



DCMS Sectors Economic Estimates 2017 (provisional): Business Demographics



* 'DCMS sectors' excludes Civil Society

- In **2017**, there were **623,000** UK businesses in DCMS sectors (excluding Civil Society).
- The number of businesses in DCMS sectors (excluding Civil Society) accounted for more than a **quarter** of the total number of businesses in the UK non-financial business economy (UK NFBE)...
- ...and **grew at a faster rate** (2.4% increase since 2016) than the wider UK NFBE (0.9%).
- Of all UK businesses in the DCMS sectors (excluding Civil Society) in 2017, nearly **9 in 10** (88.2%) employed fewer than 10 people – quite similar to the proportion for the wider UK NFBE (89.2%).
- The **vast majority** (99.0%) of businesses in DCMS sectors (excluding Civil Society) in **2016¹**, were **UK-owned**, matching exactly the proportion of UK-owned businesses in the wider UK NFBE.

¹ Latest available data on ownership are for 2016.

This release provides estimates of the number and size of businesses within the DCMS sectors. Other economic measures, such as GVA, employment, and trade are available in separate publications. These releases enable stakeholders to evaluate the economic contribution of DCMS sectors, which are not traditional National Account sectors, and to understand how current and future policy interventions can be most effective. The DCMS sectors cover:

- Civil Society*
- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms
- Tourism

*Civil Society figures are not available on a basis consistent with the other DCMS sectors. Estimates for the Civil Society are included in Annex A.

Please note that the 2017 estimates are provisional and subject to revisions. More information is available in the Introduction.

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Chapter 1: Introduction

Code of Practice for Statistics

The [DCMS Sector Economic Estimates series](#)² is an [Official Statistic](#)³ and has been produced to the standards set out in the [Code of Practice for Statistics](#)⁴ (the ‘Code’). The series has recently been assessed as to the extent to which it complies with the Code, for the purpose of designation with National Statistics status. The Office for Statistics Regulation (OSR) published a [report](#)⁵ outlining their findings in December 2018.

Background

Released: 30 January 2019

Geographic Coverage: United Kingdom (unless otherwise stated)

This release provides estimates for the number of businesses in DCMS sectors. These numbers are further broken down by:

- The number of people they employ
- The turnover they generate
- Their ownership status (i.e. UK- vs. foreign-owned)
- Their involvement in international trade

The release also provides estimates for the number of UK business sites⁶ in DCMS sectors, by region and devolved administration.

Estimates are available for 2017 (provisional), except for the analyses by region and ownership status where only 2016 are currently available⁷.

The Office for National Statistics (ONS) are the providers of the underlying data used for the analysis presented within this release⁸. As such, the same data sources are used for DCMS estimates as for national estimates, enabling comparisons to be made on a consistent basis. However, please note that there was a structural break in ONS business survey data between 2015 and 2016⁹. Therefore estimates of the number of businesses in DCMS sectors have not been published for reference years prior to 2016 to discourage inappropriate comparisons.

The DCMS Sectors cover:

- Civil Society*
- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms

A definition for each sector is available in the associated [methodology note](#)¹⁰, along with details of methods and data limitations. There is significant overlap between DCMS sectors so users should be aware that the estimate for **“DCMS sectors total” is lower than the sum of the individual sectors.**

* Estimates for parts of the Civil Society are given in Annex A but these are based on different data sources and should not be compared directly to the other DCMS sector estimates.

² <https://www.gov.uk/government/collections/dcms-sectors-economic-estimates>

³ <https://www.statisticsauthority.gov.uk/about-the-authority/uk-statistical-system/types-of-official-statistics/>

⁴ <https://www.statisticsauthority.gov.uk/code-of-practice/>

⁵ <https://www.statisticsauthority.gov.uk/publication/dcms-sectors-economic-estimates/>

⁶ Information on the number of UK business sites differs to the number of UK businesses as a business may have more than one site.

⁷ The time lag between the publication date and the reference period for the statistics is due to the time it takes to collect and process the data.

⁸ Whilst ONS are the providers of these data, they bear no responsibility for their further analysis and interpretation within this publication.

⁹ Further information is available at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusinesseconomy/2017provisionalresult>

¹⁰ <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology>

Definition of Tourism within this release

The methodology used to produce estimates for Tourism within this release differs to that used in other [DCMS Sectors Economic Estimates releases](#)¹¹. This release is based on a “tourism industries” approach, which counts any establishment for which the principal activity is a tourism characteristic activity. This differs to the direct approach used in DCMS GVA and Employment releases and the [Tourism Satellite Account](#)¹², which estimates the direct economic impact of tourism (or tourists) within the tourism industries. As such, the estimates for Tourism within this release account for a greater proportion of the DCMS sectors (excluding Civil Society) total.

Summary

In summary, the data presented in this report on businesses:

- Are based on Official Statistics data sources
- Are based on internationally-harmonised codes, meaning the estimates are:
 - Comparable at both a national and international level.
 - Comparable over time, allowing trends to be measured and monitored.
 - Subject to limitations of the underlying classifications of the make-up of the UK economy. For example, the SIC codes were developed in 2007 and have not been revised since. Emerging sectors, such as Artificial Intelligence, are therefore hard to capture and may be excluded or mis-coded.
- Are based on survey data (Annual Business Survey) and, as with all data from surveys, there will be an associated error margin surrounding these estimates¹³.
 - This means we cannot say an estimate of, for example, 20% is very accurate for the whole population. Our best estimates, from the survey sample, suggest that the figure is 20%, but due to the degree of error, the true population figure could perhaps be 18% or 22%.
 - This is not an issue with the quality of the data or analysis; rather it is an inherent principle when using survey data to inform estimates.
- Are using the most up to date data and based on assumptions to estimate the value for where this is not possible. Whilst robust, there will likely be future revisions to account for:
 - The receipt of additional data from businesses responding late to the Annual Business Survey (ABS)
 - The correction of errors to existing data by businesses responding to the ABS.

Alternative economic measures of DCMS Sectors are produced by other organisations, including DCMS’s Arm’s Length Bodies. A summary of these statistics and the varying methodologies used is available in Annex B of this report.

¹¹ <https://www.gov.uk/government/collections/dcms-sectors-economic-estimates>

¹² <https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/bulletins/uktourismsatelliteaccountuktsa/2016>

¹³ Sampling error is the error caused by observing a sample (as in a survey) instead of the whole population (as in a census). While each sample is designed to produce the “best” estimate of the true population value, a number of equal-sized samples covering the population would generally produce varying population estimates.

Chapter 2: Number of businesses

This section provides estimates of the number of UK businesses¹⁴ in each DCMS sector (see Annex A for estimates on the Civil Society). These data are from the Annual Business Survey (ABS).

Due to the way businesses are defined in this publication, the estimates do not include small businesses below the VAT or PAYE thresholds. Further information on methodology is available in the published [methodology note](#)¹⁵.

As mentioned previously¹⁶, estimates have not been published for reference years prior to 2016 due to a **structural break in ONS business survey data**¹⁷ between 2015 and 2016.

Summary

In 2017, DCMS sectors (excluding Civil Society) accounted for **25.6%** of all businesses in the UK non-financial business economy, with approximately **623 thousand** businesses. This represented an increase of 2.4% from 2016 (when the number of businesses in DCMS sectors was around 609 thousand). The increase was greater than that of the UK non-financial business economy (UK NFBE) as a whole, which grew by 0.9% over the same time period. The proportion of the economy accounted for by DCMS sectors (excluding Civil Society) remained relatively stable, with just 0.4 percentage points between the 2016 (25.2%) and 2017 figures.

When interpreting results for individual DCMS sectors, readers should bear in mind that there is significant overlap between the sectors, so it is difficult to make comparisons between them. These overlaps are explained below.

Understanding DCMS sector overlaps

For each DCMS sector, definitions were developed individually, based on internal, UK or international best practice/standards for that sector. With the exception of Civil Society, all definitions used in this release are based on the Standard Industrial Classification 2007 (SIC) codes. Some of the SIC codes were allocated into more than one sector when the sector definitions were developed. Therefore, bringing the sectors together creates overlap between them. Figure 2.1 overleaf shows these overlaps and how much each sector contributes to the DCMS total. Due to these overlaps, adding up the individual sector business numbers would give a total greater than the actual value.

¹⁴ Within this release, a business is defined as any Reporting Unit held on the Inter-Departmental Business Register (IDBR). A business is held on the IDBR if it is registered for Value Added Tax (VAT) with HM Revenue and Customs (HMRC), registered for a Pay As You Earn (PAYE) scheme with HMRC, or an incorporated business registered at Companies House. Prior to February 2018, we published estimates on the number of enterprises. For further information on the difference between these two units, please refer to Annex B.

¹⁵ <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology>

¹⁶ <https://www.ons.gov.uk/file?uri=/businessindustryandtrade/business/businessservices/datasets/uknonfinancialbusinesseconomyannualbusinesssurveyqualitymeasures/current/absqualitymeasures.xls>

¹⁷ Further information is available at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusinesseconomy/2016provisionalresults>.

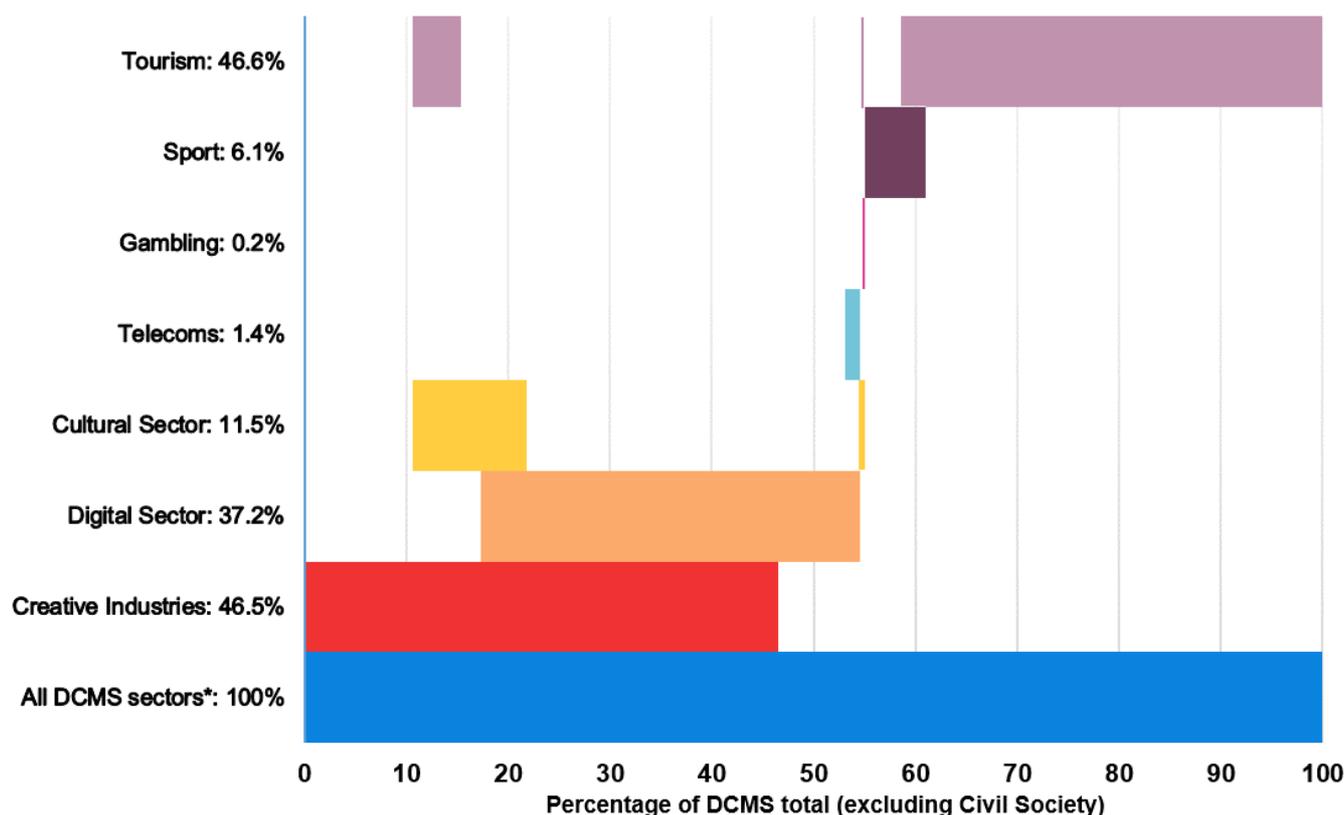
How accurate are these data?

1. As in all surveys, the estimates from the ABS are subject to various sources of error. Sampling errors are available at a 4 digit level. Further information on the quality of the ABS data is published by the ONS.

2. The ONS ensures that published estimates are as accurate as possible. However, if significant changes are made to source data after publication, then estimates will be revised. Revisions do arise as part of the normal course of operation of the ABS, due to either the receipt of additional data from late responding businesses or the correction of errors to existing business data.

Figure 2.2 (also overleaf) outlines the overlaps shown in Figure 2.1 and the proportion of DCMS businesses in these overlaps. For example, 4.5% of the businesses in DCMS sectors sit within all three of the Creative Industries (Sector 1 column), Digital (Sector 2 column) and Cultural (sector 3 column) sectors, but in no other sectors. These businesses include those involved in broadcasting and motion picture, video and TV production. When calculating the DCMS sector total, these businesses are only counted once rather than three times.

Figure 2.1: Percentage overlaps in business numbers in DCMS sectors (excluding Civil Society)^a, 2017(p)^b



*All DCMS sectors' excludes Civil Society

Figure 2.2: Business numbers and overlaps in DCMS sectors (excluding Civil Society)^a, 2017(p)^b

Sector 1	Sector 2	Sector 3	Number of businesses (000s)	% of DCMS total	% of UK total
Creative Industries	Digital Sector	Cultural Sector	28.3	4.5	1.2
Creative Industries	Cultural Sector		11.1	1.8	0.5
Creative Industries	Digital Sector		153.9	24.7	6.3
Digital Sector	Telecoms		8.5	1.4	0.3
Tourism	Cultural Sector	Creative Industries	30.6	4.9	1.3
Tourism	Cultural Sector		0.4	0.1	0.0
Tourism	Sport		15.7	2.5	0.6
Tourism	Gambling		1.1	0.2	0.0

Notes

- a. Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- b. The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

Chapter 2 of the [methodology note](#)¹⁸ illustrates the overlap between SIC codes in DCMS Sectors¹⁹, but does not provide the number/proportion of businesses within these overlaps. For the overlap between sectors in terms of the number of businesses, please refer to Figures 2.1 and 2.2 in this document.

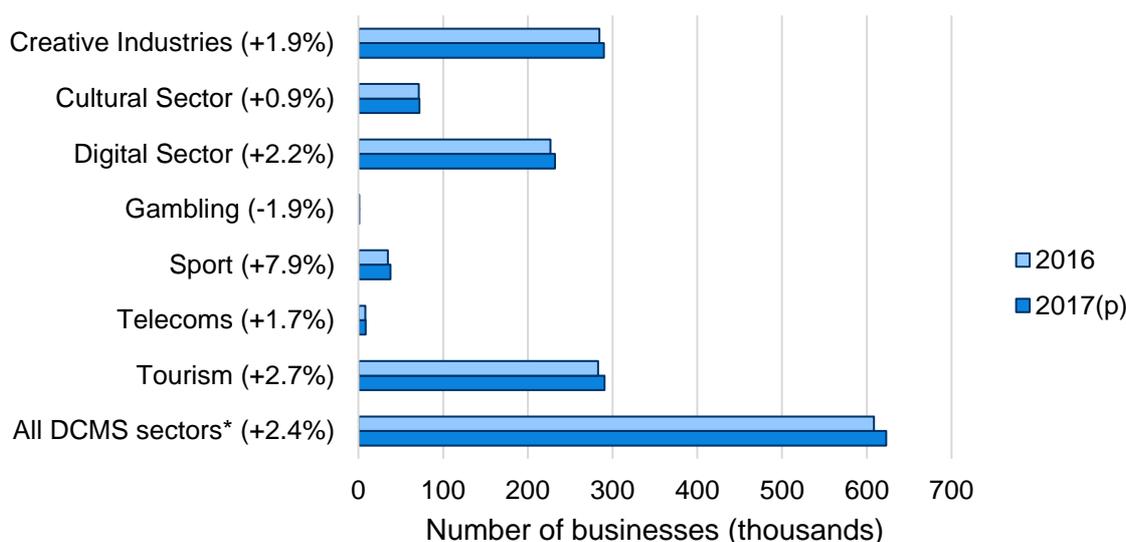
Detail on individual DCMS sectors

The DCMS sectors with the largest number of businesses in 2017 were Tourism and Creative Industries, which each made up about half of the total number of businesses in DCMS sectors (excluding Civil Society).

In 2017, there were around 290 thousand businesses in the Creative Industries sector, an increase of 1.9% from 284 thousand in 2016. This was greater than the rate of growth in the wider UK NFBE (0.9%). Overall, businesses in Creative Industries accounted for 11.9% of UK non-financial businesses, or 46.5% of the total number of businesses in DCMS sectors (excluding Civil Society).

Within the Creative Industries sector, 'IT, software and computer services' was the largest sub-sector, with nearly 145 thousand businesses (almost half of all Creative Industries businesses) in 2017. This sub-sector grew by 2.5% between 2016 and 2017, driving the majority (66.0%) of the growth in the total number of businesses in the Creative Industries over the same period.

Figure 2.3: Number of UK businesses in DCMS sectors (excluding Civil Society)^{a,b} and percentage change on the previous year^c: 2016 and 2017(p)^d



*All DCMS sectors' excludes Civil Society

Notes

- Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- Please note that the number of businesses in the Gambling Sector is too small to be visible on this graph.
- Percentage change between 2016 and 2017 is included in brackets next to the sector names.
- The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

¹⁸ <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology>

¹⁹ See Figure 2.1 at: <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology>

As indicated in Figure 2.1, there is substantial overlap between the Creative Industries and Cultural Sector and also between the Creative Industries and Digital Sector, with some SIC codes (accounting for 4.5% of businesses in DCMS sectors) appearing in all three sector definitions. This has a tendency to drive trends in these sectors in the same direction. For example, the ‘Computer programming, consultancy, and related activities’ sub-sector of the Digital Sector has some SIC codes in common with the largest Creative Industries sub-sector (‘IT, software and computer services’). Like ‘IT, software and computer services’ drove the majority of the overall growth in Creative Industries business numbers, the ‘Computer programming, consultancy, and related activities’ drove the majority (70.6%) of the growth in the number of businesses in the Digital Sector between 2016 and 2017.

As another example, sub-sectors containing businesses with film and TV as their main activities were within the top three largest sub-sectors for all three of Creative Industries, the Cultural Sector, and the Digital Sector. The numbers of these types of businesses increased compared to 2016, contributing to an overall increase in numbers of businesses within these three sectors:

- Businesses in ‘Film, TV, video, radio and photography’ represented 11.4% of businesses in the Creative Industries, and their numbers increased by 0.4% from 2016. As stated above, the overall number of Creative Industries businesses was up 1.9% since 2016.
- ‘Film, TV and music’ accounted for 40.3% of Cultural Sector businesses and the number of businesses in this sub-sector increased by 1.2% between 2016 and 2017. The size of the Cultural Sector as a whole increased by 0.9% in the same period, as did the wider UK non-financial economy.
- The ‘Film, TV, video, radio and music’ sub-sector contributed 12.2% to the total number of businesses in the Digital Sector, and grew at a rate of 1.3% since 2016. The sector total for the Digital Sector grew by 2.2% between 2016 and 2017, greater than the average rate of growth of the UK non-financial economy (0.9%).

Differences in the findings for the Creative Industries, Cultural Sector and Digital Sector will be driven by SICs or sub-sectors unique to each sector:

- Activities like public relations and communications; architecture; advertising; and translation and interpretation were unique to the Creative Industries.
- SICs covering the manufacture of musical instruments; the reproduction and retail sale of recorded media; and the operation of historical sites and buildings and similar visitor attractions all appear within the Cultural Sector, but not the Creative Industries or Digital Sector.
- Sub-sectors covering the manufacture, retail, and repair of electronics, computers and other communication equipment (among others) were exclusive to the Digital Sector.

The Tourism Sector was just as large as the Creative Industries in 2017. It consisted of over 290 thousand businesses, an increase of 2.7% since 2016, when the figure was around 283 thousand. This growth rate was greater than that of the wider UK NFBE (0.9%). Overall, businesses in the Tourism Sector accounted for 11.9% of UK non-financial businesses, or 46.6% of the total number of businesses in DCMS sectors.

Like the Creative Industries, the Tourism Sector also has extensive overlaps with other sectors. The entire Gambling Sector overlaps with Tourism²⁰, as does over a third of the Sport Sector²¹. There is also overlap between Tourism, Creative Industries, and Cultural Sector, which includes activities like the performing arts, and the operation of arts facilities, museums and galleries. Activities within the Tourism Sector but no other DCMS sectors include those associated with the transportation of passengers and the rental of transport equipment, and activities like the operation of amusement parks, zoos and botanical gardens.

In terms of the remaining DCMS sectors:

- Sport was the fastest-growing sector. It grew by 7.9% between 2016 and 2017, outstripping the average rate of growth of the UK NFBE (0.9%). In terms of the real number of businesses, this represented an increase of around 2,800. Sport therefore accounted for 19.1% of the overall growth in the number of businesses in DCMS sectors (excluding Civil Society) between 2016 and 2017, despite only accounting for 6.1% of the number of DCMS sector businesses in 2017.
- Telecoms also grew at a faster rate (1.7%) than the wider UK NFBE between 2016 and 2017.
- The number of businesses in the Gambling sector decreased by 1.9% between 2016 and 2017. The Gambling sector is known to be a small and volatile sector, and the real difference in the number of businesses in this sector between 2016 and 2017 is fewer than 50 businesses.

²⁰ The overlap between the entirety of the Gambling Sector and the Tourism Sector is caused by the particular method used to define the Tourism Sector in this release. The definition used here for Tourism covers the "tourism industries" - all establishments for which the principal activity is a tourism characteristic activity.

²¹ The overlaps between Sport and Tourism are in business activities like the retail and renting of sporting goods and other equipment for recreation.

Chapter 3: Size of businesses

This section provides estimates of the number of UK businesses²² in each DCMS sector (excluding Civil Society) by size. These data are from the Annual Business Survey (ABS).

Business size can be measured by either the number of employees, or turnover (the value of sales, work done and services rendered by businesses, excluding VAT). For ease of analysis, number of employees and turnover are grouped into bandings.

Due to the way businesses are defined in this publication, the estimates do not include small businesses below the VAT or PAYE thresholds. This is particularly pertinent for interpreting the results within this chapter, because it means the number and proportion of businesses in the smallest employee and turnover sizebands are likely to be an underestimate. Further information on methodology are available in the published [methodology note](#)²³.

As mentioned previously, estimates have not been published for reference years prior to 2016 due to a **structural break in ONS business survey data**²⁴ between 2015 and 2016.

Size of businesses by employment band

On the whole, businesses in the DCMS sectors (excluding Civil Society) followed a very similar size distribution to businesses in the wider UK non-financial business economy (UK NFBE) in 2017 (see Figure 3.1). The vast majority (88.2%) of businesses in DCMS sectors fell into the micro (0-9) employee sizeband. This was similar to the average for the non-financial economy (89.2%).

Fewer businesses in DCMS sectors (excluding Civil Society) fell into the small (10-49) and medium (50-249) employee sizebands (10.2% and 1.3%, respectively), with very few (0.3%) in the large (250+) sizeband. Again, these results were similar to those for the UK NFBE on average.

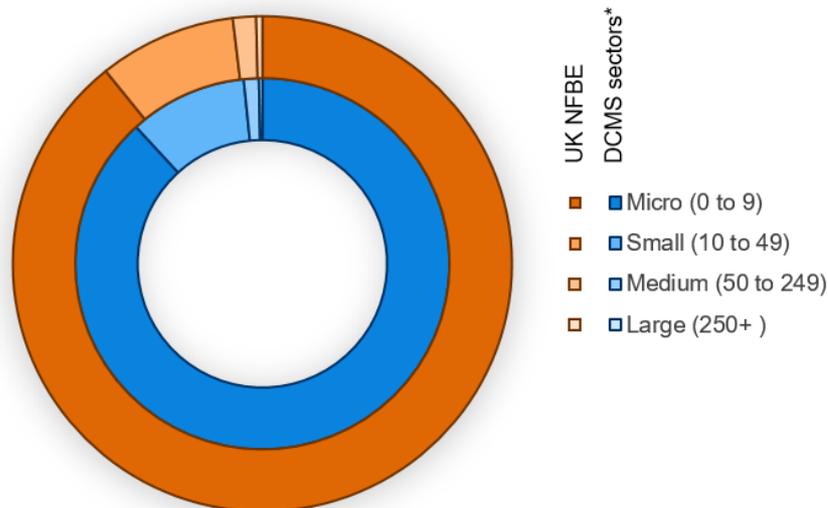
²² Within this release, a business is defined as any Reporting Unit held on the Inter-Departmental Business Register (IDBR). A business is held on the IDBR if it is registered for Value Added Tax (VAT) with HM Revenue and Customs (HMRC), registered for a Pay As You Earn (PAYE) scheme with HMRC, or an incorporated business registered at Companies House.

²³ <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology>

²⁴ Further information is available at:

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusinesseconomy/2016provisionalresults>.

Figure 3.1: Percentage of businesses in each employment sizeband in DCMS sectors (excluding Civil Society)^a and the wider UK non-financial business economy (UK NFBE): 2017(p)^b



*'DCMS sectors' excludes Civil Society

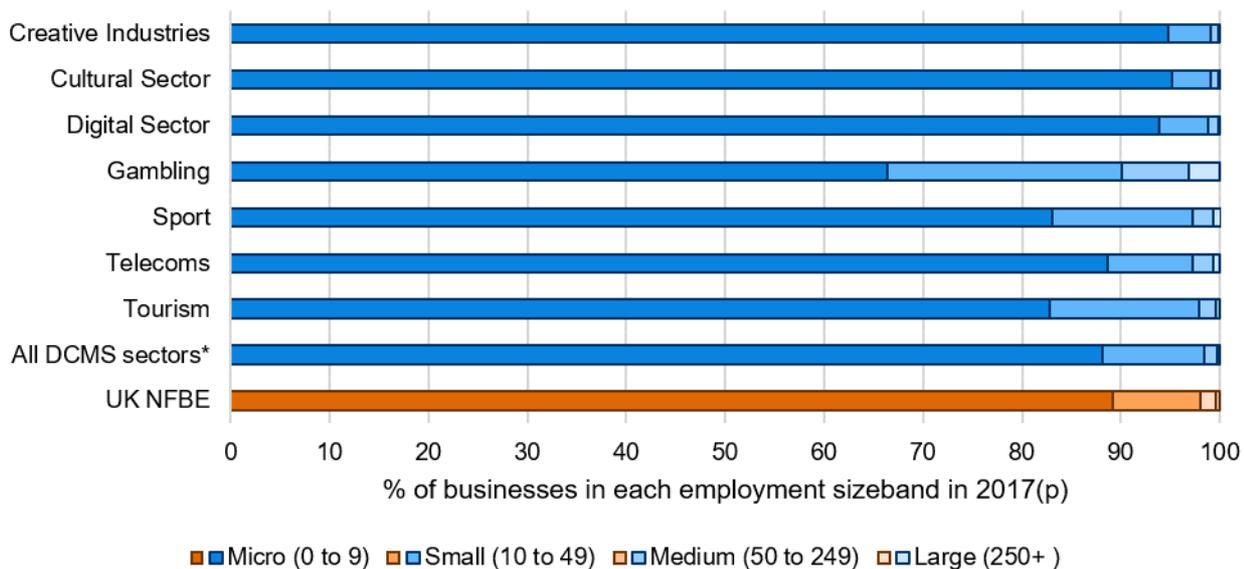
Notes

- a. Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- b. The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

Although on the whole the size distribution of businesses in DCMS sectors (excluding Civil Society) was very similar to the wider UK non-financial business economy in 2017, some individual sectors showed different patterns:

- The Creative Industries, Cultural Sector and Digital Sector all had greater proportions of micro businesses (94.8%, 95.2% and 93.9%) compared to the UK NFBE average (89.2%). In terms of individual sub-sectors within these sectors:
 - All Creative Industries sub-sectors had a similar or higher proportion of micro businesses when compared to the average, apart from 'Museums, galleries and libraries'.
 - Similarly, 'Museums and galleries' and 'Library and archives' along with 'Operation of historical sites and similar visitor attractions' were the only sub-sectors in the Cultural Sector with lower proportions of micro businesses than the UK NFBE as a whole.
 - Within the Digital Sector, only the manufacturing and wholesale sub-sectors had lower proportions of micro businesses compared to the UK average, with the remaining seven sub-sectors showing similar or greater proportions of micro businesses than the UK NFBE.
- The Gambling sector had greater proportions of small (23.7%), medium (6.8%), and large (3.1%) businesses than did the UK non-financial business economy (8.9% small, 1.5% medium, and 0.4% large). The Sport sector also followed this pattern.
- The Tourism sector had a lower proportion of micro businesses (82.8%) compared to the UK non-financial average (89.2%), but a greater proportion of small businesses (15.1% compared to 8.9%).

Figure 3.2: Percentage of businesses in each employment sizeband for all DCMS sectors (excluding Civil Society)^a and the wider UK non-financial business economy (UK NFBE): 2017(p)^b



Notes

- a. Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- b. The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

Size of businesses by turnover band

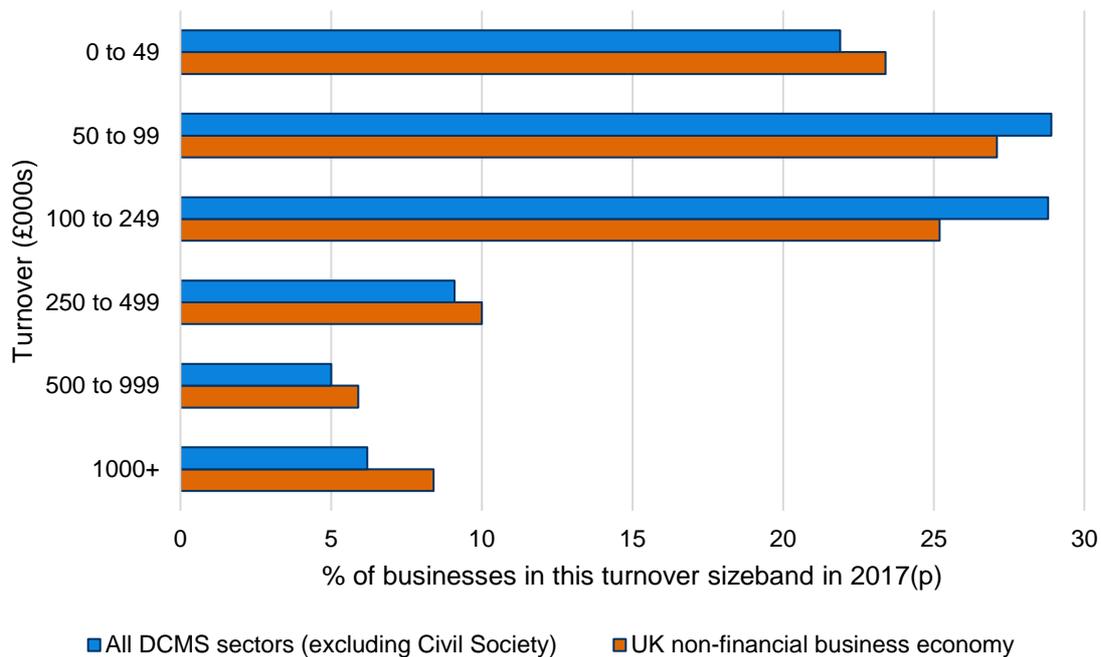
Businesses in DCMS sectors (excluding Civil Society) tended to have lower turnovers than those in the wider UK non-financial business economy in 2017, with a greater proportion in some of the lower turnover sizebands compared to the UK non-financial business economy (UK NFBE) average. In 2017:

- 28.9% of DCMS sector businesses had a turnover in the range £50,000 to £99,999 compared to 27.1% for the wider UK NFBE²⁵.
- 28.8% of businesses in DCMS sectors had a turnover between £100,000 and £249,999 compared to 25.2% for the wider UK non-financial economy.
- 20.3% of businesses in DCMS sectors were in the turnover range of £250,000 and above, whilst 24.3% of the UK NFBE were in the same range.

Compared to 2016, on the whole, the proportion of DCMS sector businesses in the two lowest turnover bands (covering turnovers of £0 to £99,999) decreased in 2017, with the proportion in turnover bands of £100,000 and over increasing. A similar result was seen for the UK non-financial business economy as a whole.

²⁵ As mentioned previously, smaller businesses may exist that are not counted here.

Figure 3.3: Percentage of businesses in each turnover sizeband in DCMS sectors (excluding Civil Society)^a and the wider UK non-financial business economy (UK NFBE): 2017(p)^b



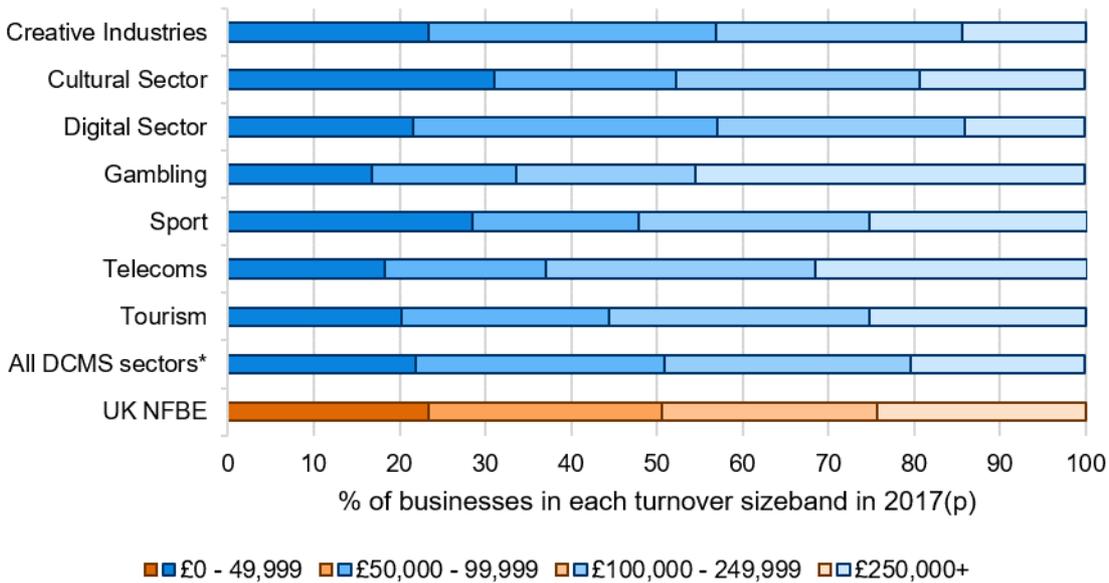
Notes

- a. Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- b. The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

Although the majority of DCMS sector businesses reported turnovers between £50,000 and £249,999 in 2017 (with fewer businesses in the higher turnover bands) some individual sectors showed different patterns. Notably:

- 31.0% of businesses in the Cultural Sector and 28.5% in the Sport Sector had a turnover of £0 to £49,999, compared to the UK non-financial economy average of 23.4% and the DCMS average of 21.9%.
- 63.0% of businesses in the Telecoms Sector had a turnover of over £100,000. The figure was closer to one half for DCMS sectors (excluding Civil Society) overall, and for the UK NFBE.
- 45.4% of businesses in the Gambling Sector had a turnover of over £250,000. By comparison, the figure was 24.3% for the wider UK non-financial business economy and 20.4% for DCMS sectors overall.

Figure 3.4: Percentage of businesses in each turnover sizeband^a for all DCMS sectors (excluding Civil Society)^b and the wider UK non-financial business economy (UK NFBE): 2017(p)^c



Notes

- a. The last three turnover bands (£250,000 - £499,999; £500,000 - £999,999; and £1,000,000+) are grouped into the £250,000+ band.
- b. Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- c. The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

Chapter 4: Regional distribution of business sites

This section provides information on the **number of business sites** across the UK²⁶. Data are available for 2016. The reason for the additional lag in the regional data compared to the national data is due to the publication schedule for ABS results. Whilst provisional national figures for a given reference year (e.g. reference year 2017) are published in the November of the following year (i.e. November 2018), regional results are not published until the following May (i.e. May 2019). The lag is not indicative of any quality issues with the regional data, it simply reflects the usual ABS publication cycle.

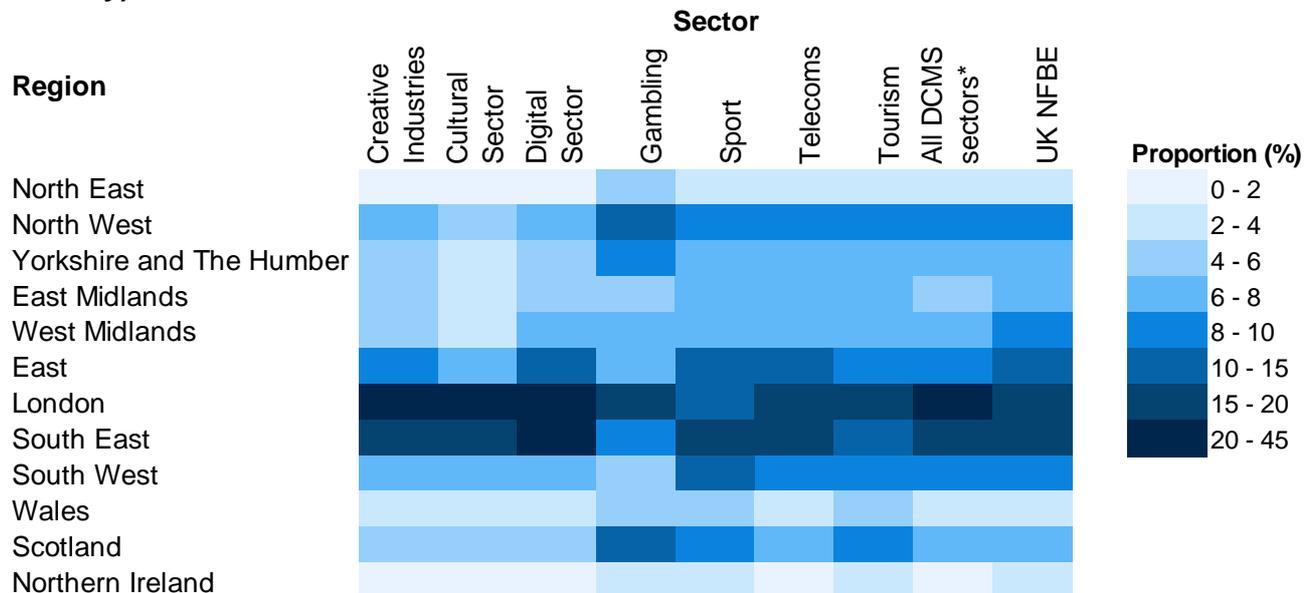
Summary

There were around 691 thousand UK business sites in DCMS sectors (excluding Civil Society), accounting for almost one quarter (24.9%) of all business sites in the UK non-financial business economy (UK NFBE) in 2016. Nearly a quarter (24.3%) of these 691 thousand were based in London. By comparison, London was home to 19.2% of local sites of businesses in the wider UK NFBE in 2016.

A further 16.4% of DCMS business sites were based in the South East, and the East of England (9.3%). The regions home to the fewest DCMS business sites in terms of absolute numbers were Northern Ireland (1.7%), the North East (2.5%) and Wales (3.4%).

Business sites in the Cultural Sector, Creative Industries and Digital Sector in particular were clustered in London with 42.9%, 33.5% and 29.9% of business sites in these respective sectors being based here. By contrast, business sites in the Gambling, Sport and Tourism sectors followed a more even regional distribution than the other DCMS sectors.

Figure 4.1: Regional distribution of business sites in DCMS sectors (excluding Civil Society)^a and the wider UK NFBE: 2016



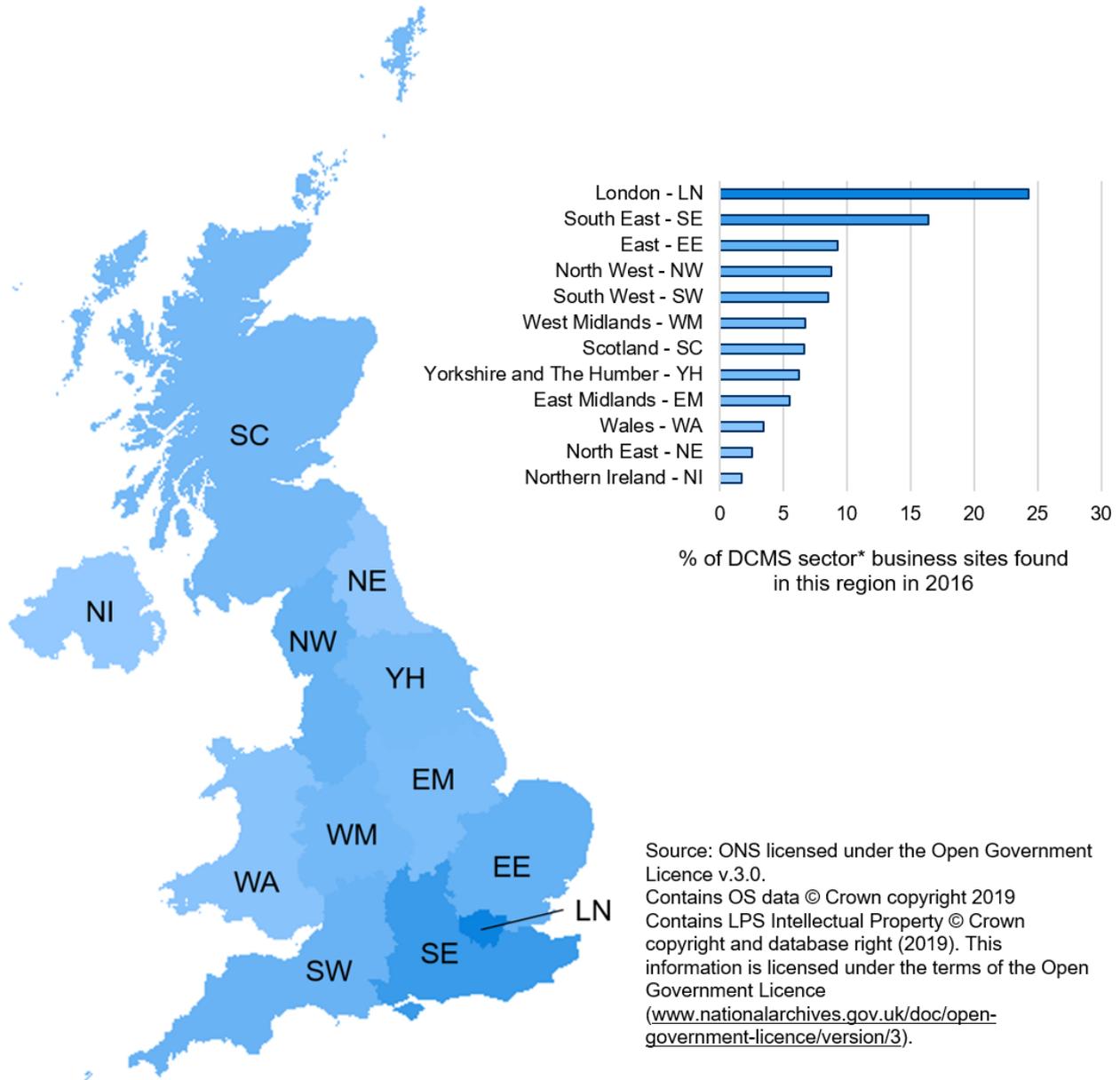
*'All DCMS sectors' excludes Civil Society

Notes

a. Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.

²⁶ Please note that the UK totals for **number of business sites** referred to in this section will differ to any references in Chapter 2 to the **number of businesses** in 2016 as one business may have multiple business sites.

Figure 4.2: Regional distribution of DCMS sector business sites: 2016



Contribution of DCMS sectors to regional economies

In terms of contribution to the regional economy, the UK region where DCMS sectors (excluding Civil Society) accounted for the largest proportion of non-financial business sites was London, where 31.6% of business sites were in DCMS sectors. This was followed by the South East where business sites in DCMS sectors accounted for 26.6% of all non-financial business sites. The region where DCMS sectors accounted for the smallest proportion of business sites was Northern Ireland, with only around a fifth (19.9%) of non-financial business sites belonging to DCMS sectors (excluding Civil Society).

Chapter 5: Foreign ownership and trade

This chapter presents information on the number of businesses in DCMS sectors (excluding Civil Society) by ownership status (UK-owned vs foreign-owned) and the number which are involved in international trade.

Businesses by ownership status

The ownership status of a business can be determined by the nationality of its parent. Where control of the business is shared, country of ownership is determined by the country of residence of the majority ultimate owner. Where businesses do not belong to an enterprise group (and are therefore not under the control of another institutional unit) they have been classified as UK-owned. Data are available for 2016 latest. The reason for the additional lag in these data compared to the national data is due to the publication schedule for ABS results. Whilst provisional national figures for a given reference year (e.g. reference year 2017) are published in the November of the following year (i.e. November 2018), results by ownership status are not published until the following summer (i.e. Summer 2019). The lag is not indicative of any quality issues with the data, it simply reflects the usual ABS publication cycle.

In 2016, the vast majority of businesses (99.0%) in the DCMS sectors (excluding Civil Society) were UK-owned, with the remaining 1.0% being foreign-owned. This was the same proportion as for the wider UK non-financial business economy (UK NFBE). However, of the businesses which were foreign-owned, those in DCMS sectors were less likely to be EU-owned compared to the non-financial economy average. Of foreign-owned businesses in DCMS sectors, 35.6% were EU-owned, compared to 41.6% in the wider UK NFBE.

The DCMS sectors with the highest instance of foreign-ownership in 2016 were Gambling (3.3% of the sector's businesses were foreign-owned) and Telecoms (3.0% foreign-owned). By comparison, only 0.5% of businesses in the Sport Sector were foreign-owned and 0.6% in Tourism.

The DCMS sector with the largest real number of foreign-owned businesses was the Digital Sector. Within the Digital Sector, 3,500 businesses were foreign-owned businesses, accounting for 58.8% of foreign-owned businesses in DCMS Sectors overall, and 14.3% of foreign-owned businesses in the wider UK non-financial business economy.

Businesses by involvement in international trade

Results around involvement in international trade are based on a question in the Annual Business Survey which asks businesses whether they have either purchased (imported) or provided (exported) goods and/or services to individuals, businesses or other organisations based outside the UK. Businesses are said to be trading internationally if they have exported and/or imported services and/or goods. Data are available for 2016 and 2017. Please be aware that the following section covers businesses in Great Britain only (i.e. results for businesses in Northern Ireland are not included).

In 2017, 13.8% of businesses in the DCMS sectors (excluding Civil Society) engaged in international trade. This was slightly lower than the average for the Great British non-financial business economy (GB NFBE) as a whole (14.3%).

The DCMS sectors with the greatest proportion of businesses trading internationally in 2017 were the Telecoms Sector (27.7% were exporters and/or importers) and the Cultural Sector

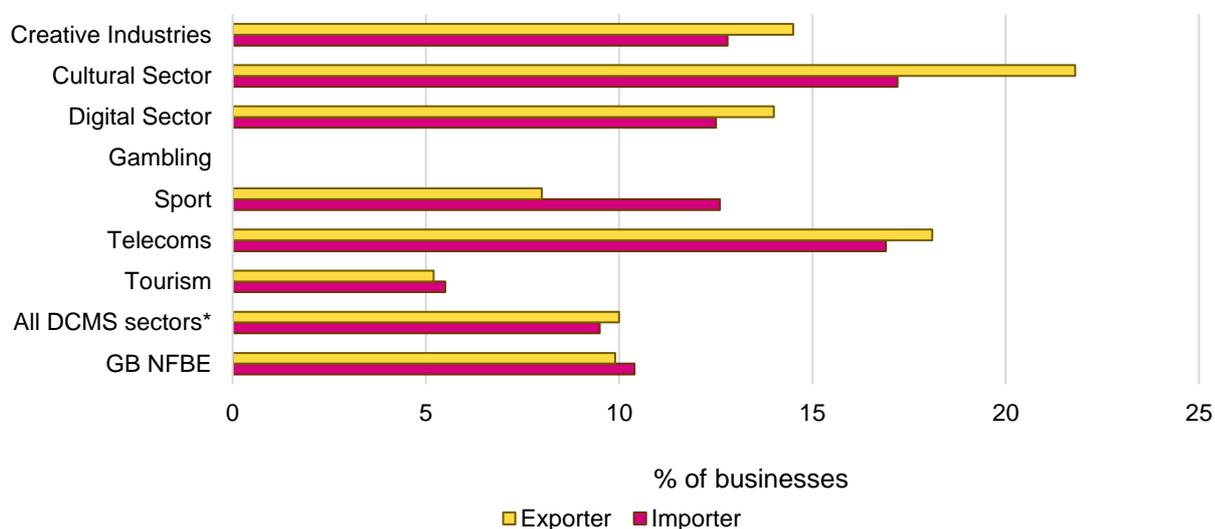
(27.4% traded internationally). Meanwhile, there were fewer than 50 exporters and/or importers in the **GB** Gambling Sector.

Of the DCMS sector businesses trading internationally in 2017:

- 72.2% were engaged in exporting (this represents 10.0% of the DCMS Sectors business population in **Great Britain** overall).
- 68.8% were engaged in importing (or 9.5% of the total DCMS business population).
- This pattern was the reverse of the wider GB non-financial business economy (GB NFBE), where businesses were more likely to be importers than they are exporters. 72.7% of the GB non-financial businesses involved in international trade were importers (or 10.4% of the whole population), whilst 69.3% were exporters (9.9% of the whole).
- 41.3% of the DCMS sector businesses involved in international trade engaged in both exporting and importing (5.7% of all DCMS businesses).
- There was an increase in the number of businesses engaged in importing. This was the case in both real terms (the number was up by 7,600 or 15.0%), and relative terms (in 2016, only 62.9% of the DCMS businesses trading internationally were engaged in importing, or 8.4% of all DCMS businesses).

There was a greater proportion of business engaged in exporting compared to importing in the Creative Industries, Cultural Sector, Digital Sector and Telecoms Sector. In contrast, there was a greater proportion of business importers in the Sport Sector, whilst the two figures were quite similar for the Tourism Sector.

Figure 5.1: Percentage of businesses^a which are exporters or importers for all DCMS sectors (excluding Civil Society)^b and the wider Great British non-financial business economy (GB NFBE): 2017(p)^c



Notes

- These percentages are based on underlying data which is rounded to the nearest 100. Therefore, although the data shows there were no businesses in the Gambling sector which traded internationally, this could be due to the numbers being less than 50 and therefore be rounded to zero.
- Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- The estimates for 2017 are provisional i.e. based on a business' initial return to the Annual Business Survey (ABS). They are subject to further revisions - an inherent part of the ABS process. 2017 final estimates for DCMS sectors will be made available as part of the next release in early 2020.

Links between foreign-ownership and trade?

According to the results of a recent experimental data-linking exercise²⁷ businesses in receipt of Foreign Direct Investment (FDI) are more likely to engage in international trade in goods than those without FDI links. The suggested cause of this, mentioned in the results, is exposure to international investors and thereby involvement in global value chains. Businesses with FDI links were also found to be much more likely to import than export compared to those without any FDI link, which were only slightly more likely to import than export.

As such, we might expect to see that sectors with higher levels of foreign-ownership would have: a) higher proportions of businesses involved in international trade; and b) higher proportions of businesses importing as opposed to exporting compared to those with lower levels of foreign-ownership.

It is, however, difficult to see this pattern within the data in this release (see Figure 5.2). There are some notable exceptions, like Gambling (which has a higher proportion of businesses which are foreign-owned, but 0.0% trading internationally) and the Cultural Sector (which has quite a low proportion of foreign-owned businesses, but a high proportion trading internationally). There are some sectors which do follow the pattern, like Sport (low-level foreign ownership, low-level international trade) and Telecoms (higher-level foreign ownership, higher-level international trade).

Figure 5.2: Percentage of businesses^a which are foreign-owned^b, exporters, importers, or exporters and/or importers, for all DCMS Sectors (excluding Civil Society)^c: 2016^d

Sector	Percentage (%) of sector which is:			
	Foreign-owned	Exporter	Importer	Exporter and/or importer
Creative Industries	1.0	14.2	10.2	18.8
Cultural Sector	0.8	19.2	12.2	24.3
Digital Sector	1.5	14.7	12.0	19.6
Gambling	3.3	0.0	0.0	0.0
Sport	0.5	7.3	12.5	14.0
Telecoms	3.0	17.1	20.7	25.6
Tourism	0.6	3.9	3.9	6.2
All DCMS sectors (excluding Civil Society)	1.0	9.6	8.4	13.4
Non-financial business economy	1.0	9.4	9.8	14.4

Notes

- These percentages for international trading status are based on underlying data which is rounded to the nearest 100. Therefore, although the data shows there were no businesses in the Gambling sector which traded internationally, this could be due to the numbers being less than 50 and therefore be rounded to zero.
- Note that the data around ownership status are based on business returns from the whole UK, whereas those around international trading status
- Estimates for the Civil Society sector are not included here because they are not available on a basis consistent with the other DCMS sectors.
- The estimates shown here for international trading status are for 2016. This is to allow them to be compared to the estimates on ownership status which are only available up to 2016.

²⁷

The reasons it may be difficult to spot these patterns could be:

- Businesses with foreign-ownership in this release, vs an FDI link in the data-linking exercise are not quite the same thing. In the data-linking exercise, it was assumed that all units within a business group had an “FDI relationship” if the group itself was identified as receiving FDI.
- The number of businesses in some DCMS sectors can be relatively small and they may not act in the same way as the rest of the wider population. Results for DCMS sectors can also be quite volatile e.g. in 2016, the Telecoms Sector had a higher proportion of importers than it did exporters, but in 2017 the situation was reversed.
- The link identified between FDI and trade in the data-linking exercise is between FDI and **trade in goods**. Meanwhile, the variable for international trade status within this release encompasses both trade in goods and trade in services:
 - There is no mention in the results of the data-linking exercise, which may mean no link was found between FDI and trade in services/between FDI and trade in goods and services overall. Therefore, we may not expect there to be any pattern in the DCMS sector results after all.
 - Around 97% of the businesses in DCMS sectors (excluding Civil Society) in 2017 were in service-based industries²⁸. This may mean few businesses in DCMS sectors are engaged in trade in goods (because their “products” are mostly services), so the effects of FDI/foreign ownership on overall trade may be dampened.

²⁸ ONS groups sections of the economy (and thereby SIC codes) into broader industry groups. See information available in chapter 3 ‘Summary of Annual Business Survey’ here: <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/methodologies/annualbusinesssurveyqmi#summary-of-the-annual-business-survey>. Using these groupings reveals 1% of businesses in DCMS sectors (excluding Civil Society) in 2017 were in ‘Production industries’, 2% in ‘Distribution industries’ and 97% in ‘Other service industries.’

Chapter 6: Next Steps

DCMS have developed a suite of economic estimates which help support policy and understand the economic impact our sectors have on the UK economy. The estimates of business numbers and characteristics in this release are expected to be used by customers both within and outside the government. In combination with other economic indicators, estimates of business numbers help build a comprehensive picture of the UK economy, and of the DCMS Sectors' importance within it.

Upcoming work in the DCMS Economic Estimates series includes:

- **Regional GVA** – On 13 February 2019, DCMS will publish 2017 (provisional) estimates of the Gross Value Added contributed by DCMS sectors in each region.
- **Earnings** – In 2019, DCMS will introduce new analysis on earnings data for Digital Sector employees based on the Annual Survey of Hours and Earnings (ASHE) dataset provided by Office for National Statistics (ONS). If there is sufficient interest in these statistics, DCMS plan to widen this analysis further in the future to include all DCMS sectors.

The date for these publications will be announced via the DCMS statistical release calendar nearer the time.

Feedback and consultation

DCMS aims to continuously improve the quality of estimates and better meet user needs. We encourage our users to engage with us so that we can improve our statistics and identify gaps in the statistics that we produce. If you would like to comment on these statistics or have any enquiries on the statistics please get in touch at evidence@culture.gov.uk.

DCMS Sector Economic Estimates series is an Official Statistic and has been produced to the standards set out in the Code of Practice for Statistics. The statistical series underwent National Statistics assessment in 2018. The Office for Statistics Regulation published a [report²⁹](#) outlining their findings from the assessment in December 2018. DCMS will work closely with the Office for Statistics Regulation to take forward the recommendations outlined in this report to improve the trustworthiness, quality and value of the series.

²⁹ <https://www.statisticsauthority.gov.uk/publication/dcms-sectors-economic-estimates/>

Annex A: Civil Society

Civil Society came into DCMS' remit following the move of the Office for Civil Society from the Cabinet Office in 2016. Civil Society is an important DCMS sector. However the structure of the sector means that the data sources used to produce business estimates for the other DCMS sectors cannot be used to produce estimates for Civil Society.

This annex provides estimates for elements of the Civil Society to provide context and to give an indication of the size of the sector. However, the following limitations should be noted:

- The estimates have been collated from a range of external sources and are not consistent with the estimates for other DCMS sectors presented in this release.
- The estimates do not cover all elements of Civil Society and are therefore an underestimate of the number of Civil Society organisations operating in the UK
- The geographical coverage of the data available differs between sources
- The methodology used for Civil Society here is different from that used to estimate GVA in current prices in the 'DCMS Sectors Economic Estimates 2017: Gross Value Added' publication³⁰. Although the current price GVA figures did not cover the whole of Civil Society either, the methodology used was consistent with the approach to estimating GVA used for other sectors so it was possible to identify overlaps with other sectors and include them in the DCMS total.

These limitations should be taken into consideration when interpreting and comparing the findings presented here.

Sector overview

The Civil Society businesses included in this section are:

- Charities registered with the Charity Commission of England and Wales.
- Community Interest Companies (CICs).
- Public Service Mutuels.

Due to data limitations, the Civil Society businesses not included in this section are:

- Any voluntary organisations not registered with the Charity Commission³¹.
- Social enterprises³².

Additional information

The 2018 National Council for Voluntary Organisation (NCVO) Almanac estimates there are approximately 390,000 Civil Society businesses in the United Kingdom.

This figure excludes estimates for unincorporated organisations, ranging from 600,000 to 900,000.

³⁰ <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2017-gva>

³¹ Some charities are not required to register with the Charity Commission. This could be the case if their income is lower than £5,000, they are excepted charities (for further information see: <https://www.gov.uk/government/publications/excepted-charities>) or they are exempt (for further information see: <https://www.gov.uk/government/publications/exempt-charities-cc23>).

³² In early 2016, Office for Civil Society (then part of the Cabinet Office) published the report 'Social Enterprise: Market Trends' (available here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/507236/SOCIAL_ENTERPRISE-MARKET_TRENDS_2015.pdf) using data from the BEIS (then BIS) Small Business Survey in 2014. One of the limitations of the report is the difficulty defining and identifying social enterprises within the data. In 2017, BEIS published an updated version of the report (available here: <https://www.gov.uk/government/publications/social-enterprise-market-trends-2017>) that looked at improving the method for identifying social enterprises in the UK small business population. However, a major limitation of the report is that it still only covers social enterprises in the small business population.

Summary:

Data collated for individual sectors within Civil Society show there are:

- 168,200 charities registered with the Charity Commission of England and Wales.
- 14,300 Community Interest Companies (CICs) in the United Kingdom.
- At least 120 Public Service Mutuals in England.

Figure A1: Number of organisations by Civil Society Sector

Sub-sector	Year	Coverage	Estimated Number of Organisations	Source
Charities	2018	England and Wales	168,200	<u>Charity register statistics</u> ³³
Community Interest Companies (CICs)	2017/18	United Kingdom	14,300	<u>CIC regulator</u> ³⁴
Public Service Mutuals	2017/18	England	120 ³⁵	<u>DCMS</u> ³⁶

Definitions

Charities

The Charities Act says that a ‘charity’ is an institution which

- is established for charitable purposes and
- is subject to the control of the High Court’s charity law jurisdiction

Figure A2 gives information regarding the number of charities in England and Wales at 31 December 2015-18 (excluding linked charities³⁷). These figures are taken from the Charity Commission for England and Wales³³.

Figure A2: Number of Charities in England and Wales: 2015-2018^a

At 31 December	Total Number of charities	Annual gross income (£bn)	Number of large charities (annual income > £10 million)	Proportion of total income accounted for by large charities (%)
2015	165,300	70.1	1,200	61.7
2016	167,100	73.1	1,200	62.2
2017	168,200	75.4	1,200	62.4
2018 ^a	168,200	77.4	-	-

Notes

- a. The end year figure for 2018 had not been published at the time of publication of this release. As such, the 2018 figure here represents the number as at 30 September 2018. Dashes (-) have been used to indicate where data are not yet available.

³³ <https://www.gov.uk/government/statistics/charity-register-statistics>

³⁴ <https://www.gov.uk/government/publications/cic-regulator-annual-report-2017-to-2018>

³⁵ Public Service Mutuals do not have a responsibility to inform Department for Digital, Culture, Media and Sport when they launch, and therefore this is likely to be an underestimate. As Public Service Mutuals are not a legal form, a large proportion will also be included in the Community Interest Company figures. A small number are likely to be included in the Charities figure.

³⁶ <https://www.gov.uk/government/publications/partnerships-for-better-public-services>

³⁷ Charities that are connected or have the same trustees can apply to be linked - this means they can prepare just one set of accounts and share a charity number.

Community Interest Companies

Community Interest Companies (CICs) are limited companies which operate to provide a benefit to the community they serve. They are not strictly 'not for profit', however, the purpose of a CIC Company is primarily one of community benefit rather than private profit³⁸.

The Office of the Regulator of Community Interest Companies publishes information about all new community interest companies registered per month. At March 2018 there were 14,300 CICs in the UK.

Public Service Mutuals

A Public Service Mutual is an organisation which³⁹:

- has left the public sector (also known as 'spinning out')
- continues to deliver public services and aims to have a positive social impact
- has a significant degree of staff influence or control in the way it is run

It was estimated that there were at least 110 Public Service Mutuals at the end of January 2017. Mutuals do not have a responsibility to inform the department when they launch, and therefore this is likely to be an underestimate. A Public Service Mutual is not a legal form, therefore a large proportion of these will also be included in Community Interest Companies figures. A small number may be included in the charities figure.

³⁸ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/605429/13-783-community-interest-companies-information-pack.pdf

³⁹ <https://www.gov.uk/guidance/introduction-to-public-service-mutuals#what-is-a-public-service-mutual>

Annex B: Definitions and Limitations

This annex outlines the definitions used within Economic Estimates: Business Demographics and the limitations of the data.

Definition of a business

Within this release, a **business** is defined as any Reporting Unit held on the Inter-Departmental Business Register (IDBR). A business is held on the IDBR if it is registered for Value Added Tax (VAT) with HM Revenue and Customs (HMRC), registered for a Pay As You Earn (PAYE) scheme with HMRC, or an incorporated business registered at Companies House. **Business sites** are also referred to within these release - these are defined as any local units held on the IDBR. The table below⁴⁰ outlines the differences between these types of unit and another high-level grouping – the **enterprise**.

Business unit	Description	Example	Referred to in this release as...
Enterprise	The smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy. An enterprise carries out one or more activities at one or more locations, but may still be a sole legal unit.	Arcadia (who own Topshop, Topman, Dorothy Perkins and Burton among others)	N/A - not referred to in this release
Reporting unit	Put simply, the Reporting Unit holds the mailing address to which the survey questionnaires are sent. The questionnaire can cover the enterprise as a whole, or parts of the enterprise identified by lists of local units.	Topshop	"Business"
Local unit	A local unit is an enterprise or part thereof (e.g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place.	An individual Topshop store e.g. on a local highstreet or in a shopping mall	"Business site"

In practice, in the vast majority of cases, the local unit and business unit are the same unit - only about 2% of businesses operate more than one local unit⁴¹. As such, most of the time the terms 'enterprise', 'business', and 'local unit' may be used interchangeably.

Limitations

The estimates set out in this report are robust but there are some limitations which users should be aware of:

Sport - For the purposes of this publication the statistical definition of sport has been used. This incorporates only those 4 digit Standard Industrial Classification (SIC) codes which are

⁴⁰ Information for this table was taken from:

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/methodologies/businesspopulation/>

⁴¹ Information taken from:

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/2018#only-2-of-businesses-operate-more-than-one-site>

predominately sport (see methodology note Table 2.1). DCMS also publishes estimates of sport based on the EU agreed Vilnius definition. The Vilnius definition is a more comprehensive measure of sport which considers the contribution of sport across a range of industries, for example sport advertising, and sport related construction. The methodology for the DCMS Sport Satellite Account is currently being reviewed and therefore has not been used in these estimates.

Tourism – The methodology used to produce estimates for Tourism within this release differs to that used in other DCMS Sectors Economic Estimates releases. This release is based on a “tourism industries” approach, which counts any establishment for which the principal activity is a tourism characteristic activity. This differs to the direct approach used in DCMS GVA and Employment releases and the Tourism Satellite Account, which estimates the direct economic impact of tourism (or tourists) within the tourism industries. As such, the estimates for Tourism within this release account for a greater proportion of the DCMS sectors (excluding Civil Society) total. Estimates for tourism used in this publication are based on the tourism industries, rather than direct tourism only.

Heritage – The heritage sector is depicted in our estimates by one SIC code “*91.03 Operation of historical sites and building and similar visitor attractions*”. DCMS use standard industrial classification (SIC) codes to construct these estimates, which enables international comparability as well as comparability with national estimates. As the balance and make-up of the economy changes, the international SIC codes used here are less able to provide the detail for important elements of the UK economy related to DCMS sectors. It is therefore recognised that the published estimates are likely to be an underestimate for the Heritage sector.

Office for Civil Society – Responsibility for the Office for Civil Society (OCS) was transferred from Cabinet Office to DCMS on 21 July 2016. OCS leads cross-government work in support of the voluntary, community and social enterprise sector (VCSE). Estimates have been provided in Annex A of this report which outlines the number of businesses in the different parts of the Office for Civil Society. However this sector are not defined by SIC codes and therefore different data sources have to be used to measure the size of this sector to the other DCMS sectors. Comparisons made between Civil Society and other sectors will not be on a comparable basis and should therefore be treated with caution.

More details of limitations are available in the [methodology note](#)⁴².

⁴² <https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology>

Annex C: External data sources

It is recognised that there are always different ways to define sectors, but their relevance depends on what they are needed for. Government generally favours classification systems which are

- rigorously measured,
- internationally comparable,
- nationally consistent, and
- ideally applicable to specific policy interventions.

These are the main reasons for DCMS using SIC code based definitions for its sectors. However DCMS accept that there are limitations with this approach (see Annex B), and alternative definitions can be useful where a policy-relevant grouping of businesses crosses existing Standard Industrial Classification (SIC) codes.

DCMS are aware of other estimates of DCMS Sectors. These estimates use varying methodologies and can be useful for serving several purposes, e.g. monitoring progress under specific policy themes such as community health or the environment, or measuring activities subsumed across a range of SICs. While potentially useful, the quality of the data depends on that of the evidence used to estimate the appropriate share of existing SICs.

The table overleaf shows different sources of analysis measuring the economic contribution of different DCMS policy areas from other organisations⁴³. It is recognised that there will be many other sources of evidence from industry bodies, for example, which have not been included in this table. This will be developed over time to capture a wider spectrum of stakeholder's releases.

⁴³ Please note that organisations detailed in Annex A (that provide estimates for the number of businesses in the Civil Society Sector) are not included in the table to avoid repetition.

Sector	Sub-sector	Organisation	Publication	Summary of use
Creative Industries	Architecture	<u>Royal Institute of British Architects (RIBA)</u> ⁴⁴	<u>The List 18</u> ⁴⁵	RIBA holds information about the number of chartered architectural practices in the UK. They publish full contact details of these practices to serve as a directory to help potential clients identify and choose an architect. The numbers differ from DCMS figures as businesses in the Architecture sub-sector may not necessarily be chartered practices.
Creative Industries; Cultural Sector	Crafts	<u>Crafts Council</u> ⁴⁶	<u>Measuring the Craft Economy</u> ⁴⁷	The Crafts Council produce three figures for Craft – one matches the DCMS definition exactly, another (called 'DCMS+') consists of some additional SICs identified by the Crafts Council as belonging to the Crafts sector, these are then summed together to produce a total for Craft. They use business counts from the Inter-departmental Business Register, together with data from Department for Business, Energy & Industrial Strategy's Business Population Estimates, which enables them to include businesses below the VAT/PAYE threshold. In the Crafts Council release, it is these businesses below the VAT/PAYE threshold that are referred to as micro businesses, rather than those with 0-9 employees.
Creative Industries; Cultural Sector	Arts	<u>Arts Council England (ACE)</u> ⁴⁸	<u>Contribution of the arts and culture industry to the UK economy</u> ⁴⁹	ACE details the number of enterprises broken down by employment sizeband in the broad industries from which the Arts and Culture Industry definition is drawn. They use similar SIC codes to DCMS' Economic Estimates, but they use different employment bands and draw the data from Department for Business, Energy & Industrial Strategy's Business Population Estimates rather than from the Annual Business Survey. The analysis uses data at the 2 digit SIC level, rather than the 4 digit level, hence reporting on the broad industries from which the Arts and Culture Industry definition is drawn rather than the Arts and Culture Industry itself.
Creative Industries; Cultural Sector; Digital Sector	Film, TV, video, radio and photography; IT, software and computer services	<u>British Film Institute (BFI)</u> ⁵⁰	<u>BFI Statistical Yearbook: The UK Film Economy</u> ⁵¹	BFI provides an estimate of the number of companies in the Film Industry, including the size (by turnover) and regional distributions. They use similar SIC codes to DCMS' Economic Estimates, but rather than using results from the Annual Business Survey, they use results from the Inter-Departmental Business Register (IDBR) – the comprehensive list of businesses in the UK from which the ABS sample is drawn. Any variation in estimates from the ABS and IDBR is due to differences in the sources, sample size and the time periods during which the data are collected. The estimates derived from the ABS are National Statistics and considered by the ONS to be the more robust data. They tend to value down turnover compared to the IDBR.
Creative Industries; Cultural Sector	Museums, Galleries and Libraries;	<u>Arts Council England (ACE)</u> ⁴⁸	<u>The Economic Impact of</u>	ACE have commissioned a report which looks at the economic impact of museums in England in 2013, which includes details of the number of organisations, sites, and the average employment in each organisation. This methodology varies greatly to DCMS' Economic Estimates. The definition of museums is much wider than is used in DCMS'

⁴⁴ <https://www.architecture.com/>

⁴⁵ <http://www.ribacharteredpracticesdirectories.co.uk/riba/thelist/ribathelist2018/>

⁴⁶ <https://www.craftscouncil.org.uk/>

⁴⁷ https://www.craftscouncil.org.uk/content/files/Measuring_the_craft_economy-v4.pdf

⁴⁸ <https://www.artscouncil.org.uk/>

⁴⁹ https://www.artscouncil.org.uk/sites/default/files/download-file/Contribution_arts_culture_industry_UK_economy.pdf

⁵⁰ <https://www.bfi.org.uk/>

⁵¹ <https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-uk-film-economy-2018-11-14.pdf>

	Museums and Galleries		<u>Museums in England</u> ⁵²	estimates which is based on one SIC code. ACE have identified the limitations with using SIC codes for museums, namely that to be included in the official statistical surveys, the museum needs to be registered for PAYE or VAT, which means some of the small museums would not be included in these official sources. The same applies to local authority delivered museum services which would be coded under the Public Administration SIC code. As a result ACE have used a bottom-up approach of developing a database of museums in England then using various sources to identify the economic measures for each museum. This is for England and was produced in 2013.
Gambling	Gambling	<u>Gambling Commission</u> ⁵³	<u>Industry Statistics</u> ⁵⁴	Gambling Commission produce industry statistics twice a year covering various economic impacts, including number of businesses (betting shops, bingo premises, casinos). They use a different method to DCMS' Economic Estimates, reflecting differences in data sources available to the Gambling Commission and their policy needs. The Gambling Commission derive their estimates from returns from their operators - it is a license requirement for operators to submit returns, so essentially the collection is a census. This has benefits over using survey data like DCMS use. In addition, the industry definition by Gambling Commission is wider. DCMS only use SIC 92 to define Gambling; however it is likely that there will be companies outside of SIC 92 included in the Gambling Commission statistics. For example, some working men's clubs may hold a license but would not be classified under SIC 92 by virtue of their other primary activities.

⁵² https://www.artscouncil.org.uk/sites/default/files/download-file/Economic_Impact_of_Museums_in_England_report.pdf

⁵³ <https://www.gamblingcommission.gov.uk/home.aspx>

⁵⁴ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Statistics/Industry-statistics.aspx>

Annex D: Further information

1. The next update to these statistics will be published in early 2020, following the publication of 2018 (provisional) Annual Business Survey data.
2. The responsible statistician for this release is Emily Pycroft. For enquiries on this release, please contact Emily on 0207 211 6872 or email evidence@culture.gov.uk.
3. For general enquiries contact:
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4. DCMS statisticians can be followed on Twitter via [@DCMSInsight](https://twitter.com/DCMSInsight).
5. The Economic estimates of DCMS Sectors release is an Official Statistics publication and has been produced to the standards set out in the [Code of Practice for Statistics](#)⁵⁵. Details of the pre-release access arrangements for this dataset have been published alongside this release.

⁵⁵ <https://www.statisticsauthority.gov.uk/code-of-practice/>



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