SOUTH of SCOTLAND ENTERPRISE

SOSE Business Panel Survey

October/November 2022

Ipsos

Executive summary (1)

Overview

This report presents the findings from the fifth business panel survey for South of Scotland Enterprise. It involved a survey of 610 businesses across the region, conducted in October/November 2022.

The survey was carried out while the UK was experiencing increased inflation, a cost of living crisis, and entering a recession. During fieldwork the UK Government announced its "mini budget" and subsequent Autumn statement, which signalled higher taxes and likely spending cuts, alongside the existing widespread cost increases.

Against this background, business confidence in the economy continued the downward trend seen in recent waves and reached its lowest level since the survey began.

Business performance was mixed, but most said they had either performed well or had been fairly steady. Aspects of business performance (employment, exports and sales or turnover) remained largely unchanged since the previous wave.

Reflecting the economic uncertainty of the time, business outlook was fairly short-term, with two thirds of businesses unable to plan more than six months ahead. That said, the majority of businesses were confident that they would still be viable in six months time - though fewer were confident than in the previous wave.

There was also a clear link between performance and outlook, with those that had performed generally feeling confident about their outlook and being able to plan in the longer term. Those that had struggled, on the other hand, were less confident about their future and were unable to plan far ahead.

It was clear that the cost crisis was having widespread impacts on businesses in the region. The majority had experienced substantial cost increases (particularly in relation to raw materials, electricity and gas and transportation of goods) and this was impacting on profit margins and on plans for the future.

A range of actions were being taken in response to the cost crisis. For those that had struggled in the past six months, there was evidence of businesses scaling back their operations, such as reducing opening hours, closing for winter, and making staff redundant.

The cost crisis was impacting on the wellbeing of business owners, with reports of stress and worry, working longer hours, reductions in pay and difficulties balancing work and home life. Employers also reported impacts on their staff, such as working at or beyond capacity.

Actions being taking in response included engaging more with staff, increasing wages and encouraging flexible working. Support for staff was linked to how well businesses had performed, with those that had struggled less likely to have provided any support for staff, while those that had performed well had been able to provide a number of types of support (financial and otherwise).

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Executive summary (2)

Optimism and performance

- **Confidence in the economic outlook for Scotland was at its lowest level recorded in the survey –** 37% were confident while 61% were not (compared with 60% confident and 38% not in October/November 2021).
- **When reflecting on the past six months, economic optimism was also down:** 62% said their confidence had decreased, 4% said it had increased, and 34% said it had stayed the same.
- **Aspects of business performance over the last six months varied, but were broadly in line with the previous wave:** sales or turnover performance was mixed, while employment and exports had remained largely stable.
- **Around a quarter (24%) of businesses felt able to plan no more than a month ahead (with 9% planning week to week, and 15% monthly).** One in five (21%) felt able to plan no more than three months ahead, 22% six months ahead, and 18% 12 months ahead. Just under one in ten (8%) felt able to plan beyond the next 12 months.

Financial viability

- **The majority (83%) of businesses were confident they would be viable over the next six months, while 16% were not.** Confidence was down on the previous wave, when 91% were confident and 9% not.
- **Tourism businesses were less confident than average,** with around a quarter (27%) saying they were not confident in their viability.
- **Among those that were confident in their viability, 50% expected to be operating at about the same level in six months time, while 12% expected to be operating below and 10% over and above their current levels.** Expectations were linked with current performance, with those that had performed well in the last six months expecting to perform better in six months time.
- **Among those not confident in their viability, 24% expected to still be operating in six months time but at a loss, 12% expected to downsize and 11% to have ceased operating completely.**

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Executive summary (3)

Markets

- **84% of businesses were importers** (sourcing goods from outside Scotland), with 83% importing from the rest of the UK and 30% from outside the UK. The majority of businesses (88%) sourced goods and materials from within Scotland.
- **Around two thirds (67%) of businesses were exporters (selling to markets outside Scotland),** with 66% selling to the rest of UK and 22% outside the UK. The majority (96%) of businesses sold goods or services within Scotland, with 32% selling *only* in Scotland.

Cost crisis

- **Almost all businesses (99%) had experienced cost increases in the past 12 months, with 84% experiencing substantial increases.**
- **The biggest areas of cost increase were raw materials (87% saw an increase, 60% a substantial increase), electricity and gas (79% and 49%), transportation of goods (73% and 41%), and equipment purchase or repair (75% and 34%).**
- **The costs having the biggest impact were those that had increased the most: raw materials (61%), electricity and gas (50%), and transportation of goods (33%).** This was followed by other utilities (19%), wages (13%) and equipment (12%). Costs having the least impact were those related to servicing debts (3%), mortgage or rent (3%) or recruitment (2%).
- **The main impact of cost increases was reduced profit margins (67%).** This was followed by delayed or postponed growth plans (43%), being unable to set prices for the coming year (40%), loss or reduction in customer demand (36%), being unable to utilise the goods or materials they used to (25%), being less competitive (23%) and pressure on staff costs (22%).
- **70% of businesses had delayed or postponed plans because of cost increases**. A range of plans were impacted including: investing in technology (34%), energy efficiency improvements (34%), new capital projects (30%), increasing staff wages or benefits (27%), new products or services (25%), recruiting new staff (21%) upgrading or moving premises (19%) and staff training and development (14%).
- **In response to the cost crisis, around three quarters (72%) of businesses were absorbing costs and over half were increasing prices (59%) and making energy efficiency improvements (56%).** Other common actions included sourcing alternative materials, goods and services (46%), investing in the business (45%), using cash reserves (41%), and adapting products or services (34%).

Executive summary (4)

Financial concerns and access to finance

- **The majority of businesses (86%) had financial concerns,** the top concerns being unpredictable costs (77%) and low profit margins or losses (60%). Other concerns were: low or no cash reserves (31%), increased interest rates on loans and debts (28%), restricted access to finance (20%), repayment of COVID-19 recovery loans (17%) and repayment of other debt (15%).
- **Just under half (48%) of businesses were currently using or planning to use some of form of finance, a decrease since October/November 2021 (when 59% were doing so).** Around a third of businesses were already using or planning to use credit or overdrafts (37%) or loans from banks or financial institutions (34%), while around a quarter were already using or planning to use public sector grants or loans (26%).

Wellbeing and support

- **A majority of business owners/senior managers (78%) reported impacts of the cost crisis on their own wellbeing.**
- **Around half (51%) reported generally feeling worried or stressed due to the cost crisis, with nearly half (49%) working longer hours, struggling to balance work and home life (42%) and reducing their own pay and benefits (40%).** Around a quarter said their mental (27%) and physical (25%) health had suffered.
- **Around half (52%) of employers reported impacts of the cost crisis on their staff.** Over a quarter (27%) said staff were working at or beyond capacity, while one in five had seen requests for longer hours or additional work (20%), flexibility in working patterns (19%) and low morale (19%).
- **Three quarters (74%) of employers were taking or planning to take actions for their staff in response to the cost crisis. The most common action was engaging with staff to understand their needs (62%), following by increasing wages (47%) and encouraging flexible working (46%).** More than a quarter were targeting support at those on lowest wages (29%) and offering mental health support (28%).

Executive summary (5)

Ownership and recruitment

- **Among employers, 88% businesses described themselves as family-owned, while 5% described themselves as employee-owned (with employees owning a majority of the shares). Over one-in-ten (13%) businesses described themselves as women-led.**

- **One in five (21%) businesses had recruited staff in the last six months.**

- **Of those that had recruited, 18% had recruited from further afield in the UK and 4% from international markets**. A further 21% had accommodated childcare requirements, 16% helped source accommodation, 8% supported employment for partners and 7% supported relocation costs.

- **Around three-quarters (76%) of businesses noted word of mouth as the most effective means of recruitment.** Over half (53%) noted adverts on social media as the most effective, following by paid-for recruitment services (22%) and adverts on their own website (19%).

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Findings by sector

Some clear findings emerged for businesses from two of the growth sector categories – tourism, and food and drink. These are summarised below (based on the topics where findings were higher than average in these sectors).

Tourism

Tourism businesses were more likely than average to have seen a decrease in their sales and turnover and in employment in the past six months. They were also less confident in their future viability and were more likely to be planning no more than a month ahead.

They were more likely to have seen increased costs of rates and insurance and staff wages, and to have experienced a range of impacts from cost increases including reduced profit margins, delayed growth plans and loss of customer demand . Their plans for energy efficiency improvements, capital projects, new products or services, and new staff had also been disrupted.

In response to the cost crisis, tourism businesses were more likely to be increasing their prices, sourcing alternative supplies, using cash reserves, adapting products or services and scaling back through reduced opening hours, winter closing or redundancies.

Tourism businesses reported higher than average impacts on their wellbeing, including reducing their pay and benefits and impacts on mental and physical health. They also noted staff working at or beyond capacity, low morale, increased sickness absence and requests for longer hours or additional work.

Food and drink

Food and drink businesses had average levels of confidence in the economy and in their future viability, and reported average levels of performance.

Increased cost of raw materials was a particular concern for food and drink businesses. They had also delayed or postponed their plans to invest in technology and new capital projects as a result of the cost crisis.

In response to the cost crisis, food and drink businesses were more likely than average to be absorbing costs and using their cash reserves.

They were more likely than other sectors be using external finance, credit or overdrafts. They were also more likely to be concerned about unpredictable costs and interest rates on loans and debt, including COVID-19 recovery loans.

Food and drink businesses were more likely to report feeling worried or stressed as a result of the cost crisis.

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NOTE:
Tourism includes – hotels, restaurants and other hospitality businesses, tour operators, visitor attractions etc.
Food and drink includes – agriculture, fishing, manufacture of food, manufacture of beverages etc.

01

Introduction

Introduction and context

Introduction

The South of Scotland Enterprise (SOSE) Business Panel was created to measure and monitor the economic health of the South of Scotland region through the experiences and opinions of businesses and social enterprises in the area, and to explore topical issues at a regional, sub-regional or sectoral level.

In June 2021, SOSE commissioned Ipsos to establish and manage the panel and run a survey with businesses and social enterprises, representative of the South of Scotland business base in terms of geographic area, organisation size and sector.

This report presents findings from the panel survey carried out in October/November 2022. The survey covered a range of topics including: economic optimism, business performance, extent and impact of the cost crisis, wellbeing and support, and recruitment.

The survey was carried out as part of the Rural Scotland Business Panel, a survey of 2,739 businesses across rural Scotland, commissioned by a partnership of SOSE, Highlands and Islands Enterprise (HIE) and the Scottish Government. Findings from the HIE Business Panel and the overall Rural Scotland Business Panel have been reported separately.

Context

The survey was carried out while the UK was experiencing increased inflation, a cost of living crisis, and entering a recession. In late September, the UK Government announced its ‘mini budget’, which was immediately followed by a sharp fall in the value of the pound, along with a surge in mortgage rates, food prices and other costs.

Since then, the UK Chancellor’s Autumn statement in November signalled higher taxes and looming spending cuts, and the Office for Budget Responsibility warned of the worst fall in living standards since records began. This happened in the broader context of the ongoing Russia-Ukraine conflict, lingering impacts of COVID-19, and industrial action across the UK.

Rural businesses were therefore operating against an extremely challenging economic environment.

Methodology

Sampling

The survey sample was partly sourced from businesses that took part in previous waves of the survey and had indicated that they were willing to be re-contacted as part of their members of the SOSE business panel. The remaining survey sample was sourced from the Dun and Bradstreet business database and was stratified by sector and size to reflect the population of businesses in the South of Scotland.

Quotas were set for recruitment and interviewing so that the achieved sample reflect the population of eligible organisations as defined by the Inter-Departmental Business Register (IDBR).

Eligible organisations were defined by Standard Industrial Classification (SIC) code, with the following SIC 2007 sections excluded from the sampling:

- Public administration and defence; compulsory social security;
- Education and health and social work;
- Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use; and
- Activities of extraterritorial organisations and bodies.

SIC codes were used to identify areas of economic activity considered to be growth sectors (as set out in the Government Economic Strategy) so that quotas could be set to ensure these were represented in the survey sample.

Within each participating organisation, the survey respondent was the owner or a senior manager able to comment on the performance and future prospects of the organisation.

Survey fieldwork

The survey fieldwork was conducted between 5 October and 30 November 2022, using telephone interviewing. In total 610 eligible interviews were achieved.

The achieved sample was broadly representative of the population. Nonetheless, weighting was applied to correct for any differences between the achieved sample and the business population. A breakdown of the achieved profile of businesses is provided in the Appendix.

Presentation and interpretation of the data

The survey findings represent the views of a sample of businesses, and not the entire business population of the South of Scotland, therefore they are subject to sampling tolerances, meaning that not all differences will be statistically significant.

Throughout the report, differences between sub-groups are commented upon only where we are sure these are statistically significant, i.e. where we can be 95% certain that they have not occurred by chance. The typical sub groups reported on are:

- Size of business (grouped by 0-4, 5-10, 11-24 and 25+ staff)
- Sector* (using the Scottish Governments' six growth sector groupings: Creative Industries, Energy, Financial and Business Services, Food and Drink, and Life Sciences)
- Location (Dumfries and Galloway and the Scottish Borders)
- Rurality** (remote rural, accessible rural and urban)
- Other characteristics based on responses to the survey (e.g. the markets they trade with, their growth aspiration etc)

Where percentages do not sum to 100%, this may be due to rounding, the exclusion of 'don't know' categories, or multiple answers. Aggregate percentages (e.g. "optimistic/not optimistic" or "important/not important") are calculated from the absolute values. Therefore, aggregate percentages may differ from the sum of the individual scores due to rounding of percentage totals.

Throughout the report, an asterisk (*) denotes any value of less than half a percent and a dash (-) denotes zero. For questions where the number of businesses is less than 30, the number of times a response has been selected (N) rather than the percentage is given.

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*Growth sector categories are outlined in more detail here: (https://www.gov.scot/publications/standard-industrial-classification/)
**Rural and urban areas are based on the Scottish Government's 3-fold classification: "Accessible rural" = within 30 minute drive from the centre of a settlement of 10,000 ore more; "Remote rural" = greater than 30 minutes drive; "Urban" = large or other urban, accessible or remote small towns

02

Optimism and Performance

Key findings

- **Confidence in the economic outlook for Scotland was at its lowest level recorded in the survey –** 37% were confident while 61% were not (compared with 60% confident and 38% not in October/November 2021).
- **When reflecting on the past six months, economic optimism was also down:** 62% said their confidence had decreased, 4% said it had increased, and 34% said it had stayed the same.
- **Aspects of business performance over the last six months varied, but were broadly in line with the previous wave:** sales or turnover performance was mixed, while employment and exports had remained largely stable.
- **Around a quarter (24%) of businesses felt able to plan no more than a month ahead (with 9% planning week to week, and 15% monthly).** One in five (21%) felt able to plan no more than three months ahead, 22% six months ahead, and 18% 12 months ahead. Just under one in ten (8%) felt able to plan beyond the next 12 months.

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Current economic optimism

Confidence in the economic outlook for Scotland was at its lowest level recorded in the survey – 37% were confident while 61% were not (compared with 60% confident and 38% not in October/November 2021).

The gradual decrease in confidence over the last 12 months reflects the increasingly challenging economic circumstances affecting businesses and households at the time of the survey.

More confident than average

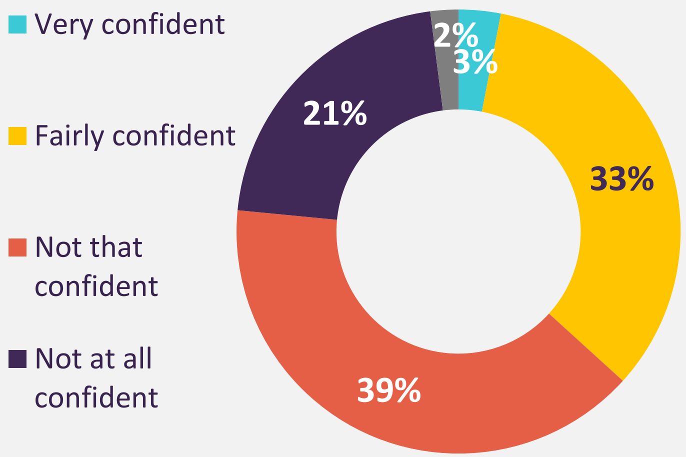
- Performed well in the last 6 months (46%).
- Confident in their future viability (43%).
- Able to plan beyond the next 12 months (58%).

Less confident than average

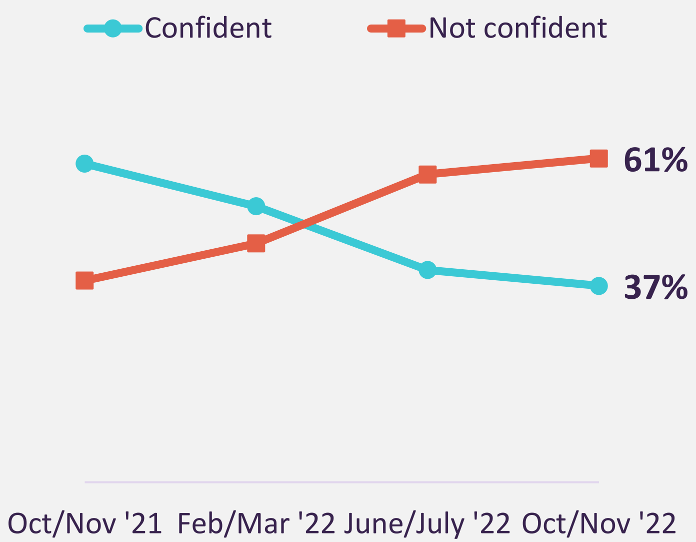
- Struggled in the last six months (82%).
- Not confident in their future viability (91%).
- Unable to plan more than a month ahead (70%).

Q. How confident are you in the economic outlook for Scotland over the next 12 months?

Oct/Nov 2022 Wave



2021-2022 Trend



Base: All businesses (610)

*Based on those saying their businesses was being impact to at least a small extent by these factors

Economic optimism over past six months

Reflecting on the past six months, 62% said their confidence had decreased, 4% said it had increased, and 34% said it had stayed the same.

Economic confidence continued the downward trend seen since October/November 2021. Overall net confidence* was -58, the lowest it has been since the survey began .

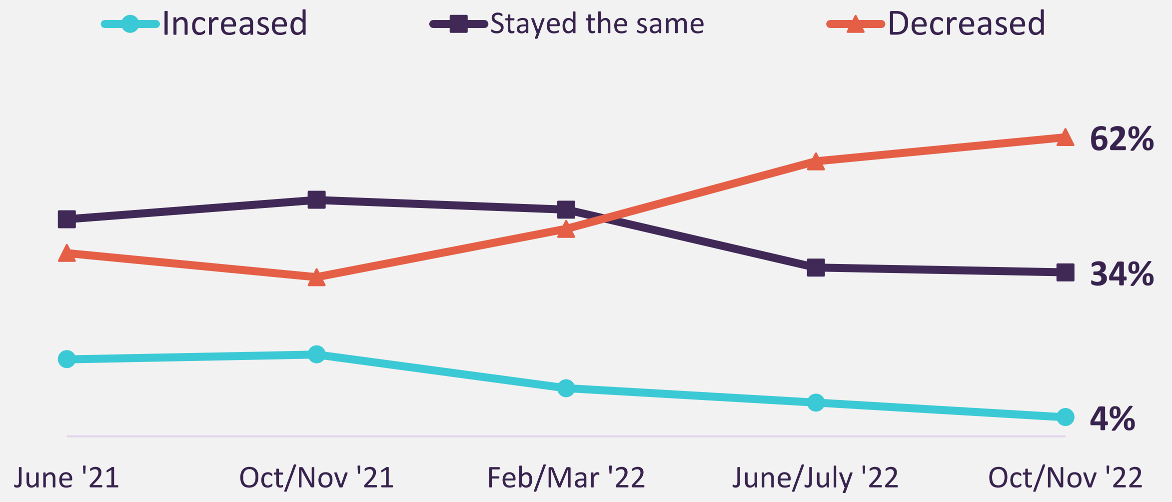
More likely to report increased confidence:

- Performed well in the last six months (8%).

More likely to report decreased confidence:

- Struggled in the last six months (78%).
- Not confident in their future viability (84%).

Q. In the past six months has your level of confidence in the economic outlook in Scotland increased, decreased or has it stayed the same?



Base: All businesses (610)

Net confidence

Base: All businesses (610)

*The net figure is the difference between ‘increased’ and ‘decreased’ assessments at each wave. Net scores are positive when positive assessments exceed negative

Performance

Views on business performance were mixed, with 36% saying their business had performed well, 40% saying business had been fairly steady, and 24% saying they had struggled.

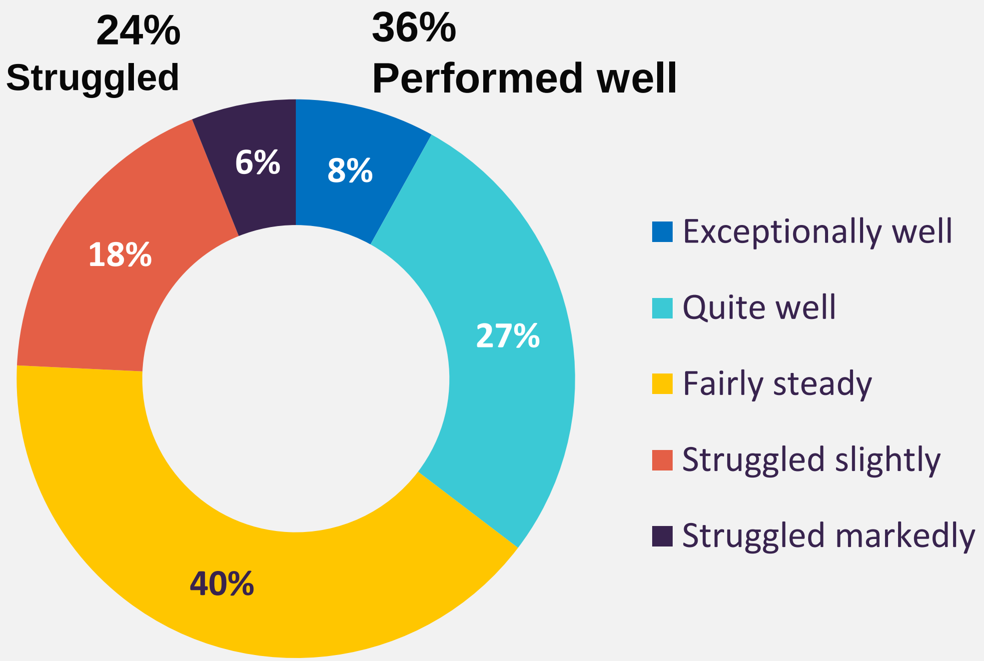
More likely to have performed well

- Those with 5-10 staff (48%).
- Confident in their future viability (40%).
- Able to plan more than 12 months ahead (61%).

More likely to have struggled

- Not confident in their future viability (68%).
- Unable to plan more than a month ahead (40%).

Q. Overall, how has your business performed in the last six months?



Base: All businesses (610)

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Aspects of business performance

Aspects of business performance over the last six months varied, but each measure was broadly in line with the previous wave.

Sales or turnover performance was mixed (31% said it had increased, 24% decreased, and 42% remained the same). Employment had remained relatively stable (75% said it had remained at the same level). Exports were more likely to have decreased than increased (22% vs 10%) but had remained stable for 63% of businesses.

Increases

- Increases in employment were more common among businesses with 5-10 or 11-24 staff* (24% and 33% respectively).
- Those in urban areas were more likely to have seen increases in employment (17%).
- Those able to plan more than 12 months ahead were more likely to have had increases in sales or turnover.

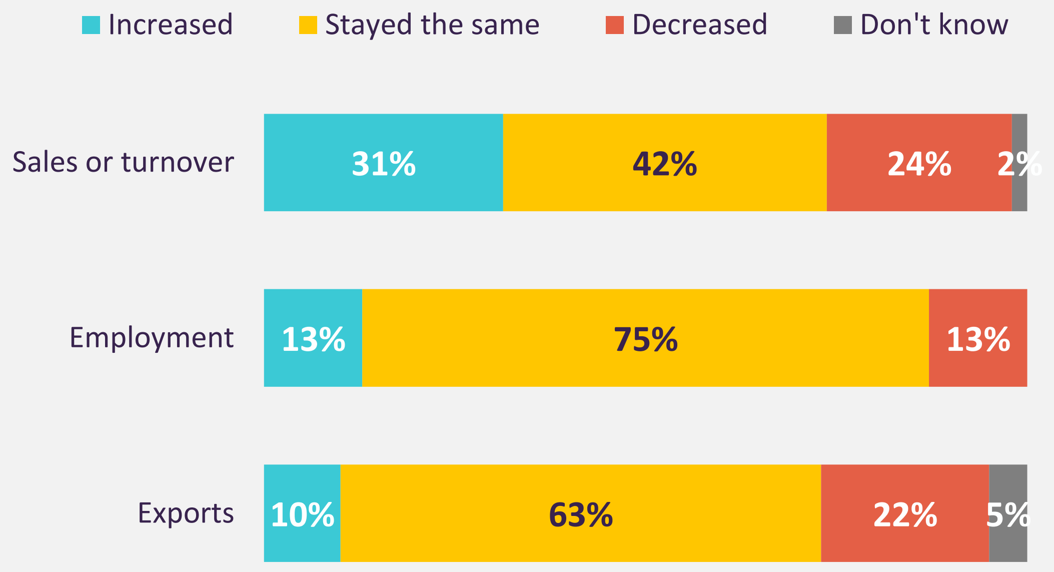
Decreases

- Tourism businesses were more likely to report decreases in employment (21%) (as seen in the previous wave) and in sales or turnover (35%).
- Those unable to plan more than a month ahead were more likely to report decreased employment (21%) and sales or turnover (34%).

Remained the same

- Remote rural businesses and those with 0-4 staff were more likely to say employment had remained the same (85% and 81% respectively).

Q. Has the following increased, stayed the same or decreased in the last six months?



Base: All businesses for whom each applied

On all three measures, those that had performed well in the last six months were more likely to report increases, while those that had struggled were more likely to report decreases.

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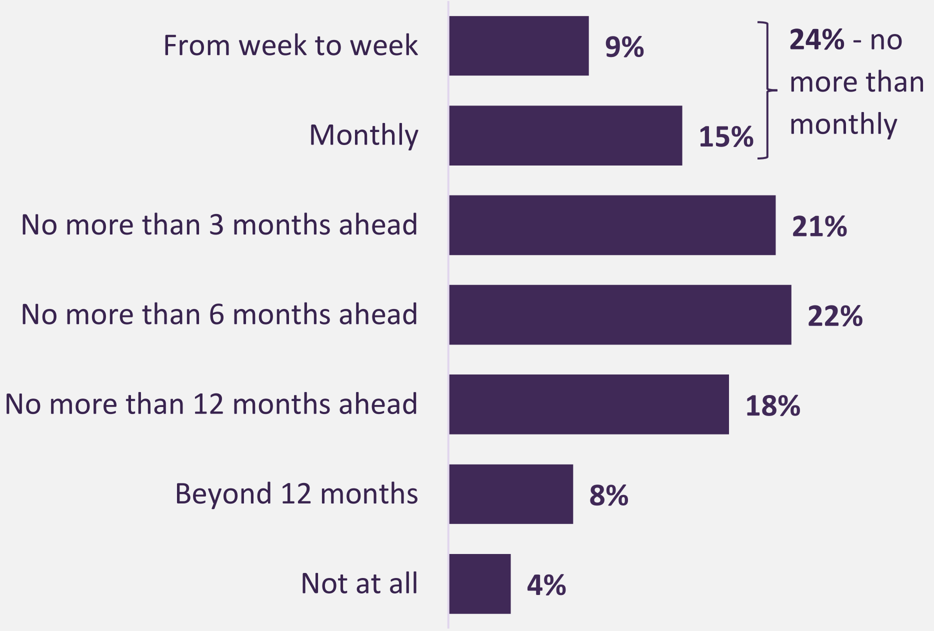
*38% of those with 25+ staff also saw increases in employment, but due to the small base size for this group we can cannot be certain that this difference is statistically significant.

Ability to plan ahead

Around a quarter (24%) of businesses felt unable to plan more than a month ahead (with 9% planning week to week, and 15% monthly). One in five (21%) felt able to plan no more than three months ahead, 22% six months ahead, and 18% 12 months ahead. Just under one in ten (8%) felt able to plan beyond the next 12 months.

Q. How far ahead do you feel able to plan at the moment?



Base: All businesses (610)

Planning no more than monthly

- Tourism (34%) and non-growth sector businesses (29%).
- Struggled in past six months (40%).
- Not confident in future viability (40%).

Planning no more than 12 months ahead

- Food and drink (27%).
- Confident in future viability (20%).
- Exporters (21%).

Planning beyond 12 months

- Financial and business services (20%).
- In the Scottish Borders (11%).
- Performed well (13%).

* Planning no more than monthly is a combination of those planning week to week and monthly

03

Financial viability

Key findings

- **The majority (83%) of businesses were confident they would be viable over the next six months, while 16% were not.** Confidence was down on the previous wave, when 91% were confident and 9% not.
- **Tourism businesses were less confident than average,** with around a quarter (27%) saying they were not confident in their viability.
- **Among those that were confident in their viability, 50% expected to be operating at about the same level in six months time, while 12% expected to be operating below and 10% over and above their current levels.** Expectations were linked with current performance, with those that had performed well in the last six months expecting to perform better in six months time.
- **Among those not confident in their viability, 24% expected to still be operating in six months time but at a loss, 12% expected to downsize and 11% to have ceased operating completely.**

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Viability

The majority (83%) of businesses were confident they would be viable over the next six months, while 16% were not. Confidence was down on the previous wave, when 91% were confident and 9% not.

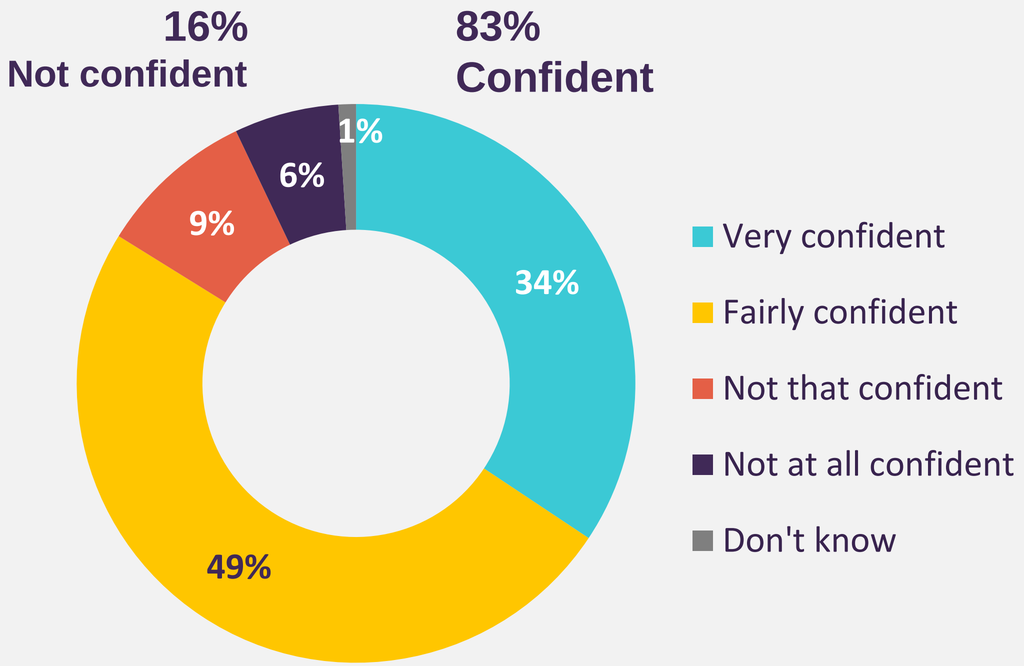
More confident than average

- Those that had performed well (94% confident).
- Those able to plan beyond the next 12 months (96%).

Less confident than average

- Tourism businesses (27% not confident).
- Those that had struggled (43%).
- Those unable to plan more than a month ahead (25%).

Q. How confident are you that your business will be viable over the next 6 months?



Base: All businesses (610)

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Expected performance in six months times

Among those that were confident in their viability, 50% expected to be operating at about the same level in six months time, while 12% expected to be operating below and 10% over and above their current levels.

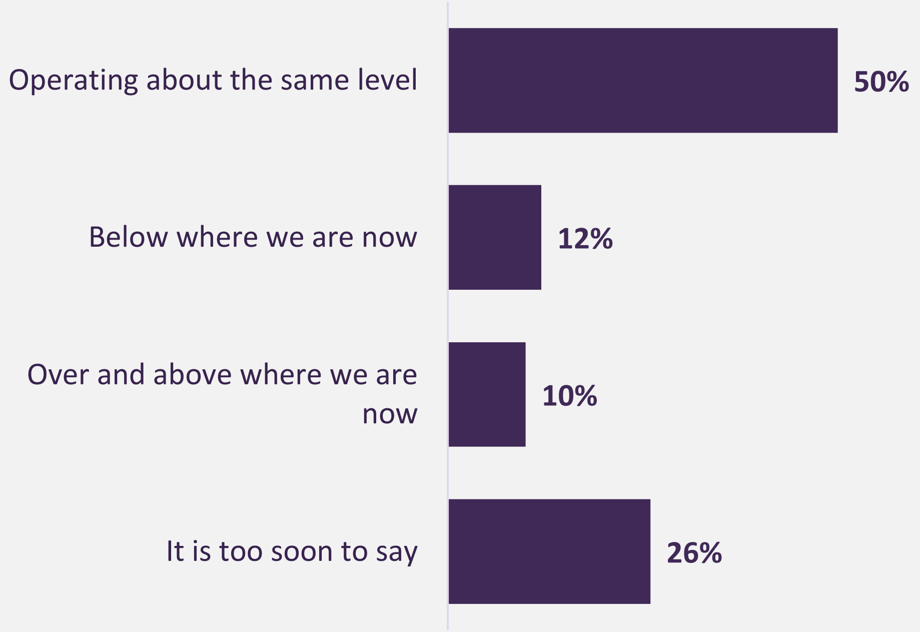
For around a quarter (26%), it was too soon to say how they would be performing.

Expectations were linked with current performance:

- those that had performed well in the last six months were more likely to expect to perform over and above their current levels (14%), and
- those that had struggled were more likely to feel it was too soon to say (45%).

Financial and business services businesses were more likely to predict performance over and above their current levels (23%).

Q In six months time, how do you expect your business to be performing compared with how it is now?



Base: All those confident in their viability (508)

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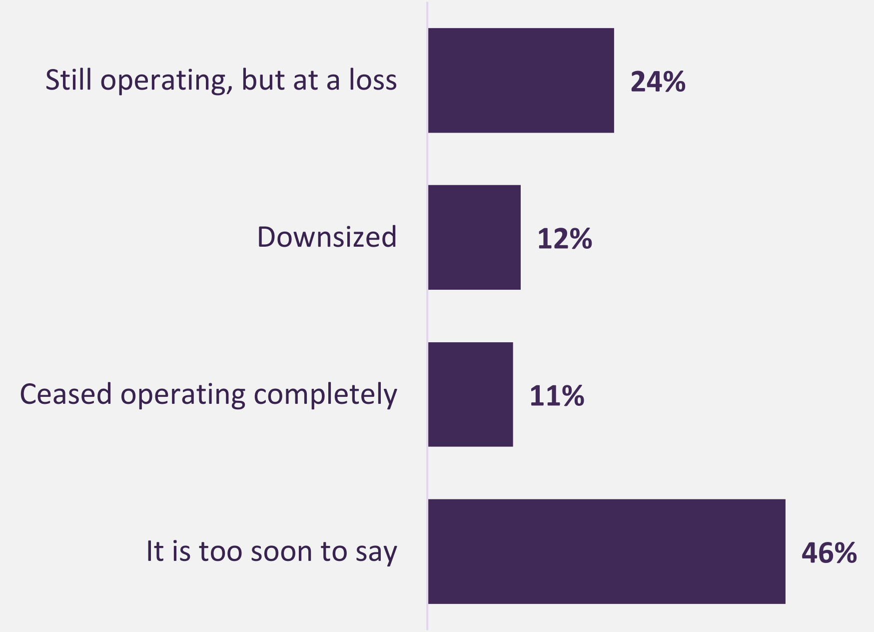
Expected operating position in six months time

Among those not confident in their viability, 24% expected to still be operating in six months time but at a loss, 12% expected to downsize and 11% to have ceased operating completely.

For almost half (46%) it was too soon to say what their operating position would be.

There was no significant variation in findings between types of business.

Q In six months time, what do you expect your operating position to be?



Base: All those not confident in their viability (93)

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04

Markets

Key findings

- **84% of businesses were importers** (sourcing goods from outside Scotland), with 83% importing from the rest of the UK and 30% from outside the UK. The majority of businesses (88%) sourced goods and materials from within Scotland.
- **Around two thirds (67%) of businesses were exporters (selling to markets outside Scotland),** with 66% selling to the rest of UK and 22% outside the UK. The majority (96%) of businesses sold goods or services within Scotland, with 32% selling *only* in Scotland.

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Import markets

84% of businesses were importers*, with 83% importing from the rest of the UK and 30% from outside the UK. The majority of businesses (88%) sourced goods and materials from within Scotland.

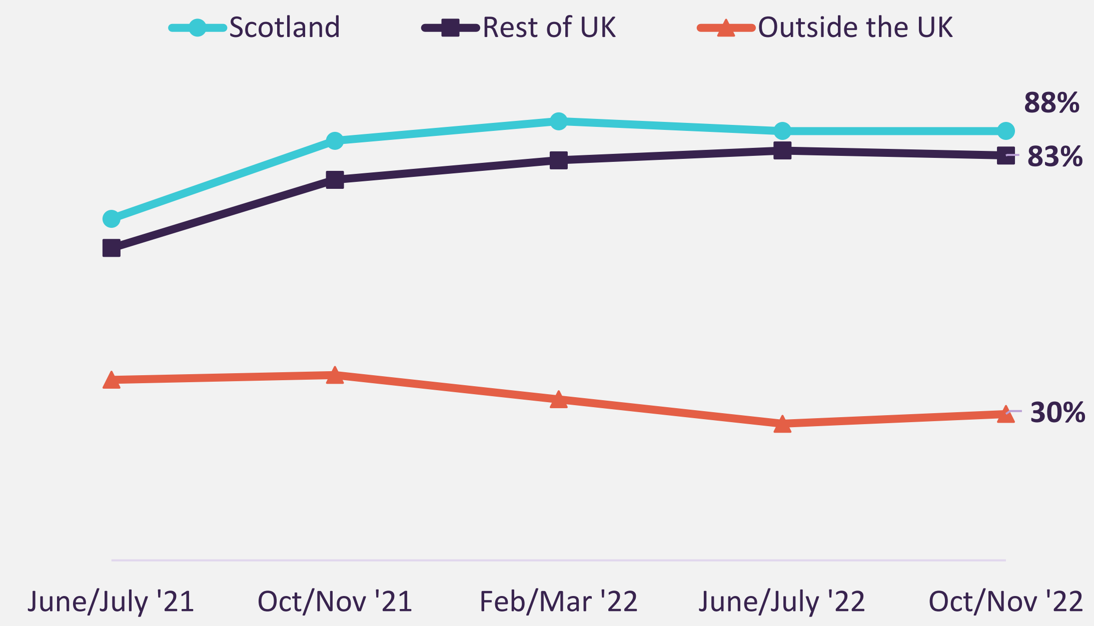
Findings were in line with those seen in the previous wave. Since June/July 2021, there was an increase in the proportion of businesses sourcing goods and materials from the rest of UK (from 64% to 83% this wave) and a decrease in those importing from outside the UK (from 37% to 30%).

Variation

- **Tourism, food and drink** and those in **Dumfries and Galloway** were all more likely than average to source goods from Scotland (100%, 98%, and 91%).
- **Food and drink** were also more likely to source from the rest of the UK (88%).

Overall, businesses in the South of Scotland were more likely to be importers than those in the Highlands and Islands (77%) and the rest of rural Scotland (74%).

Q. From which of these markets do you currently source goods and materials?



Base: All businesses (610)
*For Oct/Nov 21 and June/July 21, rest of UK is based on combining those saying Northern and Ireland and England and Wales, and outside the UK is based on combining the EU and outside the EU .

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Export markets

Around two thirds (67%) of businesses were exporters (selling to markets outside Scotland), with 66% selling to the rest of UK and 22% outside the UK. The majority (96%) of businesses sold goods or services within Scotland, with 32% selling *only* in Scotland.

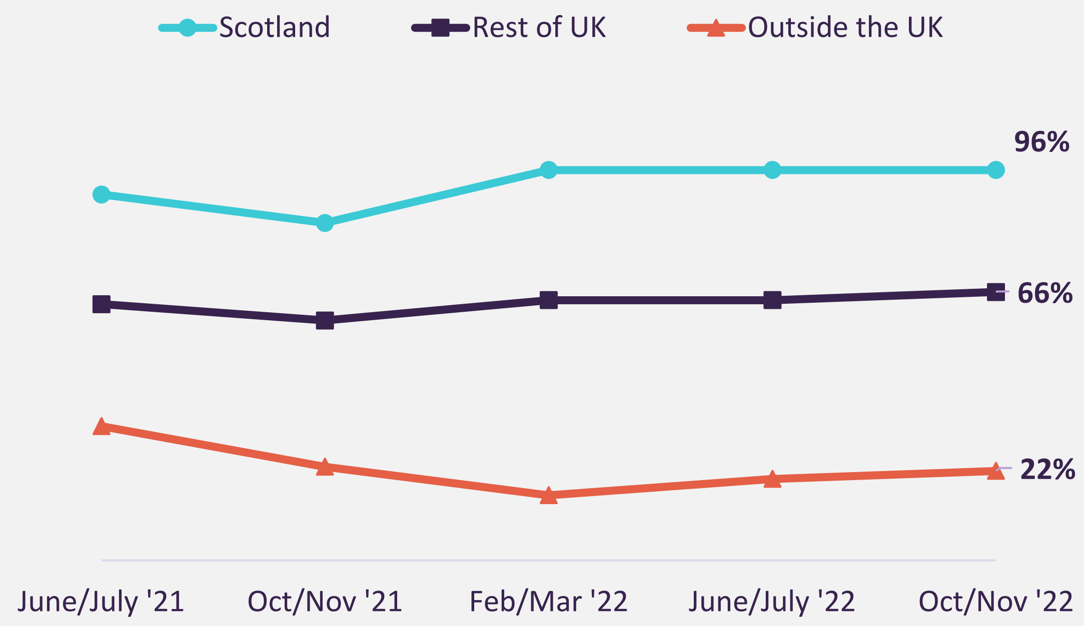
Findings were in line with those seen in the previous wave, but the proportion selling outside the UK was lower than that seen in June/July 2021 (33%).

Variation

- **Financial and business services** were more likely to sell to the rest of the UK (80%).
- **Tourism** businesses were more likely to sell outside the UK (36%).

Overall, businesses in the South of Scotland were more likely to be exporters than those in the Highlands and Islands (49%) and the rest of rural Scotland (52%).

Q. In which of these markets do you currently sell goods or provide services?



Base: All businesses (610)
*For Oct/Nov 21 and June/July 21, rest of UK is based on combining those saying Northern and Ireland and England and Wales, and outside the UK is based on combining the EU and outside the EU .

05

Cost crisis

Key findings

- **Almost all businesses (99%) had experienced cost increases in the past 12 months, with 84% experiencing substantial increases.**
- **The biggest areas of cost increase were raw materials (87% saw an increase, 60% a substantial increase), electricity and gas (79% and 49%), transportation of goods (73% and 41%), and equipment purchase or repair (75% and 34%).**
- **The costs having the biggest impact were those that had increased the most: raw materials (61%), electricity and gas (50%), and transportation of goods (33%).** This was followed by other utilities (19%), wages (13%) and equipment (12%). Costs having the least impact were those related to servicing debts (3%), mortgage or rent (3%) or recruitment (2%).
- **The main impact of cost increases was reduced profit margins (67%).** This was followed by delayed or postponed growth plans (43%), being unable to set prices for the coming year (40%), loss or reduction in customer demand (36%), being unable to utilise the goods or materials they used to (25%), being less competitive (23%) and pressure on staff costs (22%).
- **70% of businesses had delayed or postponed plans because of cost increases**. A range of plans were impacted including: investing in technology (34%), energy efficiency improvements (34%), new capital projects (30%), increasing staff wages or benefits (27%), new products or services (25%), recruiting new staff (21%) upgrading or moving premises (19%) and staff training and development (14%).
- **In response to the cost crisis, around three quarters (72%) of businesses were absorbing costs and over half were increasing prices (59%) and making energy efficiency improvements (56%).** Other common actions included sourcing alternative materials, goods and services (46%), investing in the business (45%), using cash reserves (41%), and adapting products or services (34%). Fewer were collaborating (26%) and reducing operations or opening hours (20%).

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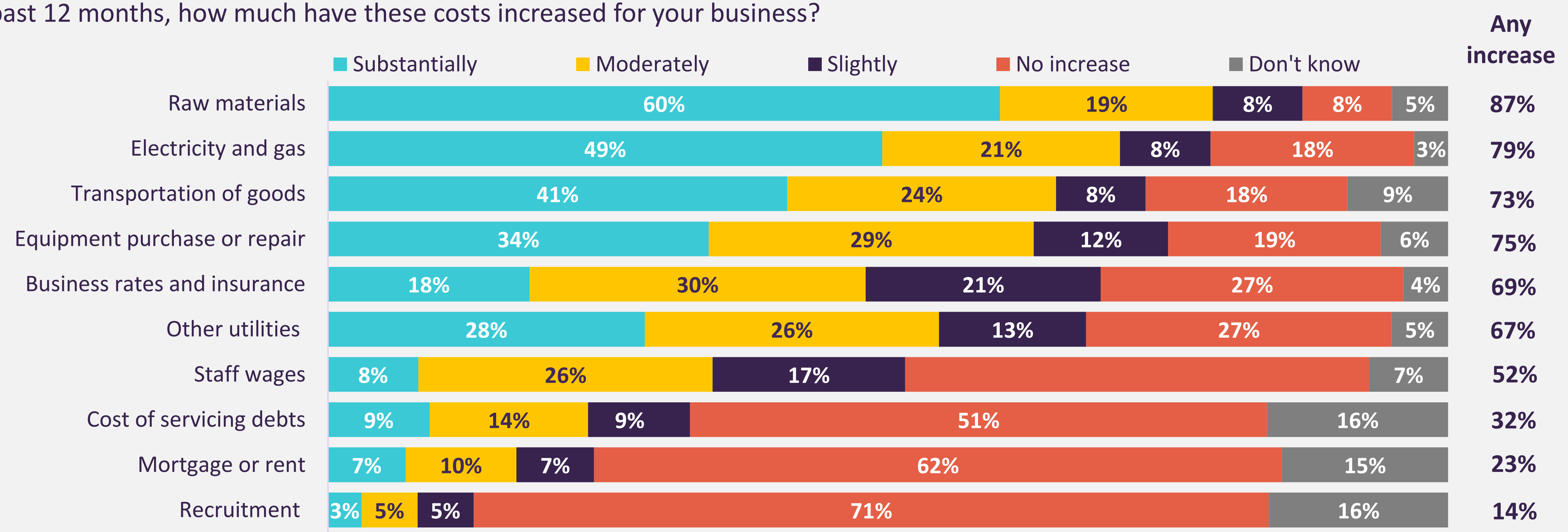
Costs increases (1)

Almost all businesses (99%) had experienced cost increases in the past 12 months, with 84% experiencing substantial increases. The biggest areas of cost increase were: raw materials (87% saw an increase, 60% a substantial increase), electricity and gas (79% and 49%), transportation of goods (73% and 41%), and equipment purchase or repair (75% and 34%).

This was followed by business rates and insurance (69% increase and 18% substantial) and other utilities (67% and 28%). Fewer said there had been increases to staff wages (52% and 8%), cost of servicing debts (32% and 9%), mortgage or rent (23% and 7%) and recruitment (14% and 3%).

Q. Over the past 12 months, how much have these costs increased for your business?



Base: All businesses (610)

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Costs increases (2)

Variation in experience of cost increases is show below, based on costs that businesses said had increased substantially over the past 12 months. Experience of cost increases was particularly apparent among those that had struggled in the last six months and that were currently unable to plan more than a month ahead. There was also variation by size, sector, location, markets, and business ownership.

Sector

- **Food and drink** – raw materials (86% vs 60% average), equipment purchase or repair (53% vs 34%), other utilities (36% vs 28%), servicing debt (15% vs 9%) and mortgage or rent (11% vs 7%).
- **Tourism** – business rates and insurance (36% vs 18% average) and staff wages (20% vs 8%).

Location*

- **Accessible rural businesses** – raw materials (75% vs 60% average), transportation of goods (48% vs 41%), equipment purchase or repair (43% vs 34%), other utilities (37% vs 28%), mortgage or rent (11% vs 7%).
- **Urban businesses** - staff wages (13% vs 8% average).

Performance

- **Struggled** – raw materials (69% vs 60% average), electricity and gas (63% vs 49%), transportation of goods (54% vs 41%), equipment purchase or repair (41% vs 34%), other utilities (37% vs 28%) and cost of servicing debt (14% vs 9%).

Markets

- **Importer** – raw materials (63% vs 60% average) and electricity and gas (51% vs 49%).

Business ownership

- **Family-owned** – raw materials (67% vs 60% average), transportation of goods (47% vs 41%), equipment purchase or repair (39% vs 34%) and cost of servicing debt (11% vs 9%).

Planning ahead

- **No more than monthly** – raw materials (68% vs 60% average), electricity and gas (63% vs 49%).

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NOTES:
* Findings for accessible rural businesses may be driven by the sectoral profile in these areas: there was a higher proportion of food and drink businesses in accessible rural areas than in the overall sample (48% in accessible rural areas compared with 29% overall)

Cost increases with biggest impacts

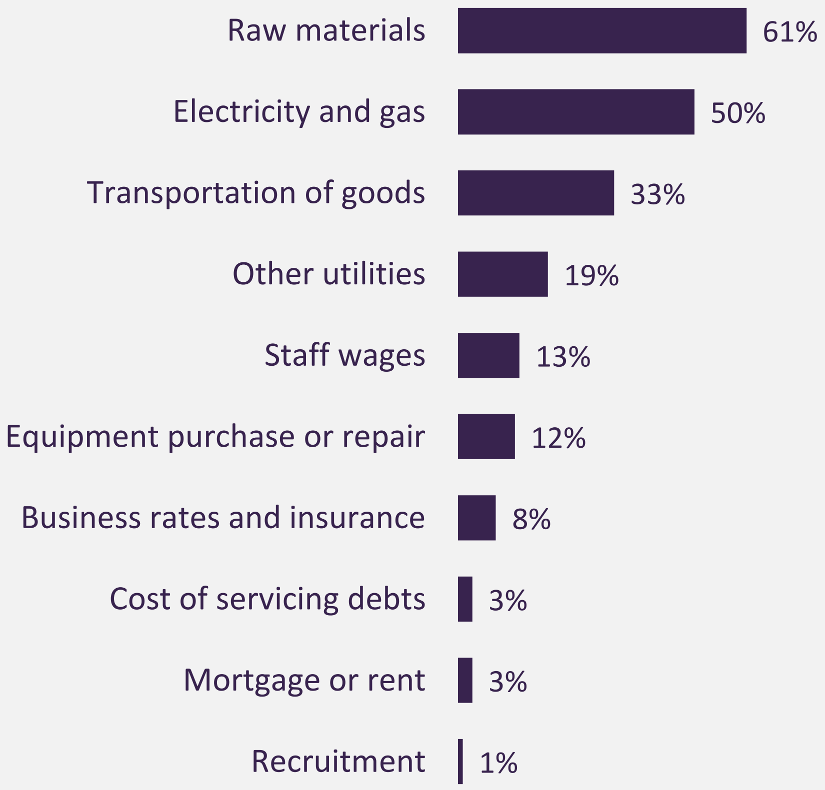
The costs having the biggest impact were those that had increased the most: raw materials (61%), electricity and gas (50%), and transportation of goods (33%).

This was followed by other utilities (19%), wages (13%) and equipment (12%). Costs having the least impact were those related to servicing debts (3%), mortgage or rent (3%) or recruitment (2%).

Variation (higher than average)

- **Tourism** – electricity and gas (69%), staff wages (29%) and mortgage or rent (9%).
- **Food and drink** – raw materials (85%).
- **Accessible rural, family-owned** and **importing businesses** – raw materials (69%, 66%, and 64%).
- **Urban businesses** and **those that had performed well** – staff wages (21% and 20%).
- **Struggled** – electricity and gas (62%).
- **Women-led** – mortgage or rent (11%).

Q. Which two or three cost increases are having the biggest impact on your business?



Base: All businesses (610)

Impacts of cost increases

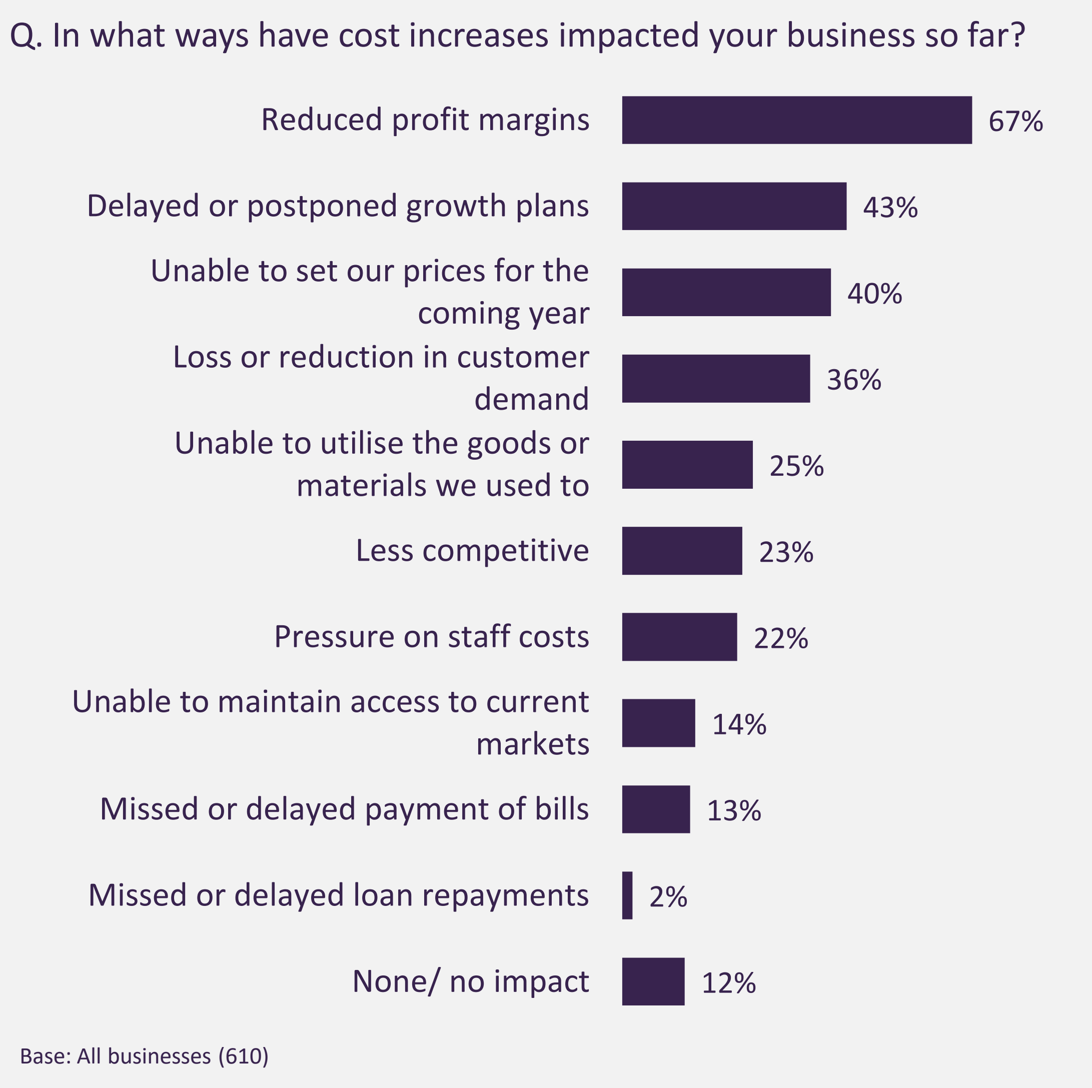
The main impact of cost increases was reduced profit margins (67%). This was followed by delayed or postponed growth plans (43%), being unable to set prices for the coming year (40%), loss or reduction in customer demand (36%), being unable to utilise the goods or materials they used to (25%), less competitive (23%) and pressure on staff costs (22%).

Variation (higher than average)

- **Tourism** – reduced profit margins (80%), delayed or postponed growth plans (58%), loss or reduction in customer demand (53%), pressure on staff costs (45%) and being less competitive (38%).
- **Urban businesses** – loss or reduction in customer demand (42%), pressure on staff costs (28%), missed or delayed payment of bills (17%) and missed or delayed loan repayments (5%).
- **Importers** – reduced profit margins (69%), delayed or postponed growth plans (44%), unable to set prices for coming year (43%) and pressure on staff costs (24%).
- **Women-led** – loss or reduction in customer demand (47%).

Cost increases were also having particular impacts on those that had struggled in the last six months and who were unable to plan far ahead (see Appendix).

Businesses experiencing **no impacts** (12%) were more likely to be: financial and business services (26%), those that had performed well (19%), those able to plan more than 12 months (40%).



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Plans disrupted by cost increases

70% of businesses had delayed or postponed plans because of cost increases. A range of plans were impacted including: investing in technology (34%), energy efficiency improvements (34%), new capital projects (30%), increasing staff wages or benefits (27%), new products or services (25%), recruiting new staff (21%) upgrading or moving premises (19%) and staff training and development (14%).

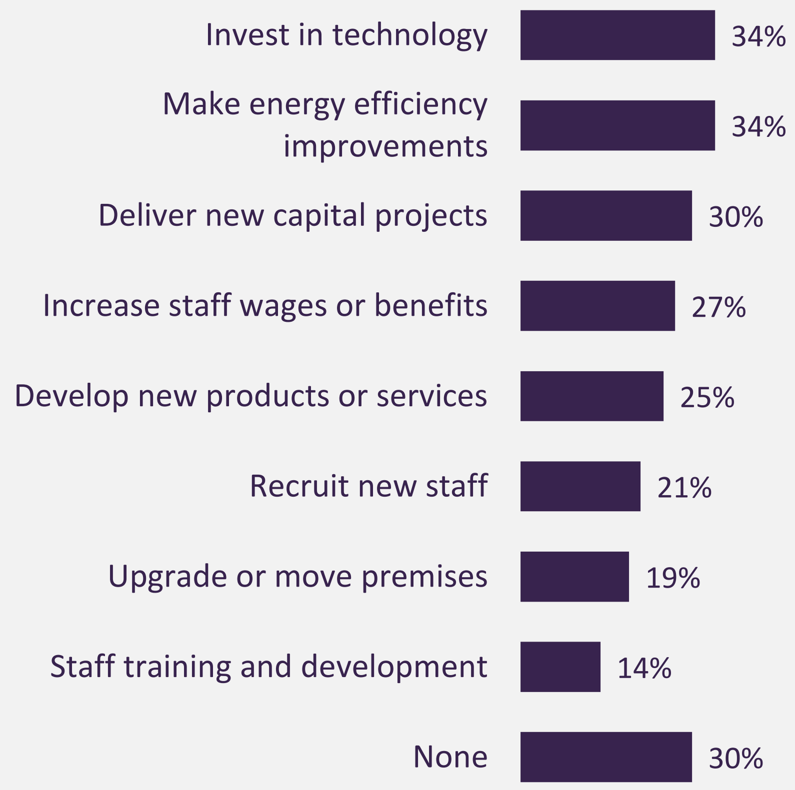
Variation (higher than average)

- **Food and drink** – investing in technology (45%) and new capital projects (40%).
- **Tourism** – energy efficiency improvements (56%), new capital projects (44%), new products or services (42%), new staff (36%) and staff training and development (28%).
- **Urban businesses** – increasing staff wages or benefits (36%), new products or services. (31%), new staff (27%) and staff training and development (19%).
- **Importers** – new capital projects (32%) and increasing staff wages or benefits (29%).
- **Exporters** – invest in technology (37%).
- **Planning ahead no more than monthly** – energy efficiency improvements (42%) and recruiting new staff (28%).

Businesses that had struggled in the past six months were also more likely to have experienced disruption to a range of plans (see Appendix).

Businesses experiencing <u>**no disruption to plans**</u> (30%) were more likely to be: those that have performed well (38%) and were able to plan ahead beyond 12 months (46%).

Q. Which of the following had you planned but are having to delay or postpone because of cost increases?



Base: All businesses (610)

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Actions in response to the cost crisis

In response to the cost crisis, around three quarters (72%) of businesses were absorbing costs and over half were increasing prices (59%) and making energy efficiency improvements (56%). Other common actions included sourcing alternative materials, goods and services (46%), investing in the business (45%), using cash reserves (41%), and adapting products or services (34%).

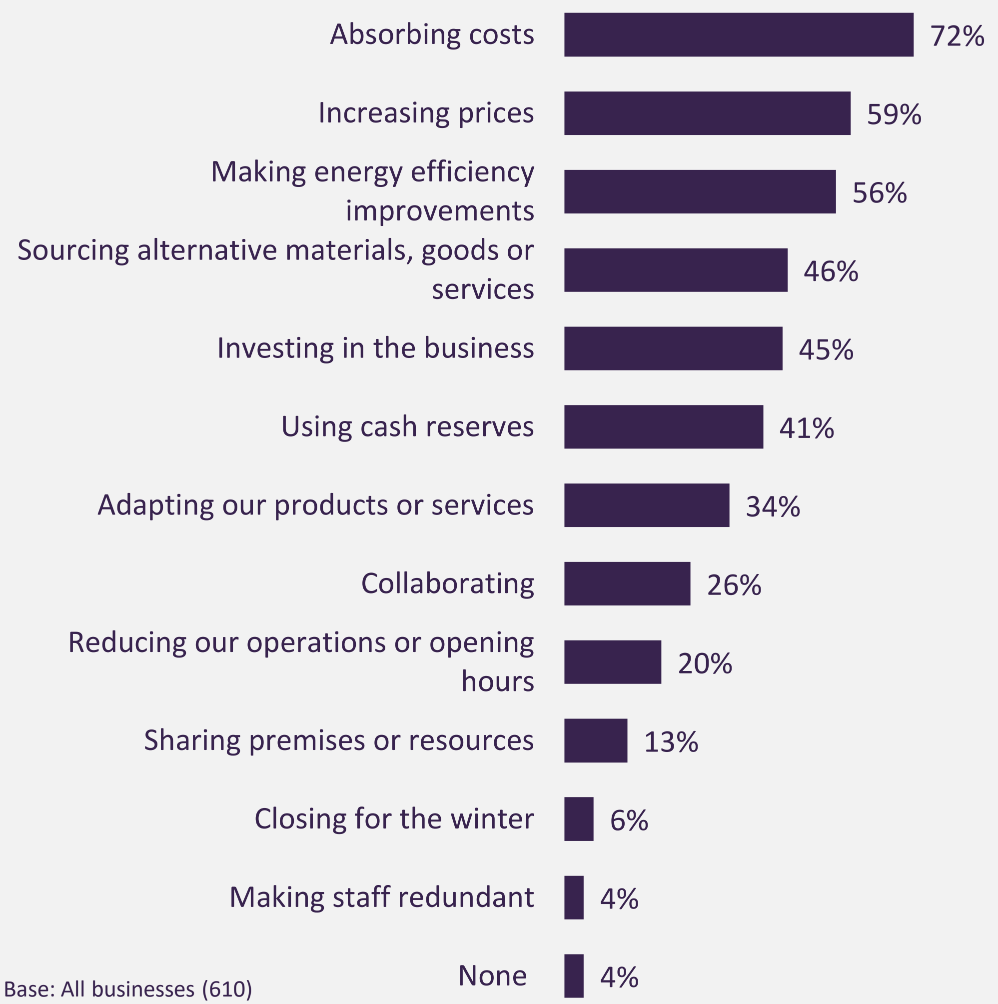
Variation

Response to the cost crisis differed depending on business performance. Those that had **performed well** were more likely to have invested in the business (53%). Those that had **struggled** were more likely to have used cash reserves (62%) and taken actions that suggest scaling back, such as reducing operations or opening hours (31%), closing for winter (12%) or making staff redundant (10%) (see Appendix for full details of variations).

- **Food and drink** – absorbing costs (79%) and using cash reserves (49%).
- **Tourism** – increasing prices (88%), sourcing alternative materials, goods or services (59%), using cash reserves (55%), reducing operations or opening hours (54%), adapting products or services (50%), closing for winter (28%) and making staff redundant (10%).
- **Urban businesses** – increasing prices (76%), adapting products or services (43%) and reducing operations or opening hours (26%).
- **Women-led** – adapting products or services (49%), reducing operations or opening hours (35%) and sharing premises or resources (20%).

Importers and exporters were also more likely to be taking/planning to take a number of actions and there was some variation by ability to plan ahead (see Appendix).

Q. Which of the following had you planned but are having to delay or postpone because of cost increases?



Base: All businesses (610)

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06

Financial concerns and access to finance

Key findings

- **The majority of businesses (86%) had financial concerns.** The top concerns being unpredictable costs (77%) and low profit margins or losses (60%). Other concerns were: low or no cash reserves (31%), increased interest rates on loans and debts (28%), restricted access to finance (20%), repayment of COVID-19 recovery loans (17%) and repayment of other debt (15%).
- **Just under half (48%) of businesses were currently using or planning to use some of form of finance, a decrease since October/November 2021 (when 59% were doing so).** Around a third of businesses were already using or planning to use credit or overdrafts (37%) or loans from banks or financial institutions (34%), while around a quarter were already using or planning to use public sector grants or loans (26%).

Financial concerns

The majority of businesses (86%) had financial concerns, with the top concerns being unpredictable costs (77%) and low profit margins or losses (60%). Other concerns were: low or no cash reserves (31%), increased interest rates on loans and debts (28%), restricted access to finance (20%), repayment of Covid-19 recovery loans (17%) and repayment of other debt (15%).

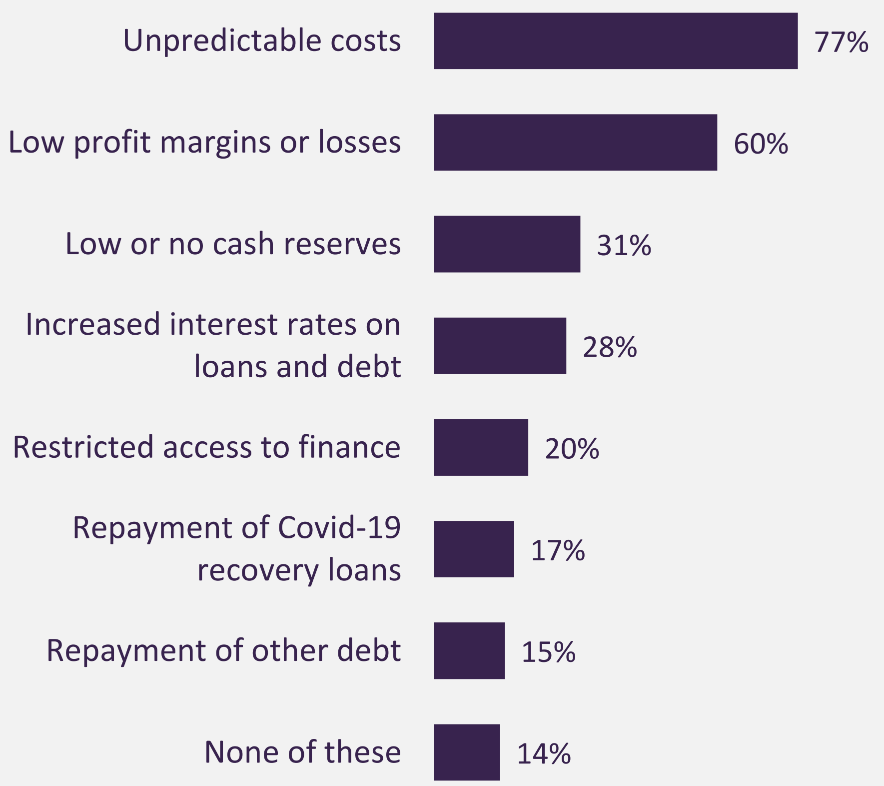
Variation (higher than average)

- **Food and drink** – unpredictable costs (86%), low profit margins or losses (67%), increased interest rates on loans and debt (48%), repayment of Covid-19 recovery loans (22%), repayment of other debt (24%).
- **Tourism** – unpredictable costs (89%), low profit margins or losses (80%), repayment of Covid-19 recovery loans (27%).
- **Accessible rural businesses** – increased interest rates on loans and debt (35%).
- **Women-led** – low profit margins or losses (72%).
- **Family owned** – increased interest rates on loans and debt (32%), repayment of Covid-19 recovery loans (20%).

Businesses that had struggled, those that were unable to plan far ahead, and importers were more likely to be concerned about a number of these (see Appendix).

Those that had <u>none of these concerns</u> were more likely be: financial and business services (37%), those that could plan ahead beyond 12 months (37%), those that have performed well (21%) and urban businesses (18%).

Q. Which of these, if any, are financial concerns for your business at the current time?



Base: All businesses (610)

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Access to finance

Just under half (48%) of businesses were currently using or planning to use some of form of finance, a decrease since October/November 2021 (when 59% were doing so). Around a third of businesses were already using or planning to use credit or overdrafts (37%) or loans from banks or financial institutions (34%), while around a quarter were already using or planning to use public sector grants or loans (26%).

The overall decrease in use of finance compared with 12 months ago is mainly due to fewer using public sector grants or loans (down from 28% in October/ November 2021 to 17% this wave). Use of other forms of finance was largely in line with the previous levels: loans from banks and financial institutions (28% were using in Oct/Nov 2021), credits or overdrafts (26%), equity finance or shares (4%), crowd funding or peer lending (1%).

More likely than average to be currently using:

Loans from banks or financial institutions

- Food and drink (55%).
- Remote rural businesses (36%).
- Family-owned businesses (34%).
- Importers (34%).
- Those able to plan ahead no more than 12 months (38%).

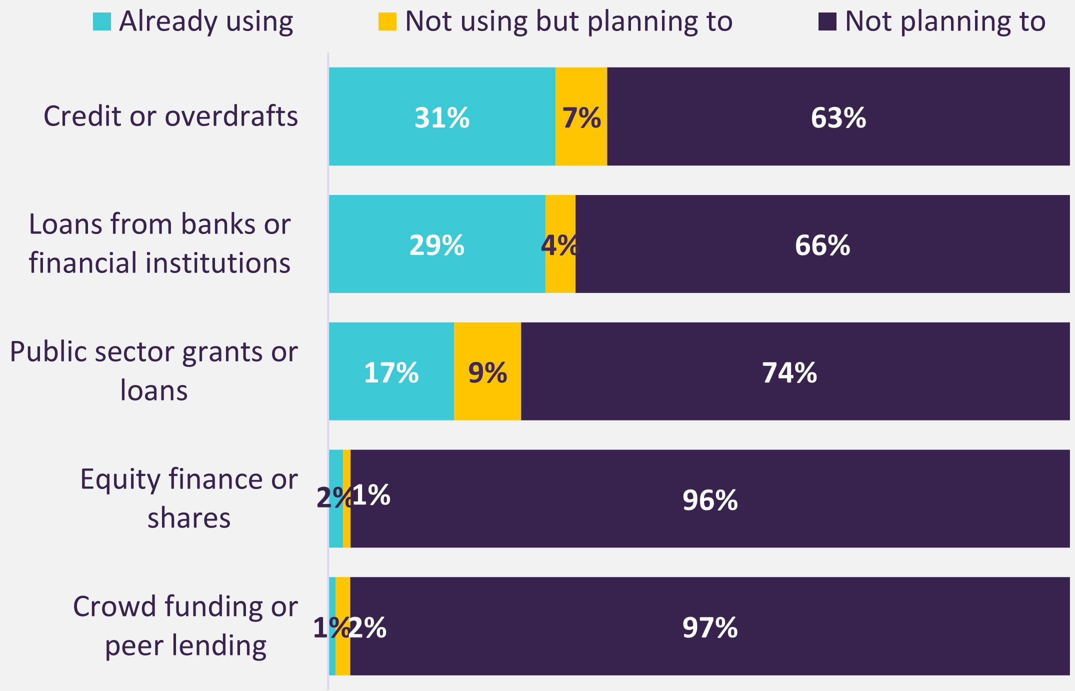
Credit or overdrafts

- Food and drink (55%).
- Those that have struggled (38%).
- Family-owned businesses (36%).

Crowd funding or peer lending

- Creative industries (6%).

Q. Which of the following forms of finance is your business currently using or planning to use?



Base: All businesses to whom each applied

07

Wellbeing and support

Key findings

- **A majority of business owners/senior managers (78%) reported impacts of the cost crisis on their own wellbeing.**

- **Around half (51%) reported generally feeling worried or stressed due to the cost crisis, with nearly half (49%) working longer hours, struggling to balance work and home life (42%) and reducing their own pay and benefits (40%).** Around a quarter said their mental (27%) and physical (25%) health had suffered.

- **Around half (52%) employers reported impacts of the cost crisis on their staff.**

- **Over a quarter (27%) said staff were working at or beyond capacity, while one in five had seen requests for longer hours or additional work (20%), flexibility in working patterns (19%) and low morale (19%).** One in ten had seen increases in sickness absences (11%) and requests for financial advice and support, while 6% had seen requests for mental health support.

- **Three quarters (74%) of employers were taking or planning to take actions for their staff in response to the cost crisis. The most common action was engaging with staff to understand their needs (62%), following by increasing wages (47%) and encouraging flexible working (46%).** More than a quarter were targeting support at those on lowest wages (29%) and offering mental health support (28%).

- **Support for staff was linked to how well businesses had performed**, with those that had struggled less likely to have provided any support for staff, while those that had performed well had been able to provide a number of types of support (including increasing wages, supporting home or remote working, and providing hardship payments and other types of support).

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Personal impacts of the cost crisis

A majority of business owners/senior manager (78%) reported impacts of the cost crisis on their own wellbeing. Around half (51%) reported generally feeling worried or stressed due to the cost crisis, with nearly half (49%) working longer hours, struggling to balance work and home life (42%) and reducing their own pay and benefits (40%). Around a quarter said their mental (27%) and physical (25%) health had suffered.

Variation (higher than average)

- **Tourism** – reducing own pay or benefits (58%), and impacts on mental health (38%) and physical health (37%).
- **Food and drink** – generally feeling worried or stressed (59%).
- **Women-led** – generally feeling worried or stressed (65%).

Echoing the overall pattern seen in relation to the cost crisis (section 5), businesses that struggled in the last six months and those unable to plan no more than a month ahead were more likely to report each of the impacts.

Financial and business services (39%) and those that had performed well (28%) in the past six months were more likely to report no impacts from the cost crisis on their wellbeing.

Q. In what ways have the cost crisis impacted on you personally?

Base: All businesses (610)

Impacts of the cost crisis on staff

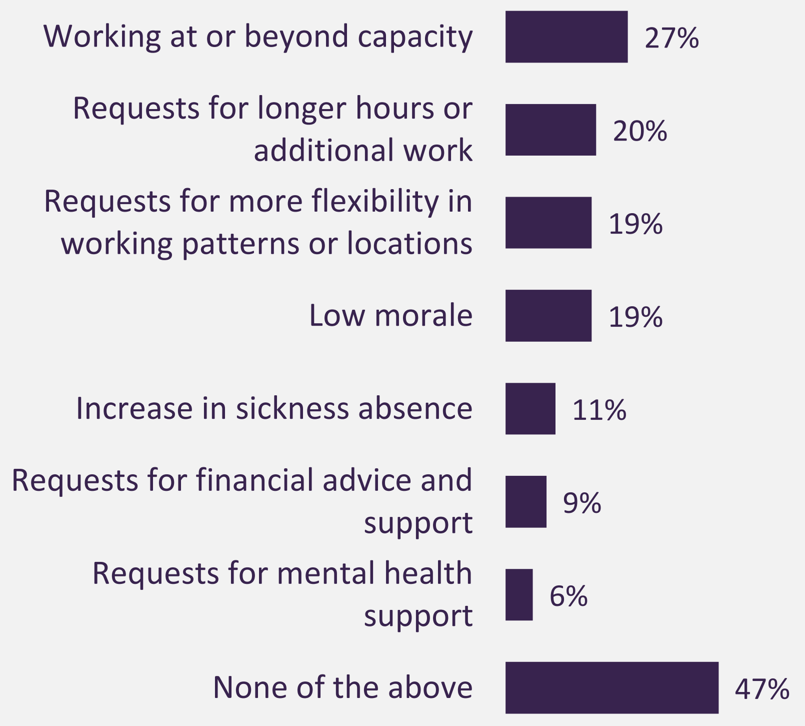
Around half (52%) employers reported impacts of the cost crisis on their staff. Over a quarter (27%) said staff were working at or beyond capacity, while one in five had seen requests for longer hours or additional work (20%), flexibility in working patterns (19%) and low morale (19%). One in ten had seen increases in sickness absences (11%) and requests for financial advice and support, while 6% had seen requests for mental health support.

Variation (higher than average)

- **5-10 staff –** staff working at or beyond capacity (42%), requests for longer hour or additional work (35%), low morale (33%) and requests for mental health support (15%).
- **11-24 staff –** increase in sickness absence (29%) and requests for financial support and advice (18%).
- **Tourism** – staff working at or beyond capacity (47%), requests for longer hours or additional work (39%), low morale (34%) and increase in sickness absence (24%).
- **Scottish Borders** – requests for more flexibility in working patterns or locations (25%).
- **Struggled in past six months** – low morale (30%).

Small businesses (1-4 staff) (54%) were more likely to report **no impacts** from the costs crisis on their staff.

Q. In what ways have you seen the cost crisis impacting on your staff?



Base: All employers (459)

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Support for staff in response to the cost crisis

Three quarters (74%) of employers were taking or planning to take actions for their staff in response to the cost crisis. The most common action was engaging with staff to understand their needs (62%), following by increasing wages (47%) and encouraging flexible working (46%). More than a quarter were targeting support at those on lowest wages (29%) and offering mental health support (28%).

Variation

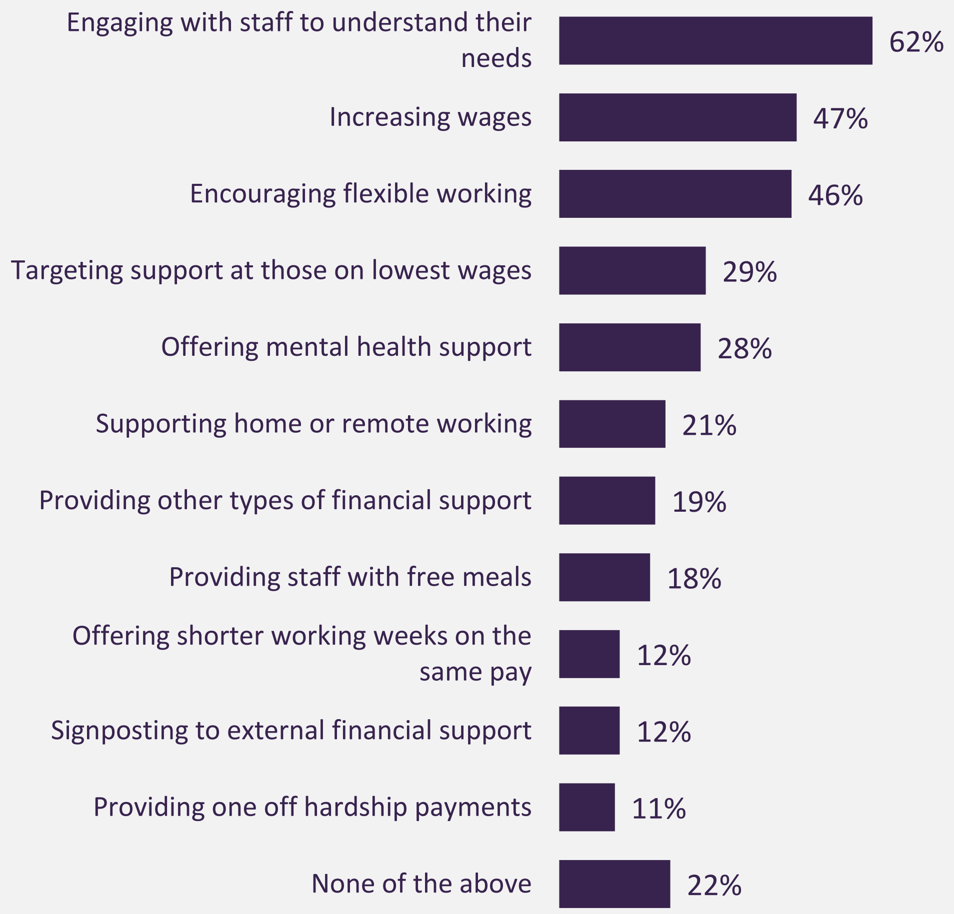
Most actions were more common among those with 5-10 and 11-24 staff. In addition, the following were more likely than average to take certain actions:

- **Tourism** – engaging with staff (75%), encouraging flexible working (68%), providing staff with free meals (49%), targeting support at those on lowest wages (45%) and offering mental health support (40%).
- **Scottish Borders** – encouraging flexible working (52%).

Support for staff was linked to how well businesses had performed, with those that had struggled less likely to have provided any support for staff, while **those that had performed well** had been able to provide a number of types of support:

- increasing wages (63%),
- supporting home or remote working (30%),
- providing other types of financial support (24%) and
- providing one-off hardship payments (16%).

Q. For existing staff, what actions are you taking or planning to take in response to the cost crisis?



Base: All employers (459)

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08

Ownership and recruitment

Key findings

- **Three quarters (76%) of businesses described themselves as family-owned, rising to 91% in the food and drink sector. One-in-ten (11%) were women-led and 4% were employee-owned (with employees owning a majority of the shares).**

- **One in five (21%) businesses had recruited staff in the last six months.**

- **Of those that had recruited, 18% had recruited from further afield in the UK and 4% from international markets**. A further 21% had accommodated childcare requirements, 16% helped source accommodation, 8% supported employment for partners and 7% supported relocation costs.

- **Around three-quarters (76%) of businesses noted word of mouth as the most effective means of recruitment.** Over half (53%) noted adverts on social media as the most effective, following by paid-for recruitment services (22%) and adverts on their own website (19%).

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Profile of business ownership

Among employers, 88% businesses described themselves as family-owned, while 5% described themselves as employee-owned (with employees owning a majority of the shares). Over one-in-ten (13%) businesses described themselves as women-led.

Family-owned businesses were more common in the South of Scotland than they were in the Highlands and Islands (83%) and the rest of rural Scotland (84%)

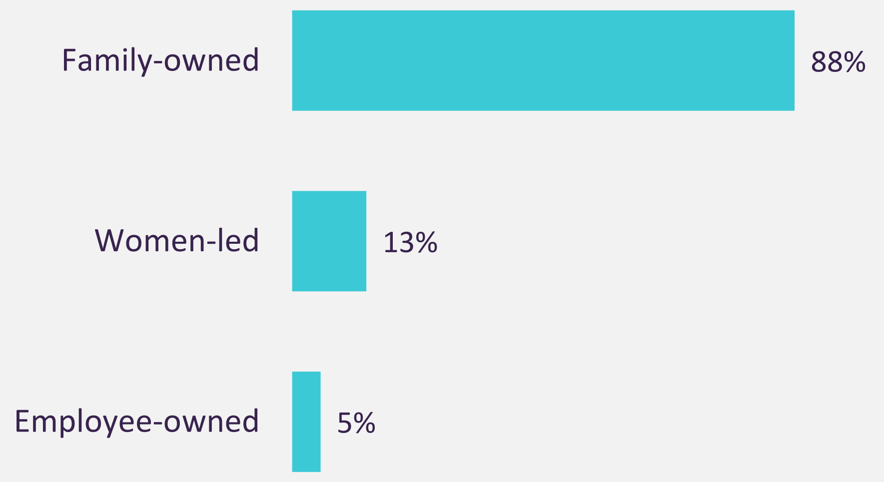
More likely to be family-owned

- Food and drink (96%).
- In Dumfries and Galloway (91%) and accessible rural locations (94%).

More likely to be women-led

- Creative industries (30%).
- In Scottish Borders (19%) and urban locations (19%).

Q. Which of the following, if any, describes your business?



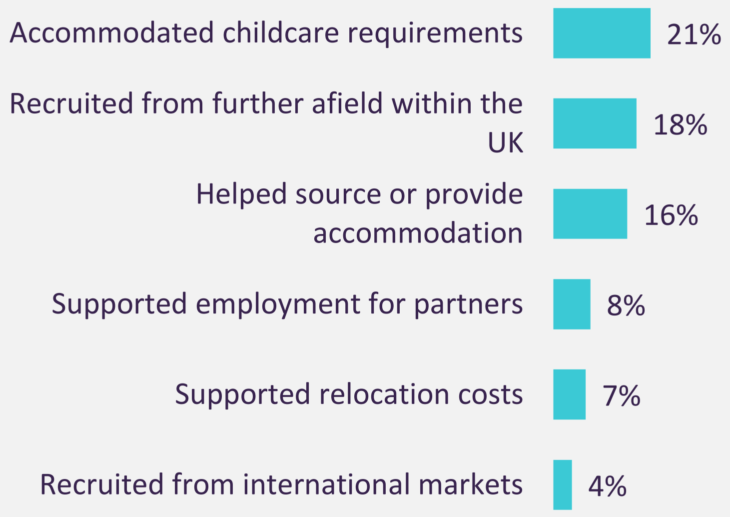
Base: All businesses (610)

Recruitment approaches

One in five (21%) businesses had recruited staff in the last six months. Recruitment was more common among larger businesses (79% of those with 25+ and 75% of those with 11-24 staff) as well as tourism businesses (38%) and those that had performed well (30%).

Of those that had recruited, 18% had recruited from further afield in the UK and 4% from international markets. A further 21% had accommodated childcare requirements, 16% helped source accommodation, 8% supported employment for partners and 7% supported relocation costs.

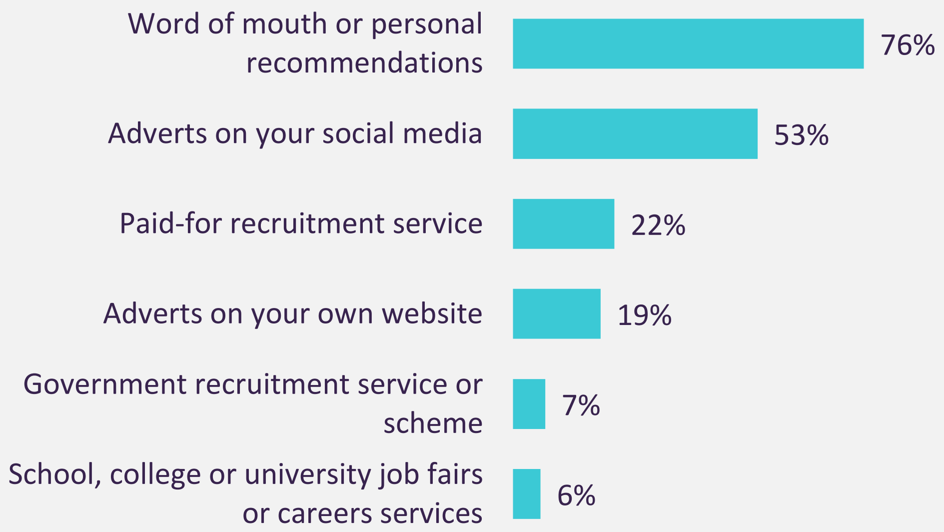
Q. Which of the following approaches have you taken to help recruit staff recently?



Base: All that had recruited (161)

Around three-quarters (76%) of businesses noted word of mouth as the most effective means of recruitment. Over half (53%) noted adverts on social media as the most effective, following by paid-for recruitment services (22%) and adverts on their own website (19%).

Q. Which of the following channels have been most effective for helping you recruit staff?



Base: All that had recruited (161)

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09

Appendix

Profile of businesses interviewed

Size (no of employees)	%
Sole trader	27
1-4	51
5-10	13
11-24	6
25+	3

Growth sector	%
Creative industries	4
Energy	1
Financial and business services	9
Food and drink	29
Life sciences	*
Tourism	9
Non-growth	48

Location	%
Dumfries and Galloway	58
Scottish Borders	42

Urban/Rural	%
Remote rural	28
Accessible rural	37
Urban	35

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Additional variation – impacts of cost increases (1)

Impacts of cost increases	%			
	Total	Performed well	Been steady	Struggled
Reduced profit margins	67	57	67	81
Delayed or postponed growth plans	43	34	43	55
Unable to set our prices for the coming year	40	32	40	51
Loss or reduction in customer demand	36	22	36	58
Unable to utilise the goods or materials we used to	25	16	26	37
Less competitive	23	13	23	39
Pressure on staff costs	22	23	21	25
Unable to maintain access to current markets	14	9	12	24
Missed or delayed payment of bills	13	7	10	24
Missed or delayed loan repayments	2	1	2	4
Other	12	10	10	19
None/no impact	12	19	12	2
Don’t know	*	*	*	-
Base	*610*	*224*	*235*	*149*

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NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – impacts of cost increases (2)

Impacts of cost increases	%					
	Planning ahead					
	Total	No more than monthly	No more than 3 months	No more than 6 months	No more than 12 months	Beyond 12 months
Reduced profit margins	67	72	69	72	56	44
Delayed or postponed growth plans	43	43	47	44	41	26
Unable to set our prices for the coming year	40	51	47	38	28	14
Loss or reduction in customer demand	36	45	35	41	23	19
Unable to utilise the goods or materials we used to	25	30	28	21	21	7
Less competitive	23	32	22	24	12	11
Pressure on staff costs	22	29	19	22	19	23
Unable to maintain access to current markets	14	18	14	13	10	2
Missed or delayed payment of bills	13	21	13	10	9	-
Missed or delayed loan repayments	2	4	3	1	-	-
Other	12	15	14	12	9	8
None/no impact	12	5	7	9	19	40
Don’t know	*	1	-	1	-	-
Base	*610*	*155*	*128*	*135*	*106*	*48*

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NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – plans disrupted by cost increases

Plans disrupted by cost increases	%			
	Total	Performed well	Been steady	Struggled
Make energy efficiency improvements	34	25	37	42
Deliver new capital projects	34	29	31	44
Increase staff wages or benefits	30	23	32	37
Invest in technology	27	21	28	34
Develop new products or services	25	21	24	34
Recruit new staff	21	17	21	25
Upgrade or move premises	19	16	19	25
Staff training and development	14	12	14	18
Other	5	2	3	10
None	30	38	30	18
Don't know	*	-	1	-
Base	*610*	*224*	*235*	*149*

NOTE:
*Darker shaded cells are figures that are higher than average

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Additional variation – actions in response to the cost crisis (1)

Impacts of cost increases	%			
	Total	Performed well	Been steady	Struggled
Absorbing costs	72	66	75	76
Increasing prices	59	63	59	55
Making energy efficiency improvements	56	56	56	54
Using cash reserves	46	42	51	43
Sourcing alternative materials, goods or services	45	53	46	31
Investing in the business	41	26	40	62
Adapting our products or services	34	35	35	30
Collaborating	26	25	29	21
Reducing our operations or opening hours	20	14	18	31
Sharing premises or resources	13	12	12	14
Closing for the winter	6	5	3	12
Making staff redundant	4	1	3	10
Other	4	4	2	5
None	4	6	4	2
Don’t know	1	-	1	1
Base	*610*	*224*	*235*	*149*

SOUTH of SCOTLAND ENTERPRISE

NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – actions in response to the cost crisis (2)

Impacts of cost increases	%		
	Total	Importer	Exporter
Absorbing costs	72	74	74
Increasing prices	59	59	58
Making energy efficiency improvements	56	60	61
Using cash reserves	46	50	48
Sourcing alternative materials, goods or services	45	47	49
Investing in the business	41	42	44
Adapting our products or services	34	36	37
Collaborating	26	27	29
Reducing our operations or opening hours	20	20	16
Sharing premises or resources	13	12	13
Closing for the winter	6	5	5
Making staff redundant	4	4	4
Other	4	4	4
None	4	3	3
Don't know	1	1	*
Base	*610*	*521*	*412*

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NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – actions in response to the cost crisis (3)

Impacts of cost increases	%					
	Planning ahead					
	Total	No more than monthly	No more than 3 months	No more than 6 months	No more than 12 months	Beyond 12 months
Absorbing costs	72	71	67	77	77	60
Increasing prices	59	66	67	61	49	46
Making energy efficiency improvements	56	58	49	60	58	58
Using cash reserves	46	46	47	52	47	34
Sourcing alternative materials, goods or services	45	45	36	49	57	37
Investing in the business	41	40	37	43	44	38
Adapting our products or services	34	33	37	38	34	30
Collaborating	26	23	25	30	36	13
Reducing our operations or opening hours	20	34	20	17	8	12
Sharing premises or resources	13	10	16	16	14	6
Closing for the winter	6	7	10	3	2	4
Making staff redundant	4	9	2	4	2	2
Other	4	3	3	5	5	4
None	4	3	4	4	3	12
Don’t know	1	2	1	-	-	-
Base	*610*	*155*	*128*	*135*	*106*	*48*

NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – financial concerns (1)

Financial concerns	%			
	Total	Performed well	Been steady	Struggled
Unpredictable costs	77	68	80	87
Low profit margins or losses	60	41	61	85
Low or no cash reserves	31	16	30	55
Increased interest rates on loans and debt	28	20	32	33
Restricted access to finance	20	10	19	36
Repayment of Covid-19 recovery loans	17	8	19	25
Repayment of other debt	15	8	14	28
None of these	14	21	12	5
Don’t know	1	1	1	1
Base	*610*	*224*	*235*	*149*

NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – financial concerns (1)

Financial concerns	%		
	Total	Importer	Exporter
Unpredictable costs	77	80	77
Low profit margins or losses	60	63	61
Low or no cash reserves	31	33	33
Increased interest rates on loans and debt	28	30	30
Restricted access to finance	20	20	21
Repayment of Covid-19 recovery loans	17	18	18
Repayment of other debt	15	17	16
None of these	14	12	13
Don't know	1	1	*
Base	*610*	*521*	*412*

NOTE:
*Darker shaded cells are figures that are higher than average

Additional variation – financial concerns (3)

Impacts of cost increases	%					
	Planning ahead					
	Total	No more than monthly	No more than 3 months	No more than 6 months	No more than 12 months	Beyond 12 months
Unpredictable costs	77	85	81	78	74	48
Low profit margins or losses	60	68	63	59	57	34
Low or no cash reserves	31	44	33	24	26	13
Increased interest rates on loans and debt	28	30	21	30	34	18
Restricted access to finance	20	28	19	17	18	9
Repayment of Covid-19 recovery loans	17	25	17	16	15	5
Repayment of other debt	15	22	13	17	11	4
None of these	14	8	11	15	12	37
Don't know	1	1	-	1	-	3
Base	*610*	*155*	*128*	*135*	*106*	*48*

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Ipsos Standards & Accreditations

Ipsos' standards & accreditations provide our clients with the peace of mind that they can always depend on us to deliver reliable, sustainable findings. Moreover, our focus on quality and continuous improvement means we have embedded a 'right first time' approach throughout our organisation.

ISO 20252 – is the international market research specific standard that supersedes BS 7911 / MRQSA & incorporates IQCS (Interviewer Quality Control Scheme); it covers the 5 stages of a Market Research project. Ipsos MORI was the first company in the world to gain this accreditation.

MRS Company Partnership – By being an MRS Company Partner, Ipsos MORI endorse and support the core MRS brand values of professionalism, research excellence and business effectiveness, and commit to comply with the MRS Code of Conduct throughout the organisation & we were the first company to sign our organisation up to the requirements & self regulation of the MRS Code; more than 350 companies have followed our lead.

ISO 9001 – International general company standard with a focus on continual improvement through quality management systems. In 1994 we became one of the early adopters of the ISO 9001 business standard.

ISO 27001 – International standard for information security designed to ensure the selection of adequate and proportionate security controls. Ipsos MORI was the first research company in the UK to be awarded this in August 2008.

The UK General Data Protection Regulation (UK GDPR) & the UK Data Protection Act 2018 (DPA) – Ipsos MORI is required to comply with the UK General Data Protection Regulation and the UK Data Protection Act; it covers the processing of personal data and the protection of privacy.

HMG Cyber Essentials – A government backed and key deliverable of the UK's National Cyber Security Programme. Ipsos MORI was assessment validated for certification in 2016. Cyber Essentials defines a set of controls which, when properly implemented, provide organisations with basic protection from the most prevalent forms of threat coming from the internet.

Fair Data – Ipsos MORI is signed up as a 'Fair Data' Company by agreeing to adhere to ten core principles. The principles support and complement other standards such as ISOs, and the requirements of Data Protection legislation.

This work was carried out in accordance with the requirements of the international quality standard for market research, ISO 20252 and with the Ipsos Terms and Conditions

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