

BUSINESS AND ENERGY

Business Impact of Coronavirus (COVID-19) Survey (BICS) Weighted Scotland Estimates - Data to Wave 21

22 January 2021

This is the ninth 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 82.3% in the period 29 December 2020 to 10 January 2021 - down from 92.6% in the previous period.
- The Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 38.9% and 42.9% respectively.
- The share of the workforce on furlough leave was estimated at 15.3% in the period 14 December 2020 to 10 January 2021. This rate varied by industry sector – with markedly higher rates for Arts, Entertainment & Recreation (estimated at 56.5%) and Accommodation & Food Services (estimated at 55.1%).
- In the period 14 December 2020 to 10 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 (59.4%) and Transport & Storage (52.9%).

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 8,764 businesses responded to the Wave 21 BICS UK-wide – 1,147 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 1,044 responding businesses in Wave 21. 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. Businesses were asked for their current trading status at the time of completion of the survey questionnaire (29 December 2020 to 10 January 2021 in Wave 21).

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:

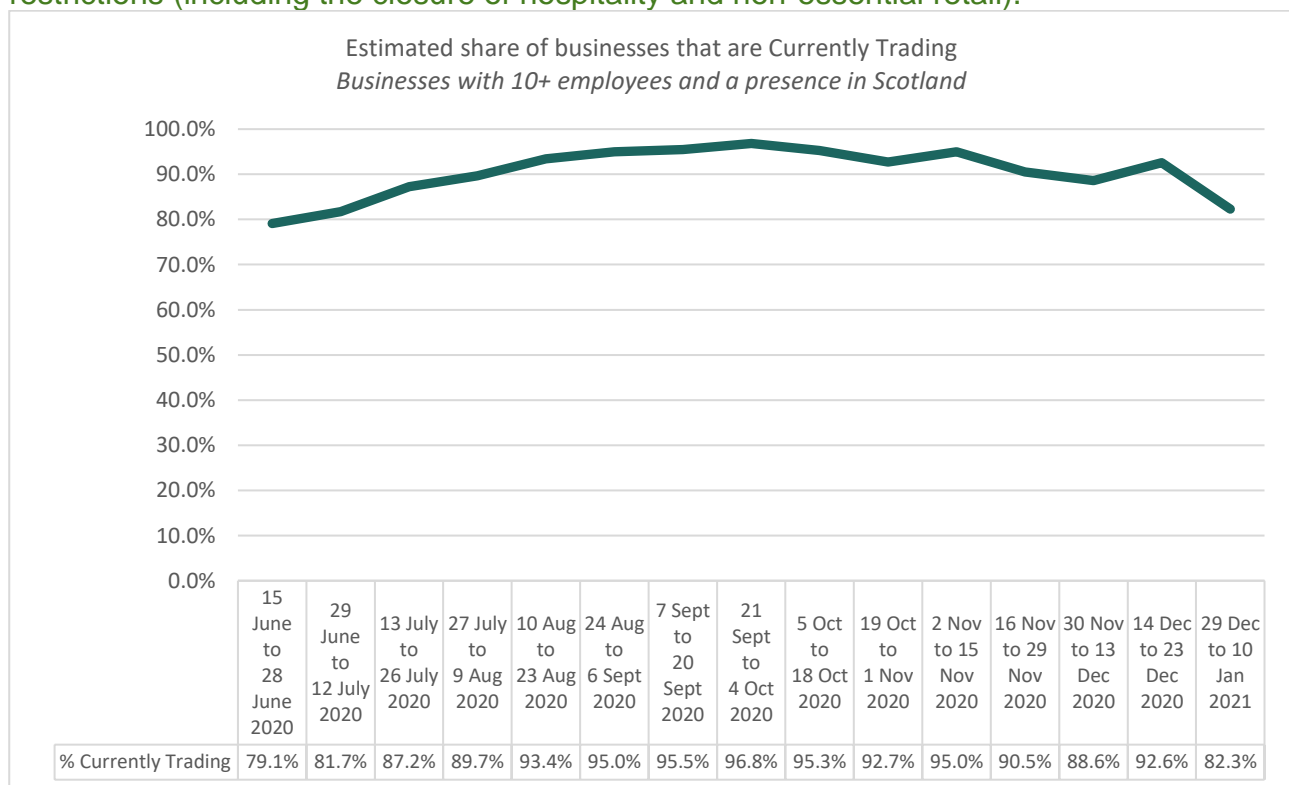
<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/businessimpactofcovid19surveyquestions/previousReleases>

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

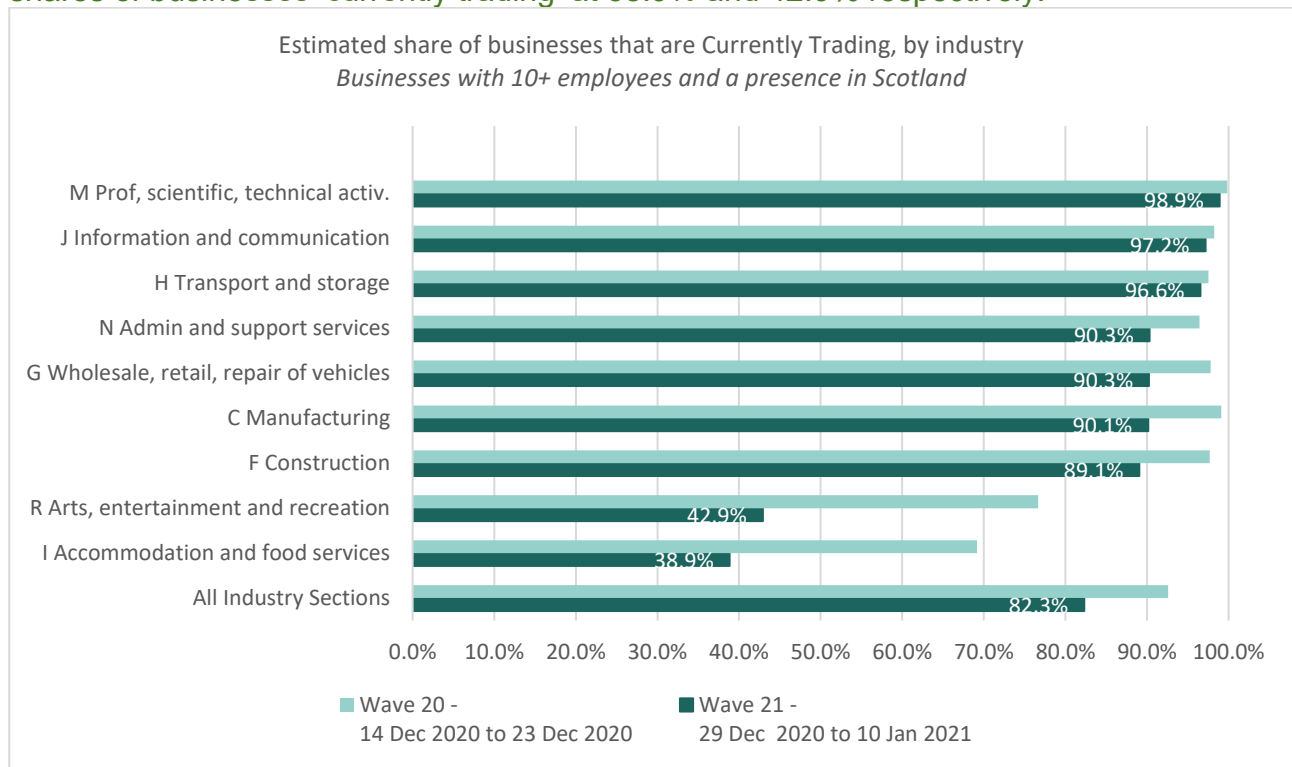
For presentational purposes, ‘Currently trading and has been for more than the last two weeks’, and ‘Started trading within the last two weeks after a pause in trading’ have been combined to ‘Currently Trading’. ‘Paused trading but intends to restart in the next two weeks’, and ‘Paused trading and does 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 29 December 2020 to 10 January 2021, an estimated 82.3% of businesses were trading – down from 92.6% in the period 14 December 2020 to 23 December 2020. The decrease in percentage of businesses currently trading may be due to changes to COVID-19 restrictions. On the 26 December 2020, all of mainland Scotland moved into Level 4 of [Scotland’s Strategic Framework](#) – this is the top level with the tightest restrictions (including the closure of hospitality and non-essential retail).



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 21

Figure 2: In the period 29 December 2020 to 10 January 2021, the Accommodation & Food Services and the Arts, Entertainment & Recreation industry sectors had the lowest shares of businesses 'currently trading' at 38.9% and 42.9% respectively.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 20 and Wave 21

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 (29 December 2020 to 10 January 2021 for Wave 21) with the full question reference period (looking back at the last two weeks) covering 14 December 2020 to 10 January 2021 for Wave 21.

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

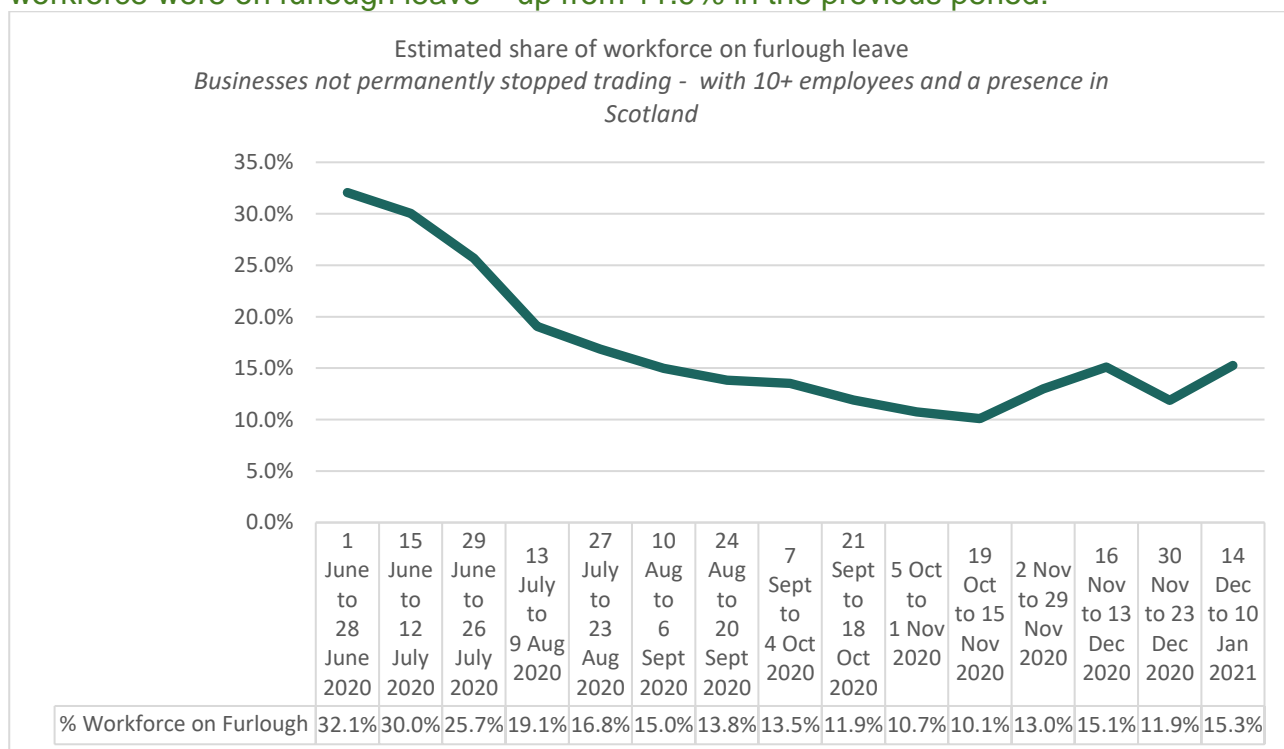
- On furlough leave
- Working at their normal place of work
- Working remotely instead of at their normal place of work
- Off sick or in self-isolation due to coronavirus (COVID-19) with statutory or company pay
- Made permanently redundant

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 46.9% of businesses that were currently trading had some share of their workforce on furlough leave in the period 14 December 2020 to 10 January 2021. This share increases to 53.7% when we widen the base out to all businesses that have not permanently stopped trading (i.e. those ‘Currently Trading’ or ‘Paused Trading’).

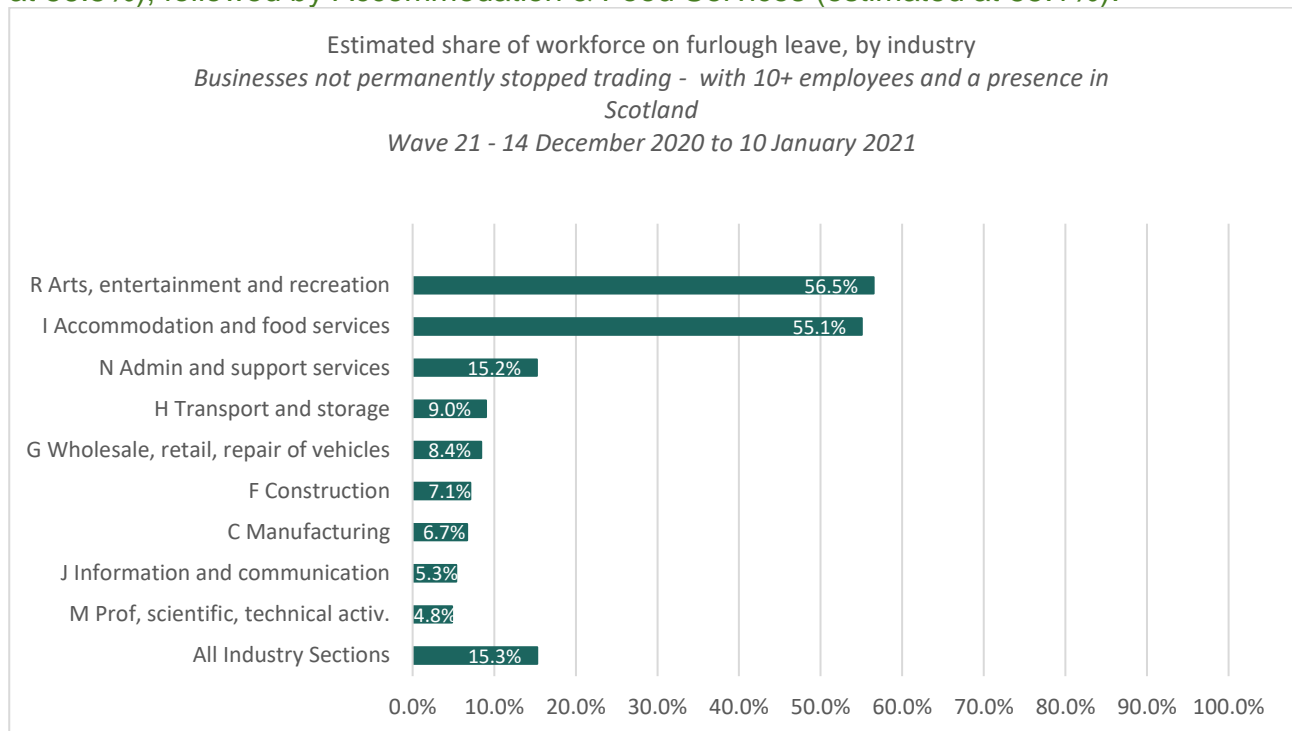
Another way to consider the workforce status question is to look at the share of the workforce that is furloughed. The workforce proportions are based on the responses provided by businesses. These are then applied to employment (in Scottish units) recorded for each reporting unit on the [Inter-Departmental 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 14 December 2020 to 10 January 2021, an estimated 15.3% of the workforce were on furlough leave – up from 11.9% in the previous period.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 7 to Wave 21

Figure 4: In the period 14 December 2020 to 10 January 2021, the Arts, Entertainment & Recreation industry sector had the highest share of workforce on furlough leave (estimated at 56.5%), followed by Accommodation & Food Services (estimated at 55.1%).



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

Financial Performance

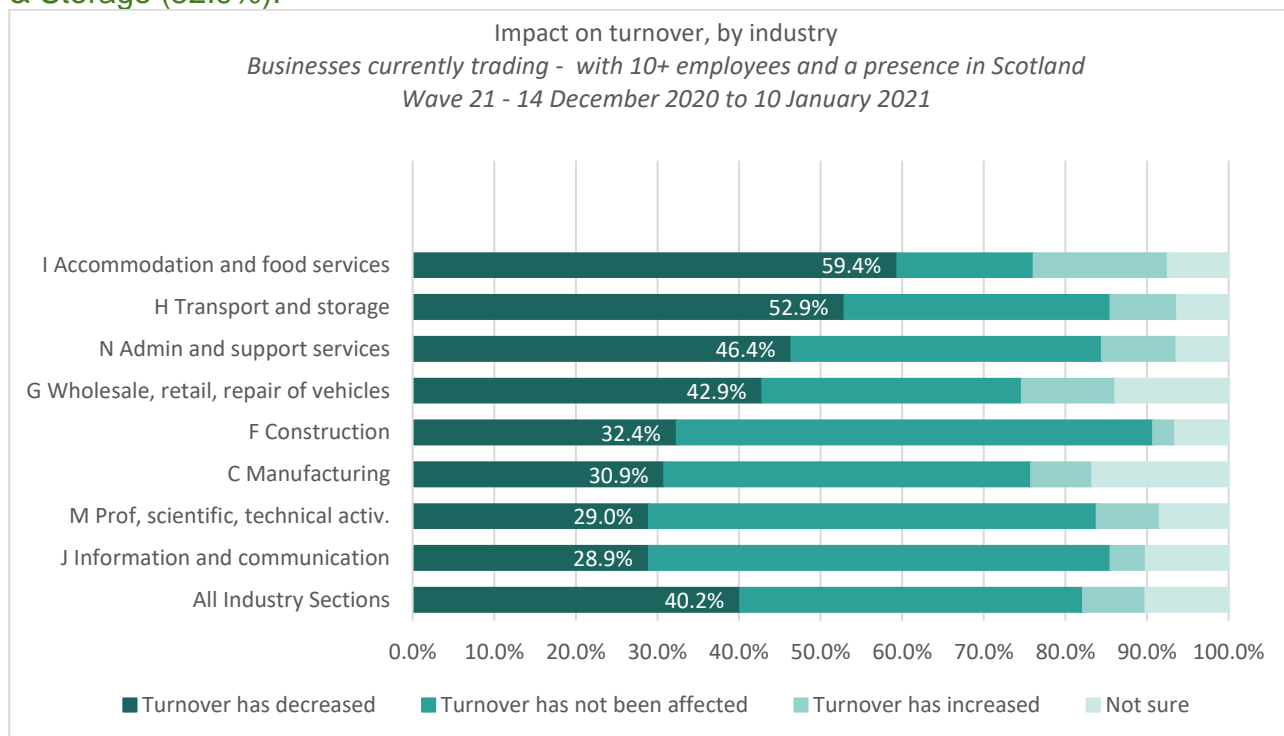
The BICS asks businesses, that are currently trading, about how the COVID-19 pandemic has affected the business turnover compared to business as usual - the specific question asked is shown below. Note that businesses were asked about the status of their workforce in the last two weeks and so responses will be from the time of completion of the survey questionnaire (29 December 2020 to 10 January 2021 for Wave 21) with the full question reference period (looking back at the last two weeks) covering 14 December 2020 to 10 January 2021 for Wave 21.

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 (59.4%) and Transport & Storage (52.9%).



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

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 (29 December 2020 to 10 January 2021 for Wave 21).

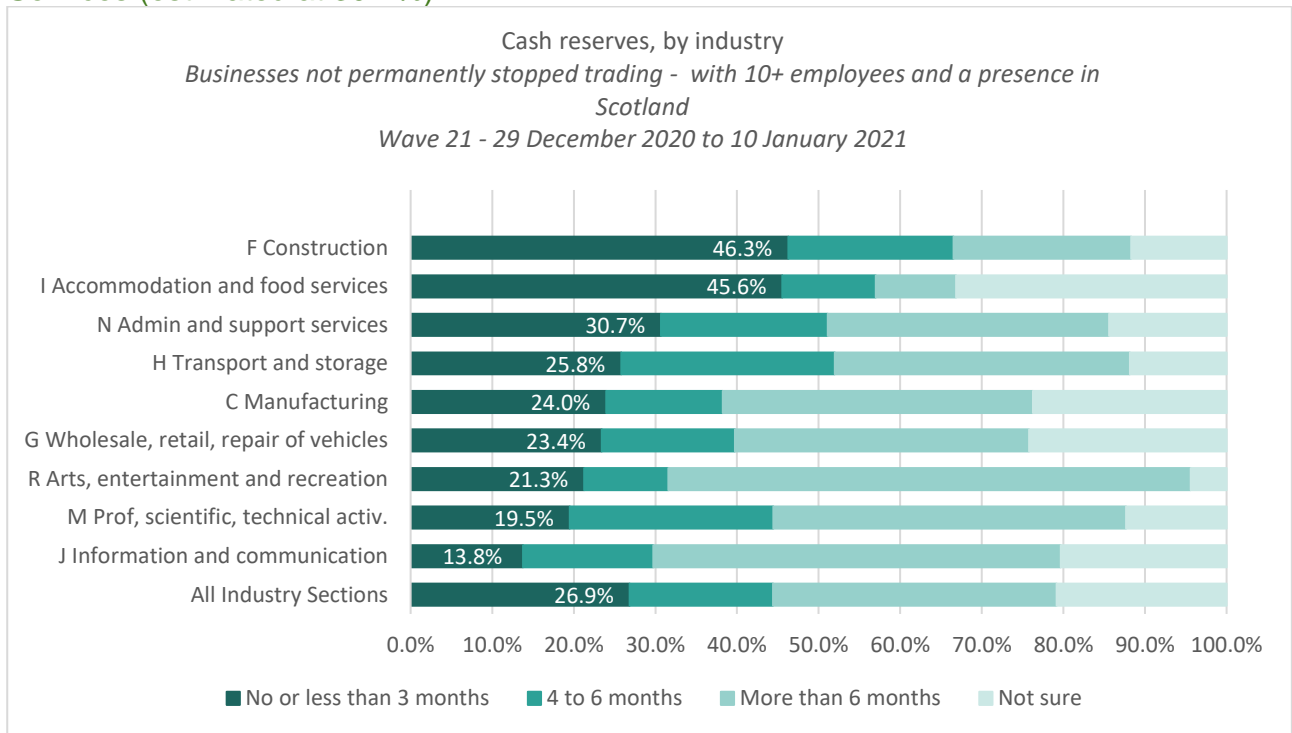
Question: How long do you think your business’s cash reserves will last?:

- 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.

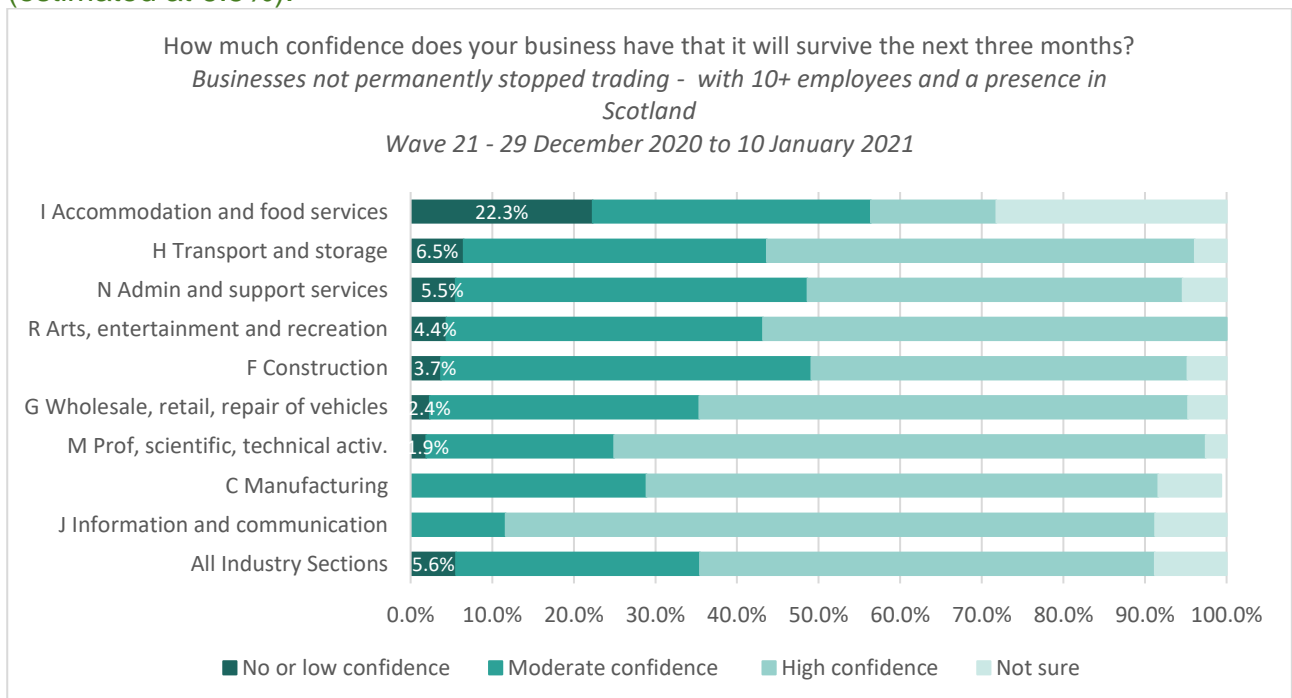
In Wave 21, businesses that had not permanently stopped trading were also asked how much confidence they had that they would survive the next three months.

Figure 6: In the latest period, 26.9% of businesses reported they had no or less than three months cash reserves, with higher rates for Construction (estimated at 46.3%), Accommodation & Food Services (estimated at 45.6%) and Administrative & Support Services (estimated at 30.7%).



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

Figure 7: In the latest period, 5.6% 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 22.3%) and Transport & Storage (estimated at 6.5%).



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

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.

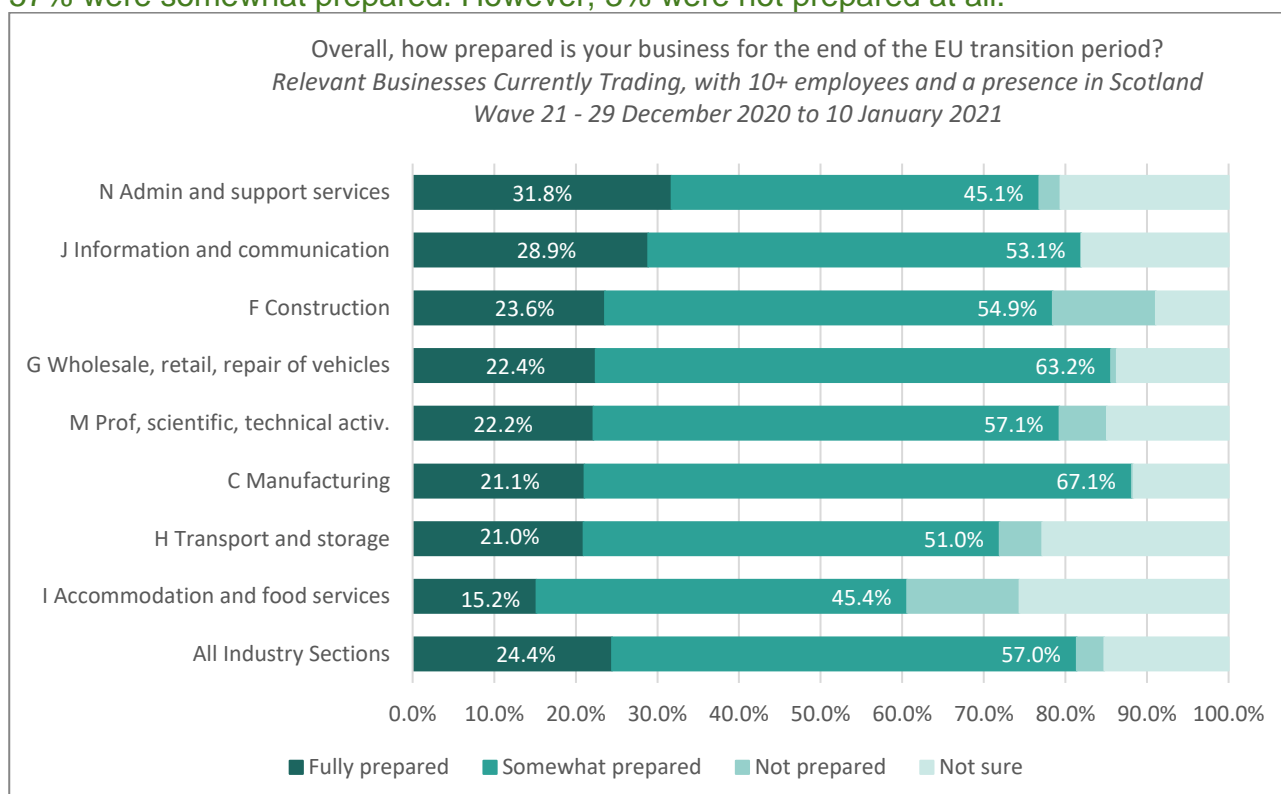
The responses for Wave 21 of the survey were collected between 29 December 2020 and 10 January 2021. This reference period therefore includes the date when the EU transition period ended on 31 December 2020. This may have impacted responses and the results should be interpreted with this in mind.

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 a quarter were fully prepared for the end of the period, while a further 57% were somewhat prepared. However, 3% were not prepared at all.



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

The percentage of relevant businesses fully prepared for the end of the EU transition period has increased from 17.1% in Wave 18 (when this question was first introduced) to 24.4% in Wave 21.

Of currently trading businesses where preparedness for the end of the EU transition period is relevant, large businesses (250 or more employees) continue to be more prepared for the end of the EU transition period than SME businesses, with 37.1% large businesses fully prepared compared with 22.2% SME businesses.

Of the businesses somewhat or not prepared for the end of the EU transition period, around half (51.4%) are not sure what they need to do to prepare, while over a quarter (28.1%) said the Coronavirus pandemic was preventing them from preparing.

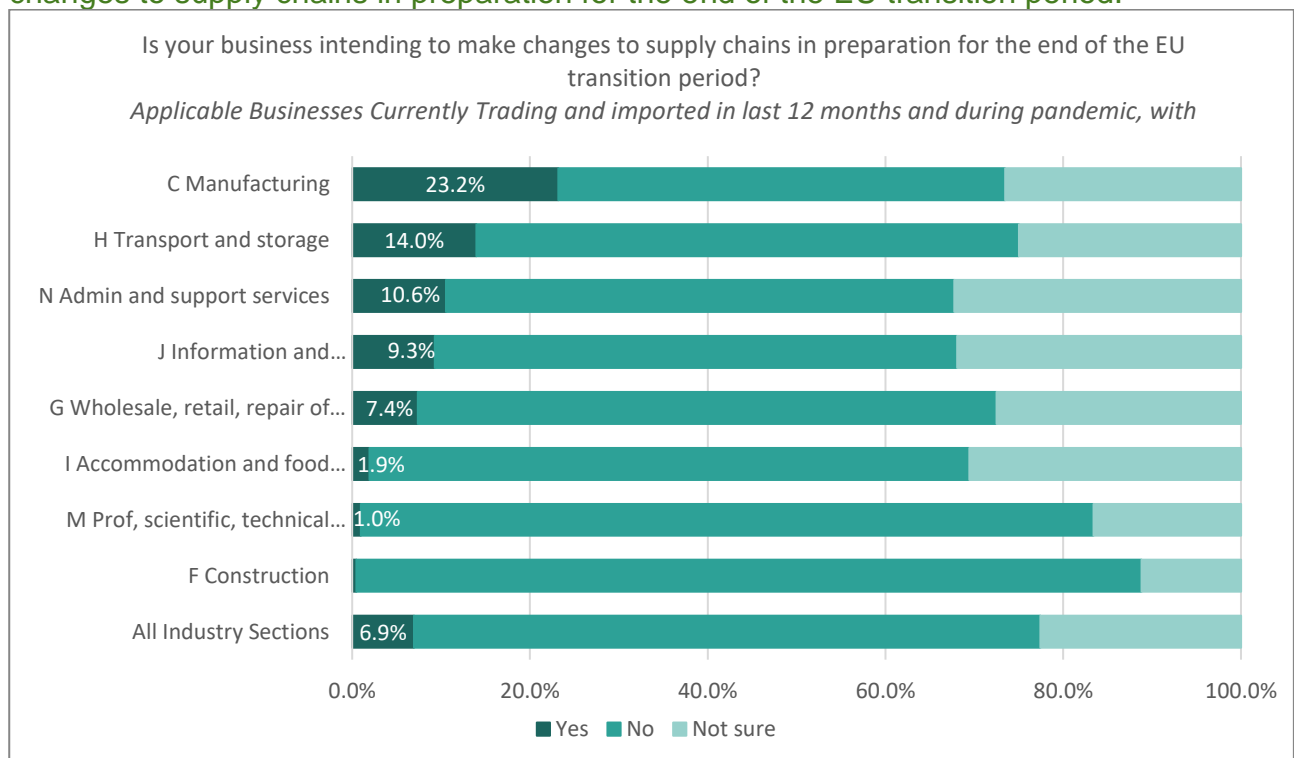
In Wave 21, businesses are more likely to respond that no preparation is needed as they expected a deal to be reached compared to previous waves (10.4% compared with 3.7% in Wave 18). However this is to be expected given the EU trade deal was agreed on 24 December 2020.

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.

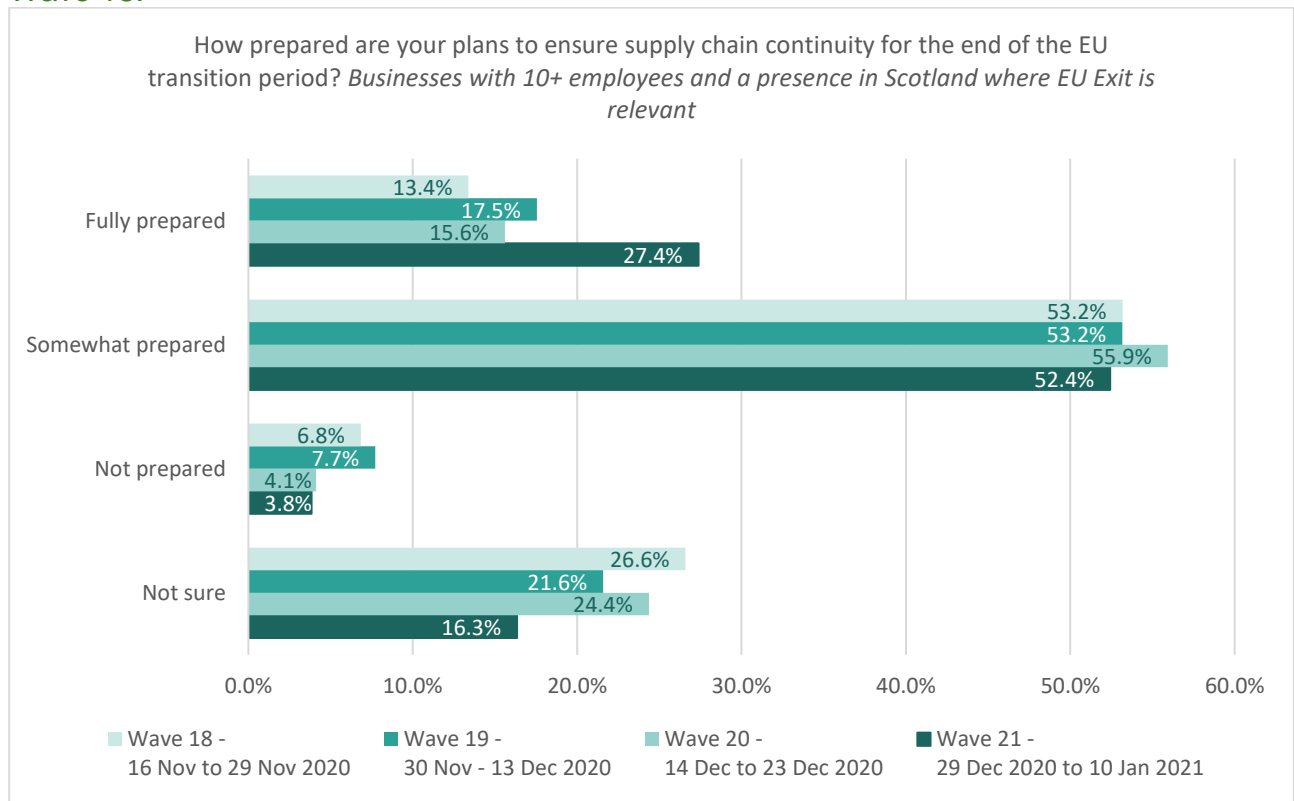
Figure 9: In the period 29 December 2020 to 10 January 2021, almost a quarter (23%) of applicable businesses in the manufacturing sector reported that they are intending to make changes to supply chains in preparation for the end of the EU transition period.



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

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, 27.4% of businesses reported being fully prepared while 52.4% reported being somewhat prepared.

Figure 10: The percentage of relevant businesses reporting being fully prepared to ensure supply chain continuity for the end of the EU transition period has more than doubled since Wave 18.



Source: Office for National Statistics – Business Impact of Coronavirus (COVID-19) Survey – Weighted Scotland Estimates – Wave 18 to Wave 21

Businesses were also asked about stockpiling and the majority of businesses (82.3%) continue to report they are not stockpiling any goods or materials. However, for the manufacturing sector, this reduced to 69.7%, while 17.4% of manufacturing businesses reported stockpiling from EU suppliers, 7.3% from UK suppliers and 1.4% from non-EU suppliers. Responses to this question have been relatively similar since first reported in Wave 18.

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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