

BUSINESS AND ENERGY

Business Impact of Coronavirus (COVID-19) Survey (BICS) Weighted Scotland Estimates - Data to Wave 20

15 January 2021

This is the eighth publication of weighted Scotland estimates using the Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey (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

- The share of businesses 'currently trading' was estimated at 92.6% in the period 14 December to 23 December 2020 - up from 88.6% in the previous fortnight.
- The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 69.2% and 76.7% respectively.
- The share of the workforce on furlough leave was estimated at 11.9% in the period 30 November to 23 December 2020. This rate varied by industry sector – with markedly higher rates for Accommodation & Food Services (estimated at 46.4%) and Arts, Entertainment & Recreation (estimated at 43.8%).
- In the period 30 November to 23 December 2020, there were three industries where more than half of businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were Arts, Entertainment & Recreation (77.8%), Accommodation & Food Services (75.9%) and Administrative & Support Services (53.3%).
- Of businesses - where preparedness for the end of the EU transition period is relevant – around 14% were fully prepared for the end of the period, while a further 59% were somewhat prepared. However, 6% were not prepared at all.

Introduction

The Office for National Statistics' (ONS') Business Impact of Coronavirus (COVID-19) Survey (BICS) is a new voluntary fortnightly business survey, which captures businesses' responses on how their turnover, workforce, prices, trade and business resilience have been affected. The survey also asks questions about how businesses are preparing for the end of the EU exit transition period.

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.¹ 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 microdata², 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 9,389 businesses responded to the Wave 20 BICS UK-wide – 1,347 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 1,257 responding businesses in Wave 20. 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'.

Trading Status

The BICS asks businesses about their trading status: the specific question³ asked is shown below. Note that businesses were asked for their current trading status and so responses will be from the time of completion of the survey questionnaire (14 December to 23 December 2020 in Wave 20).

¹ Note that on the 9th of December 2020 ONS published '[Business insights and impact on the UK and sub-national economy](#)' – this provides an analysis of weighted data for areas within the UK (including Scotland). This latest ONS sub-national analysis is based on businesses that are single sites and so multi-site businesses are excluded. This differs to the approach taken for the Scottish Government estimates presented here which include single site and multi-site businesses, but the Scottish Government estimates are constrained to businesses with 10 or more employees.

² The BICS microdata can be accessed, by accredited researchers, via the [Secure Research Service \(SRS\)](#).

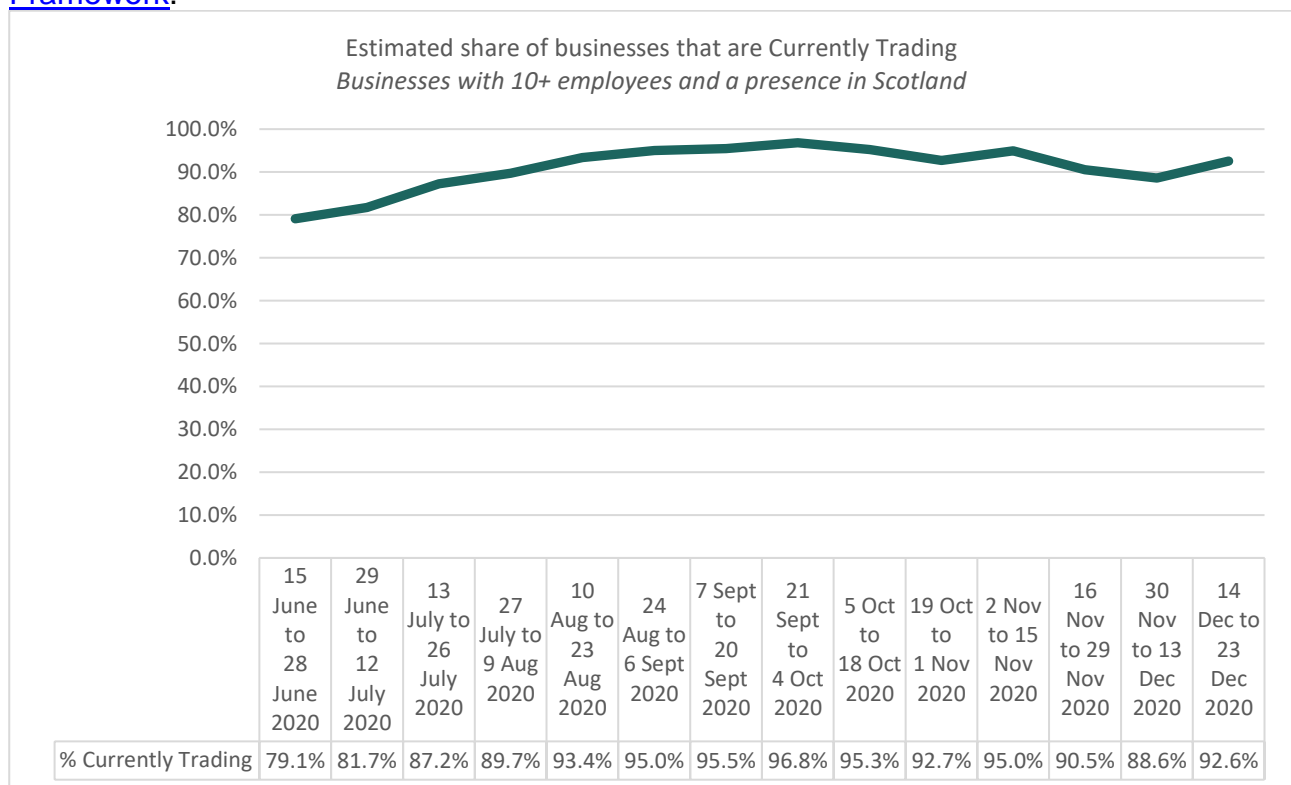
³ The ONS publishes all the questions for each wave at: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/businessimpactofcovid19surveyquestions/previousReleases>

Trading Status Question: Which of the following statements best describes your business’s trading status?

- Currently trading and has been for more than the last two weeks
- Started Trading within the last two weeks after a pause in 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

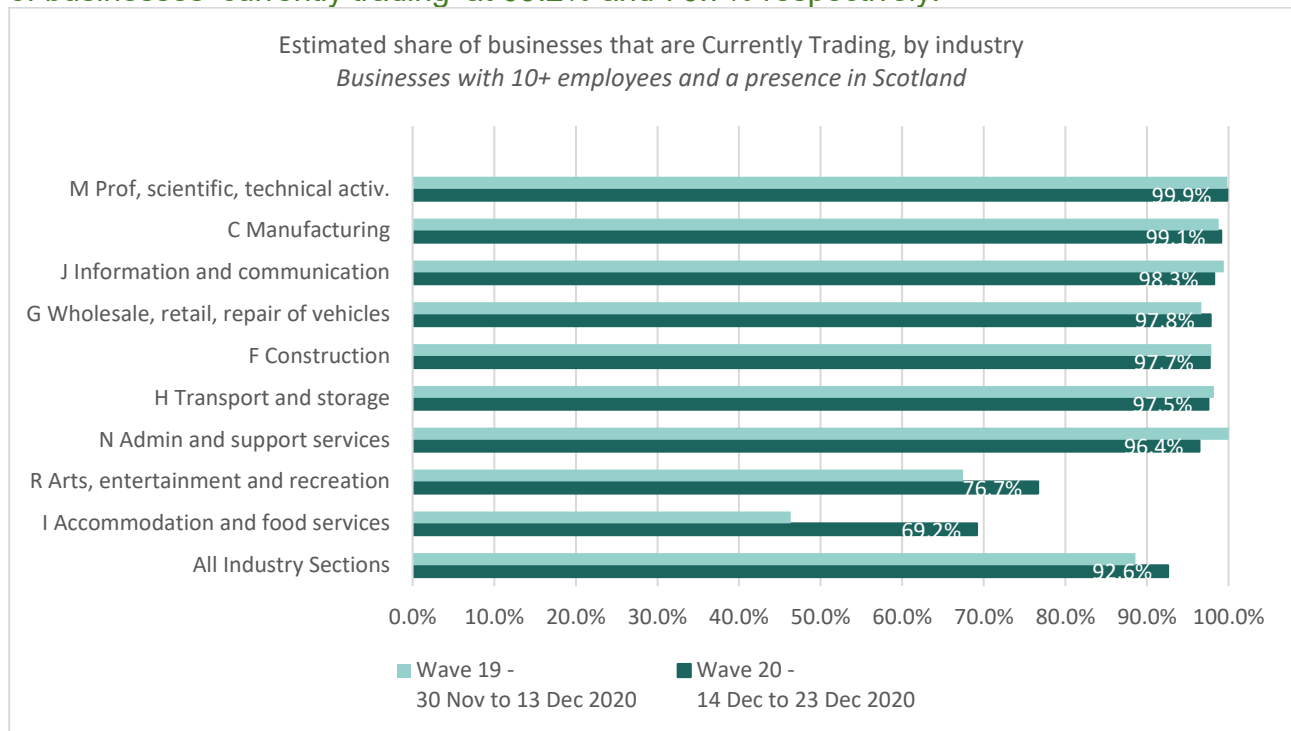
For presentational purposes, ‘Currently trading and has been for more than the last two weeks’, and ‘Started trading within the last two weeks after a pause in trading’ have been combined to ‘Currently Trading’. ‘Paused trading but intends to restart in the next two weeks’, and ‘Paused trading and does not intend to restart in the next two weeks’ have been combined to ‘Paused Trading’. The breakdowns of these categories are available in the detailed data tables.

Figure 1: In the period 14 December to 23 December 2020, an estimated 92.6% of businesses were trading – up from 88.6% in the previous fortnight. The increase in percentage of businesses currently trading may be due to changes to COVID-19 restrictions. For example, on the 11 December 2020, the 11 local authority areas which had been in Level 4 (top level with tightest restrictions) moved down to Level 3 of [Scotland’s Strategic Framework](#).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 20

Figure 2: In the period 14 December to 23 December 2020, the Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 69.2% and 76.7% respectively.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 19 and Wave 20

It should be noted that those businesses not currently trading may be less likely to respond to requests to complete the survey and, therefore, that these numbers may be an overestimate.

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 - the specific question asked is shown below. 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 (14 December to 23 December 2020 for Wave 20) but can stretch back two weeks before this, and so the full question reference period is 30 November to 23 December 2020 for Wave 20.

Workforce Status Question: In the last two weeks, approximately what percentage of your business's workforce were:

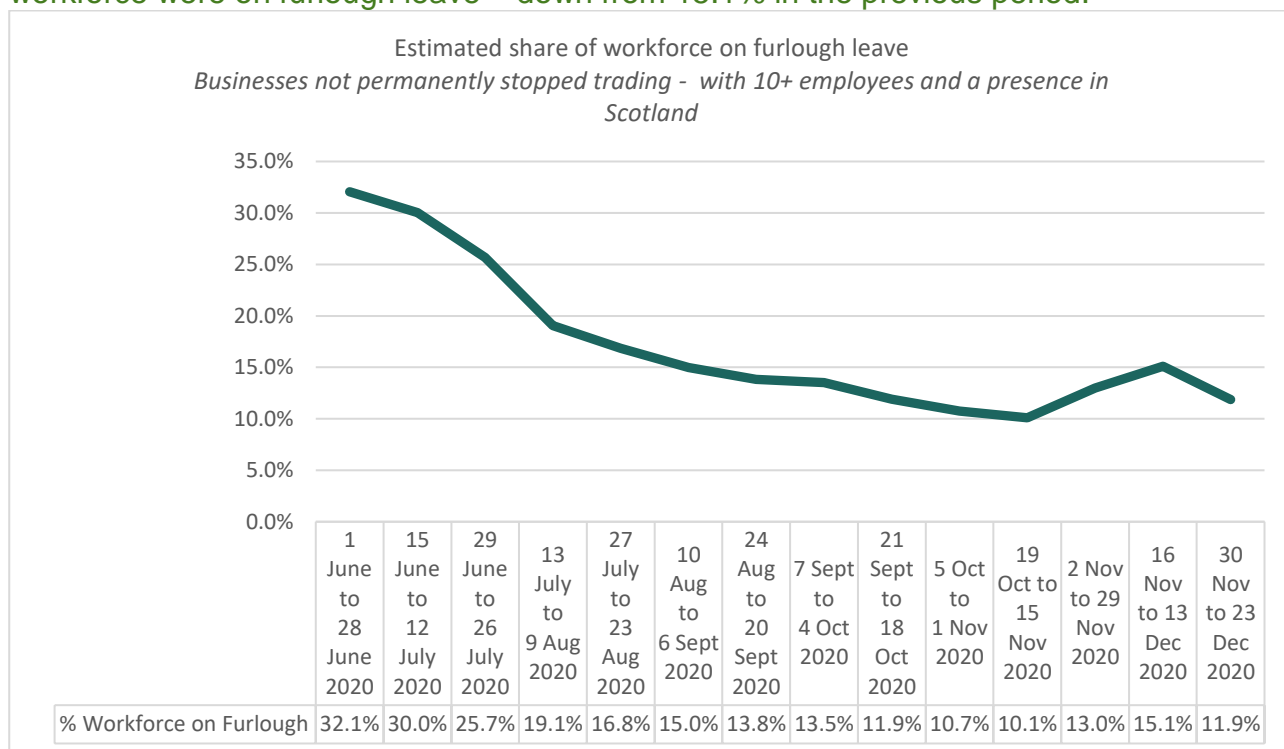
- On furlough leave
- Working at their normal place of work
- Working remotely instead of at their normal place of work
- Off sick or in self-isolation due to coronavirus (COVID-19) with statutory or company pay
- Made permanently redundant

In this report we focus on the furlough leave, but all the breakdowns are available in the detailed data tables.

There are different ways that we can analyse the furlough leave response. One way to look at it is to estimate the share of businesses that have any of their workforce on furlough leave – an estimated 45.5% of businesses that were currently trading had some share of their workforce on furlough leave in the period 30 November to 23 December 2020. This share increases to 48.5% when we widen the base out to all businesses that have not permanently stopped trading (i.e. those ‘Currently Trading’ or ‘Paused Trading’).

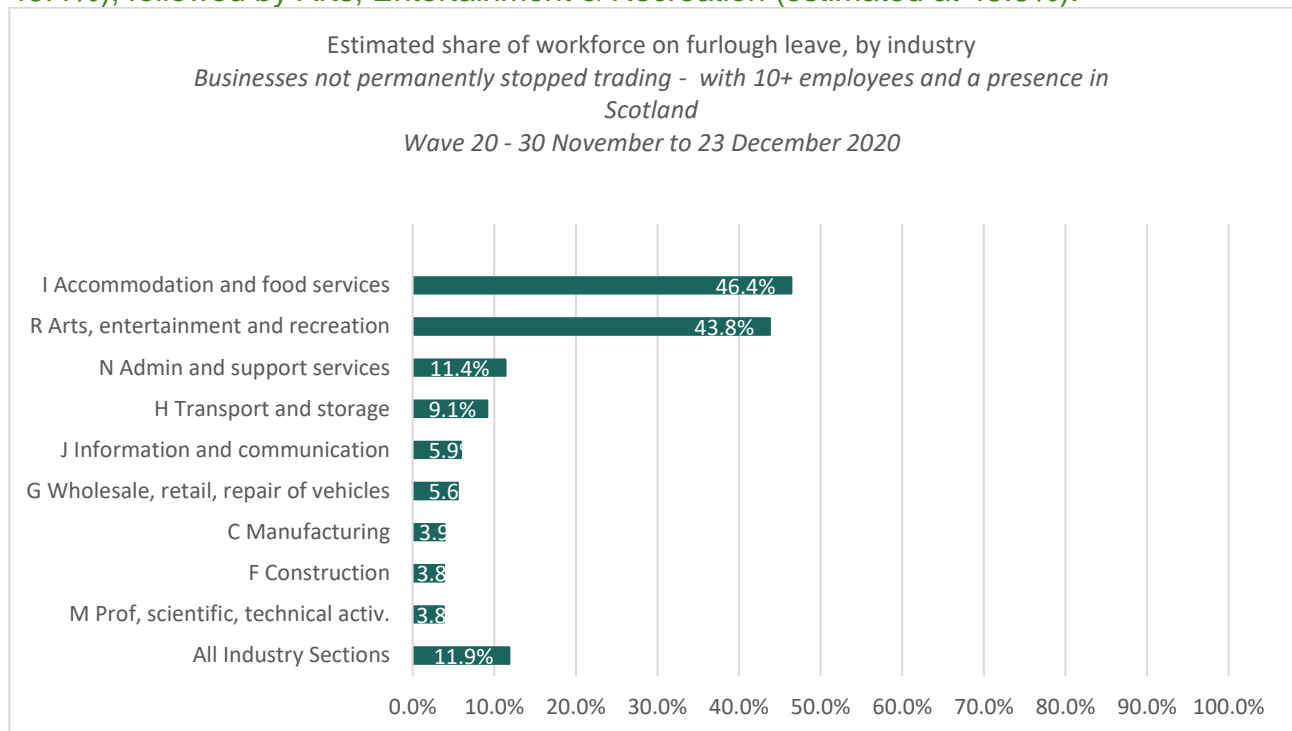
Another way to consider the workforce status question is to look at the share of the workforce that is furloughed. The workforce proportions are based on the responses provided by businesses. These are then applied to employment (in Scottish units) recorded for each reporting unit on the [Inter-Departmental Business Register \(IDBR\)](#). Then the data are weighted to ensure representativeness of the Scottish workforce in businesses with 10+ employees.

Figure 3: In the period 30 November to 23 December 2020, an estimated 11.9% of the workforce were on furlough leave – down from 15.1% in the previous period.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 20

Figure 4: In the period 30 November to 23 December 2020, the Accommodation & Food Services industry sector had the highest share of workforce on furlough leave (estimated at 46.4%), followed by Arts, Entertainment & Recreation (estimated at 43.8%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20

Financial Performance

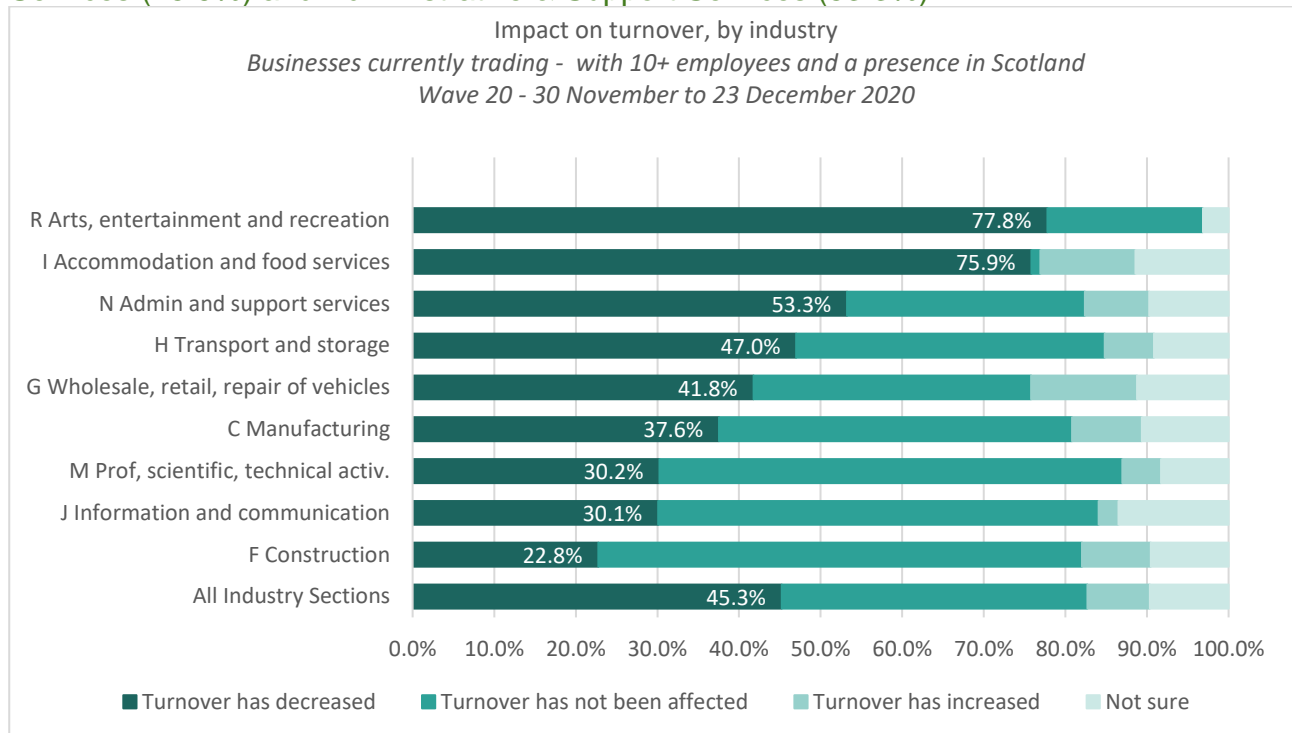
The BICS asks businesses, that are currently trading, about how the COVID-19 pandemic has affected the business turnover compared to business as usual - the specific question asked is shown below. Note that businesses were asked about their experiences from the time of completion of the survey questionnaire (14 December to 23 December 2020 for Wave 20) but can stretch back two weeks before this, and so the full question reference period is 30 November to 23 December 2020 for Wave 20.

Financial Performance Question: In the last two weeks, how has the COVID-19 pandemic affected your business's turnover, compared to what is normally expected 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 5: In the latest period, there were three industries where more than half of businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were Arts, Entertainment & Recreation (77.8%), Accommodation & Food Services (75.9%) and Administrative & Support Services (53.3%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20

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 (14 December to 23 December 2020 for Wave 20).

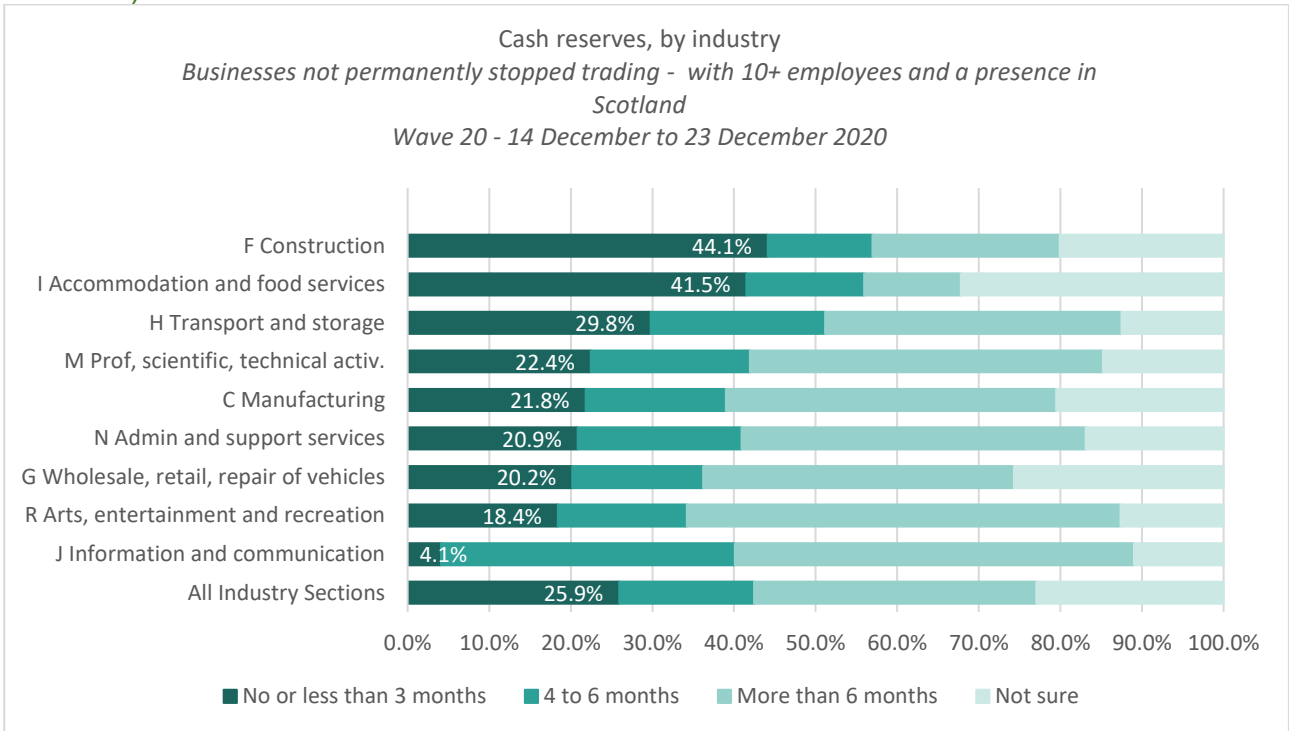
Question: How long do you think your business’s cash reserves will last?:

- 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.

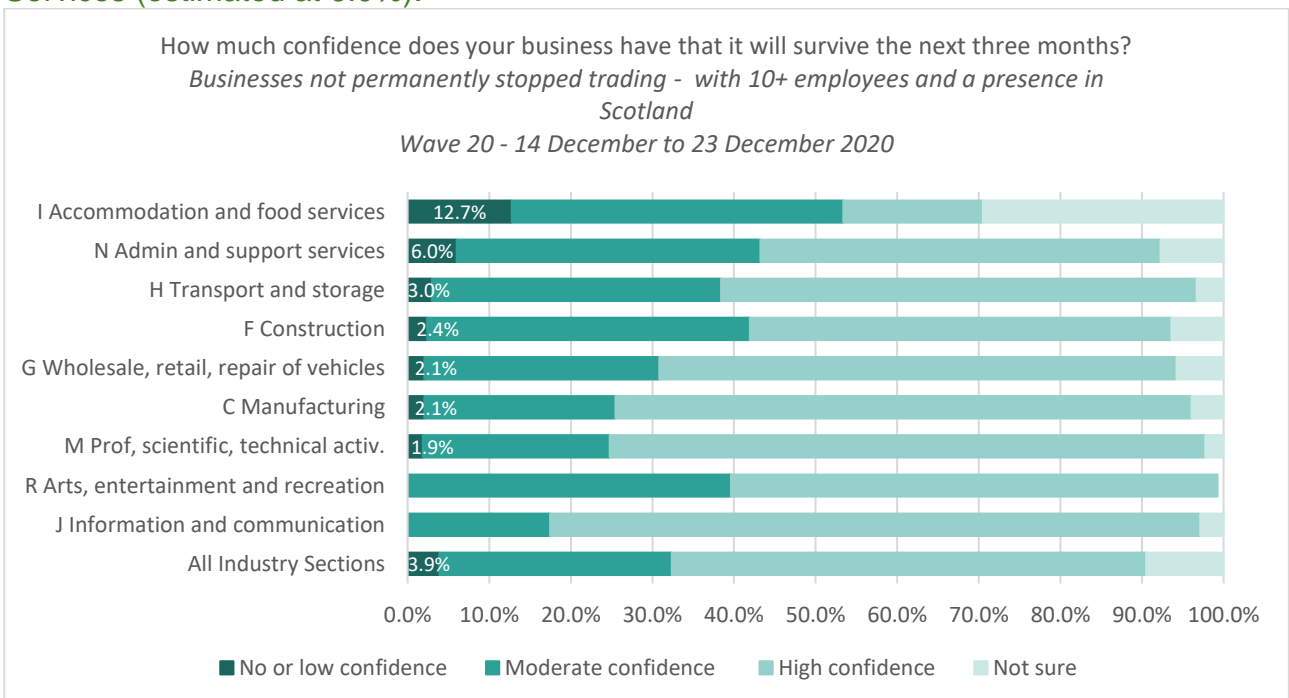
In Wave 20, businesses that had not permanently stopped trading were also asked how much confidence they had that they would survive the next three months.

Figure 6: In the latest period, 25.9% of businesses reported they had no or less than three months cash reserves, with higher rates for Construction (estimated at 44.1%), Accommodation & Food Services (estimated at 41.5%) and Transport & Storage (estimated at 29.8%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20

Figure 7: In the latest period, 3.9% of businesses reported that they had no or low confidence that their business would survive the next three months, with higher rates for Accommodation & Food Services (estimated at 12.7%) and Administrative & Support Services (estimated at 6.0%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20

Preparation for the end of the EU transition period

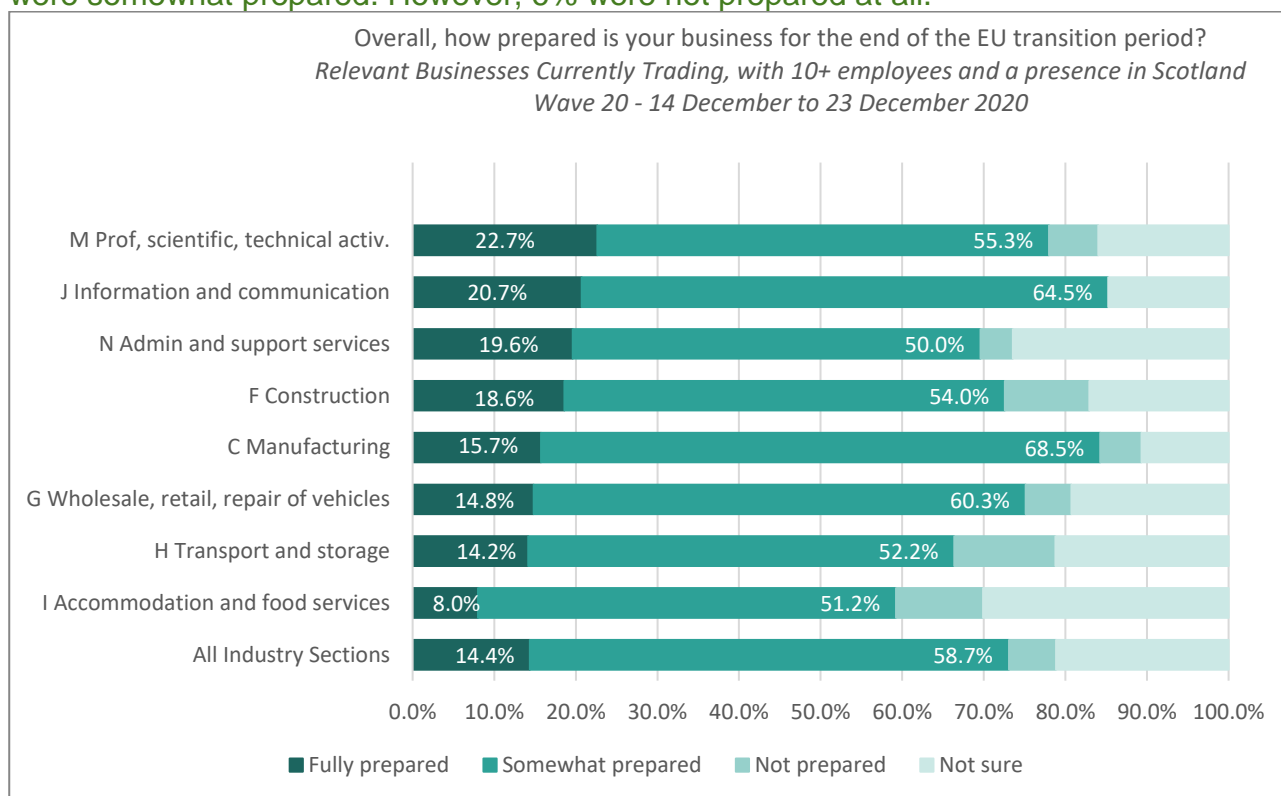
The BICS asks businesses that are currently trading about how they are preparing for the end of the EU exit transition period – the specific questions asked are shown below.

Question: Overall, how prepared is your business for the end of the EU transition period?

- Fully prepared
- Somewhat prepared
- Not prepared
- Not relevant for this business
- Not sure

Note for the results for this question, we have excluded ‘not relevant’ responses from the analysis.

Figure 8: Of businesses - where preparedness for the end of the EU transition period is relevant – around 14% were fully prepared for the end of the period, while a further 59% were somewhat prepared. However, 6% were not prepared at all.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20

Of currently trading businesses where preparedness for the end of the EU transition period is relevant, large businesses (250 or more employees) were more prepared for the end of the EU transition period, with 21.1% fully prepared, while 1.4% reported being not prepared. This compares with SME businesses where 13.2% said they were fully prepared and 6.5% said they were not prepared.

In wave 20, businesses that reported being somewhat or not prepared for the end of the EU transition period are more likely to attribute this to being unsure of what to do compared to

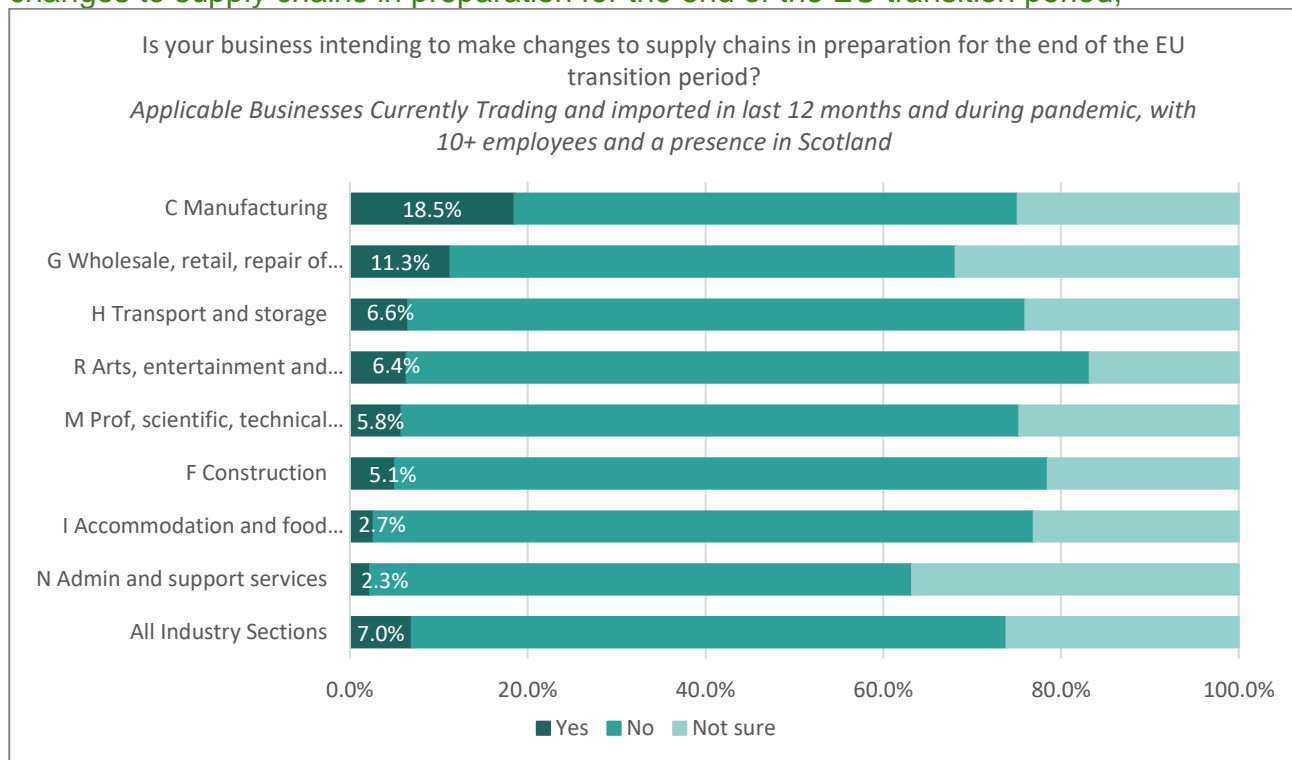
previous waves (59.3% compared with 48.2% in wave 18) and are less likely to attribute this on the Coronavirus pandemic (18.7% compared with 27.7% in wave 18).

Question: Is your business intending to make changes to supply chains in preparation for 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.

Figure 9: In the period 14 December to 23 December 2020, almost a fifth (18.5%) of applicable businesses in the manufacturing sector reported that they are intending to make changes to supply chains in preparation for the end of the EU transition period,



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20

Businesses were asked about their plans to ensure supply chain continuity for the end of the EU transition period and, excluding those businesses where EU exit is not relevant, 15.6% of businesses reported being fully prepared while 55.9% reported being somewhat prepared. For the manufacturing sector, these figures were 16.4% and 67.5% respectively.

Businesses were also asked about stockpiling and the majority of businesses (85.3%) continue to report they are not stockpiling any goods or materials. However, for the manufacturing sector, this reduced to 67.0%, while 18.8% of manufacturing businesses reported stockpiling from EU suppliers, 6.2% from UK suppliers and 5.4% from non-EU suppliers.

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

For enquiries about this publication, please contact:

Marina Curran
Business & Innovation Statistics
Office of the Chief Economic Adviser
e-mail: marina.curran@gov.scot or industrystatistics@gov.scot

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