

BUSINESS AND ENERGY

Business Insights and Conditions Survey (BICS) Weighted Scotland Estimates - Data to Wave 51

18 March 2022

This is the 38th 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 21 February to 6 March 2022 (Wave 51), the share of businesses 'currently trading' was estimated at 98.5%.
- In Wave 51, the share of businesses reporting that they were fully trading was estimated at 94.5%, up from 93.6% in the previous period. In Wave 51, the Accommodation & Food Services and Arts, Entertainment & Recreation industry sectors had the lowest shares of "fully trading" businesses, estimated at 83.3% and 86.9% respectively.
- In Wave 51, an estimated 37.5% of businesses reported experiencing a shortage of workers. 67.0% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 33.4% of businesses reported that they have been unable to meet demands due to a shortage of workers.
- In the period 7 February to 6 March 2022, 24.8% of businesses reported a decrease in turnover compared with what is normally expected, with this share rising to 52.1% in the Accommodation & Food Services industry sector.
- In the latest period, of businesses currently trading that have exported in the last 12 months, 24.2% reported exporting less than normal, and 15.0% reported importing less than normal in the past month.
- The main concerns for businesses over the next month were energy prices (24.9%) and inflation of goods and services prices (22.8%).

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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.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 7,859 businesses responded to the Wave 51 BICS UK-wide - 1,042 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 931 responding businesses in Wave 51. 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'.

¹ 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.

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

Trading Status

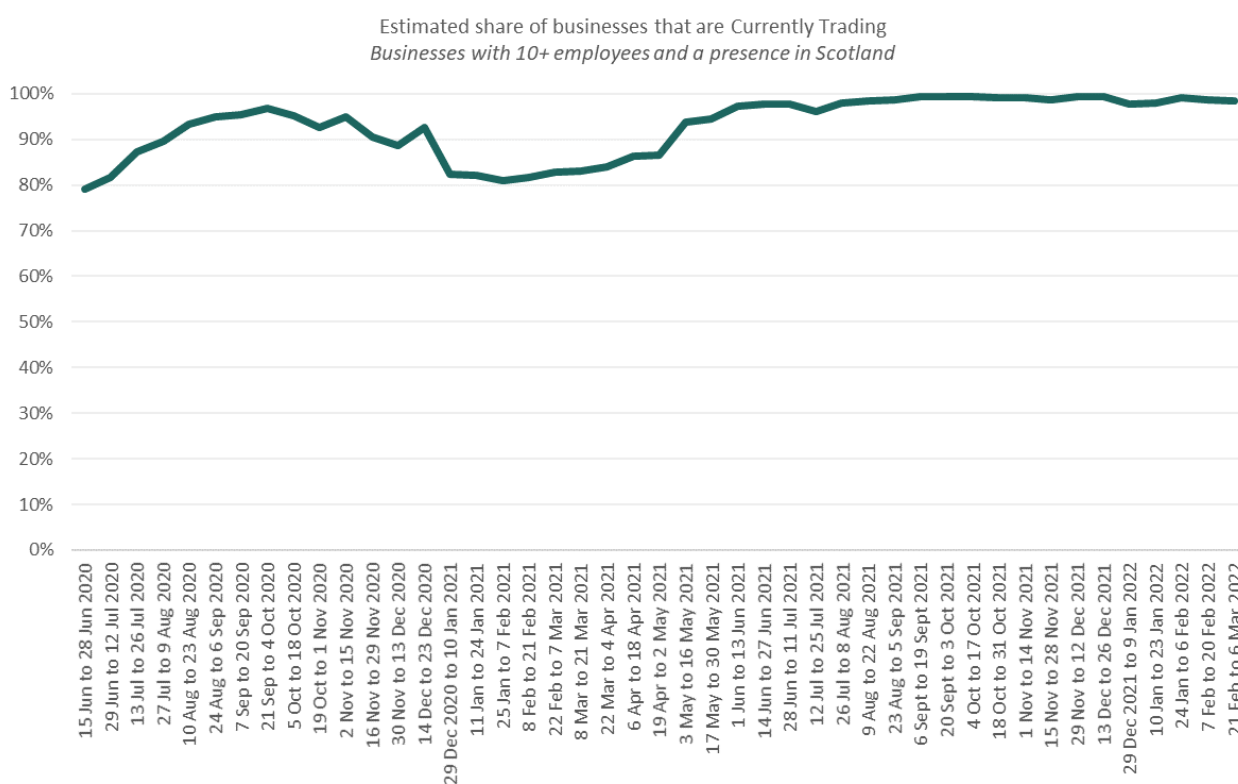
The BICS asks businesses about their trading status: the specific question³ asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (21 February to 6 March 2022 in Wave 51).

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 21 February to 6 March 2022 (Wave 51), the share of businesses 'currently trading' was estimated at 98.5%.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 7 to Wave 51

³ 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 51, the share of businesses reporting that they were fully trading was estimated at 94.5%, up from 93.6% in the previous period. In Wave 51, the Accommodation & Food Services and Arts, Entertainment & Recreation industry sectors had the lowest shares of “fully trading” businesses, estimated at 83.3% and 86.9% respectively.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

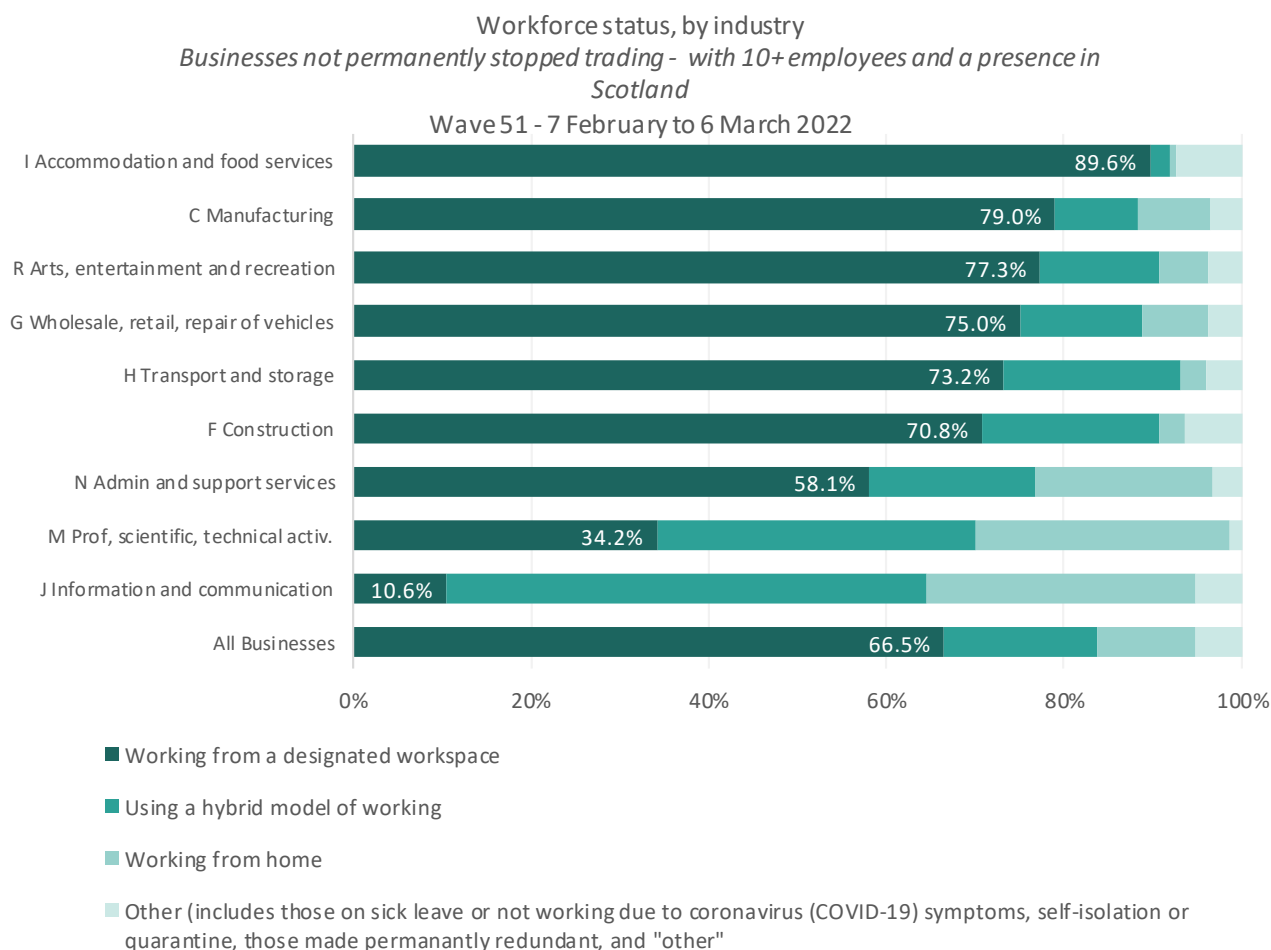
Workforce Status

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 (21 February to 6 March 2022 for Wave 51) with the full question reference period (looking back at the last two weeks) covering 7 February to 6 March 2022 for Wave 51.

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 a designated workspace in Wave 51 was estimated to be 66.5% - up from 64.9% in Wave 50. Hybrid working also increased, from 16.3% to 17.2%, over the same period. 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 10.6% and 34.2% respectively – with these sectors having the highest rates of hybrid working and home working.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

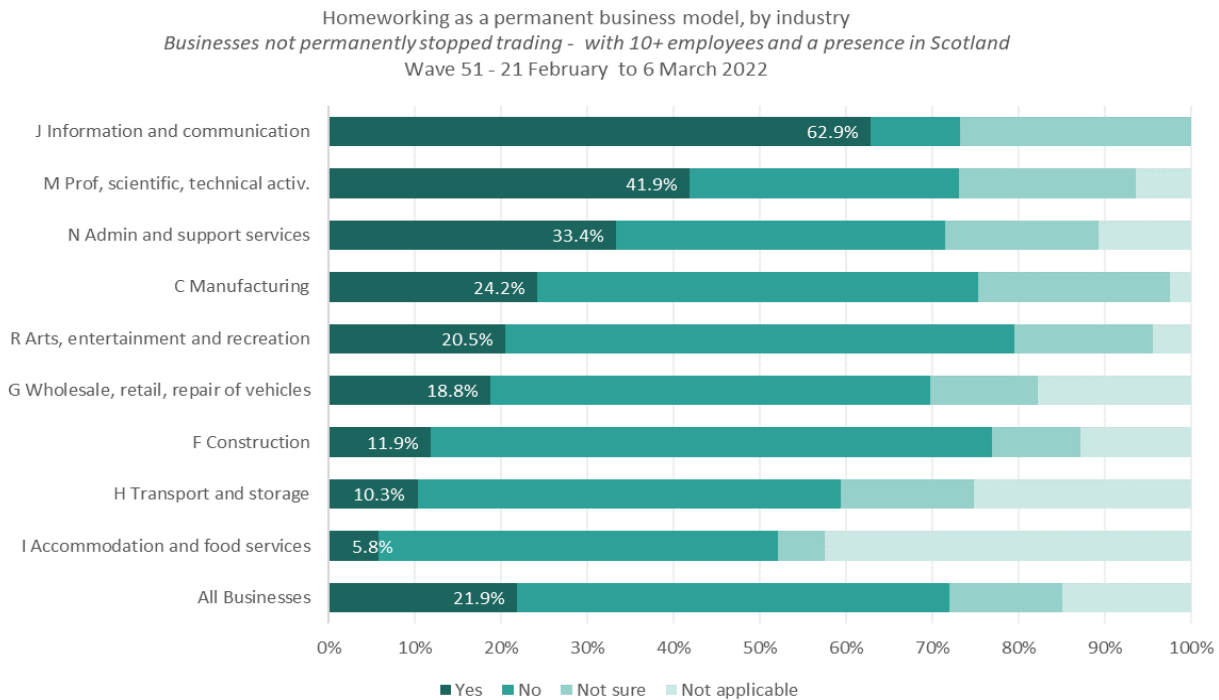
In Wave 51, 1.7% of the workforce were estimated to be on sick leave or not working because of coronavirus (COVID-19) symptoms, self-isolation or quarantine – broadly in line with the previous period (1.9% in Wave 50). The Information & Communication industry sector reported the highest absence share at 4.8%.

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.

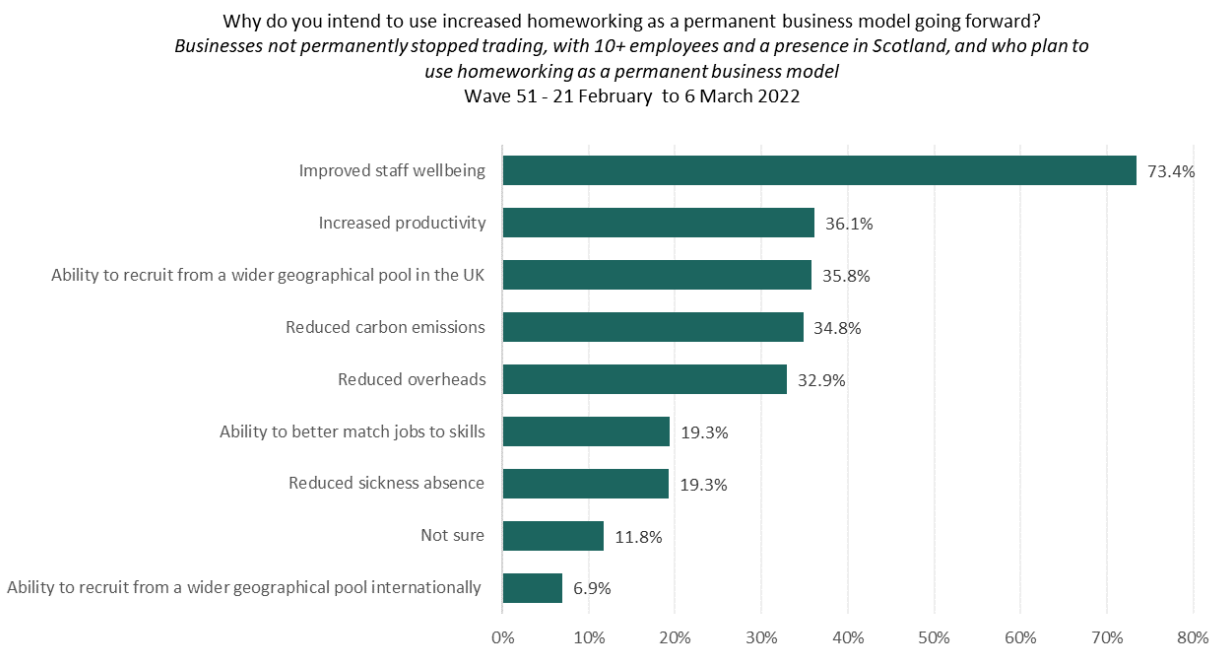
Homeworking Question: Does your business intend to use increased homeworking as a permanent business model going forward?

Figure 4: In the period 21 February to 6 March 2022 (Wave 51), the share of businesses that intend to use increased homeworking as a permanent business model was highest in the Information & Communication (62.9%) and Professional, Scientific & Technical Activities (41.9%) sectors. The rates were much lower in some other sectors, with only 5.8% of businesses in the Accommodation & Food Services sector and 10.3% of Transport & Storage businesses intending to use increased homeworking as a permanent business model.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

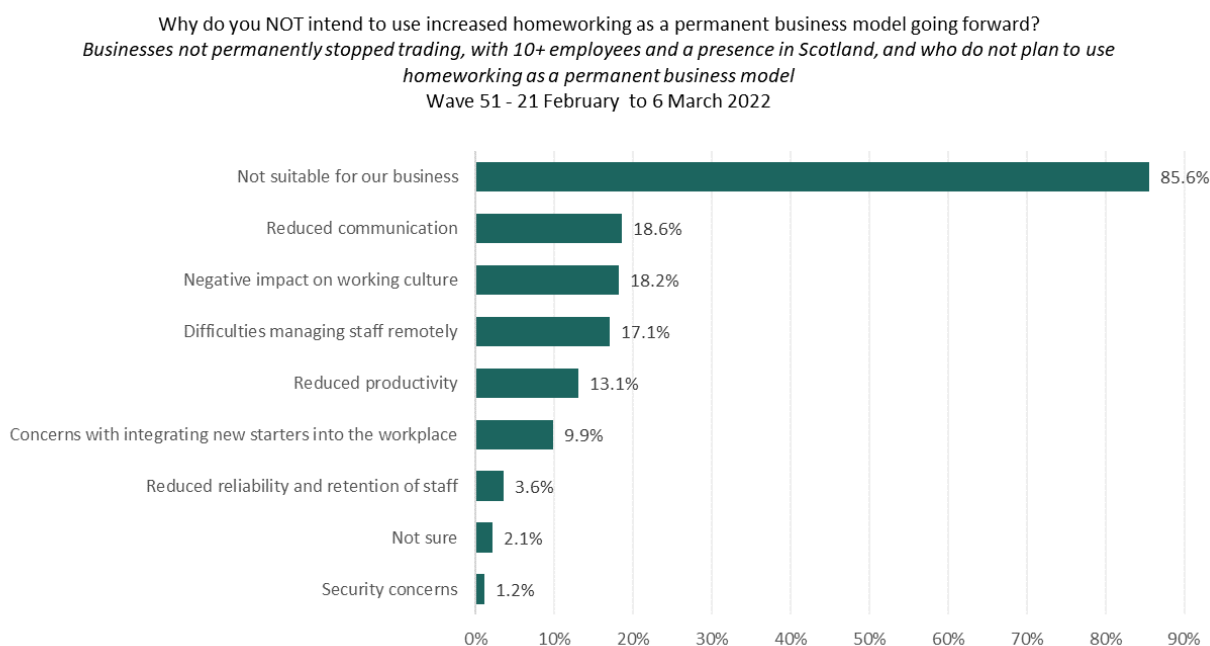
Figure 5: Improved staff wellbeing was the most commonly reported reason for using increased homeworking as a permanent businesses model going forward - this was reported by 73.4% of businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

In Wave 51, 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 85.6% of relevant businesses.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

Worker Shortages

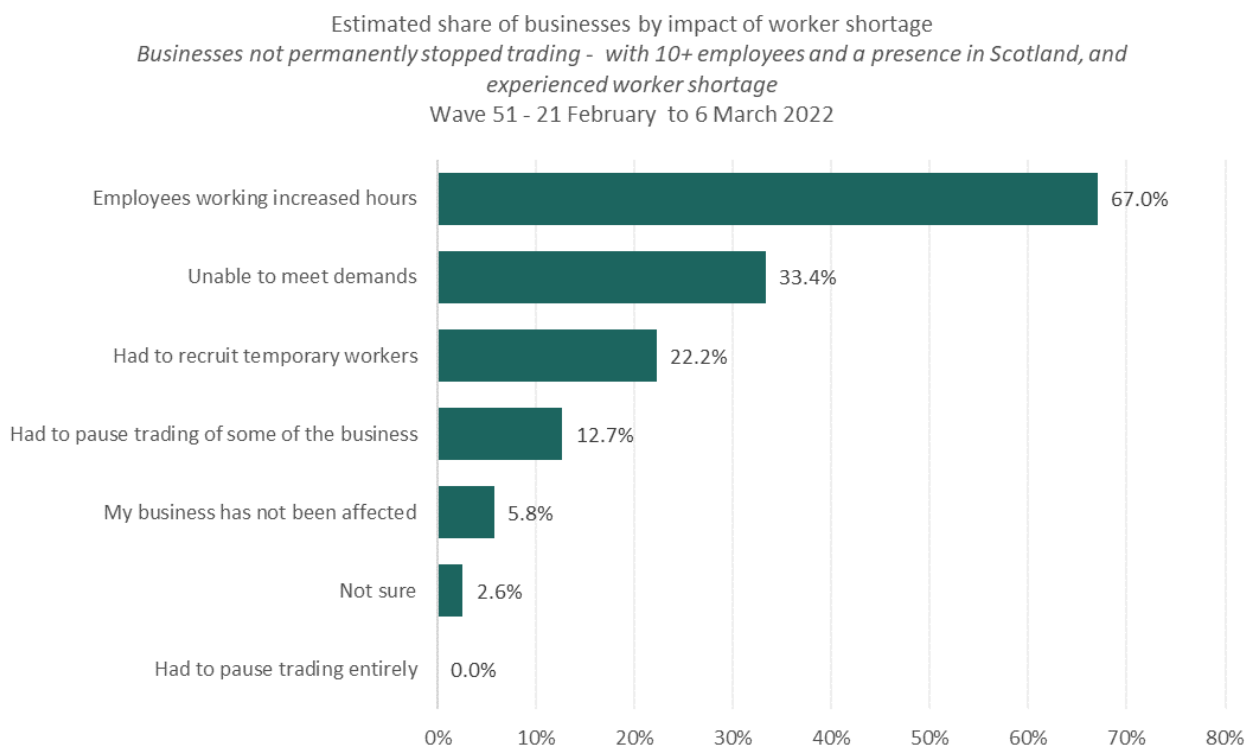
In Wave 51, businesses that have not permanently stopped trading (i.e. 'Currently Trading' or 'Paused Trading'), were asked whether they are currently experiencing a shortage of workers. An estimated 37.5% of businesses reported experiencing a shortage of workers - rising to 48.1% in the Accommodation & Food Services sector, 46.5% of businesses in the Construction sector and 40.8% 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 7: In Wave 51, 67.0% of businesses reported that the shortage of workers has resulted in employees working increased hours, and 33.4% 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 51

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 (21 February to 6 March 2022 for Wave 51) with the full question reference period (looking back at the last two weeks) covering 7 February to 6 March 2022 for Wave 51.

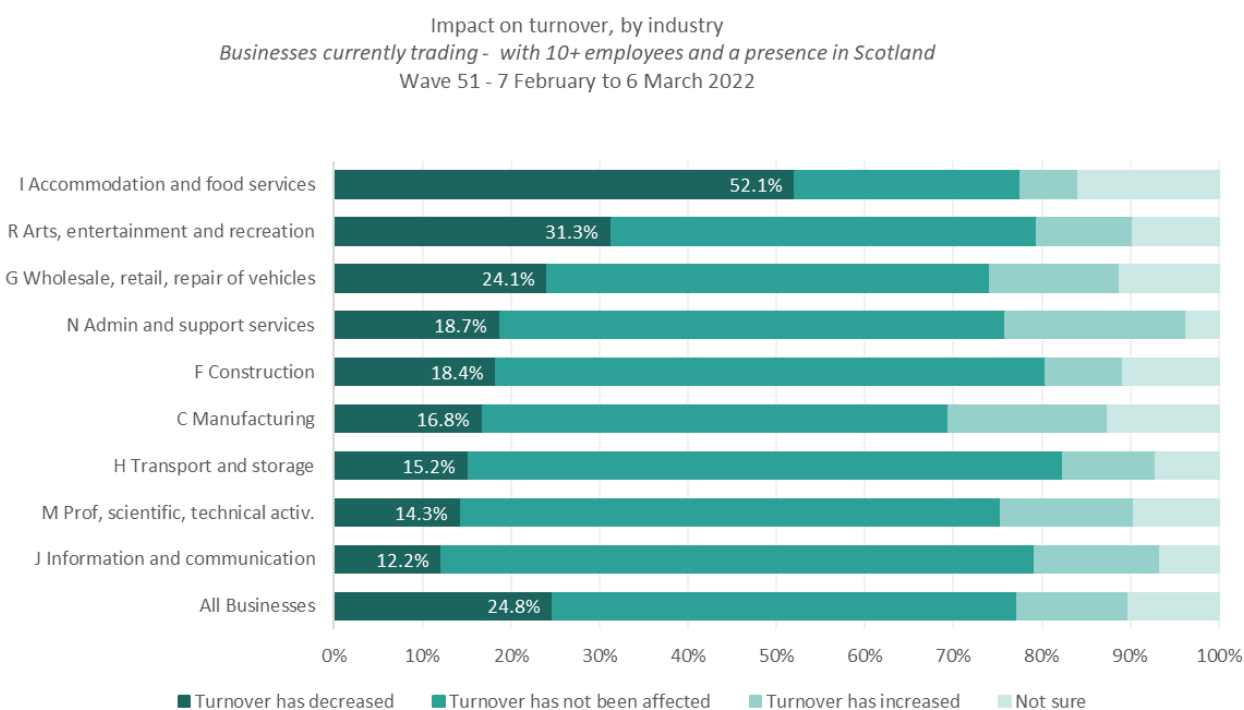
Note that in Waves 43, 45 and 47 this question asked about turnover in the last month rather than the last two weeks.

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 8: In the period 7 February to 6 March 2022, 24.8% 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 52.1%, up on the previous period (40.8% in Wave 50).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

Business Resilience

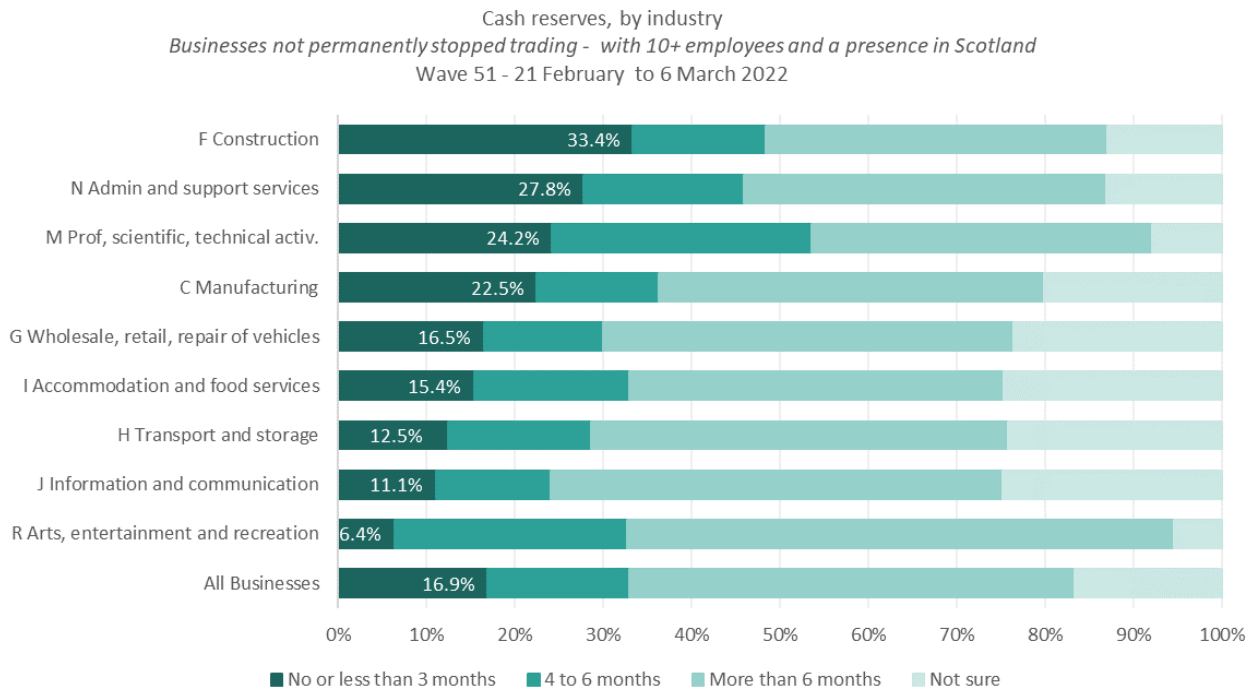
The BICS asks businesses, that had not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about their cash flow - the specific question asked is shown below. Note that businesses were asked about cash flow from the time of completion of the survey questionnaire (21 February to 6 March 2022 for Wave 51).

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 9: In the latest period, 16.9% of businesses reported they had no or less than three months cash reserves, with the highest rates for the Construction and Administration & Support Services industry sectors (estimated at 33.4% and 27.8% respectively).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

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.

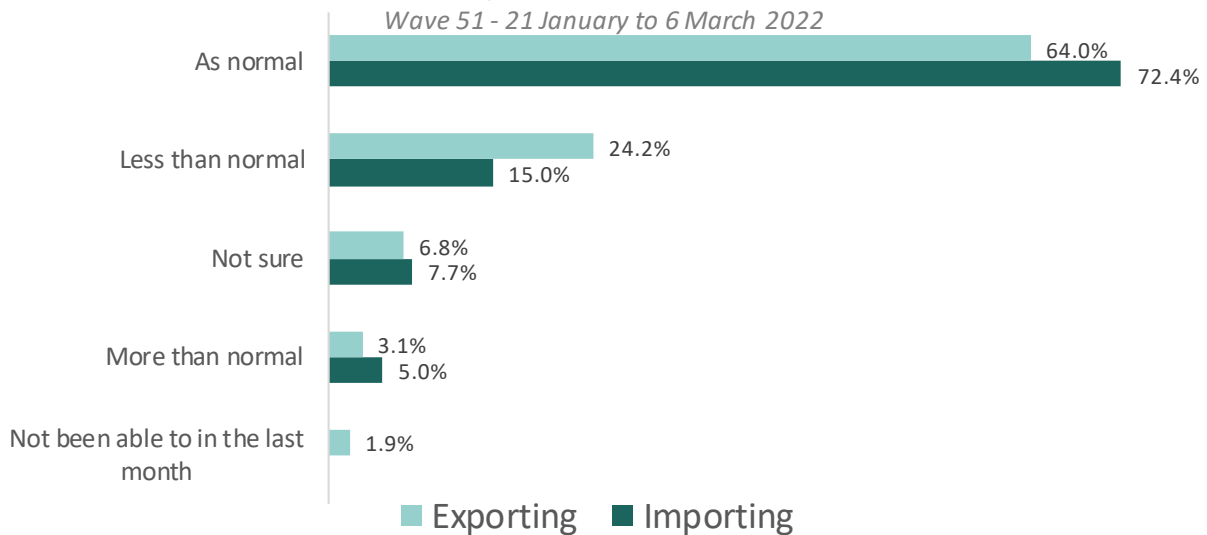
Question: How does your business's exporting / importing in the last month compare with normal expectations for this time of year?

- 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, 24.2% reported exporting less than normal, and 15.0% reported importing less than normal in the past month.

How does your business's exporting / importing in the last month compare with normal expectations at this time of year?

Businesses Currently Trading and exported / imported in last 12 months, with 10+ employees and a presence in Scotland



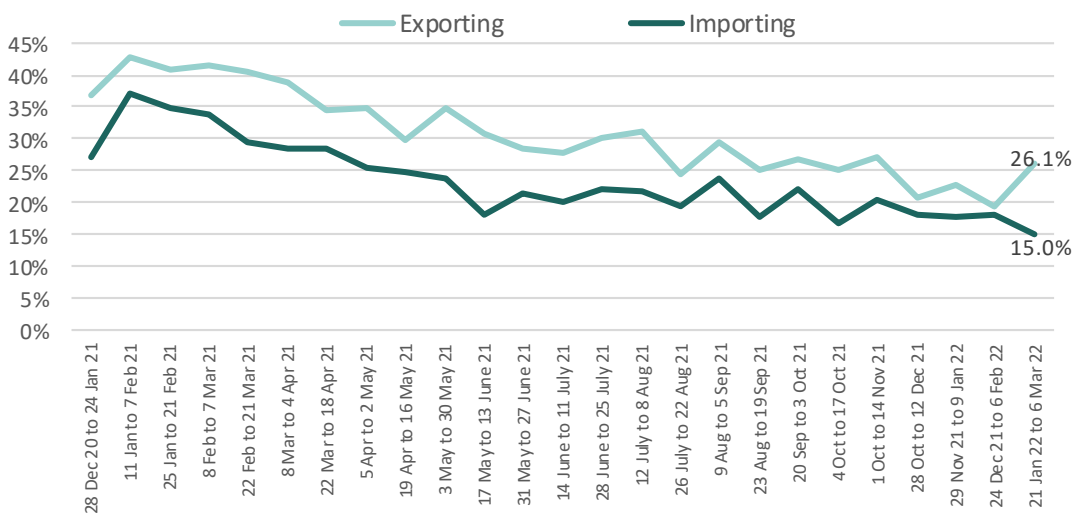
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

In the latest period, 64.0% of currently trading businesses reported exporting as normal, and 72.4% of businesses reported importing as normal. The proportion of businesses reporting exporting and importing as normal has generally increased since January 2021 (Wave 22).

Figure 11: Despite an overall decrease since February 2021, the proportion of relevant businesses that have not been exporting or have exported less than usual has increased in the most recent wave, from 19.4% in February 2022 (Wave 49) to 26.1% in March 2022 (Wave 51).

Estimated % of businesses unable to export or import and/or exporting and importing less than normal over the previous month/two weeks

Businesses Currently Trading and exported in last 12 months, with 10+ employees and a presence in Scotland



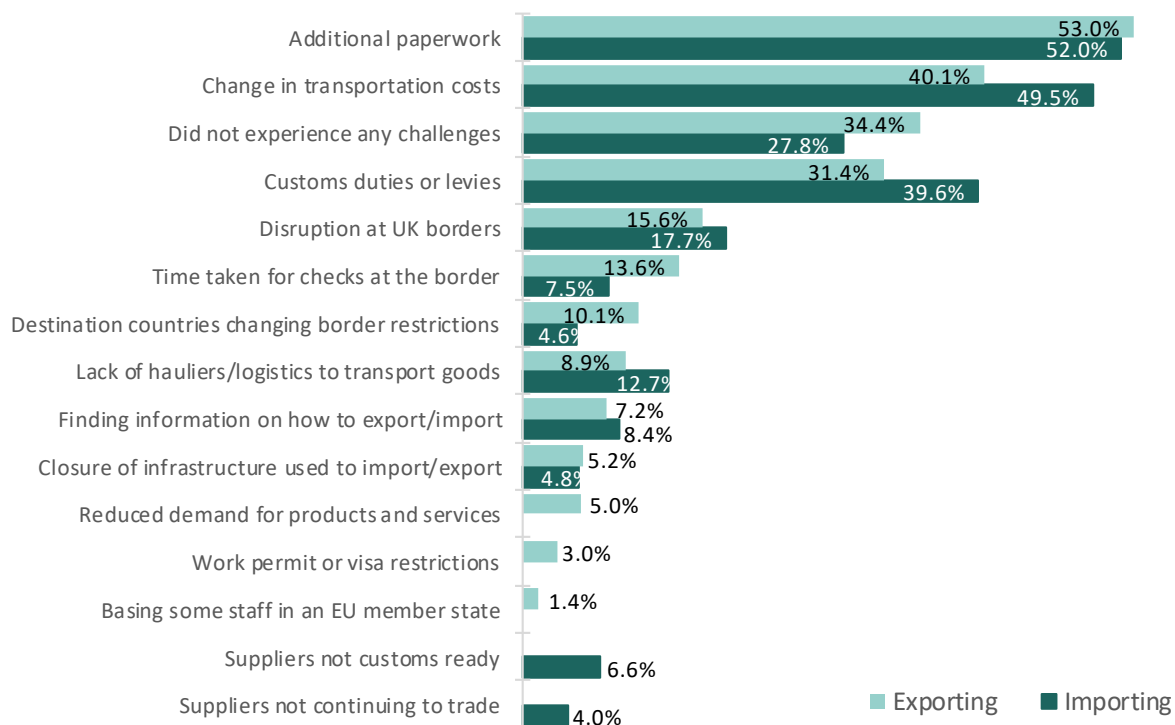
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

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 (53.0%) of relevant businesses reporting this as an exporting challenge and 52.0% reporting this as an importing challenge.

Has your business experienced any of the following challenges with exporting/importing over the last month?
Businesses Currently Trading and exported/imported in last 12 months, with 10+ employees and a presence in Scotland

Wave 51 - 21 January to 6 March 2022



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

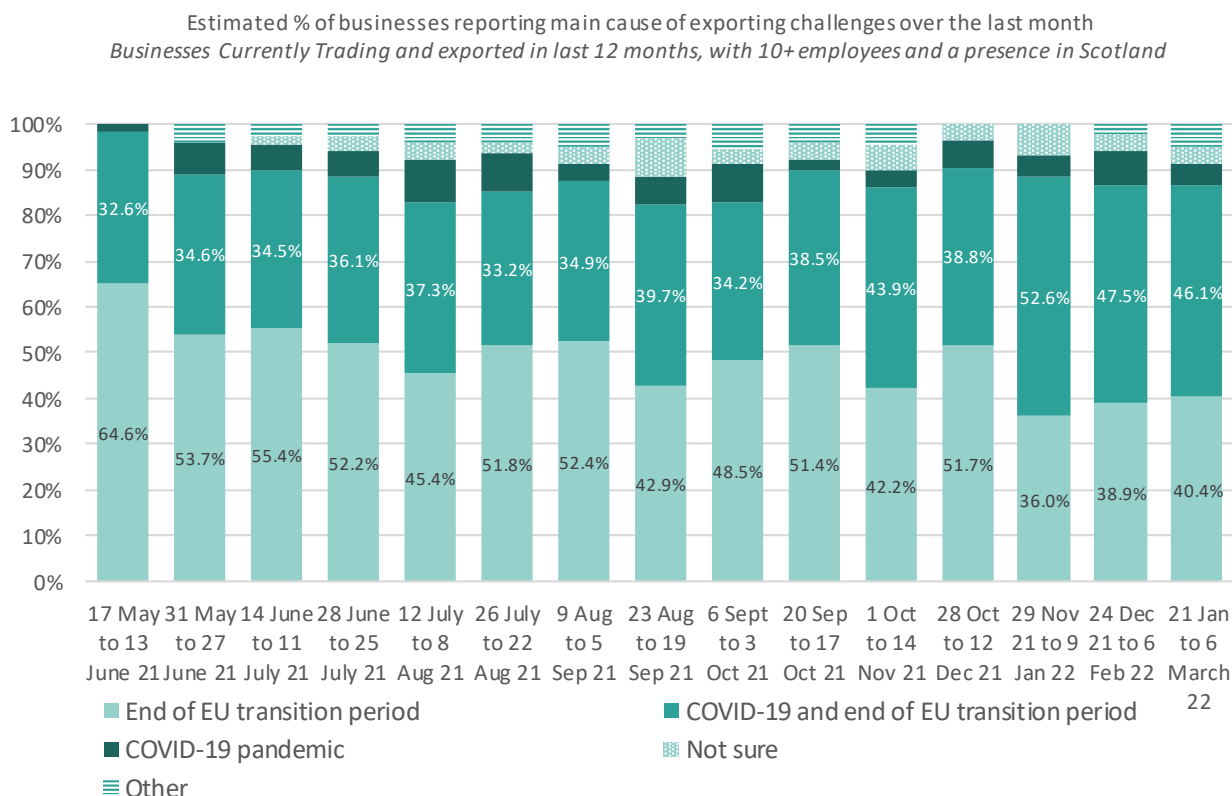
The other main challenges for exporting and importing were change in transportation costs and customs duties or levies. However 34.4% of exporters and 27.8% of importers did not experience any challenges. The percentage of exporters reporting no challenges has generally decreased since September 2021 (46.8% in Wave 40). Businesses reporting no challenges with importing has decreased in the most recent wave (from 40.6% in Wave 49 to 27.8% in Wave 51), and remains lower than in January 2021 (58.3% in Wave 22).

Businesses 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 13: The proportion of businesses reporting EU exit as the main cause of exporting challenges (40.4%) is lower than the proportion of businesses reporting COVID-19 and EU exit combined as the main challenge (46.1%).



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Waves 32 to 41, 43, 45, 47, 49, 51.

Businesses also reported that the end of the EU transition period combined with the COVID-19 pandemic was the biggest challenge to importing, and this has generally increased since January 2021 (from 26.9% in Wave 22 to 46.8% in Wave 51). The proportion of businesses reporting EU exit alone as the biggest challenge to importing has generally decreased since January 2021 (from 56.8% in Wave 22 to 39.0% in Wave 51).

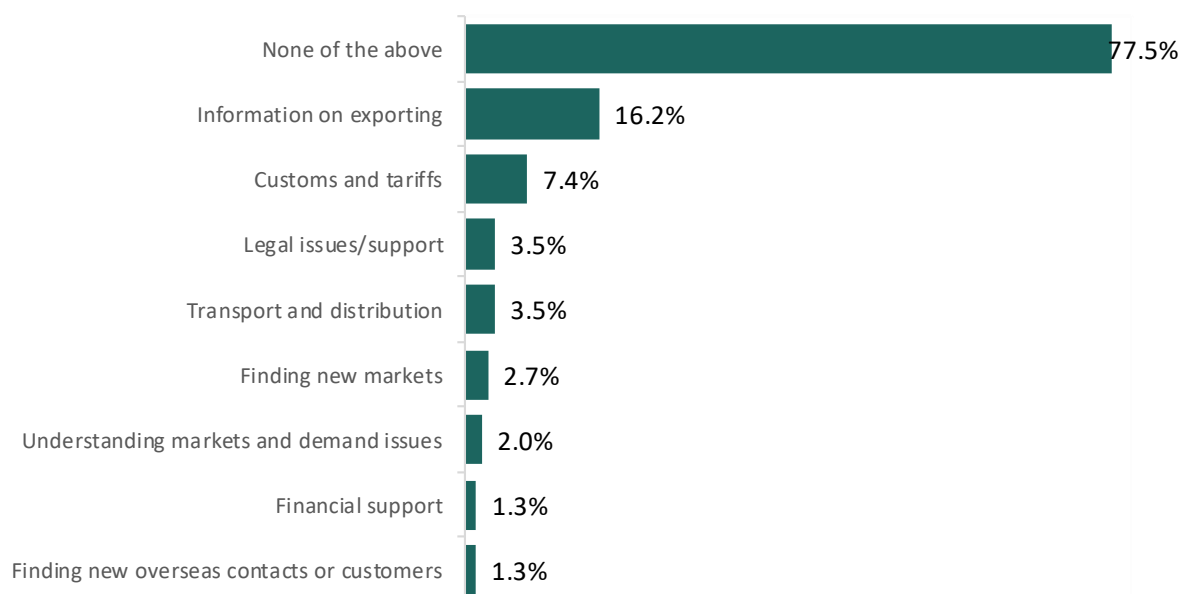
Relevant businesses who experienced exporting challenges were also asked about support options their business has benefitted from to help with these challenges.

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

- Customs and tariffs
- Export licences
- Financial support
- Finding new markets
- Finding new overseas contacts or customers
- Legal support
- Transport and distribution
- Understanding markets and demand issues
- Information on exporting
- Other
- None of the above

Figure 14: The support options that businesses most commonly reported benefitting from were information on exporting (16.2%), and customs and tariffs (7.4%). However, over three quarters (77.5%) 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 51 - 21 January to 6 March 2022



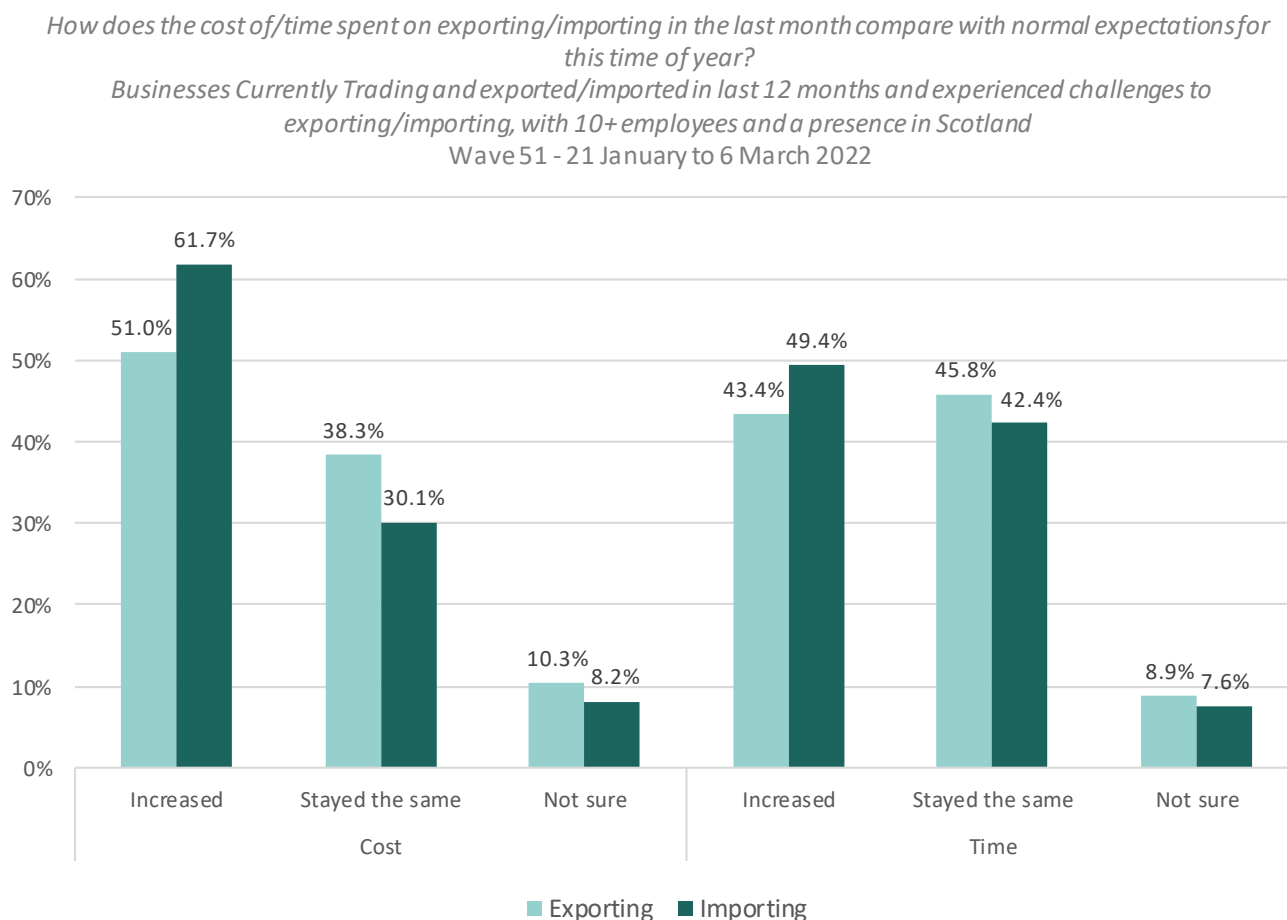
Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

Information on exporting was first offered as a support option in the survey in September 2021 (Wave 39), and has been the top reported support option since October 2021 (Wave 41). In the latest wave, customs and tariffs returned as the second most reported support option, replacing transport and distribution.

When asked to choose which support options they would benefit from to help with importing challenges, 36.0% of relevant businesses selected customs and tariffs, 28.5% selected information on importing, and 21.3% selected transport and distribution. The percentage of businesses reporting customs and tariffs as a support option that they would benefit from for importing challenges remains lower than in April 2021 (57.4% in Wave 29). Despite this decrease, customs and tariffs has been the top reported support option for importing since the series began in April 2021 (Wave 29). Of the relevant businesses, 37.3% reported that none of the available options for importing challenges would benefit them.

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: Around half (51.0%) of relevant businesses reported that the cost of exporting has increased compared to normal for this time of year.



Source: Office for National Statistics – BICS – Weighted Scotland Estimates – Wave 51

Production and Suppliers

Businesses were asked about their experience of global supply chain disruption. Over half (51.9%) applicable businesses reported that they experienced no disruption to global supply chains over the past month. Over a quarter (26.1%) of applicable businesses reported that they had experienced disruption, which is lower than in February 2022 (Wave 49). The rest (22.0%) were not sure. The percentage of applicable businesses experiencing disruption increased to 48.1% for the manufacturing sector, which is a lower proportion than in February 2022 (56.1% in Wave 49). The main concerns for businesses over the next month were energy prices (24.9%) and inflation of goods and services prices (22.8%).

Businesses were asked how prepared they were for the introduction of full customs controls for goods imported from the EU, and how much disruption this caused. The majority (83.6%) of applicable businesses were fully or somewhat prepared, and 2.7% were not prepared, while the rest (13.7%) were not sure.

An estimated 38.0% of businesses reported that the introduction of full customs controls caused minor disruption to their business, 28.9% reported moderate disruption, 16.5% reported no disruption, 1.1% reported major disruption, while the rest (15.4%) 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.

Correspondence and enquiries

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