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An Experimental Statistics Publication for Scotland

BUSINESS AND ENERGY

Business Impact of Coronavirus (COVID-19) Survey (BICS) Weighted Scotland Estimates - Data to Wave 22

5 February 2021

This is the tenth 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 82.1% in the period 11 January to 24 January 2021.
- The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 38.4% and 55.0% respectively.
- The share of the workforce on furlough leave was estimated at 19.1% in the period 28 December 2020 to 24 January 2021 – the highest rate since July 2020.
- The share of the workforce on furlough leave varied by industry sector – with the highest rates for Accommodation & Food Services (estimated at 62.8%) and Arts, Entertainment & Recreation (estimated at 59.5%).
- In the period 28 December 2020 to 24 January 2021, there were two industries where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were Accommodation & Food Services (74.6%) and Wholesale & Retail (53.4%).

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.

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 microdata[2], 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 10,325 businesses responded to the Wave 22 BICS UK-wide – 1,447 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 1,334 responding businesses in Wave 22. 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 question[3] asked is shown below. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (11 January to 24 January 2021 in Wave 22).

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[1] Note that on the 1st of February 2021 ONS published 'Understanding the business impacts of local and national restrictions - Office for National Statistics – 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).

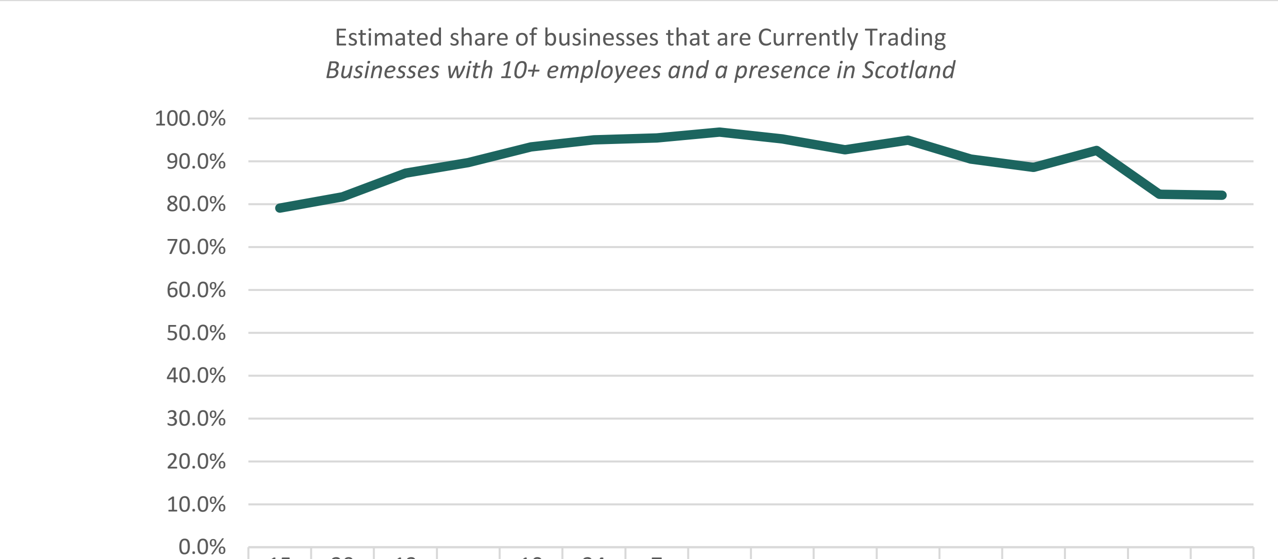
[3] The ONS publishes all the questions for each wave at: https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/businessimpactofcovid19surveyquestions/previousReleases

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.

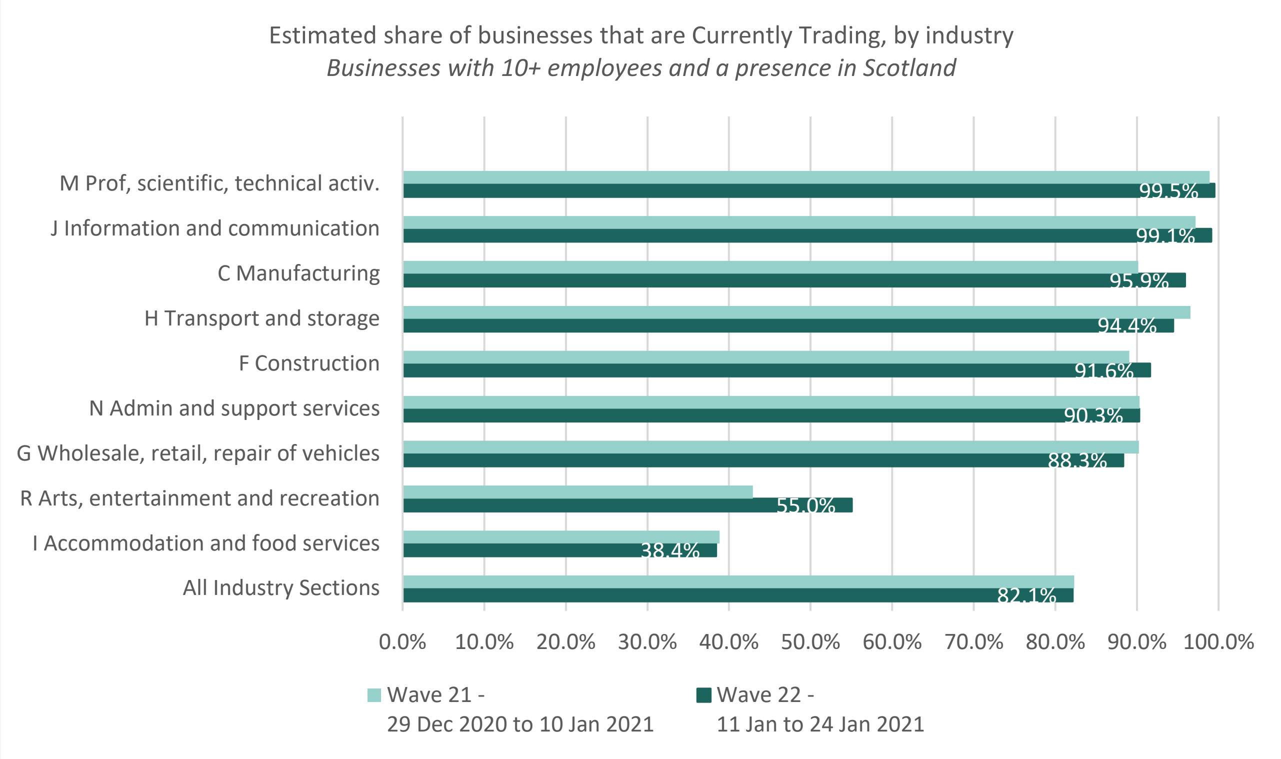
Figure 1: In the period 11 January to 24 January 2021, an estimated 82.1% of businesses were trading – consistent with the previous fortnight, after falling from 92.6% in mid-December 2020 before the current lockdown restrictions began.



	15 June to 28 June 2020	29 June to 12 July 2020	13 July to 26 July 2020	27 July to 9 Aug 2020	10 Aug to 23 Aug 2020	24 Aug to 6 Sept 2020	7 Sept to 20 Sept 2020	21 Sept to 4 Oct 2020	5 Oct to 18 Oct 2020	19 Oct to 1 Nov 2020	2 Nov to 15 Nov 2020	16 Nov to 29 Nov 2020	30 Nov to 13 Dec 2020	14 Dec to 23 Dec 2020	29 Dec to 10 Jan 2021	11 Jan to 24 Jan 2021
% Currently Trading	79.1%	81.7%	87.2%	89.7%	93.4%	95.0%	95.5%	96.8%	95.3%	92.7%	95.0%	90.5%	88.6%	92.6%	82.3%	82.1%

Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 22

Figure 2: In the period 11 January to 24 January 2021, the Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 38.4% and 55.0% respectively.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 21 and Wave 22

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 (11 January to 24 January 2021 for Wave 22) with the full question reference period (looking back at the last two weeks) covering 28 December 2020 to 24 January 2021 for Wave 22.

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

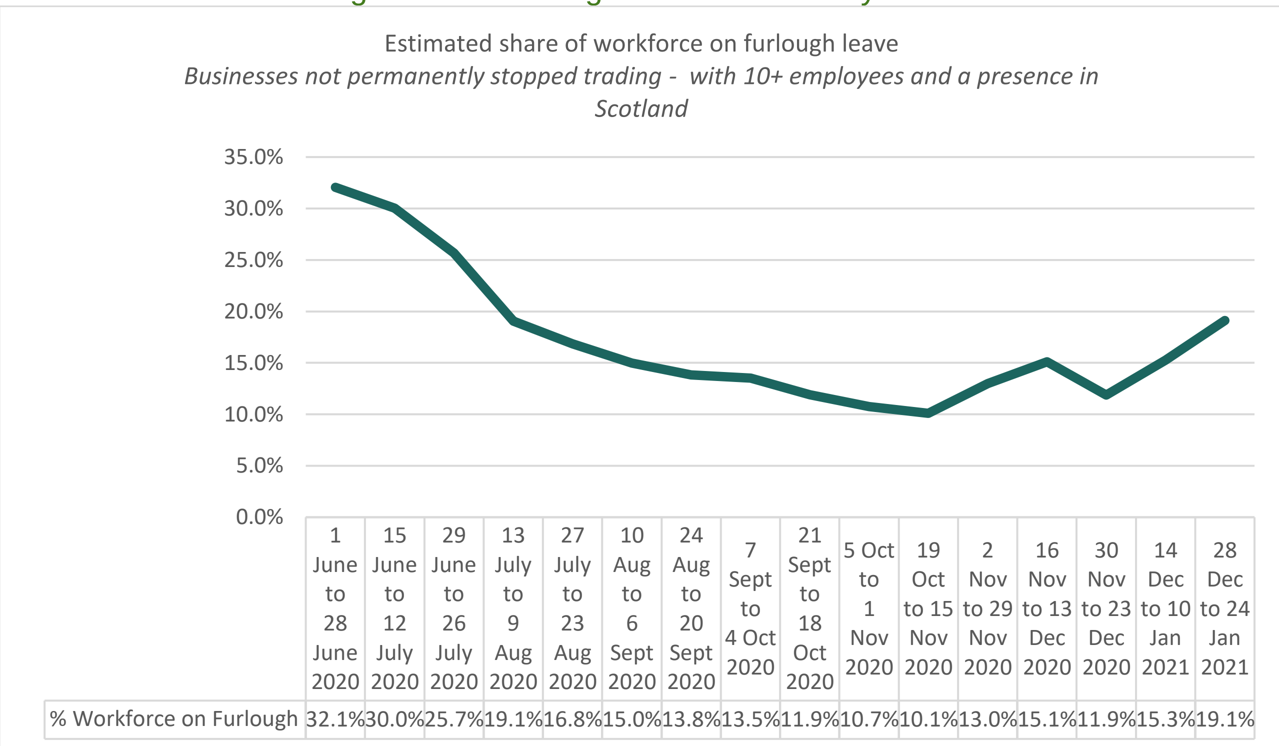
- On furlough leave
- Working at their normal place of work
- Working remotely instead of at their normal place of work
- Off sick or note working due to Covid-19, self-isolation or quarantine
- Made permanently redundant
- Other

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 53.9% of businesses that were currently trading had some share of their workforce on furlough leave in the period 28 December 2020 to 14 January 2021. This share increases to 61.0% when we widen the base out to all businesses that have not permanently stopped trading (i.e. those ‘Currently Trading’ or ‘Paused Trading’).

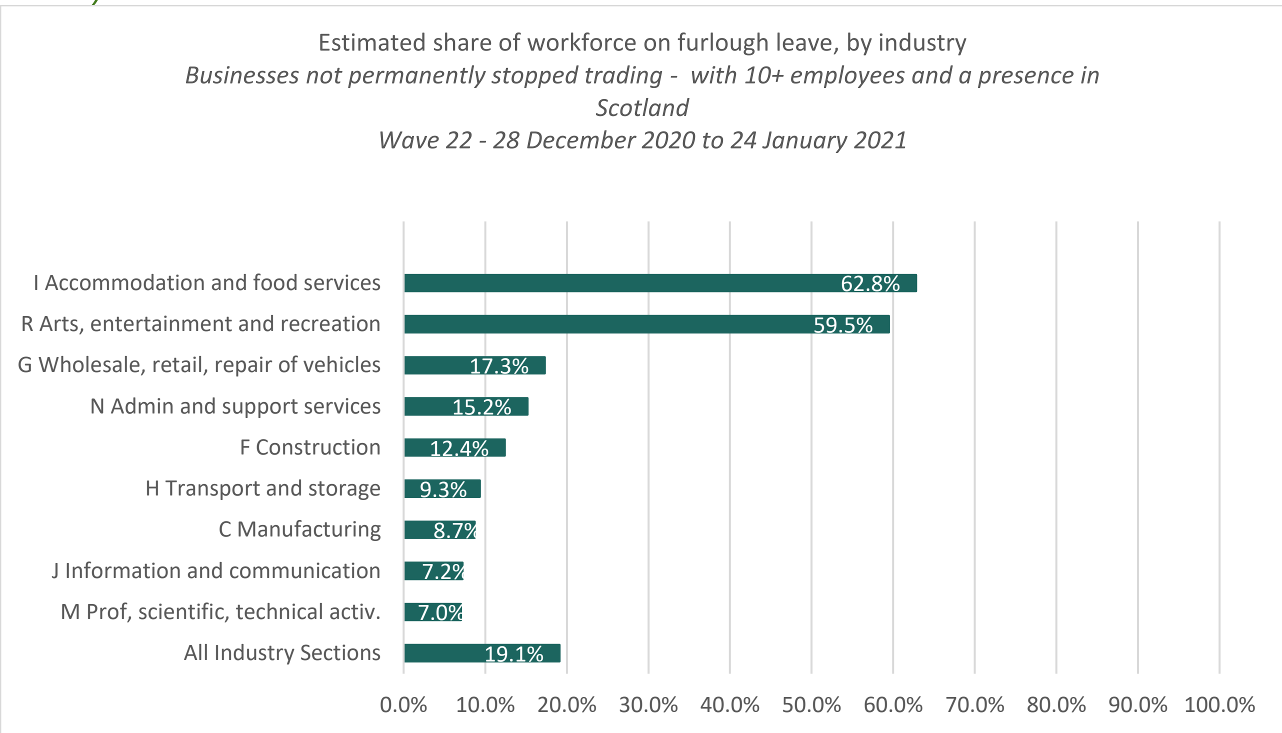
Another way to consider the workforce status question is to look at the share of the workforce that is furloughed. The workforce proportions are based on the responses provided by businesses. These are then applied to employment (in Scottish units) recorded for each reporting unit on the [Inter-Departmental 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 28 December 2020 to 24 January 2021, an estimated 19.1% of the workforce were on furlough leave – the highest rate since July 2020.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 22

Figure 4: In the period 28 December 2020 to 24 January 2021, the Accommodation & Food Services industry sector had the highest share of workforce on furlough leave (estimated at 62.8%), followed by the Arts, Entertainment & Recreation industry sector (estimated at 59.5%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 22

Financial Performance

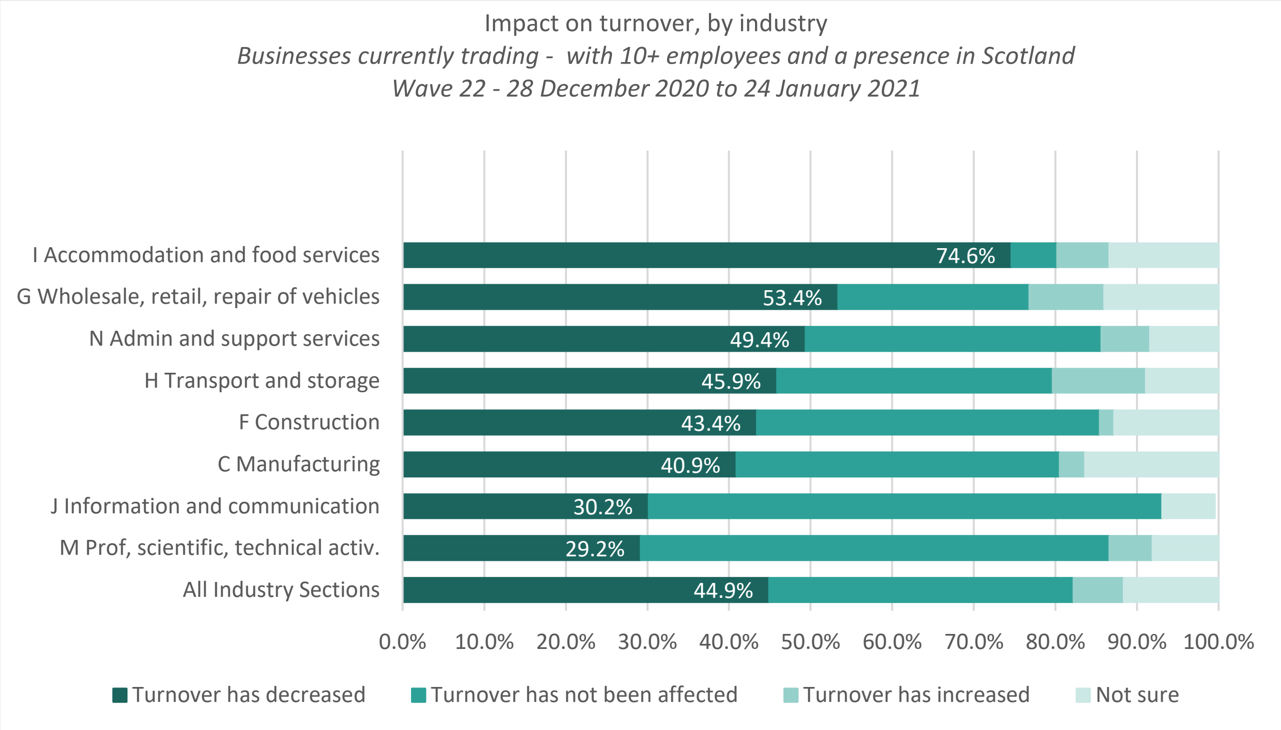
The BICS asks businesses, that are currently trading, about how the COVID-19 pandemic has affected the business turnover compared to business as usual - the specific question asked is shown below. Note that businesses were asked about the status of their turnover in the last two weeks and so responses will be from the time of completion of the survey questionnaire (11 January to 24 January 2021 for Wave 22) with the full question reference period (looking back at the last two weeks) covering 28 December 2020 to 24 January 2021 for Wave 22.

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 two industries where more than half of trading businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were Accommodation & Food Services (74.6%) and Wholesale & Retail (53.4%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 22

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 (11 January to 24 January 2021 for Wave 22).

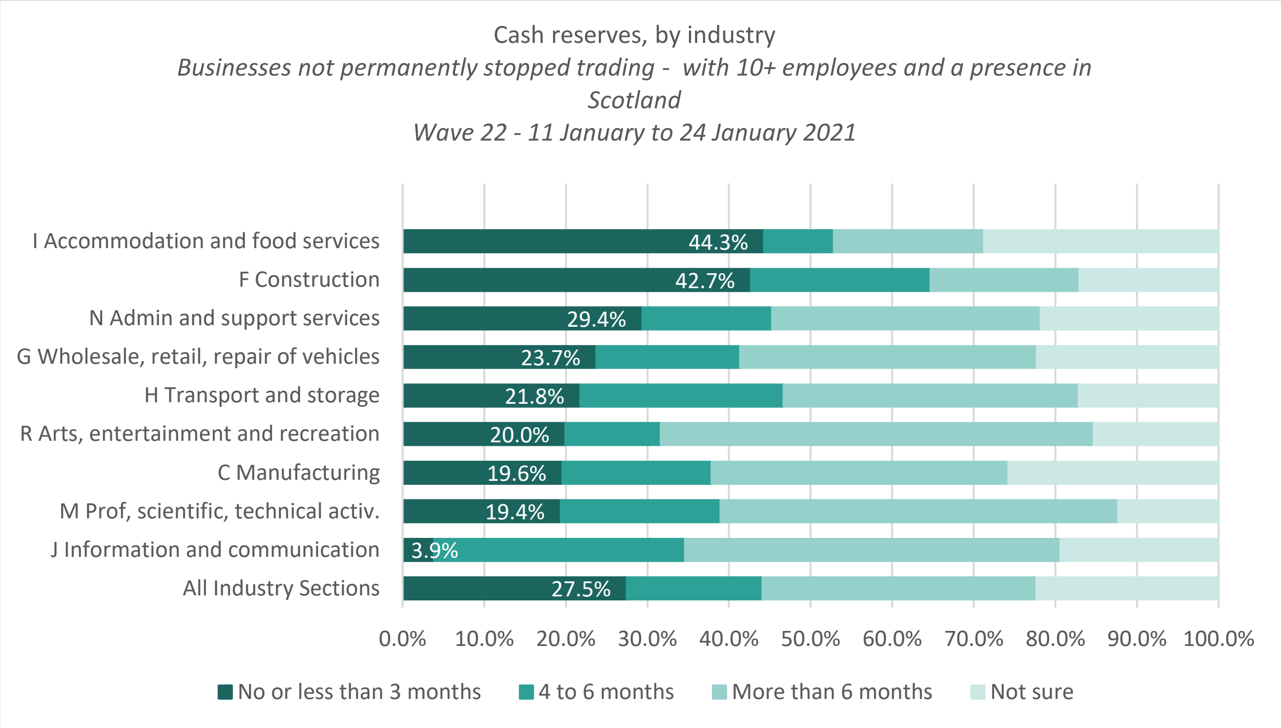
Question: How long do you think your business's cash reserves will last?:

- 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.

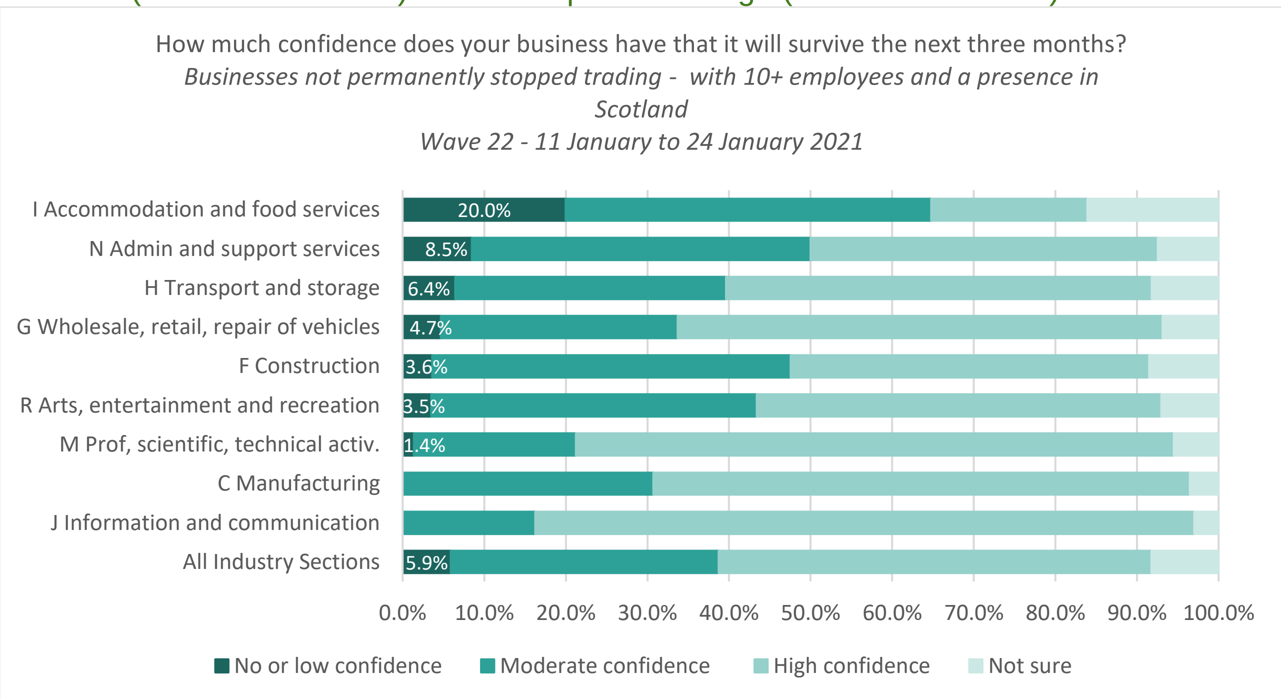
In Wave 22, businesses that had not permanently stopped trading were also asked how much confidence they had that they would survive the next three months.

Figure 6: In the latest period, 27.5% of businesses reported they had no or less than three months cash reserves, with higher rates for Accommodation & Food Services (estimated at 44.3%), Construction (estimated at 42.7%), and Administrative & Support Services (estimated at 29.4%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 22

Figure 7: In the latest period, 5.9% 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 20.0%), Administrative & Support Services (estimated at 8.5%) and Transport & Storage (estimated at 6.4%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 22

Impact on businesses' exporting and importing

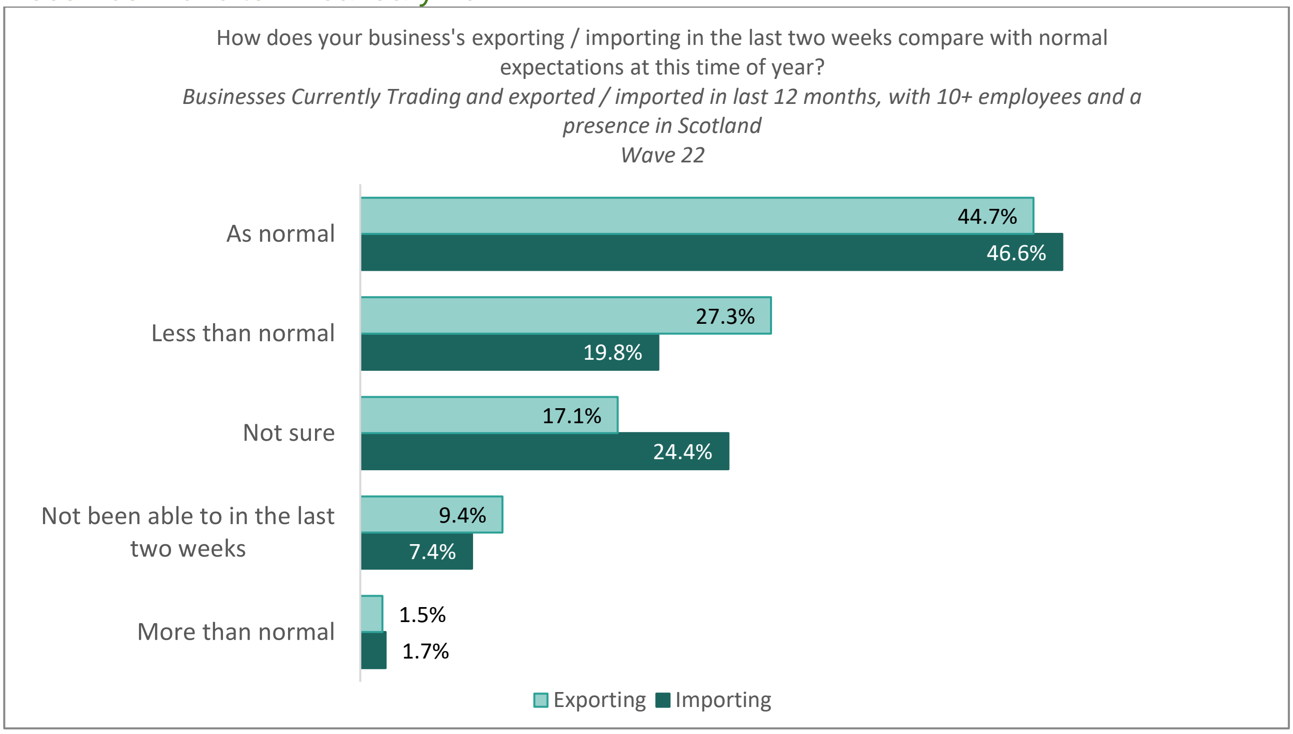
The BICS asks businesses that are currently trading about how current conditions, including the end of the EU transition period, have impacted on their exporting and importing – the specific questions asked are shown below.

The responses for Wave 22 of the survey were collected between 11 January 2021 and 24 January 2021, and with many of the questions referring to last two weeks, the reference period may be early as 28 December 2020. This therefore overlaps the date when the EU transition period ended on 31 December 2020 and this may have impacted responses. The results should be interpreted with this in mind.

Question: How does your business's exporting / importing in the last two weeks 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 two weeks
- Not sure

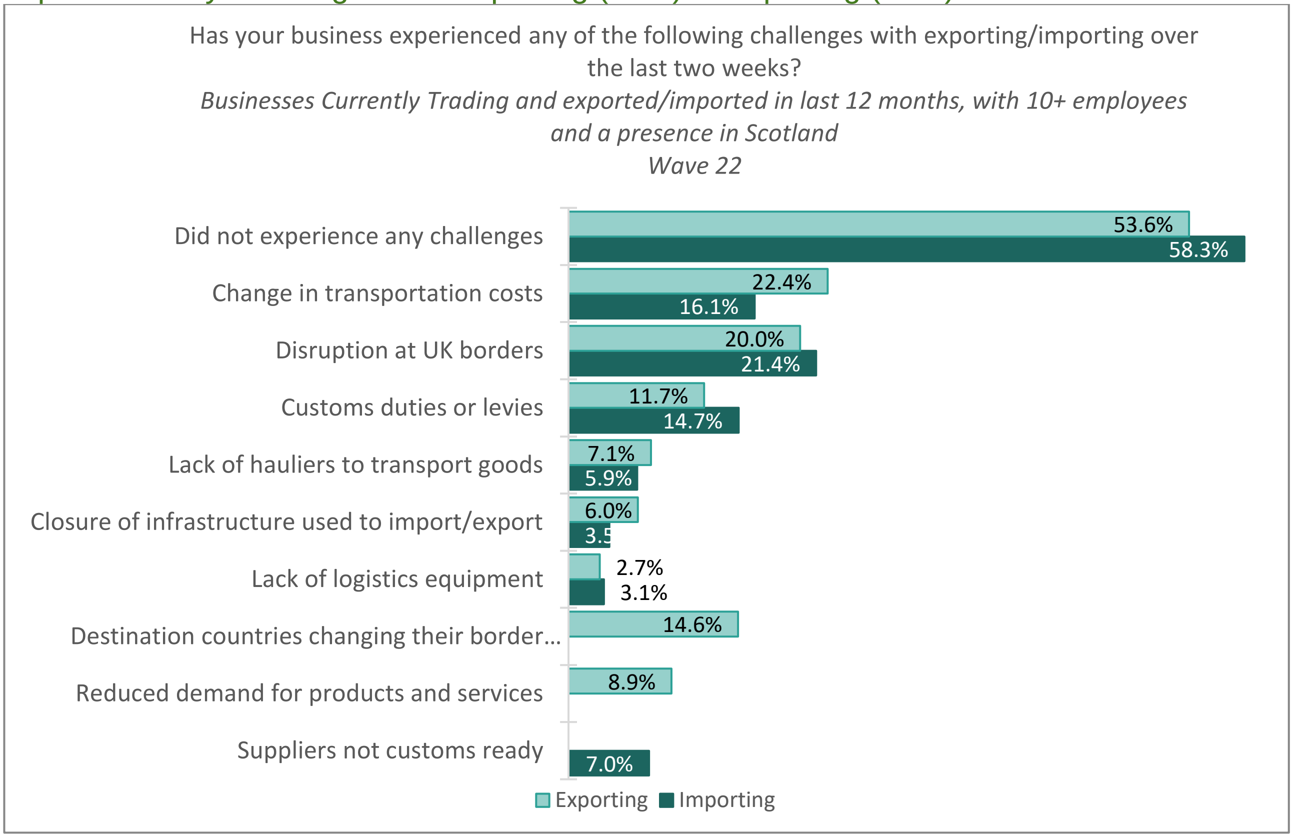
Figure 8: Of businesses currently trading that had exported in the last 12 months, over a quarter (27%) reported to be exporting less than normal, while a further 9% reported that they had not been able to export. Around a fifth (20%) reported to be importing less than normal, while 7% reported that they had not been able to import in the period 28 December 2020 to 24 January 2021.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 22

Currently trading businesses that had imported or exported 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 9: The most commonly reported challenges were a change in transportation costs and disruption at UK borders. However, over half of the relevant companies did not experience any challenges with exporting (54%) or importing (58%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 22

Businesses were also asked if they had changed where they sourced their imports of goods or services from in the last two weeks and the majority (86.1%) of relevant importing businesses reported making no changes. Less than 2% reported changing from EU to non-EU suppliers, while the rest were unsure.

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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