

BUSINESS AND ENERGY

Business Impact of Coronavirus (COVID-19) Survey (BICS) Weighted Scotland Estimates - Data to Wave 18

11 December 2020

This is the sixth 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 90.5% in the period 16 November to 29 November 2020 - down from 95.0% in the previous fortnight.¹
- In the period 16 November to 29 November 2020, the Accommodation & Food Services industry sector had the lowest share of businesses trading at 54.5%, down from 76.7% in the previous fortnight. This reflects changes in restrictions in some areas within Scotland. At 6 pm on the 20th of November, 11 of Scotland's 32 local authority areas moved into Level 4 of Scotland's Strategic Framework.² Level 4 restrictions include the closure of hospitality, entertainment venues, gyms and non-essential retail.
- The share of the workforce on furlough leave was estimated at 13.0% in the period 2 November to 29 November 2020. This rate varied by industry sector – with markedly higher rates for Accommodation & Food Services (estimated at 49.0%) and Arts, Entertainment & Recreation (estimated at 40.4%).
- In the period 16 November to 29 November, 10.7% of businesses reported to be fully prepared for the end of the EU transition period, while a further 33.0% reported being somewhat prepared and 4.6% reported that they were not prepared.
- Of the businesses somewhat or not prepared for the end of the EU transition period, almost half (48.2%) were not sure what they need to do to prepare, while over a quarter (27.7%) said the Coronavirus pandemic was preventing them from preparing.

¹ 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.

²<https://www.gov.scot/news/scotlands-strategic-framework/>

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.³ 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 microdata⁴, 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 10,688 businesses responded to the Wave 18 BICS UK-wide – 1,481 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 1,381 responding businesses in Wave 18. 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'.

³ 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.

⁴ The BICS microdata can be accessed, by accredited researchers, via the [Secure Research Service \(SRS\)](#).

Trading Status

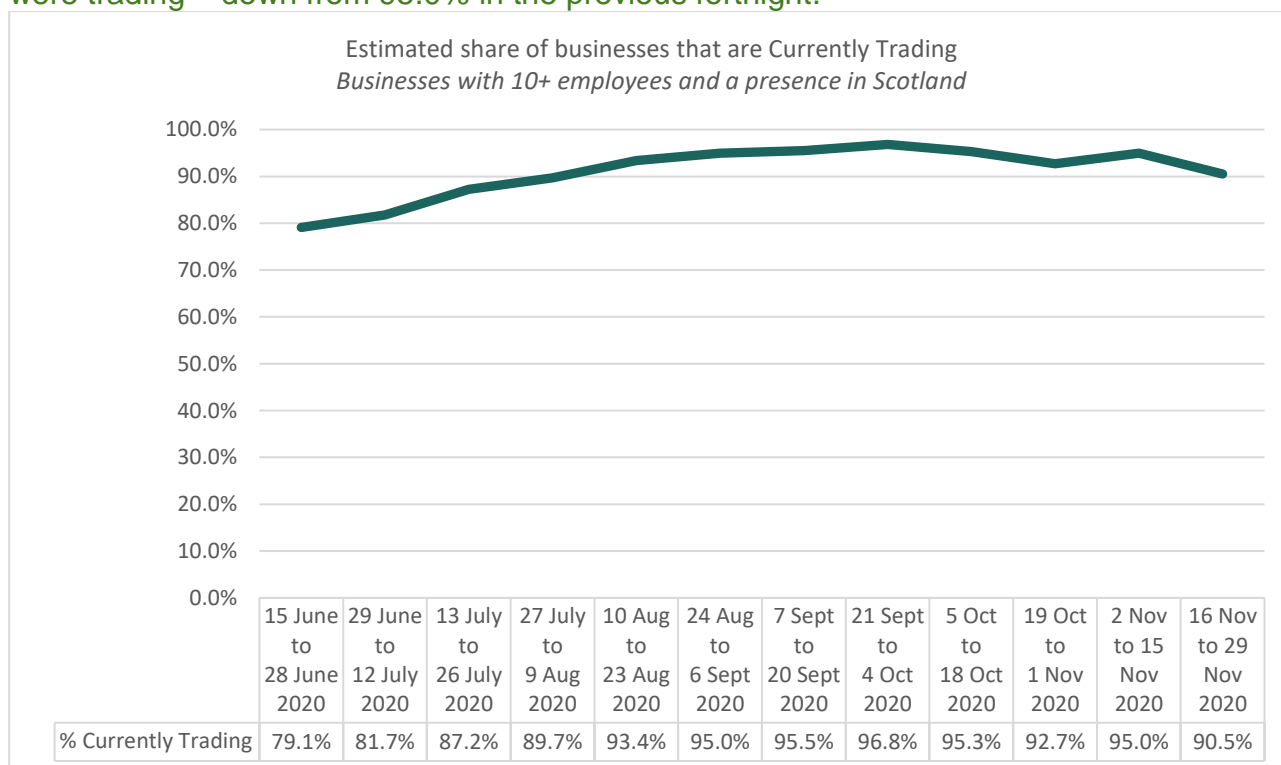
The BICS asks businesses about their trading status: the specific question⁵ asked is shown below. Note that businesses were asked for their current trading status and so responses will be from the time of completion of the survey questionnaire (16 November to 29 November 2020 in Wave 18).

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 16 November to 29 November, an estimated 90.5% of businesses were trading – down from 95.0% in the previous fortnight.

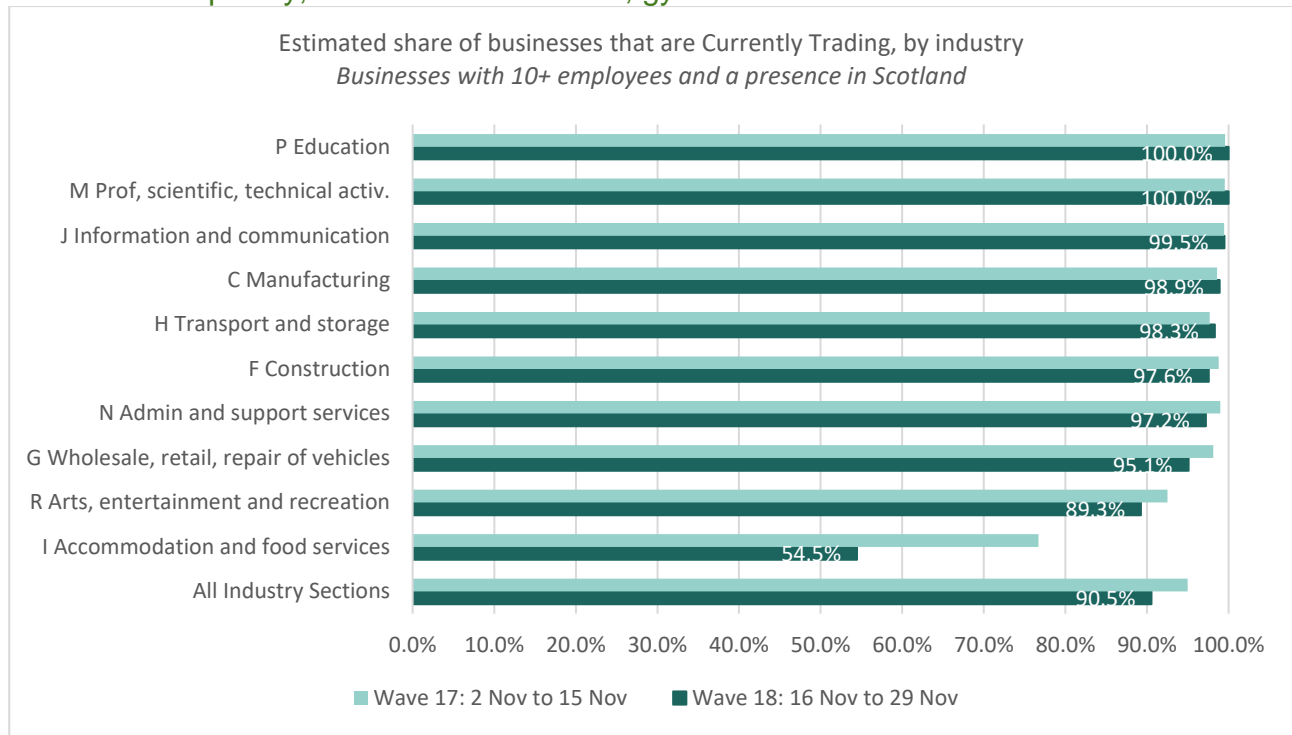


Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 18

⁵ 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 16 November to 29 November 2020, the Accommodation & Food Services industry sector had the lowest share of businesses trading at 54.5%, down from 76.7% in the previous fortnight. This reflects changes in restrictions in some areas within Scotland. At 6 pm on the 20th of November, 11 of Scotland’s 32 local authority areas moved into Level 4 of Scotland’s Strategic Framework.⁶ Level 4 restrictions include the closure of hospitality, entertainment venues, gyms and non-essential retail.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 17 and Wave 18

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 (16 November to 29 November 2020 for Wave 18) but can stretch back two weeks before this, and so the full question reference period is 2 November to 29 November 2020 for Wave 18.

⁶ <https://www.gov.scot/news/scotlands-strategic-framework/>

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

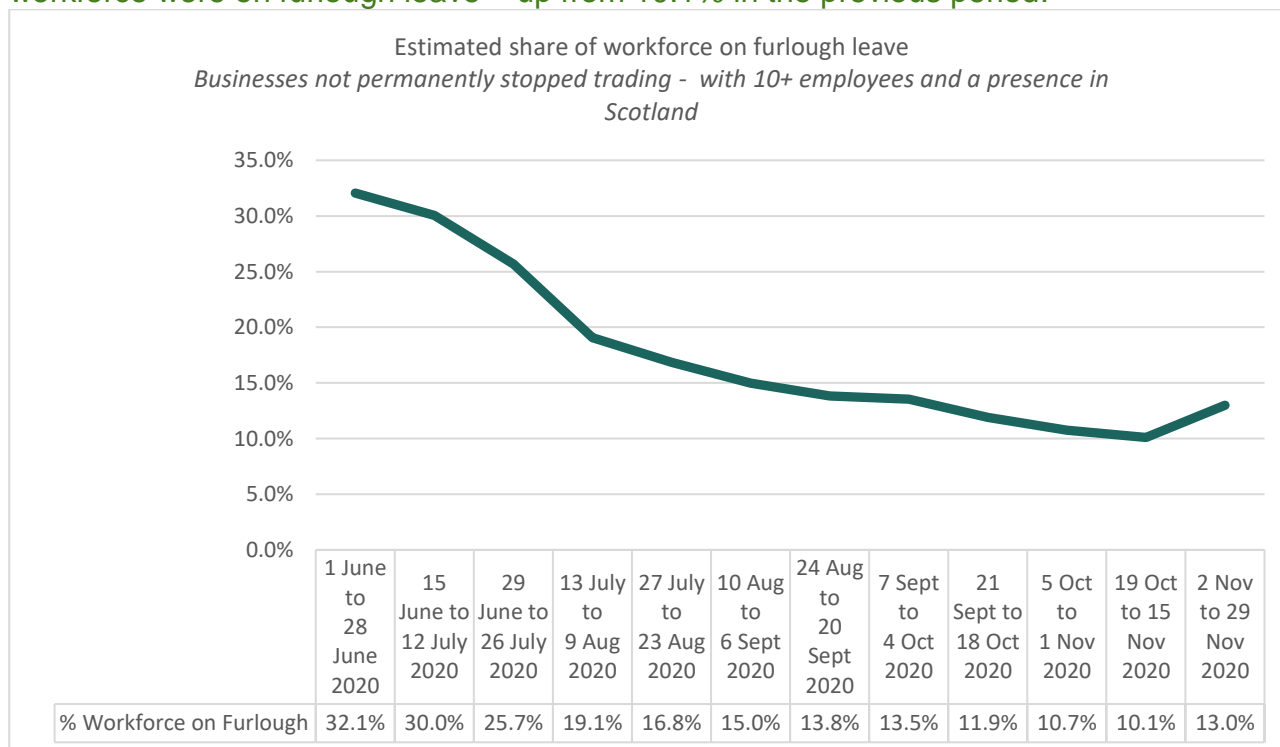
- On furlough leave
- Working at their normal place of work
- Working remotely instead of at their normal place of work
- Off sick or in self-isolation due to coronavirus (COVID-19) with statutory or company pay
- Made permanently redundant

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 44.5% of businesses that were currently trading had some share of their workforce on furlough leave in the period 2 November to 29 November 2020. This share increases to 47.9% when we widen the base out to all businesses that have not permanently stopped trading (i.e. those ‘Currently Trading’ or ‘Paused Trading’).

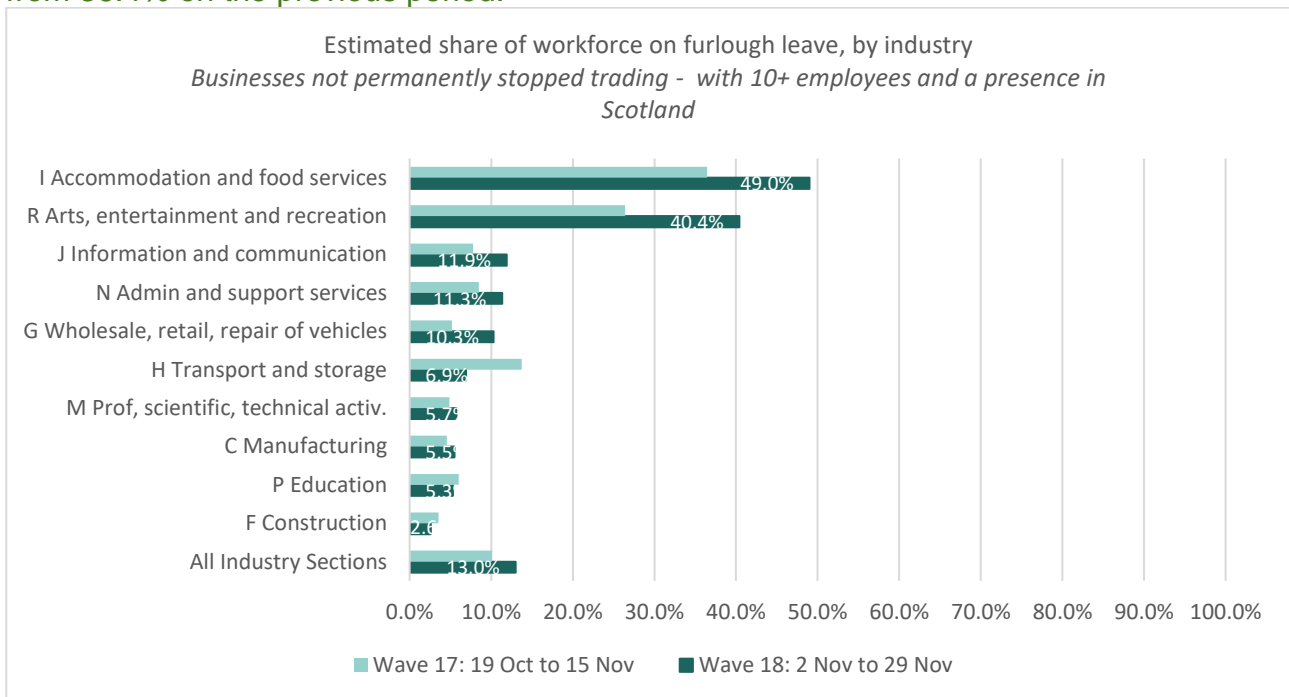
Another way to consider the workforce status question is to look at the share of the workforce that is furloughed. The workforce proportions are based on the responses provided by businesses. These are then applied to employment (in Scottish units) recorded for each reporting unit on the [Inter-Departmental 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 2 November to 29 November 2020, an estimated 13.0% of the workforce were on furlough leave – up from 10.1% in the previous period.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 18

Figure 4: In the period 2 November to 29 November 2020, the Accommodation & Food Services industry sector had the highest share of workforce on furlough leave (49.0%), up from 36.4% on the previous period.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 17 and Wave 18

Financial Performance

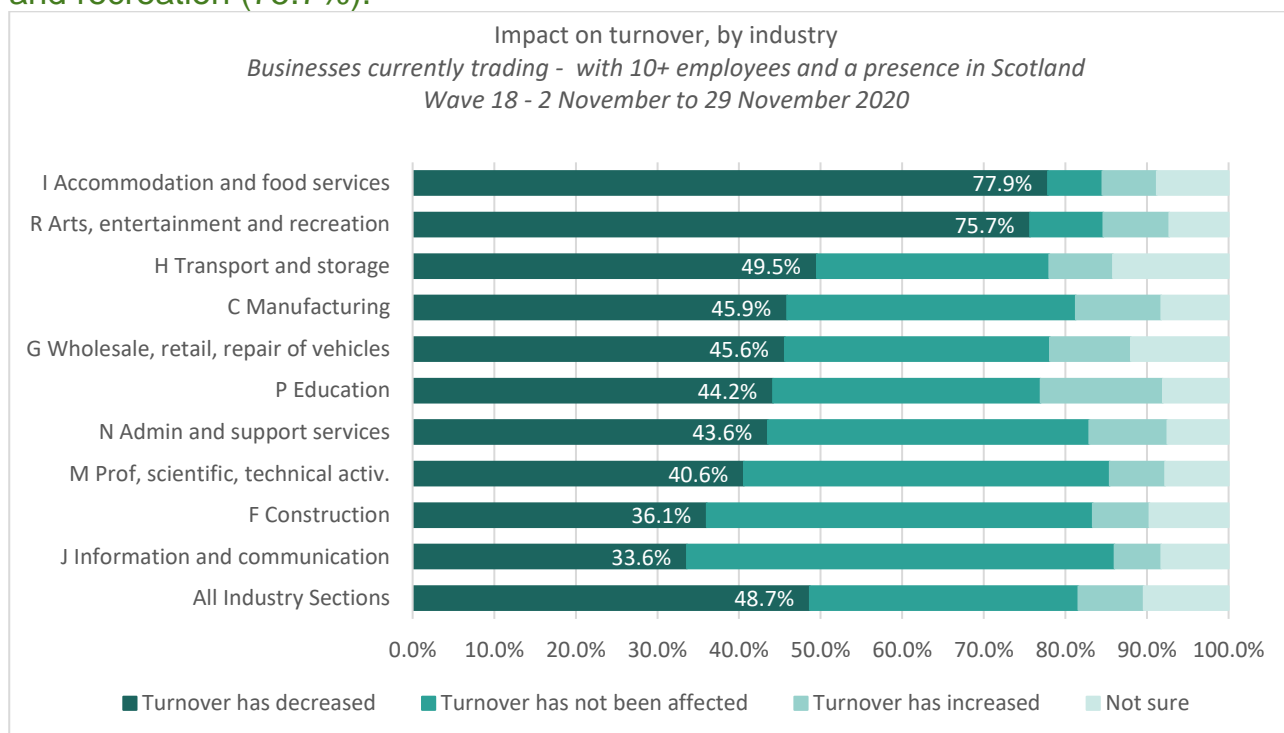
The BICS asks businesses, that are currently trading, about how the COVID-19 pandemic has affected the business turnover compared to business as usual - the specific question asked is shown below. Note that businesses were asked about their experiences from the time of completion of the survey questionnaire (16 November to 29 November 2020 for Wave 18) but can stretch back two weeks before this, and so the full question reference period is 2 November to 29 November 2020 for Wave 18.

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 businesses experienced a decrease in turnover compared with what is normally expected for this time of year. These were Accommodation & Food Services (77.9%) and Arts, Entertainment and recreation (75.7%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 18

Business Resilience

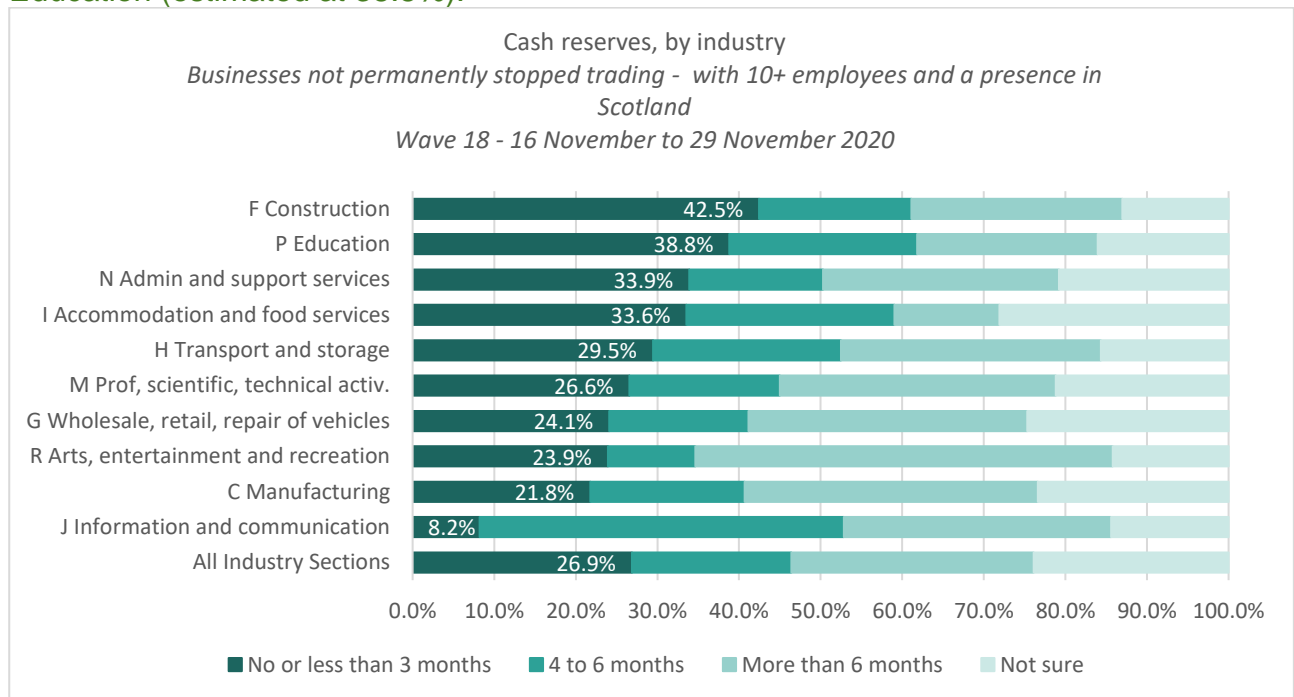
The BICS asks businesses, that had not permanently stopped trading (i.e. ‘Currently Trading’ or ‘Paused Trading’), about their cash flow - the specific question asked is shown below. Note that businesses were asked about cash flow from the time of completion of the survey questionnaire (16 November to 29 November 2020 for Wave 18).

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.

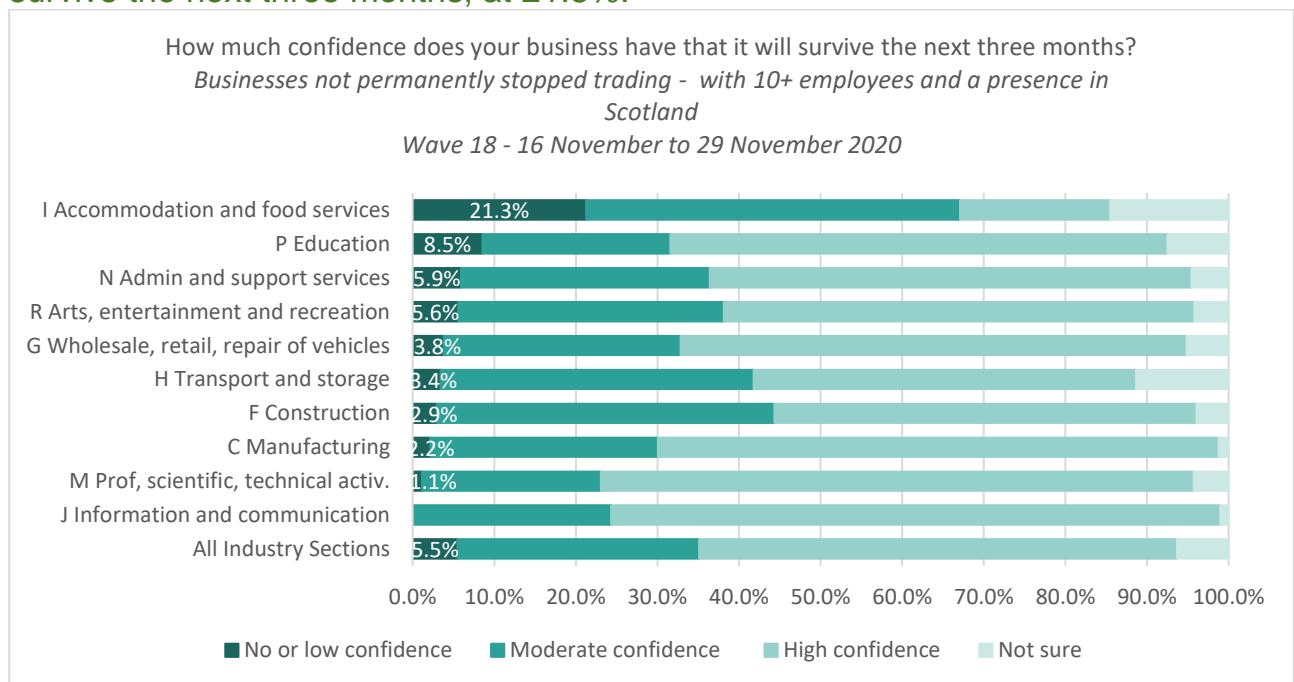
Figure 6: In the latest period, 26.9% of businesses reported they had no or less than three months cash reserves, with the highest rates for Construction (estimated at 42.5%) and Education (estimated at 38.8%).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 18

In Wave 18, businesses that had not permanently stopped trading were also asked how much confidence they had that they would survive the next three months.

Figure 7: In the latest period, the Accommodation & Food Services industry sector had the highest share of businesses with no or low confidence that their business would survive the next three months, at 21.3%.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 18

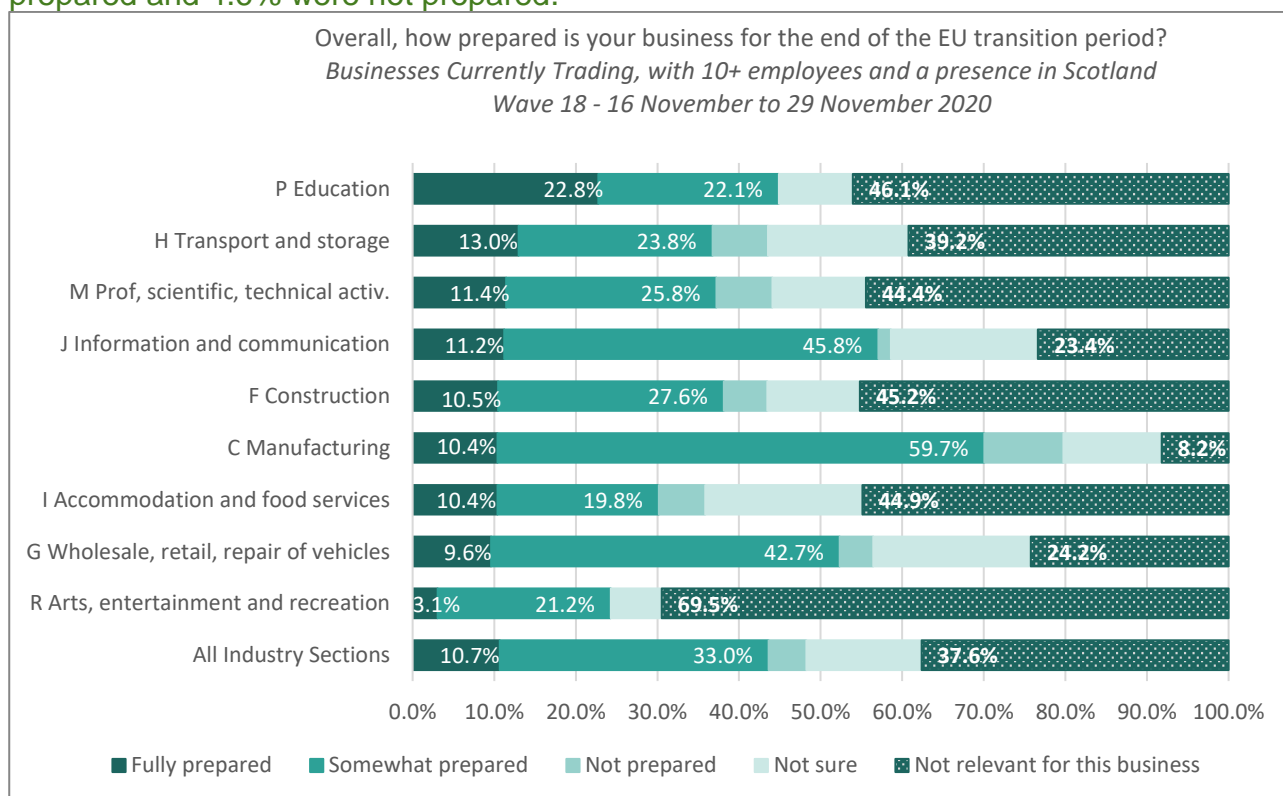
Preparation for the end of the EU transition period

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

Figure 8: In the period 16 November to 29 November, 10.7% of businesses were fully prepared for the end of the EU transition period, while a further 33.0% were somewhat prepared and 4.6% were not prepared.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 18

However, 37.6% of businesses responded that preparation for the end of the EU transition period was not relevant for their businesses.

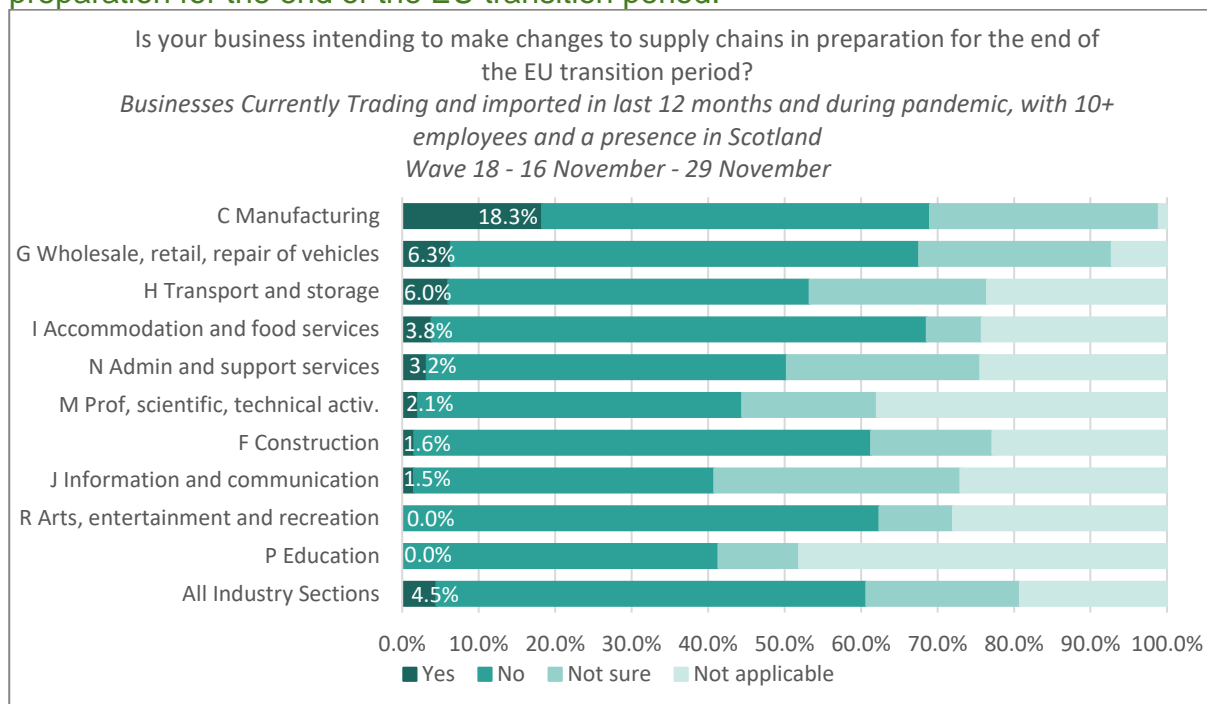
Of all businesses currently trading, large businesses (250 or more employees) are more prepared for the end of the EU transition period, with 23.2% fully prepared and 43.1% somewhat prepared, compared with SME businesses where 9.3% said they were fully prepared and 31.8% said they were somewhat prepared.

Of the businesses somewhat or not prepared for the end of the EU transition period, almost half (48.2%) were not sure what they need to do to prepare, while over a quarter (27.7%) said the Coronavirus pandemic was preventing them from preparing.

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

Figure 9: In the period 16 November to 29 November, 18.3% of 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 18

Businesses were asked about their plans to ensure supply chain continuity for the end of the EU transition period and 7.2% of businesses reported being fully prepared while 28.4% reported being somewhat prepared. For the manufacturing sector, these figures increased to 10.6% and 56.8% respectively. However 46.6% of businesses in all sectors reported this was not relevant to them.

Businesses were also asked about stockpiling and the majority of businesses (86.4%) reported they are not stockpiling any goods or materials. However, for the manufacturing sector, this reduced to 65.8%, while 16.0% of manufacturing businesses reported stockpiling from EU suppliers, 9.5% from UK suppliers and 4.7% 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

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