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

21 December 2020

This is the seventh 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 88.6% in the period 30 November to 13 December 2020 - down from 90.5% in the previous fortnight.[1] The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 46.3% and 67.4% respectively. This reflects the local restrictions in place within Scotland at the time.[2]

- The share of the workforce on furlough leave was estimated at 15.1% in the period 16 November to 13 December 2020. This rate varied by industry sector – with markedly higher rates for Accommodation & Food Services (estimated at 52.4%) and Arts, Entertainment & Recreation (estimated at 43.7%).

- In the period 16 November to 13 December 2020, there were four 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 (78.6%), Accommodation & Food Services (75.0%), Administrative & Support Services (54.8%) and Transport & Storage (53.0%).

- Of businesses where preparedness for the end of the EU transition period is relevant almost 19% were fully prepared for the end of the EU transition period, while a further 55% were somewhat prepared. However 7% were not prepared at all.

[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] Local restrictions include, for example: over the period 20 November to 11 December 2020 - 11 of Scotland's 32 local authority areas were in Level 4 of Scotland's Strategic Framework.[2] Level 4 restrictions include the closure of hospitality, entertainment venues, gyms and non-essential retail.

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 microdata[4], 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 10,065 businesses responded to the Wave 19 BICS UK-wide – 1,402 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 1,312 responding businesses in Wave 19. 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

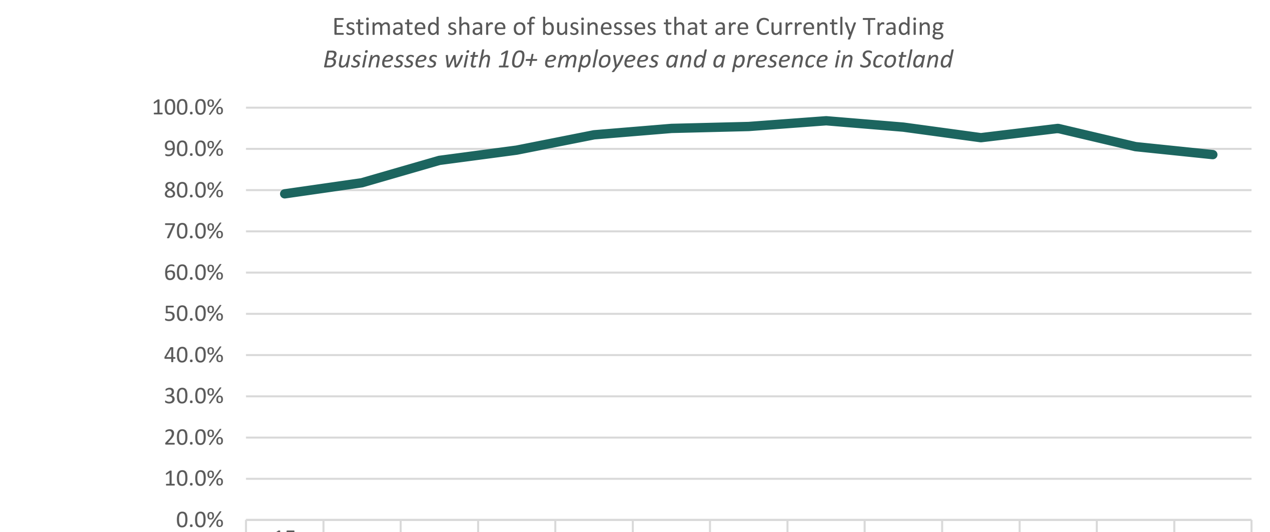
The BICS asks businesses about their trading status: the specific question[5] asked is shown below. Note that businesses were asked for their current trading status and so responses will be from the time of completion of the survey questionnaire (30 November to 13 December 2020 in Wave 19).

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 30 November to 13 December 2020, an estimated 88.6% of businesses were trading – down from 90.5% in the previous fortnight.



	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
% 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%

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

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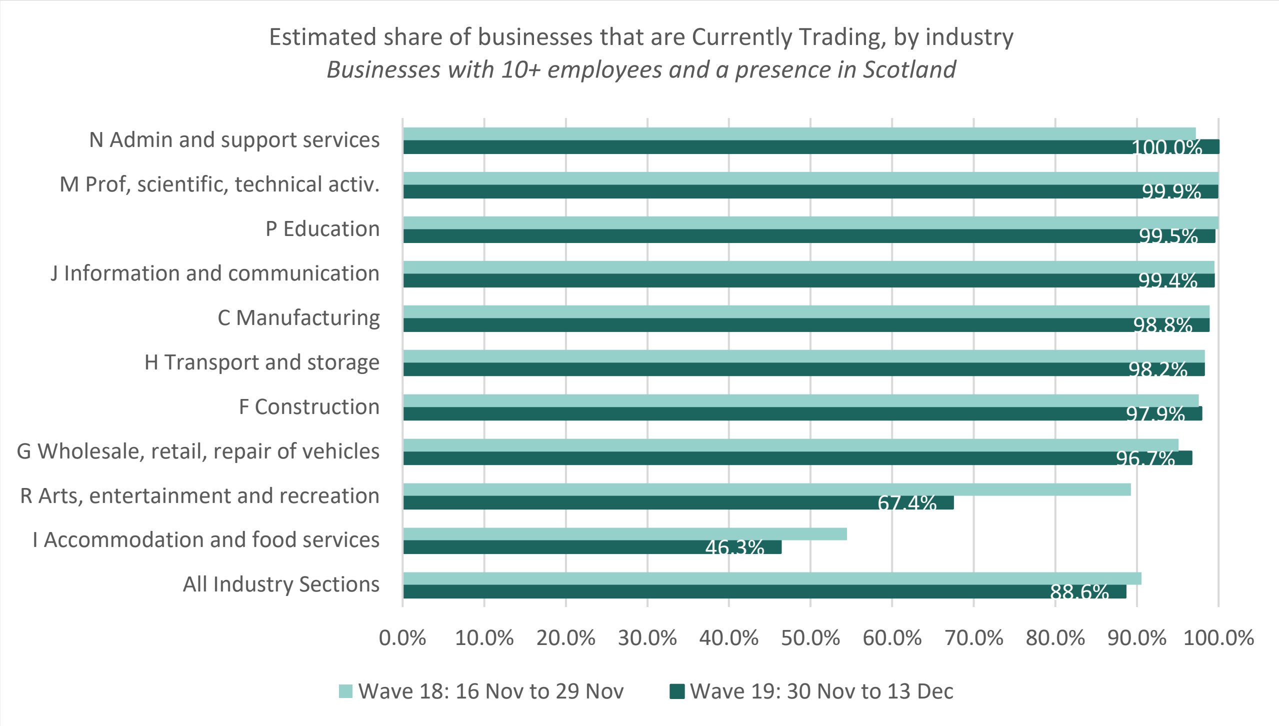
[5] The ONS publishes all the questions for each wave at: https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/businessimpactofcovid19surveyquestions/previousReleases

Figure 2: In the period 30 November to 13 December 2020, the Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses trading at 46.3% and 67.4% respectively. This reflects the local restrictions in place within Scotland at the time.



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

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 (30 November to 13 December 2020 for Wave 19) but can stretch back two weeks before this, and so the full question reference period is 16 November to 13 December 2020 for Wave 19.

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

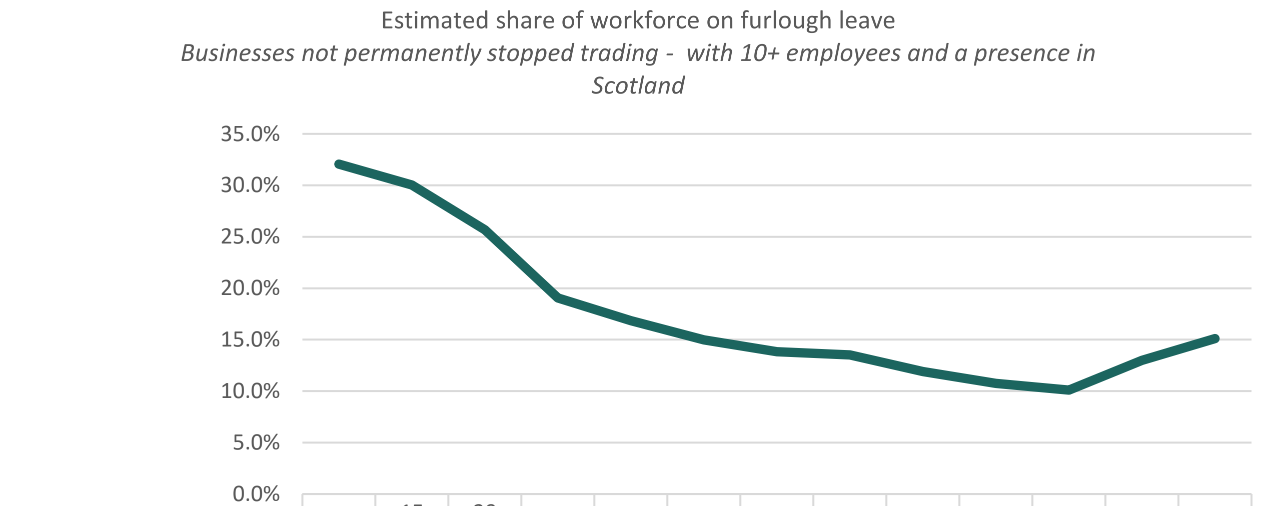
- On furlough leave
- Working at their normal place of work
- Working remotely instead of at their normal place of work
- Off sick or in self-isolation due to coronavirus (COVID-19) with statutory or company pay
- Made permanently redundant

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 45.9% of businesses that were currently trading had some share of their workforce on furlough leave in the period 16 November to 13 December 2020. This share increases to 50.7% 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.

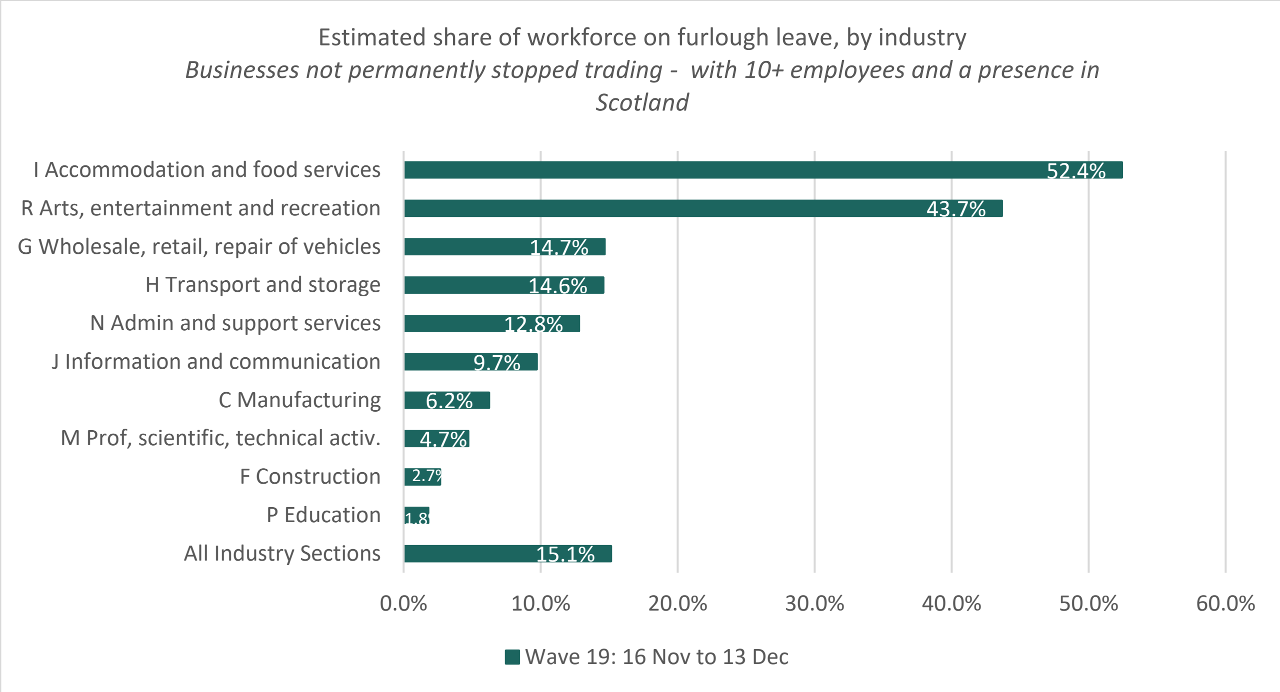
Figure 3: In the period 16 November to 13 December 2020, an estimated 15.1% of the workforce were on furlough leave – up from 13.0% in the previous period.



	1 June to 28 June 2020	15 June to 12 July 2020	29 June to 26 July 2020	13 July to 9 Aug 2020	27 July to 23 Aug 2020	10 Aug to 6 Sept 2020	24 Aug to 20 Sept 2020	7 Sept to 4 Oct 2020	21 Sept to 18 Oct 2020	5 Oct to 1 Nov 2020	19 Oct to 15 Nov 2020	2 Nov to 29 Nov 2020	16 Nov to 13 Dec 2020
% Workforce on Furlough	32.1%	30.0%	25.7%	19.1%	16.8%	15.0%	13.8%	13.5%	11.9%	10.7%	10.1%	13.0%	15.1%

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

Figure 4: In the period 16 November to 13 December 2020, the Accommodation & Food Services industry sector had the highest share of workforce on furlough leave (estimated at 52.4%), followed by Arts, Entertainment & Recreation (estimated at 43.7%).



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

Financial Performance

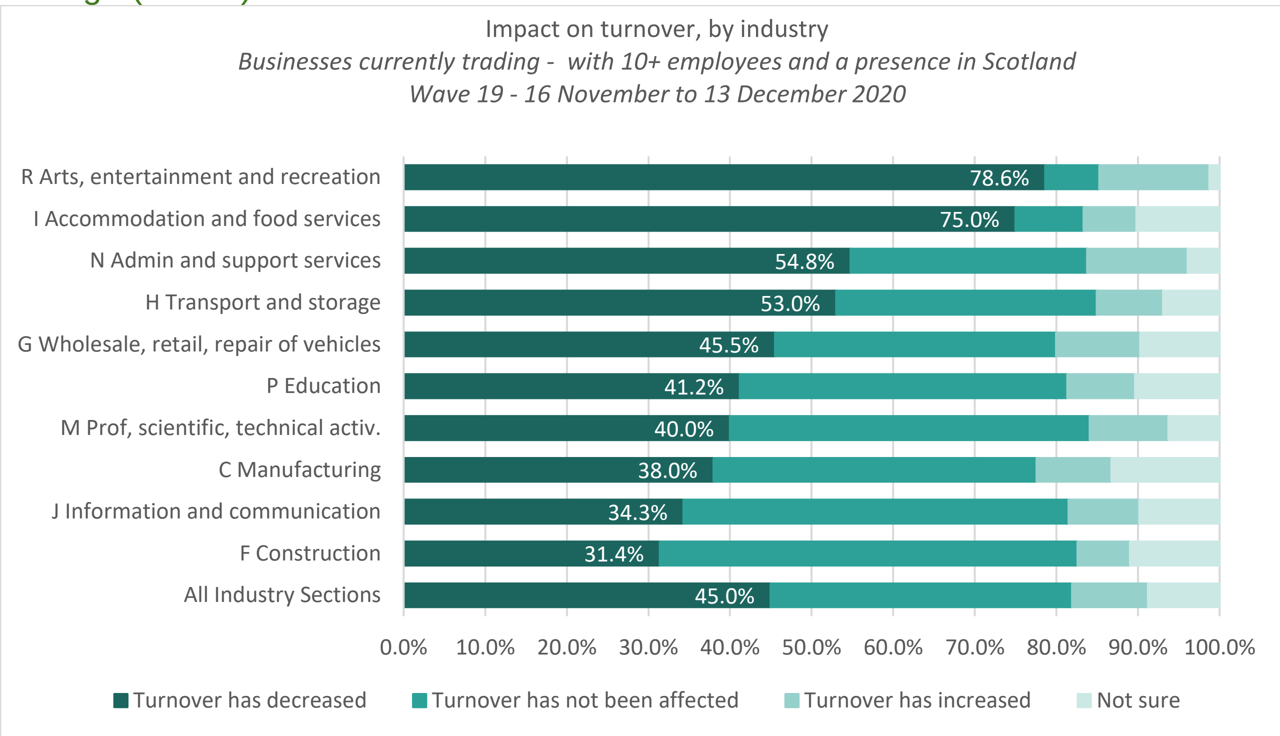
The BICS asks businesses, that are currently trading, about how the COVID-19 pandemic has affected the business turnover compared to business as usual - the specific question asked is shown below. Note that businesses were asked about their experiences from the time of completion of the survey questionnaire (30 November to 13 December 2020 for Wave 19) but can stretch back two weeks before this, and so the full question reference period is 16 November to 13 December 2020 for Wave 19.

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 four 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 (78.6%), Accommodation & Food Services (75.0%), Administrative & Support Services (54.8%) and Transport & Storage (53.0%).



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

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 (30 November to 13 December 2020 for Wave 19).

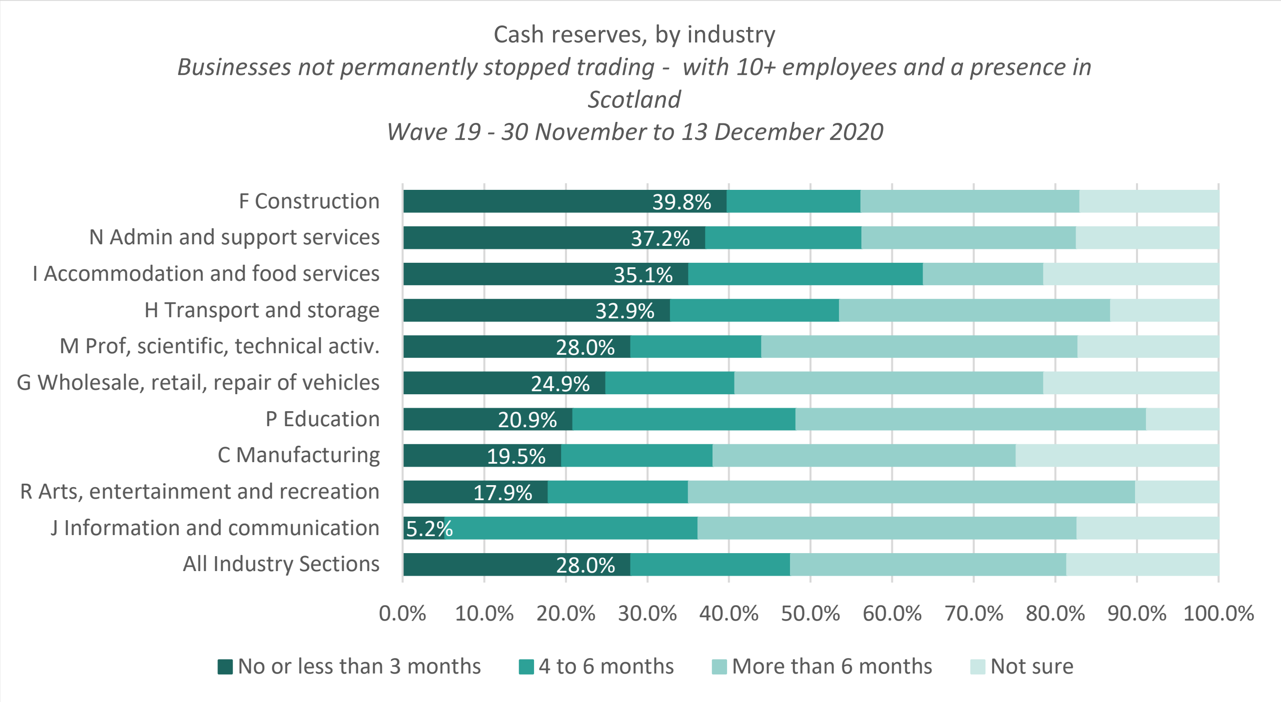
Question: How long do you think your business's cash reserves will last?:

- 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.

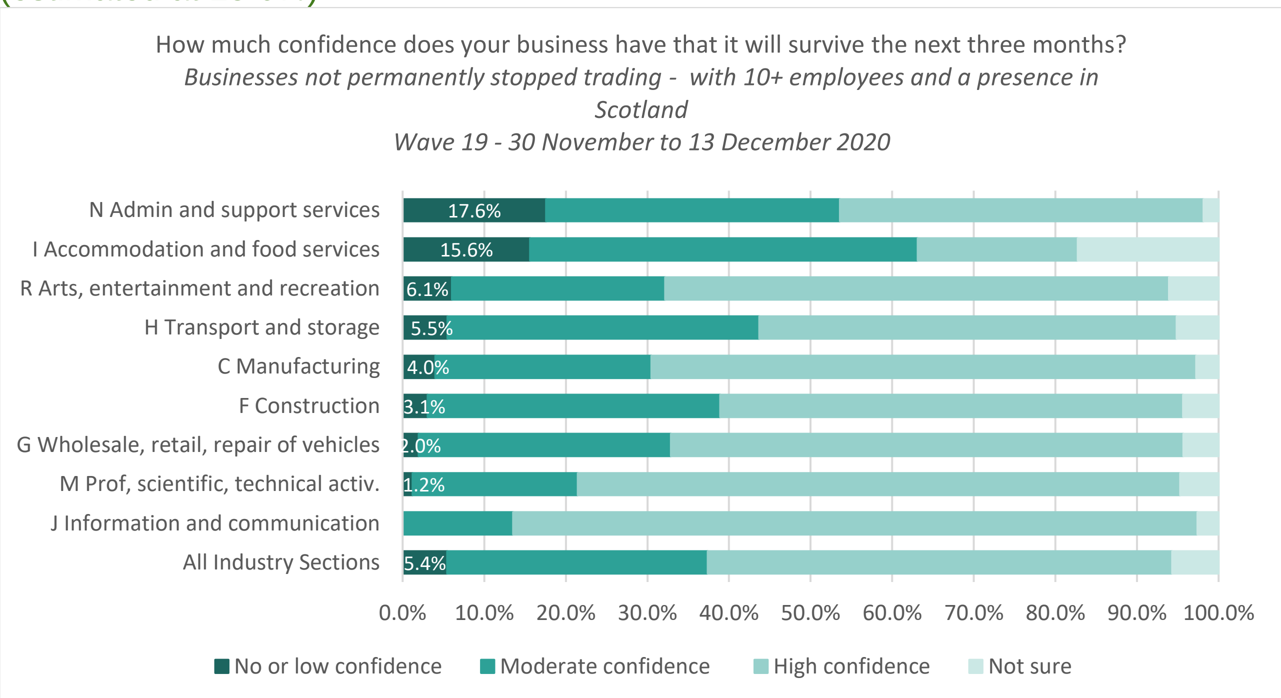
In Wave 19, businesses that had not permanently stopped trading were also asked how much confidence they had that they would survive the next three months.

Figure 6: In the latest period, 28.0% of businesses reported they had no or less than three months cash reserves, with higher rates for Construction (estimated at 39.8%), Administrative & Support Services (estimated at 37.2%), Accommodation & Food Services (estimated at 35.1%) and Transport & Storage (estimated at 32.9%).



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

Figure 7: In the latest period, 5.4% of businesses reported that they had no or low confidence that their business would survive the next three months, with higher rates for Administrative & Support Services (estimated at 17.6%) and Accommodation & Food Services (estimated at 15.6%).



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

Preparation for the end of the EU transition period

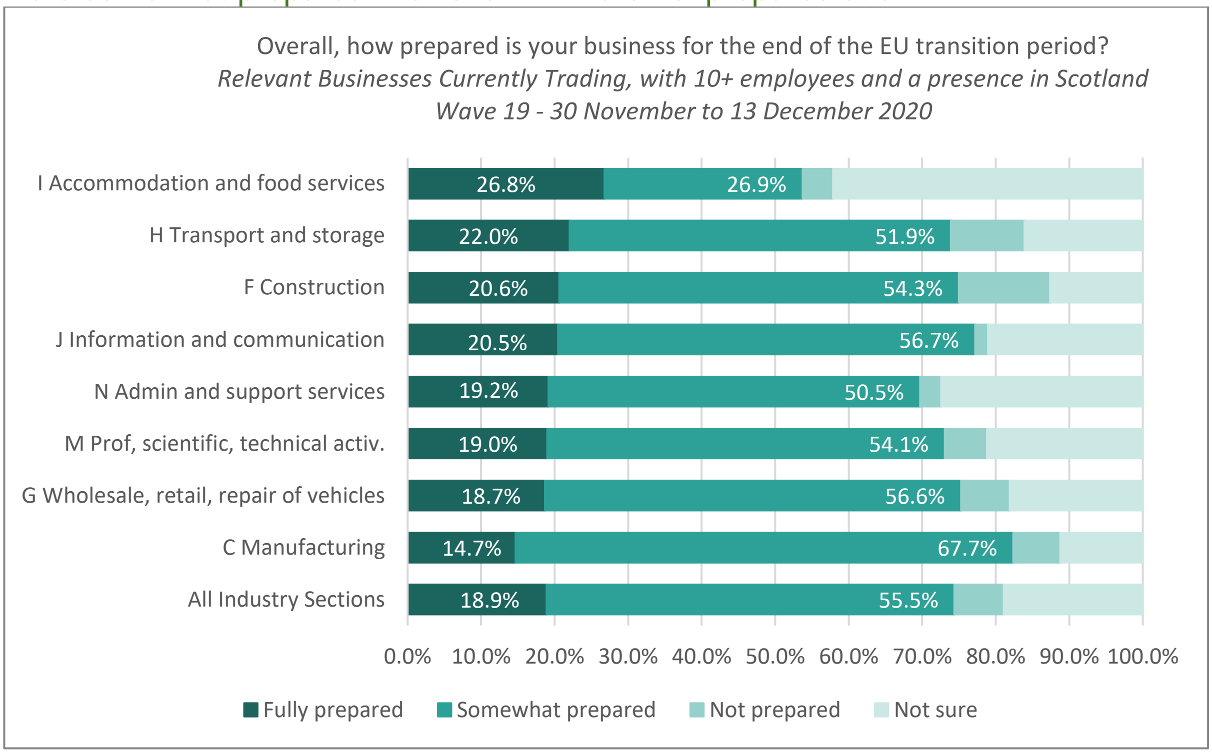
The BICS asks businesses that are currently trading about how they are preparing for the end of the EU exit transition period – the specific questions asked are shown below.

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 Wave 19 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 - almost 19% were fully prepared for the end of the period, while a further 55% were somewhat prepared. However 7% were not prepared at all.



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

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 25.0% fully prepared, while 1.8% reported being not prepared. This compares with SME businesses where 17.9% said they were fully prepared and 7.5% said they were not prepared.

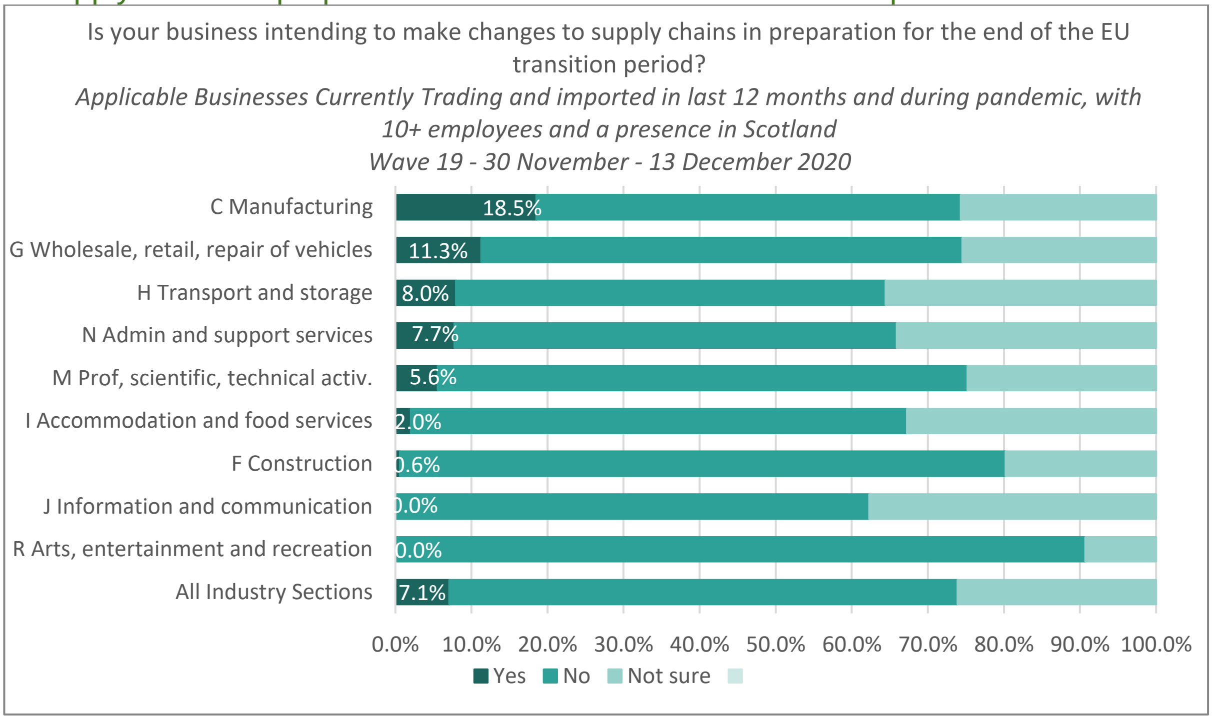
Of the businesses somewhat or not prepared for the end of the EU transition period, more than half (56.8%) are not sure what they need to do to prepare, while almost a quarter (23.2%) said the Coronavirus pandemic was preventing them from preparing.

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

Note for the Wave 19 results for this question, we have excluded 'not applicable' responses from the analysis.

Figure 9: In the period 30 November to 13 December 2020, almost a fifth 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 19

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, 17.5% of businesses reported being fully prepared while 53.2% reported being somewhat prepared. For the manufacturing sector, these figures were 16.7% and 66.0% respectively.

Businesses were also asked about stockpiling and the majority of businesses (85.5%) continue to report they are not stockpiling any goods or materials. However, for the manufacturing sector, this reduced to 69.5%, while 15.0% of manufacturing businesses reported stockpiling from EU suppliers, 6.5% from UK suppliers and 3.4% 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

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