

## Minutes of the Business Population and Demographics Statistics (BPDS) User Group meeting 20th May 2015

### Attendees

Andrew Allen	ONS (Chair)
Virginia Lane	ONS (Minutes)
Karen Watkins	ONS
Drew Hird	BIS
Steven White	BIS
Steve Dempsey	BIS
Gary Wainman	Companies House
Joel Marsden	GLA Economics
Michael Anyadike-Danes	Aston University
Steve Lomax	BMG Research
Lorence Nye	Association of Independent Professionals and the Self-Employed (IPSE)
Matt Wood	Insolvency Service
Abdi Mohammed	Sample Answers Ltd
James Derbyshire	Middlesex University
Marina Curran	Scottish Government (via audio link)
David Campbell	Scottish Government (via audio link)
Jennifer Turnbull	Scottish Enterprise (via audio link)
Jonathan Harvey	DFPNI (via audio link)
Darja Reuschke	St Andrews University (via audio link)
Jacqueline Carter	Manchester Metropolitan University (via audio link)
Val Antcliff	Manchester Metropolitan University (via audio link)

### Apologies

Henry Small	Welsh Government
Julian Frankish	Barclays Bank
Richard Prothero	ONS
Anne Gray	Dorset County Council
Anne-Gaelle Roche	BIS
Zenith McIntyre-Allen	Essex County Council
Stephen Oxley	Department of Energy and Climate Change (DECC)
Lise Sorensen	Crawley Borough Council
Alex Morton	South Lanarkshire Council
Rosanna Mirkovic	ACCA Global

## 1. Introductions: Including opportunity for users to say how they use BPDS data

James Derbyshire is currently using the data in formation of DEFRA Economic Geographies. He is interested in any available information about unregistered businesses.

Steve Lomax uses Business Population Estimates (BPE) data for stratification in surveys and for weighting.

Steve Dempsey uses IDBR data as a check for calculations on microdata.

Drew Hird and Steve White produce the Business Population Estimates publication. Drew explained that further information to improve understanding of business enterprises is needed, both implicitly and explicitly.

Michael Anyadike-Danes uses (exclusively) the Business Structures Database (BSD) as a research tool to explore employment growth and firms' survival.

Joel Marsden uses BPE in weights of employees and turnover in London. He uses IDBR as a sampling frame for the London Business Survey.

Matt Wood uses IDBR as a linking tool in order to link insolvency data to IDBR data.

Lorence Nye is a new user and has not yet used the data but expects to do so. He is interested in analysing the self employed data in terms of earnings.

Abdi Mohammed uses BPE for publication agency work, primarily for research purposes.

Darja Reuschke uses the data for linkages at local authority level. She is interested in micro business development.

Jacqueline Carter uses Business Demography and UK Business data for Academic research purposes. She uses the start-ups, births & deaths data to analyse entrepreneurship at local authority level.

Jonathan Harvey uses IDBR as the basis for Northern Ireland surveys, he is also interested in demographics of births & deaths data.

Jennifer Turnbull uses all of the available publications. BPE for unregistered enterprises, NOMIS (the ONS service for viewing Labour Market Statistics) is useful for business counts; UK Business publication is useful for comparisons with other regions at local authority level.

Marina Curran and David Campbell use all available publications; they produce the Businesses in Scotland publication and use the other publications for comparison purposes.

Andrew Allen explained that the main function of the Inter Departmental Business Register (IDBR) is as a sampling frame; eighty surveys are selected from the IDBR at ONS in order to produce economic statistics.

## 2. Minutes and Actions from the last meeting

**Minutes** - The minutes of the previous meeting (21 May 2014) were accepted as a true record.

**Action from previous meeting** - Steve Lomax asked if it was possible to identify where a number of multiple businesses on the IDBR were owned by a single person. Steve Lomax to send examples to Andrew Allen.

**Update** – Steve Lomax had not identified any specific examples.

## 3. Update on the Business Population Estimates (BPE) Publication (Steve White)

Steve White gave an update on the BIS BPE publication, including that the 2015 release will move forward one month from November 2015 to October 2015. He also confirmed that there will be no substantial change to either the methodology or underlying data sources, whilst the main outputs will remain the same. However, minor changes may be made to the accompanying commentary and charts in the Statistical Release. BIS are planning to enhance the regional time series by including 2011 data also this year. Issues arising will be addressed in tandem with Karen Watkins (ONS). Changes were made for 2014 in order to address PAYE and VAT registration issues (2012 showed discontinuity, 50,000 businesses). Major re-weighting informed by census data also caused uplift in Labour Force Survey (LFS) self-employment, which was also taken into account in the 2014 BPE. The main enhancement to last year's BPE 2014 publication was the inclusion for the first time of a regional time series. Steve White then asked users' if they had any specific enhancement requirements.

Steve Lomax would like to see more information on Legal Status (by size, sector, region etc.)

Lorence Nye is interested in data showing what directors pay themselves. Drew Hird said that provision of such data is unlikely. Andrew Allen said that this is an area of interest, particularly with regard to growth in small limited companies. Drew Hird said that sharing such information is bound by legal constraints; however he will explore the issue further.

James Derbyshire expressed an interest in disaggregated estimates of unregistered businesses, dependent self employed people with only one client; these are not really entrepreneurs and very little data is available on them. Drew Hird confirmed that he is looking at income streams and is happy to discuss the topic further.

## 4. Update on UK Business: Activity, Size and Location Publication Increasing the scope to include the unmatched PAYEs Users to give feedback on the new Data Explorer tool

At last year's meeting the possible cessation of the UK Business Publication was discussed, however, a decision was made to continue producing the statistical bulletin but stop producing the Excel reference tables. The data were disseminated instead via the new data explorer tool. The data explorer tool is in a Beta version and users were asked for their feedback on using it.

Steve White commented on his inability to generate Excel output tables (though he produced CSV format); Karen agreed to discuss this further outside of the meeting.

Joel Marsden told the group that he had experienced difficulty in using this version in comparison with previous tables, which were easier to use.

Marina Curran said that an Open data platform is under development for the Scottish publication.

Steve Lomax commented that he had not yet used it and Karen Watkins agreed to send Steve a link.

Karen thanked the group for the feedback and said that she will pass it on to the developers.

Karen explained that the 2015 publication will be published in October. The main change this year will be the bringing closer together of UK Business with BPE and Business Demography publications. Following an exercise in collaboration with HMRC around 100,000 unmatched PAYES will be included. These are PAYE registered businesses without a matching VAT registration, which were held off IDBR because of a duplication risk, for example in hairdressing, where employment costs are low (below the PAYE threshold.)

**Action: Karen Watkins to send data explorer link to attendees.**

## **5. Update on Business Demography Publication Inclusion of Employer Business Demography Possible inclusion of High Growth analyses**

The Business Demography publication is scheduled for publication at the end of November/beginning December 2015.

A new delivery of Employers' Demography is required under regulation for Eurostat and this may be incorporated into the Business Demography publication, along with high growth data (businesses with 10+ employees showing an average annualised growth greater than 10% per annum over a 3 year period).

The challenge will be to publish the Employers' Demography data without confusing users as the definition of an employer birth or death is very different to the definition of a birth and death for normal demography. Businesses become an employer birth or death depending on whether the business starts or stops employing people.

Excel reference tables will be produced this year. In the future the data may be disseminated on the Data Explorer tool in addition to the Excel tables.

Andrew Allen asked for comments on the possible inclusion of the new data.

Michael Anyadike-Danes commented that the most important thing is jobs data. Business population of the employer universe is of paramount importance.

Drew Hird said that the language used within the Business Demography publication for births and deaths can be misleading because it can currently take many years for some businesses to make it on to the register. More appropriate would be "attaining a size" (for births) and "no longer attaining a size" (for deaths.) The terms births and deaths have been used as these are the standard terms used across Europe.

Steve Lomax asked whether IDBR data includes Companies House data that may not be VAT or PAYE registered. Andrew Allen responded that ONS' remit was to include anything contributing to GDP; however, the smaller unregistered businesses are not currently on the IDBR because ONS does not have access to an appropriate administrative source. The Register is governed by legal gateways i.e. there are currently legal gateways in place for PAYE and VAT. Access to Corporation Tax data and Self Assessment data could provide a more complete picture of the business population should a suitable legal gateway be established. Drew Hird said that BPE estimates the whole population using the Labour Force Survey where businesses have responded to the survey stating that they are self employed.

## **6. Discussion about bringing the UK Business and BPE Publication closer together**

Drew Hird explained that the goal is to simplify what we produce and how we can bring the publications closer together. The Statistics Authority raised similar points in the last review of business population and demographic data, saying that we need to produce more coherent and cohesive statistics. BIS and ONS are looking to change the scope of UK Business, which could become a subset of BPE, bringing it in line with BPE would provide a better whole economy picture. There are 'point in time' issues, due to a three month gap, as UK Business data relates to activity in March, whilst, BPE is measured from the start of January.

Users were asked whether bringing the two closer together would be helpful and also whether timing would be an issue to them.

Attendees agreed that they are currently happy with the way the two publications coexist, as each has its own useful story to tell. Drew said that it is important to align the publication dates and ensure that a consistent commentary is published.

## **7. Future Inter-Departmental Business Register (IDBR) developments**

Andrew Allen explained that the European System of Business Registers project was trying to achieve greater consistency across EU registers. He also explained about the proposed new regulation on business statistics called FRIBS.

## **8. Update on Companies House developments**

More data (in the form of pdfs and images) will be released into the public domain as Companies House (CH) moves toward its new 'Single Service', through which it will provide data free of charge. The change is due to take place during June 2015. CH is reviewing statistics currently published via its website and may change the portfolio of what is produced.

Michael Anyadike-Danes asked why the data is paper based. Gary Wainman explained that CH takes in a paper based product through scanning. Some annual company accounts are supplied in XBRL format and are not analysed.

## **9. Businesses in Scotland – forthcoming plans**

Businesses in Scotland 2015 will be published in October/November.

Developments this year will include:

- Revising the back series to take account of the latest Annual Population Survey (APS), which are now in line with the 2011 population estimates. The APS estimates are used to estimate the number of unregistered businesses in Scotland.
- Providing further breakdowns of the VAT/PAYE registered business stock by the Scottish Government urban/rural area classification.
- Providing further breakdowns of the VAT/PAYE registered business stock by employee size-band – to allow, for example, more information to be provided for micro businesses (0-9 employees).

## **10. Update on micro business research resource**

There is a new initiative to look at data on smaller businesses. During 2014 ONS convened with interested parties to draw together information to increase the number of datasets visible online. A website will be set up via a "Microbusiness Business Portal"; the aim of which is to provide details of unregistered businesses, linking to data sources. The initial idea is to create the portal with a view to providing more detail on the website, including metadata.

A panel is to be set up to decide upon a publication strategy to advertise its existence. Longer term special analysis may be a possibility. Data sources include market location (118) Experian and DnB. The new website, which is funded by ONS in collaboration with St Andrews and Middlesex Universities, will go live during September 2015.

## **11. Discussion about future BPDS meetings Are users happy with the location, frequency and format of the meetings? Can more be done to engage with users? Comments and feedback welcome**

Users agreed that the location, frequency and format of BPDSUG meetings is adequate and fit for purpose.

Steve Lomax commented that there is a problem with signposting on the ONS website; Karen Watkins said that this will be fed back.

## **12. A.O.B**

Michael Anyadike-Danes said that the Enterprise Research Centre has, over the course of the last year, constructed a longitudinal business database, encompassing 1997 until 2013. Access to this data is available through the VML; the code used in construction of the database is also available for all VML users.

Work is being carried out on job creation and destruction between 1997 until the present day; looking at the impact of the recession.

High Growth rates are being looked into, looking more closely at repeated events; 'How does a High Growth episode prevent a business from disappearing?' High Growth period over three years, rolled together are being looked at and updated annually.

Joel Marsden asked whether any breakdown was available spatially for the regions; Michael Anyadike-Danes responded that some special work is being carried out for LEPs and is ongoing.

**Andrew Allen thanked everyone for their feedback and comments and confirmed that BIS will chair the next BPDS user group meeting, planned for spring 2016.**