

## BUSINESS AND ENERGY

### Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 55

13 May 2022

This is the 41<sup>st</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 19 April to 1 May 2022 (Wave 55), the share of businesses 'currently trading' was estimated at 98.6%, broadly in line with the previous period (4 April to 17 April 2022).
- In the period 19 April to 1 May 2022, the share of businesses reporting that they were fully trading was estimated at 97.0%. The Accommodation & Food Services continued to be the industry sector had with the lowest share of "fully trading" businesses, estimated at 90.1%.
- In March 2022, 67.3% of the workforce were estimated to be working from a designated workspace, 20.7% to be using a hybrid model of working and 8.0% working from home.
- In Wave 55, 58.8% of currently trading businesses reported that the prices of materials, goods or services bought in March 2022 had increased from the previous calendar month. In contrast, only 23.5% of businesses currently trading reported that they had increased the price of goods or services sold.
- Around two thirds (68.3%) 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 (47.8%), passing on price increases to customers (33.8%) and having to change suppliers (15.2%).
- More than one third (36.4%) of businesses not permanently stopped trading reported that they were expecting to increase prices in April 2022. The top three factors reported by businesses for these expected price increases were energy prices (49.5%), labour costs (40.9%) and raw material prices (37.5%).

## Contents

<b>Latest main findings for businesses with 10+ employees and a presence in Scotland</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>3</b>
<b>Trading Status</b> .....	<b>4</b>
<b>Workforce Status</b> .....	<b>5</b>
<b>Recruitment</b> .....	<b>6</b>
<b>Staffing Costs</b> .....	<b>7</b>
<b>Prices</b> .....	<b>7</b>
<b>Business Resilience</b> .....	<b>9</b>
<b>Stock</b> .....	<b>10</b>
<b>An Experimental Statistics Publication for Scotland</b> .....	<b>11</b>

## 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, 8,813 businesses responded to the Wave 55 BICS UK-wide. In Wave 55, 1,173 of these 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 1,060 responding businesses in Wave 55. 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 - 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'.

Please note, from Wave 54, ONS have rationalised the number of questions asked each wave and references to "normal expectations" have been replaced with a defined reference period for businesses to compare against. Please find further details of these changes within the blog: [Times they are a-changing: and with them, two key ONS surveys](#).

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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

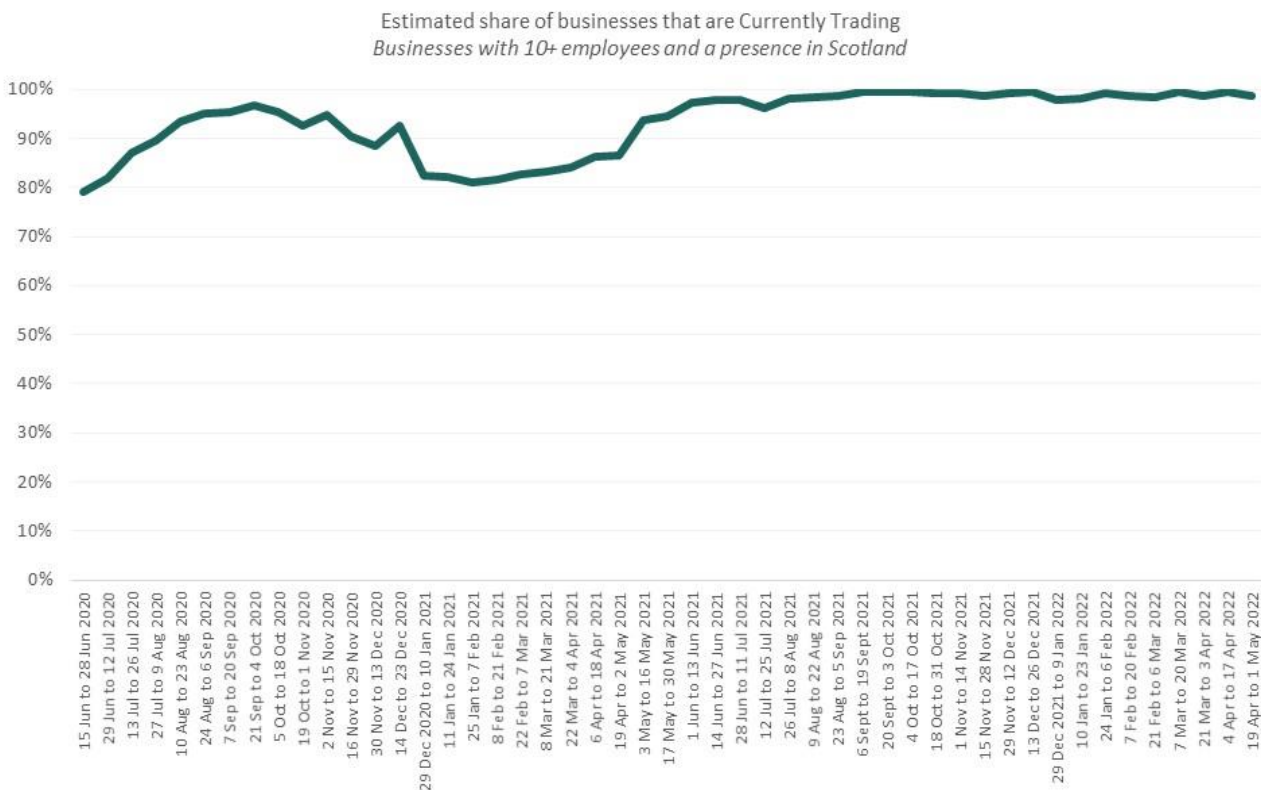
The BICS asks businesses about their trading status: the specific question<sup>3</sup> asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (19 April to 1 May 2022 in Wave 55).

**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 19 April to 1 May 2022 (Wave 55), the share of businesses 'currently trading' was estimated at 98.6%, broadly in line with the previous period (4 April to 17 April 2022).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 55

<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 the period 19 April to 1 May 2022, the share of businesses reporting that they were fully trading was estimated at 97.0%. The Accommodation & Food Services continued to be the industry sector with the lowest share of “fully trading” businesses, estimated at 90.1%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 55

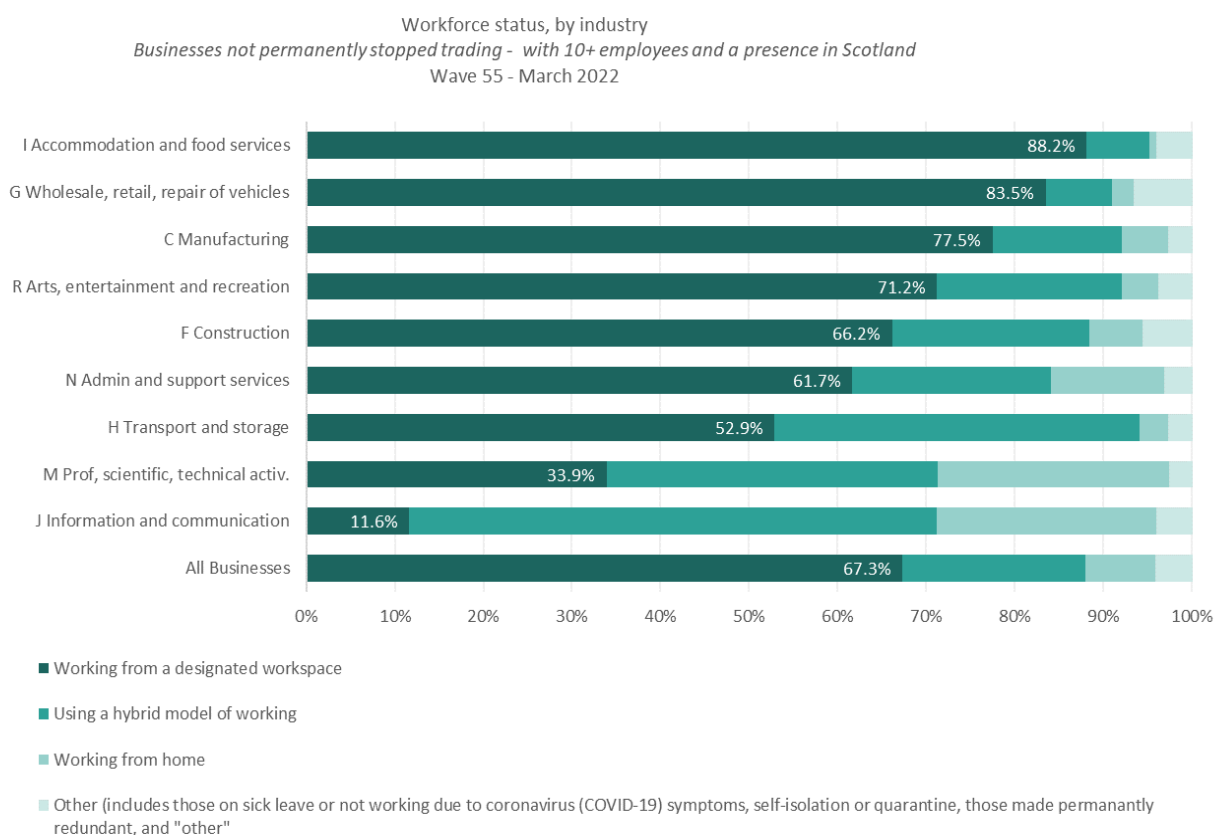
## Workforce Status

In Wave 55 the BICS asked businesses about the status of their workforce. Note that businesses were asked about the status of their workforce in March 2022.

**Workforce Status Question:** In March 2022, 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 March 2022, 67.3% of the workforce were estimated to be working from a designated workspace, 20.7% to be using a hybrid model of working and 8.0% 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 11.6% and 33.9% respectively – with these sectors having among the highest rates of hybrid working and home working.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 55

## Recruitment

In Wave 55, businesses not permanently stopped trading were asked if they had experienced any difficulties recruiting employees in March 2022.

Difficulties in recruiting employees had been experienced by 41.1% of businesses. The highest rates of recruitment difficulties were reported by the Accommodation & Food Services (49.3%) and Arts, Entertainment and Recreation industry sectors (46.7%).

Of those businesses having had recruitment difficulties, around one half reported having experienced difficulties recruiting semi-skilled or unskilled employees (51.0%) and skilled, manual or technical employees (48.3%). More than one quarter of these businesses reported having experienced difficulties recruiting professional or managerial employees (27.4%), with 17.8% of these businesses having difficulties recruiting clerical employees.

## Staffing Costs

In Wave 55, businesses not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’) were asked how their staffing costs had changed over the previous three months, and how they expect staffing costs to change over the next three months.

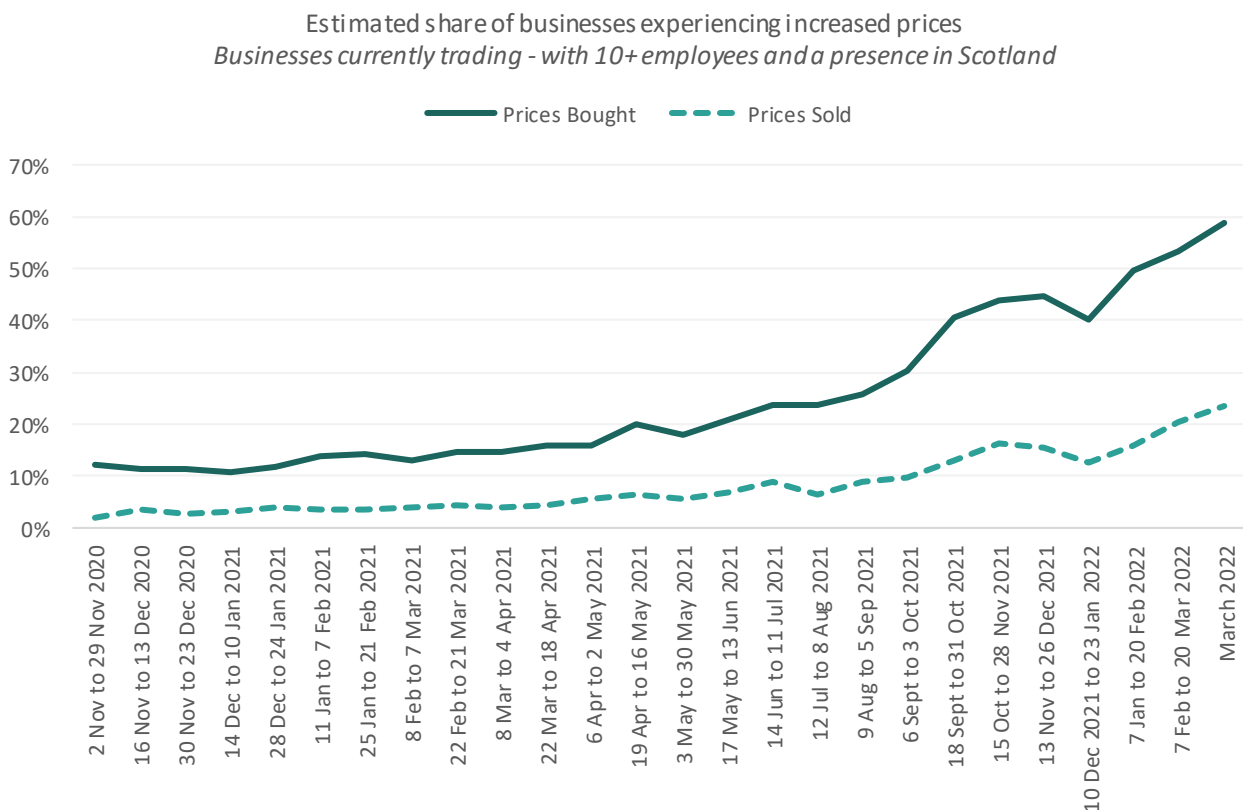
Almost two thirds (63.0%) of businesses not permanently stopped trading reported that costs have increased, with the highest rates reported by the Accommodation & Food Services (73.6%) and Transport & Storage industry sectors (72.2%).

Almost as many businesses (59.9%) expect staffing costs to increase further over the next three months, with the highest rate again reported by the Accommodation & Food Services industry sector (68.4%).

## Prices

The BICS asks businesses that have not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’) about how the prices of materials, goods and services bought and sold compare with the previous calendar month. Note that in Wave 55 businesses were asked about prices in the month of March 2022. Prior to Wave 55, these questions asked how prices compare to normal price fluctuations.

Figure 4: In Wave 55, 58.8% of currently trading businesses reported that the prices of materials, goods or services bought in March 2022 had increased from the previous calendar month. In contrast, only 23.5% 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, 50, 52, 55

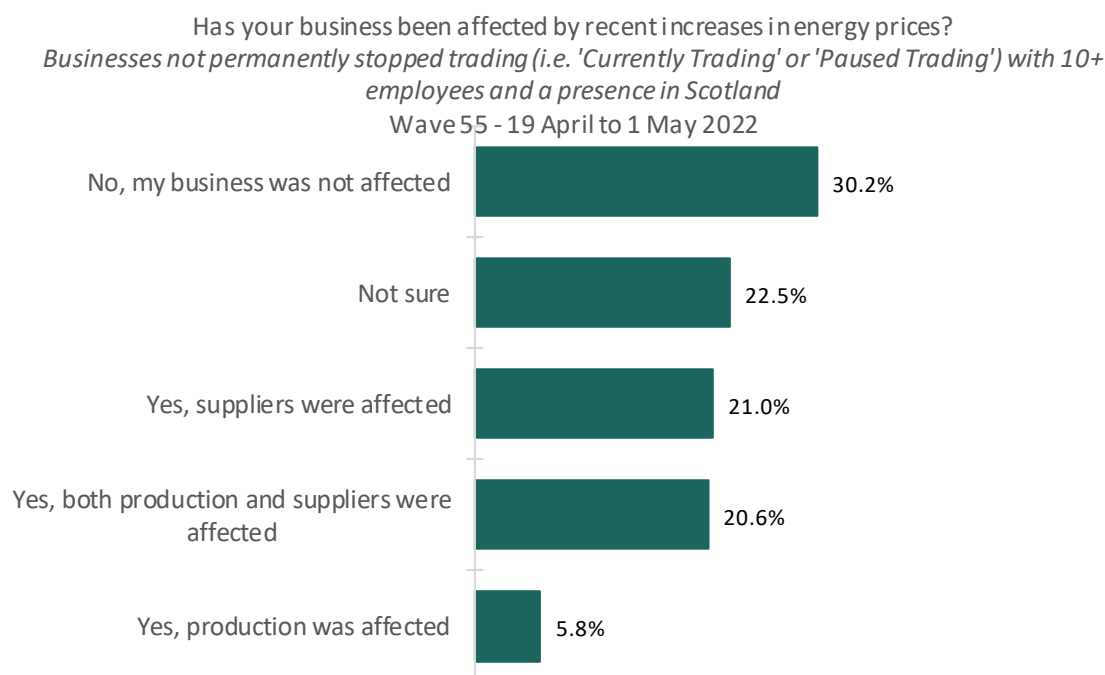
In the latest period, the industry sectors with the highest proportion of businesses reporting increases in prices of materials, goods and services bought were Construction (70.0%) and Manufacturing (67.3%).

In the latest period, the industry sectors with the highest proportion of businesses reporting increases in prices of materials, goods and services sold were Wholesale, Retail, Repair of Vehicles (34.2%) and Manufacturing (32.0%).

In Wave 55, 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 (68.3%) 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 (47.8%), passing on price increases to customers (33.8%) and having to change suppliers (15.2%).

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

Figure 5: In the period 19 April to 1 May 2022, almost half (47.3%) of applicable businesses reported that they had been affected by the recent increase in energy prices in some way (suppliers and/or production were affected).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 55

The proportion of applicable businesses that reported they had been affected by the recent increase in energy prices in some way increased from 37.7% in the period 7 March to 20 March 2022 (Wave 52) to almost half (47.3%) in the period 19 April to 1 May 2022 (Wave 55).



In Wave 55, businesses were asked what their expectations were for the prices of goods or services sold in April 2022, and the factors causing the businesses to consider raising prices.

More than one third (36.4%) of businesses not permanently stopped trading reported that they were expecting to increase prices in April 2022. The top three factors reported by businesses for these expected price increases were energy prices (49.5%), labour costs (40.9%) and raw material prices (37.5%).

### Business Resilience

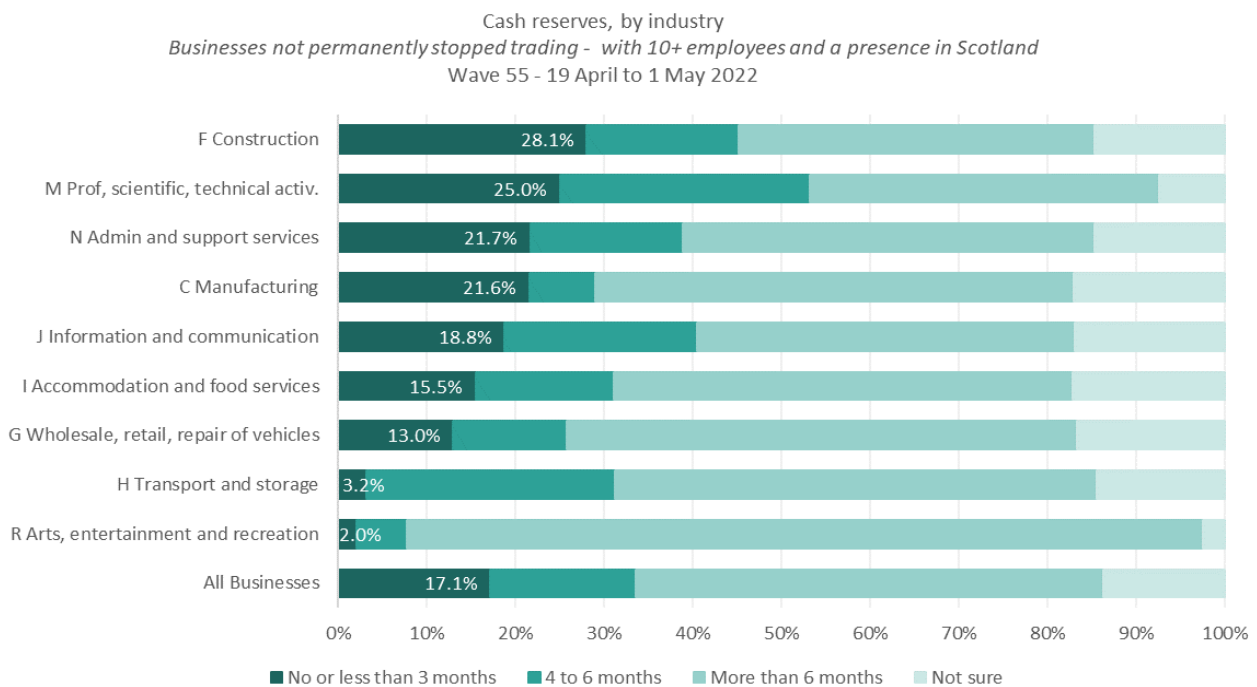
The BICS asks businesses about their cash flow - the specific question asked is shown below. Note that businesses were asked about cash flow from the time of completion of the survey questionnaire (19 April to 1 May 2022 for Wave 55).

**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 6: In the period 19 April to 1 May 2022, 17.1% of businesses reported they had no or less than three months cash reserves, with the highest rates for the Construction and Professional, Scientific & Technical Activities industry sectors (estimated at 28.1% and 25.0% respectively).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 55

## Stock

In Wave 55, the majority (81.4%) of businesses that have not permanently stopped trading reported that they were not stockpiling goods or materials, whereas an estimated 9.6% of businesses reported that they were stockpiling. The proportion of businesses reporting that they were not stockpiling has been consistently higher than those reporting that they were stockpiling since this series began in March 2021.

For the first time in Wave 55, businesses that have not permanently stopped trading were asked about stock levels of raw materials and finished goods in March 2022 compared with the previous calendar month – the specific questions asked are shown below.

**Question:** How did your business's stock levels of raw materials \ finished goods in March 2022 compare with the previous calendar month?

- Stock levels were higher
- Stock levels stayed the same
- Stock levels were lower
- Not sure
- Not applicable

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

Figure 7: In Wave 55, 9.6% of applicable businesses reported that stock levels of raw materials were lower in March 2022 than in February 2022. A similar proportion of businesses (9.5%) reported this for finished goods.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 55

A similar proportion of applicable businesses reported that stock levels had stayed the same for raw materials (64.6%) and for finished goods (61.8%) in March 2022 compared to February 2022.

## **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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