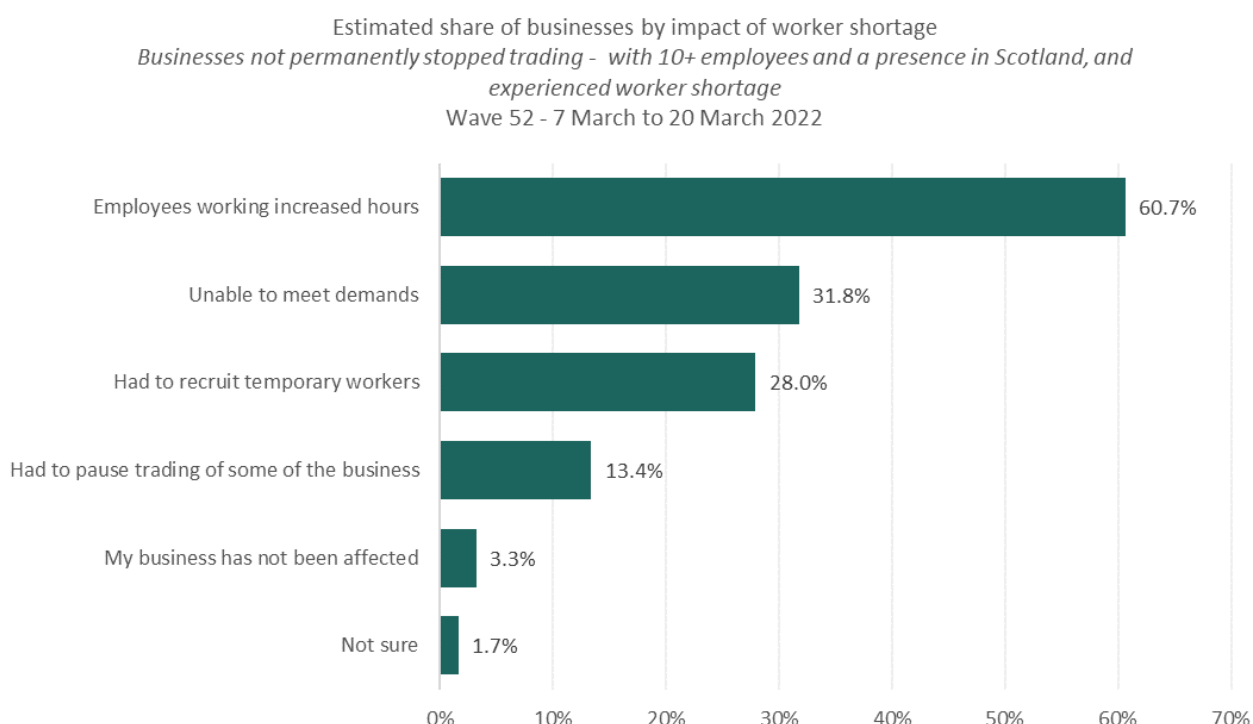
In Wave 52, businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), were asked whether they are currently experiencing a shortage of workers. An estimated 35.7% of businesses reported experiencing a shortage of workers - rising to 47.5% in the Accommodation & Food Services sector, and 41.5% in the Transport & Storage 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 52, 60.7% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 31.8% 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 52

## Vacancies

In Wave 52, 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, 40.0% reported that vacancies were more difficult to fill in the last month compared with normal expectations for this time of year – a similar rate to Wave 50 (40.6%). In Wave 52, the Accommodation & Food Services and Arts, Entertainment and Recreation industry sectors had the highest shares of businesses reporting that vacancies were more difficult to fill, at 49.8% and 46.3% respectively.

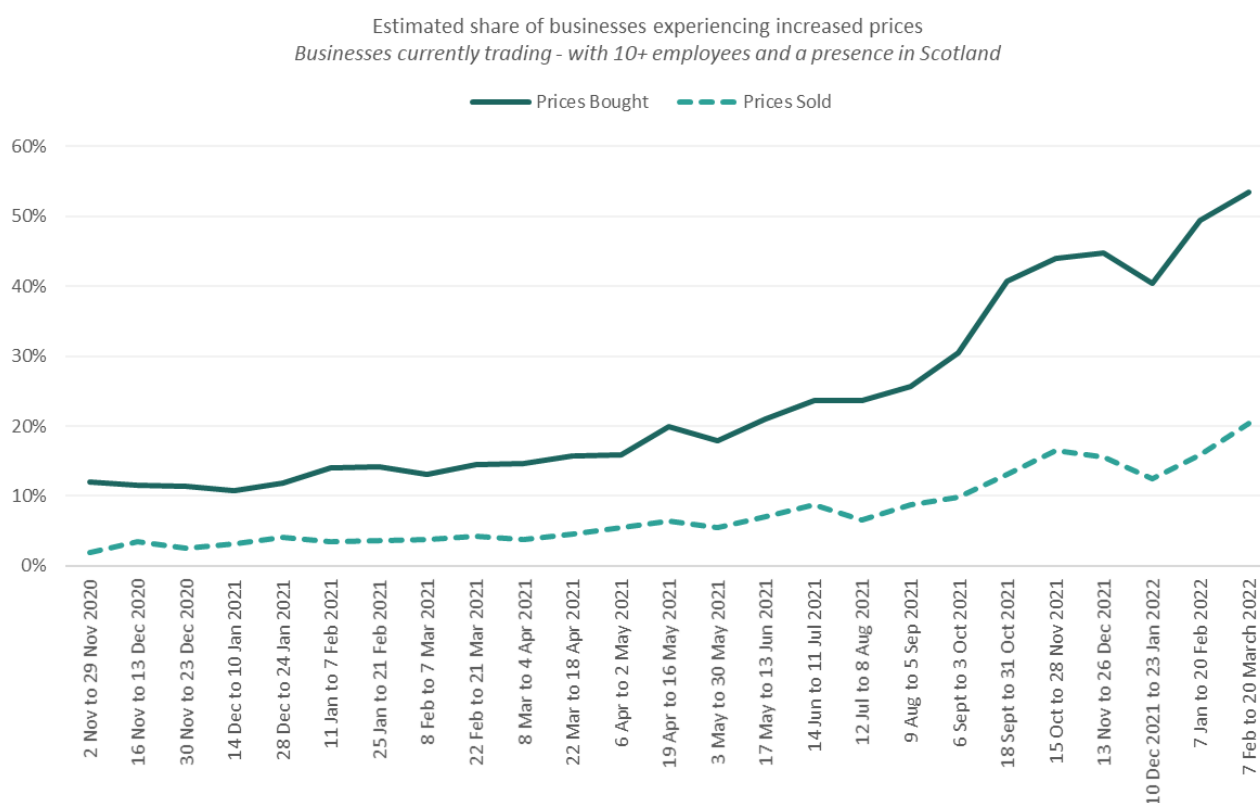
Businesses who reported that vacancies were more difficult to fill were asked about the reasons for this. Overall, the most frequently reported reasons were the low number of applications for the roles on offer, and the lack of qualified applicants for the roles on offer (reported by 57.1% and 53.1% 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 (7 March to 20 March 2022 for Wave 52) with the full question reference period (looking back at the last month) covering 7 February to 20 March 2022 for Wave 52. Prior to Wave 42, these questions asked about prices in the last two weeks rather than the last month.

Figure 5: In Wave 52, 53.4% of currently trading businesses reported that the prices of materials, goods or services bought had increased by more than normal price fluctuations – up from 49.4% of businesses in Wave 50 and is the highest level in the series. By contrast, only 20.4% 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, 50, 52

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 (68.7%) and Construction (66.6%).

In Wave 52, businesses not permanently stopped trading were asked in which ways their business had been affected by any price rises they had experienced.

Around two thirds (65.3%) of businesses not permanently stopped trading reported that they had been affected by general price increases in some way; the top three impacts reported by businesses were having to absorb costs (46.0%), passing on price increases to customers (31.0%) and having to change suppliers (12.2%).



## Access to goods and materials

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. This means that any time series trends in the following sections should be interpreted with caution.

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

- Yes
- No
- Not sure
- Not applicable

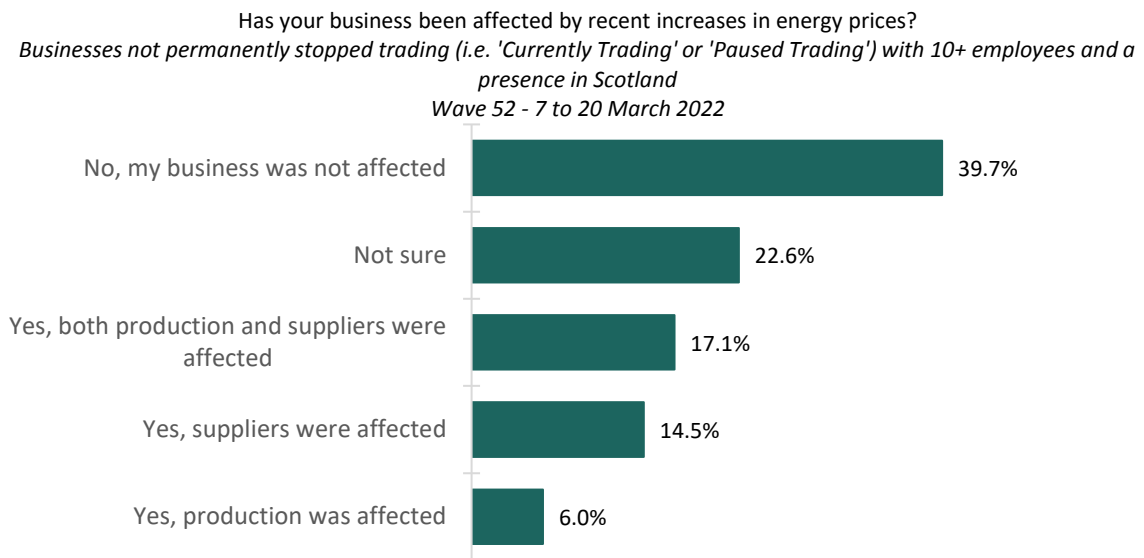
Note for the results for this question, we have excluded 'not applicable' responses from the analysis.

An estimated 6.1% of applicable businesses reported having made changes to supply chains due to the end of the EU transition period. The proportion of businesses reporting these changes has decreased since February 2022 (10.6% in Wave 50). However, the majority (84.2%) of businesses reported not making any changes to supply chains due to the end of the EU transition period.

The majority (81.7%) of applicable businesses who had not permanently stopped trading, reported being able to access the materials, goods or services they needed from within the UK over the past month. A very similar proportion (82.0%) reported that they were able to get these from the EU in the last month. A further 14.1% reported that they had to change suppliers or find alternative solutions in order to get the materials, goods or services they needed from the EU and only 3.9% reported that they were unable to get them. These values are generally similar to when they were first asked in March 2021 (Wave 27).

Businesses were asked if they had been affected by recent increases in energy prices.

Figure 6: An estimated 39.7% of applicable businesses that have not permanently stopped trading, reported that they had not been affected by the recent increases in energy prices.



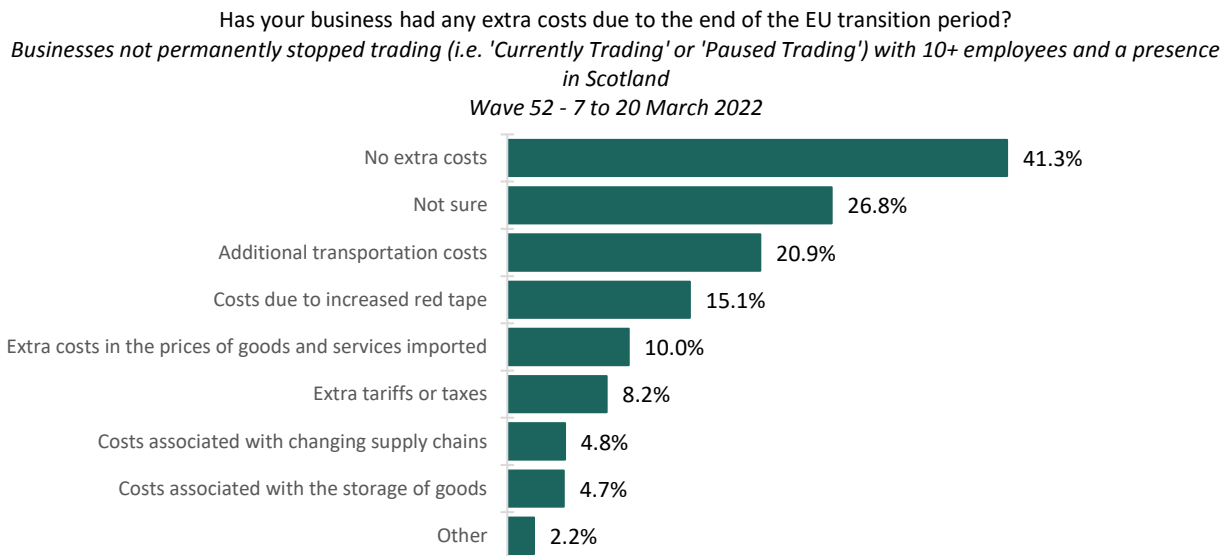
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 52

### End of the EU transition period

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

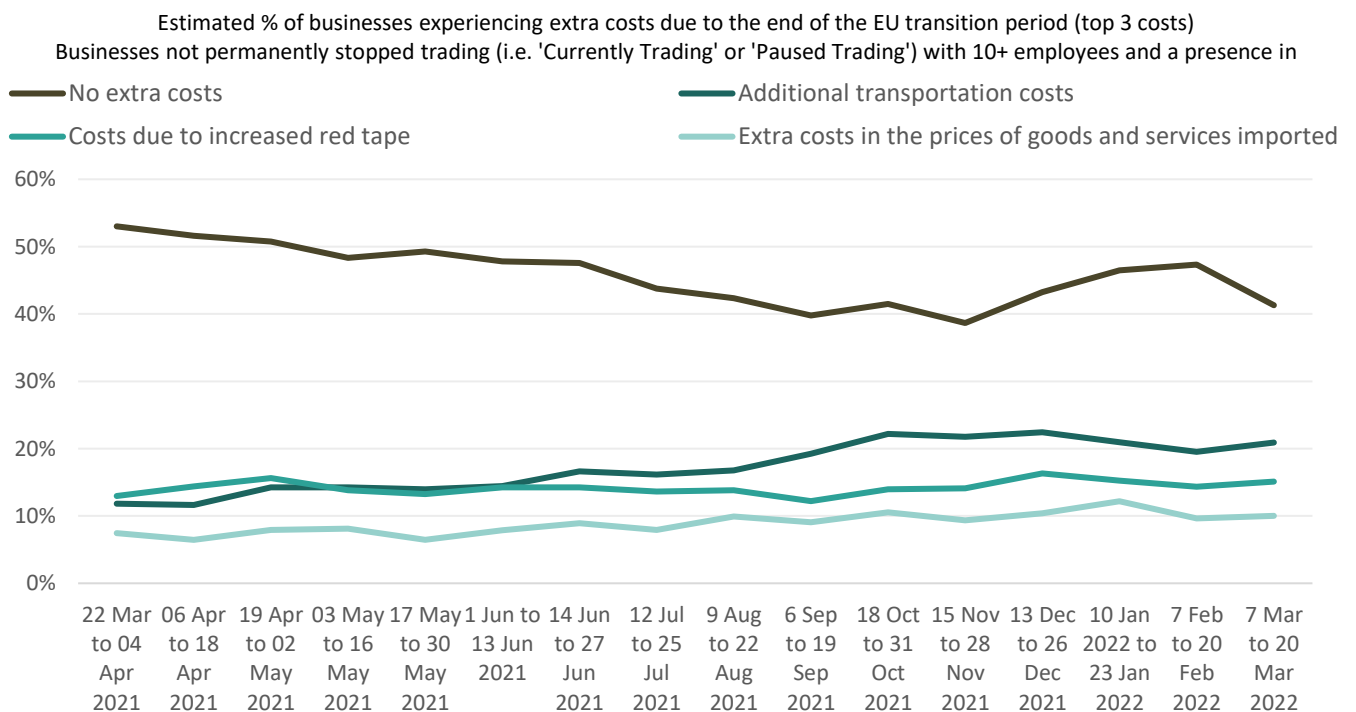
Additional transportation costs have been the most commonly reported costs since May 2021 (Wave 30), when they surpassed the second most commonly reported extra costs (due to increased red tape).

Figure 7: Of the relevant businesses, an estimated 41.3% reported incurring no extra costs due to the end of the EU transition period. The most commonly reported additional costs continued to be those associated with transportation (20.9%) and increased red tape (15.1%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 52

Figure 8: The proportion of relevant businesses reporting no extra costs increased between November 2021 and February 2022 (from 38.7% in Wave 44 to 47.3% in Wave 50), but has decreased in the most recent wave (41.3% in Wave 52).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 27-33, 35, 37, 39, 42, 44, 46, 48, 50, 52

## Sending goods to and from Northern Ireland

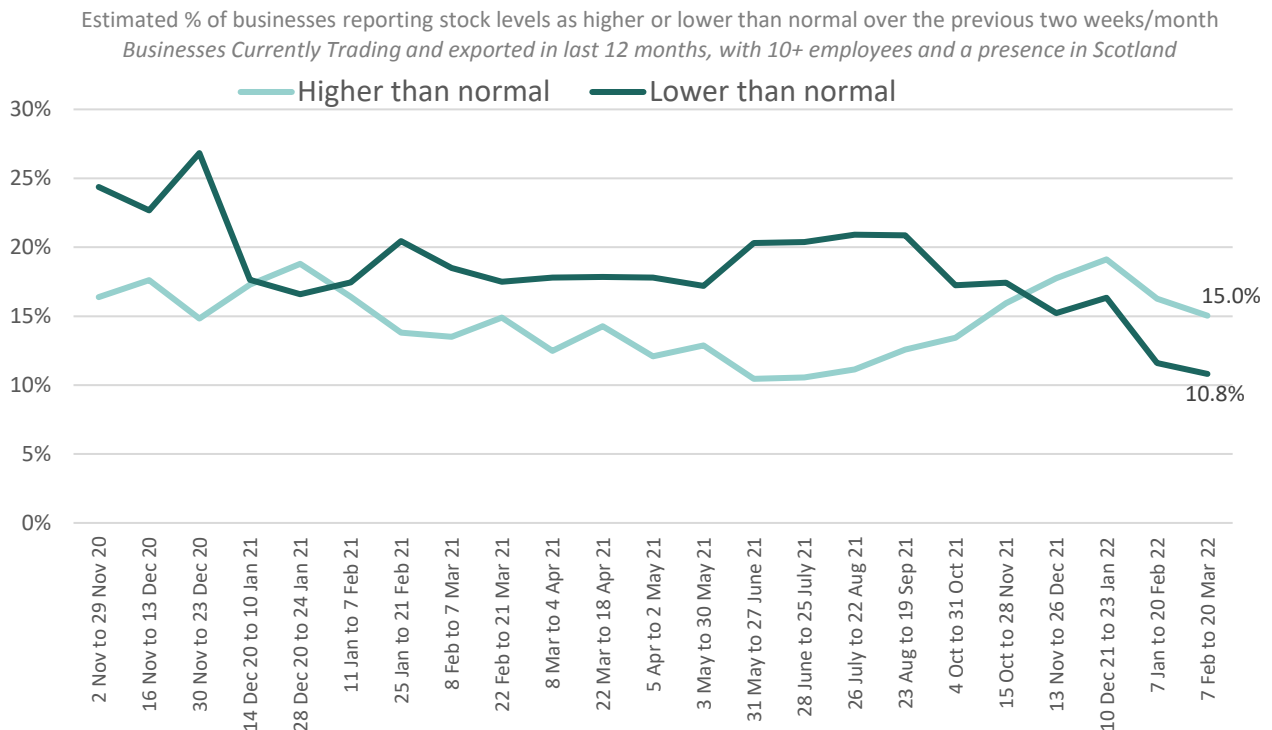
The proportion of businesses that reported sending goods from GB to Northern Ireland in the last 12 months has been gently but steadily decreasing since this question was first asked, from an estimated 13.3% in January 2021 (Wave 23) to 9.4% in March 2022 (Wave 52). Over the latest month, 9.4% of relevant businesses reported that the volume of goods they would normally send to Northern Ireland had decreased and 72.5% reported that it had stayed the same.

## Stock

In Wave 52, the majority (87.8%) of businesses that have not permanently stopped trading reported that they were not stockpiling goods or materials, whereas an estimated 7.4% of businesses reported that they were stockpiling.

Businesses were also asked how their stock levels in the past month compared to normal expectations for this time of year. In Wave 52, the proportion of applicable businesses reporting that stock levels have not changed was the highest it has been since this question was first asked in November 2020 (from 49.6% in Wave 18 to 66.7% in Wave 52). Correspondingly, the proportion of applicable businesses reporting that stock levels are lower than normal was the lowest that is has been during this period (from 24.4% in Wave 18 to 10.8% in Wave 52).

Figure 9: An estimated 15.0% of businesses reported that stock levels were higher in the past month compared to normal expectations, while 10.8% reported that stock levels were lower than normal.



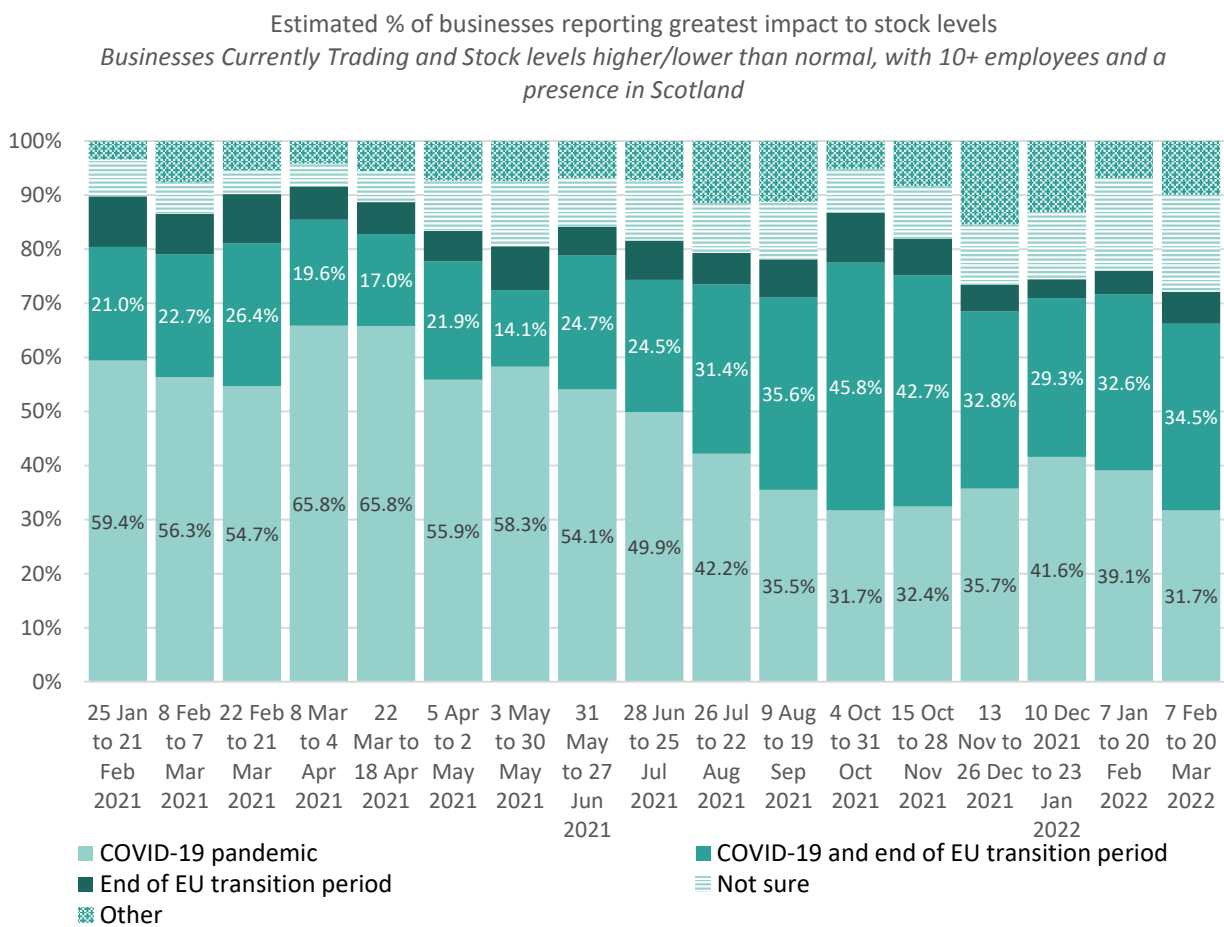
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 18-29, 31, 33, 35, 37, 39, 42, 44, 46, 48, 50, 52

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: EU exit combined with COVID-19 emerged as the most commonly reported factor to impact stock levels in Wave 52 (34.5%), and the proportion of companies reporting this has increased since December 2021 (29.3% in Wave 48).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 24-29, 31, 33, 35, 37, 39, 42, 44, 46, 48, 50, 52

## **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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