



Department
for Business
Innovation & Skills

18 November 2013

Correction:

English Business Survey – August 2013

A design error was identified on the InfoGraphic which was published in the August 2013 English Business Survey on the 30th October 2013. The line named 'Output the same as three months previously' on the line-chart included an incorrect value for November 2013. This has been corrected on 21st November 2013, and the Release and InfoGraphic re-published. This Statistical Release is the corrected version. No other figures were affected by this change. BIS apologises for any inconvenience this may cause. For further information, please contact ebsurvey@bis.gov.uk



English Business Survey – August 2013

This release presents the key messages from the English Business Survey (EBS) for August 2013. It is the first in a new style of Monthly release designed to provide users with the key information from the latest statistics; the Quarterly release will continue to provide more detailed commentary. The EBS interviews 3,000 workplaces each month and provides timely intelligence on business conditions in England. The Survey provides an assessment of past, current and future conditions. The data refers to business conditions in August 2013, which is the reference month for the survey.

Key Points

- Output performance was positive for August 2013, with a balance score estimate of +13% for England. This shows a 12 percentage point increase compared to the same period last year (+1%). However, this represents a weakening of the balance score estimate for the previous month, July 2013, which was +26%.¹
- Employment performance was positive in August, with a balance score estimate of +7%. This is an increase of 6 percentage points compared to August 2012. The estimated balance score for July 2013, was +11%.²
- All regions recorded positive results for output and 9 out of 10 regions for employment. The South West region reported the strongest output balance estimate (+24%) while the East of England reported the strongest employment balance estimate (+12%). The East Midlands reported the weakest balance estimate for both output and employment, +7% and +0% respectively.
- Across all sectors, businesses reported positive output and employment balance score estimates. The exception is the Education, Health and Public administration and Defence sector which reported negative balance estimates for employment and output of -2% and -8% respectively.
- Businesses are optimistic about future output and employment levels, reporting estimated balance scores of +33% and +9% for England, respectively. This shows little change compared to the same period the previous year, +32% and +9%. Previous month's balance estimates, July 2013, were +28% and +11%³, respectively.

¹ Estimates are not seasonally adjusted

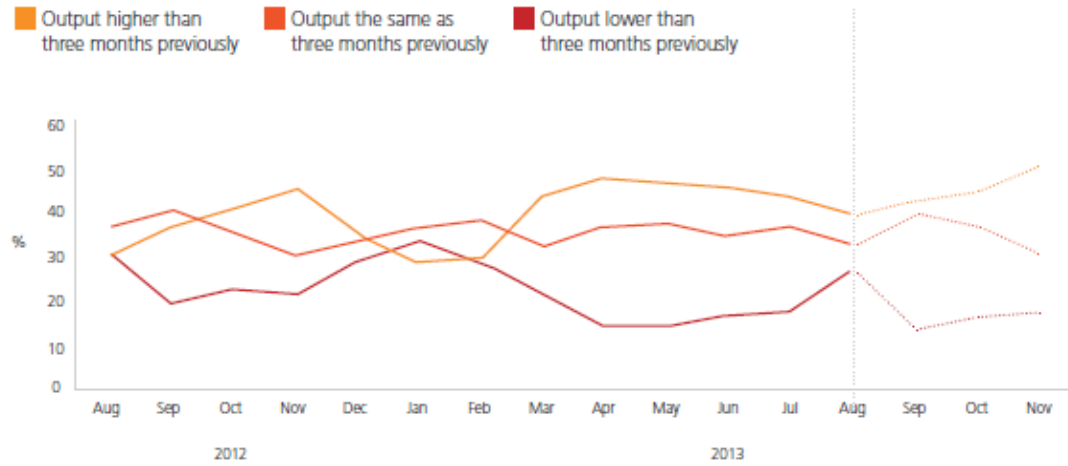
² Estimates are not seasonally adjusted

³ Estimates are not seasonally adjusted

Infographic

Levels of output/business activity compared to three months previously

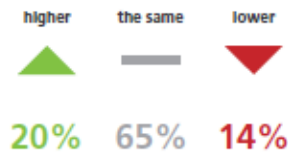
Expected level of output/business activity in three months time



Employment



Number in employment compared to three months previously



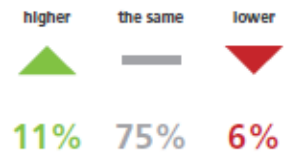
Number in employment in three months time



Prices



Looking back three months

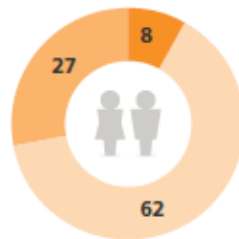


In three months time



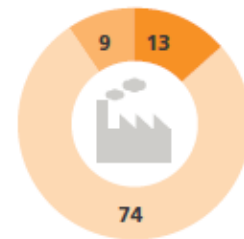
Workforce %

- Underutilised
- Satisfactory
- Overstretched



Capital %

- Underutilised
- Satisfactory
- Overstretched



Charts

Chart 1: Level of output in England, August 2012 to August 2013

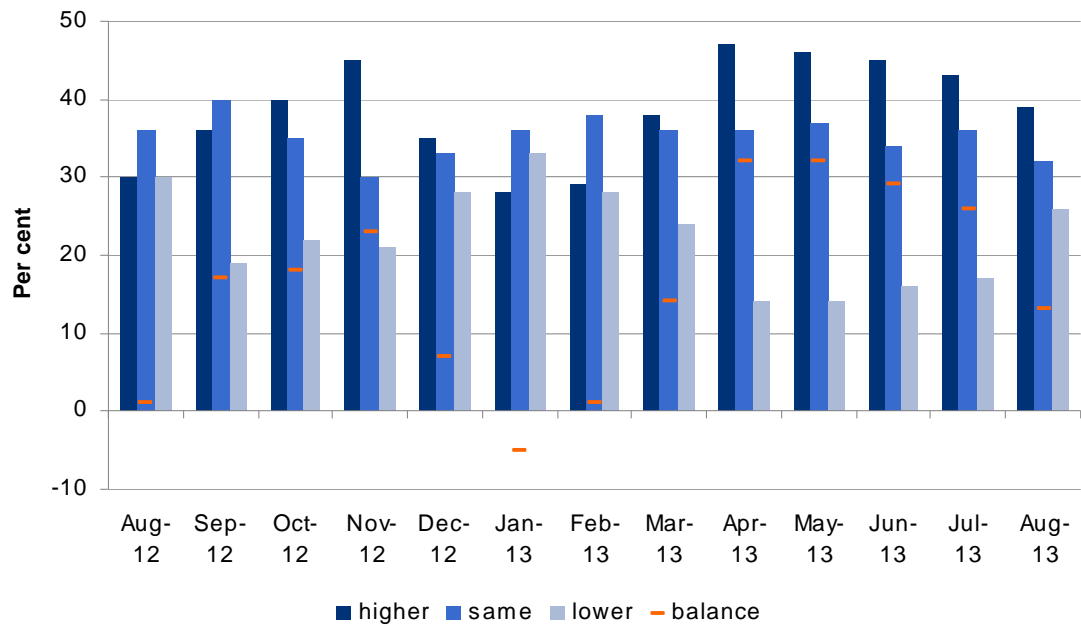
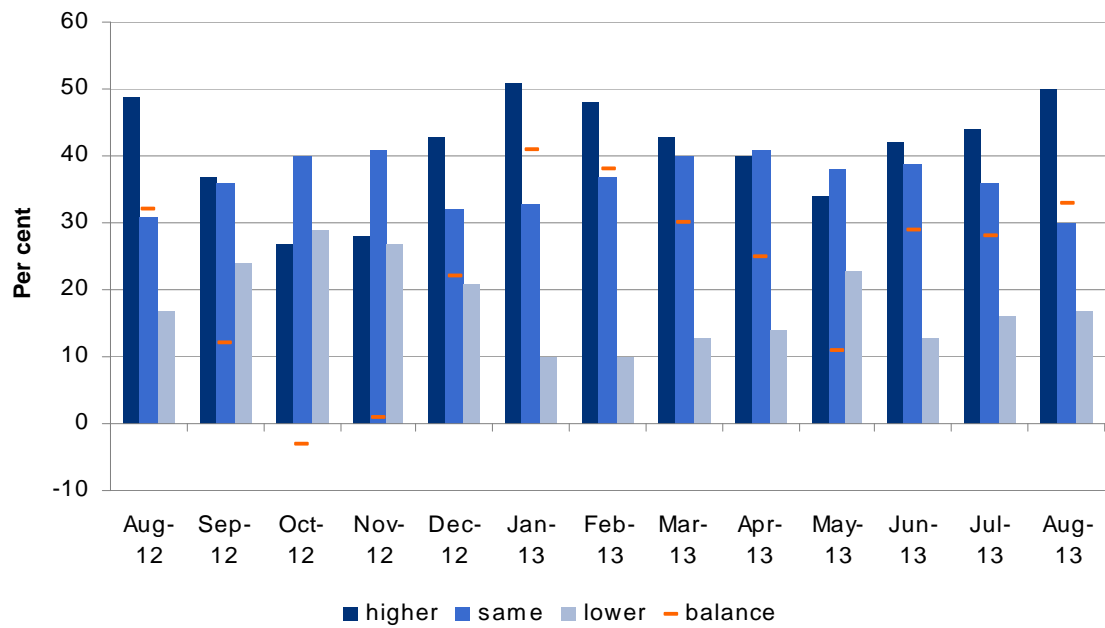


Chart 2: Expected level of output in England, August 2012 to August 2013



Notes:

1. 1. Level of Output: workplaces were asked about the level of output in a month three months earlier when compared to the reporting month, for example August 2013 results compare August with May 2013.
2. Expected level of output: workplaces were asked about the expected level of output in three months time compared to the reporting month, for example August 2013 results compare August with November 2013.
3. Estimates are not seasonally adjusted
4. Survey results sum to 100%=(% Higher)+(% The same)+(% Lower)+(% Don't know). Estimates for 'Don't know' have been excluded from this chart, but are available in the tables that accompany the release.

Source: BIS - English Business Survey, August 2013

Chart 3: Employment level in England, August 2012 to August 2013

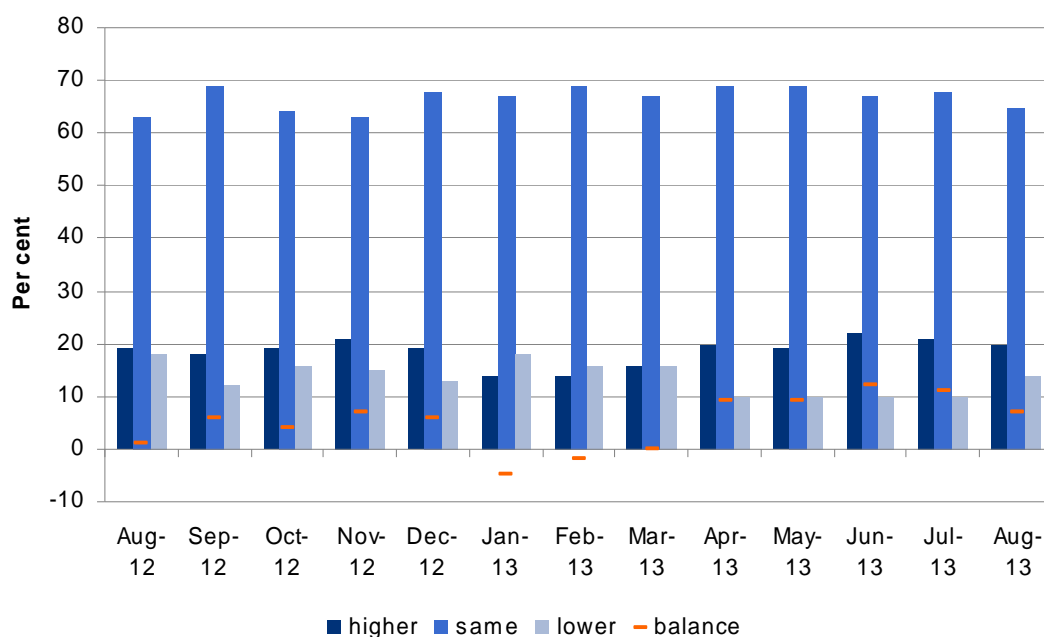
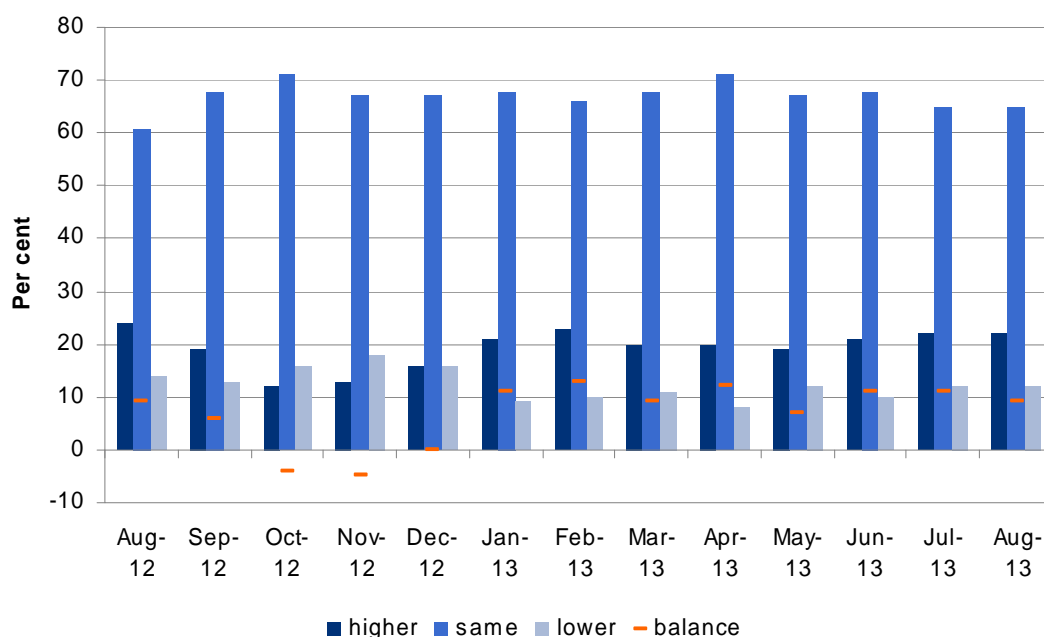


Chart 4: Expected level of Employment in England, August 2012 to August 2013



Notes:

1. Employment Level: workplaces were asked about the level of employment in a month three months earlier when compared to the reporting month, for example August 2013 results compare August with May 2013.
2. Expected employment level: workplaces were asked about their expectations for the level of employment three months into the future, when compared to the reporting month, for example August 2013 results compare August with November 2013.
3. Survey results sum to 100%=(% Higher)+(% The same)+(% Lower)+(% Don't know). Estimates for 'Don't know' have been excluded from this chart, but are available in the tables that accompany the release.
4. Estimates are not seasonally adjusted

Source: BIS - English Business Survey, August 2013

Chart 5: Level of Capital Investment in England, August 2012 to August 2013

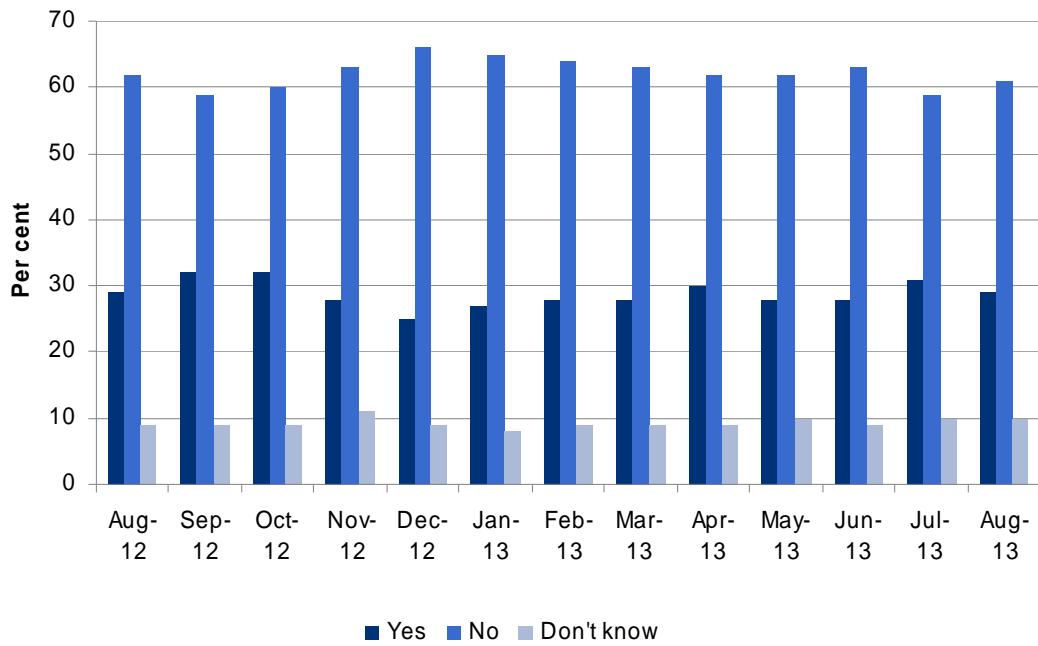
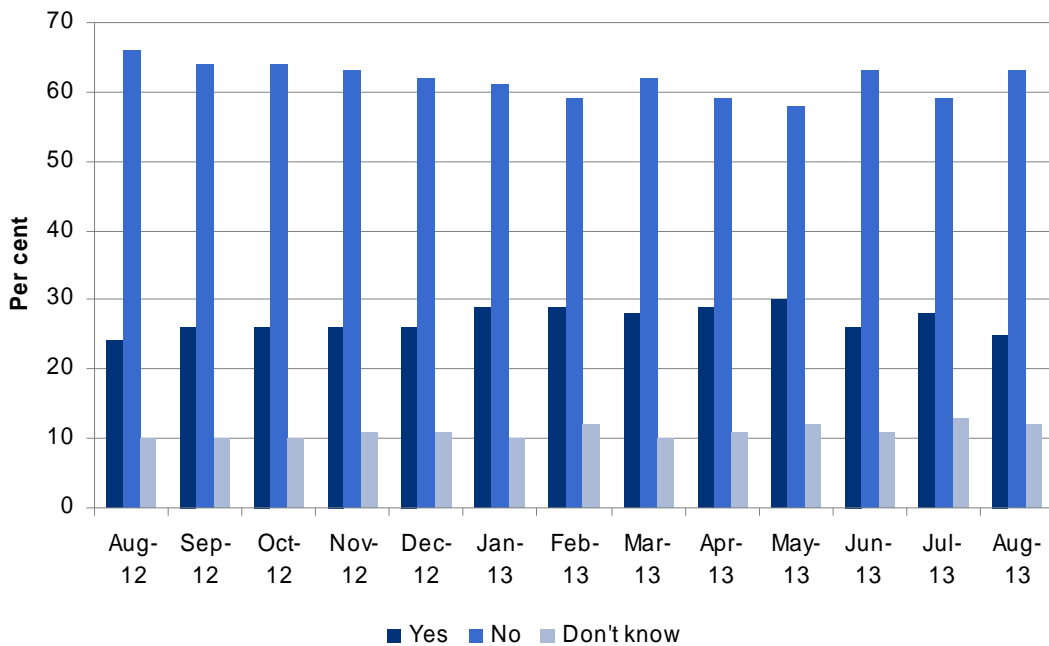


Chart 6: Expected level of Capital Investment in England, August 2012 – August 2013



Notes:

1. Level of Capital: Workplaces were asked whether they made any new capital investment in the previous three months, for example August 2013 results ask about the period June to August 2013.
2. Expected level of Capital: Workplaces were asked whether they expected to make any new capital investment in the next three months, for example August 2013 results ask about the period August 2013 to October 2013.
3. Estimates are not seasonally adjusted.

Source: BIS - English Business Survey, August 2013

Economic Context

This section provides contextual information on the economic performance over the survey period (August 2013) and in the preceding months to help the user to interpret the statistics.

- Gross Domestic Product (GDP) increased by 0.8% in Q3 2013 compared with Q2 2013⁴. Compared with the same quarter a year ago, Quarter 3 2012, GDP was 1.5% higher in Q3 2013. The Olympics and Paralympics games took place in Q2 2013.
- The employment rate for June to August 2013 was 71.7%, up 0.3 percentage points from March to May 2013. There were 29.87 million people in employment, up 155,000 from March to May 2013.
- The unemployment rate for June to August 2013 was 7.7%, down 0.1 percentage points from March to May 2013. There were 2.49 million unemployed people, down 18,000 from March to May 2013⁵
- Annual inflation was estimated to have grown by 2.7% in the year to September 2013, unchanged from August 2013⁶. This remains above the Bank of England target rate of 2.0%.
- Retail Sales estimates for August 2013 compared to the same period the previous year showed that the quantity bought in the retail industry increased by 2.1%. Compared to the previous month, the quantity bought in the retail sector fell by 0.9% in August 2013⁷.
- Construction output fell 0.1% in August 2013, following an increase of 2.8% in July 2013.⁸

⁴ <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q3-2013/stb-gdp-preliminary-estimate--q3-2013.html>

⁵ <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/october-2013/index.html>

⁶ <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/september-2013/index.html>

⁷ <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/august-2013/index.html>

⁸ <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/august-2013/index.html>

Terminology

What these statistics mean:

- The EBS is a survey of workplaces. A workplace can be a single business, or a workplace that is part of a larger enterprise, for example the local store of a large supermarket chain. Ninety-seven per cent of enterprises consist of a single workplace.⁹ The term business will be used throughout this release.
- In order to reflect the relative importance or contribution of different sized workplaces to the local economy, the survey uses the number of people employed at each workplace as the measure of its contribution to the economy. Where the size of business is reported in the release, this refers to the number of people employed at each workplace.
- Where 'Balances' are presented, they are the difference between the 'higher' responses and the 'lower' responses. Balances provide a summary of the scores for businesses that report, or expect a variable to change. More detailed information on the terminology used is included in the Background Notes to the release. Where 'Balances' are presented, they are the difference between the 'higher' responses and the 'lower' responses. Balances provide a summary of the scores for businesses that report, or expect a variable to change. More detailed information on the terminology used is included in the Background Notes to the release.

Background Notes

Quality and use

These estimates are currently classified as experimental statistics as they are undergoing development and have not yet been assessed against the standards required for National Statistics. It is recommended that users exercise caution when interpreting time series data, as the data are likely to include seasonal patterns, which have not been removed through seasonal adjustment¹⁰.

Methodology

To aid understanding and assist in the interpretation of the survey findings there are two documents aimed at different types of user: a non-technical User Guide¹¹, which provides information about how to interpret results, and a

⁹ Source: UK Business: Activity, Size and Location, 2013

¹⁰ The recommended approach for removing seasonality in UK Official Statistics requires three years of monthly data or 5 years of quarterly data.

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210768/12-598-english-business-survey-user-guide.pdf

*Technical Guide*¹², which contains detailed information about the methodology.

Interpreting the results

Accuracy

1. All estimates based on a sample of the population rather than a census are subject to sampling error. Calculation of these errors for the EBS is still being developed and will be released when available, however, provisional information on the likely size of these sampling errors is provided in the *Technical Guide*.

Timeliness

2. Future publication dates will be added to the National Statistics Publication Hub¹³.

Revisions

3. While every care has been taken to produce reliable statistics, EBS is still being developed and has been designated an Experimental Official Statistic. As the EBS develops statistics may be subject to revision if improvements in methodology are identified. All revisions will be pre-announced where practicable and all known users notified.

Additional information

Sub-regional data

4. The English Business Survey Reporting Tool¹⁴ allows users to access detailed EBS statistics for individual periods (months and quarters) as well as cumulative periods, starting in October 2011 for monthly statistics and Quarter 4 2011 for Quarterly statistics. The reporting tool includes a more extensive range of statistics than presented in the Statistical Release and the supporting tables.
5. The English Business Survey Interactive Map¹⁵ allows users to determine how NUTS 2 areas are performing, relative to England, over time for a Output, Employment and levels of Stock.

Micro data

6. EBS Micro data are available to 'approved researchers' via ONS' Virtual Micro Laboratory¹⁶ and an aggregated version of the dataset is available to academics from the UK Data Archive¹⁷.

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf

¹³ <http://www.statistics.gov.uk/hub/index.html>

¹⁴ <http://dservuk.tns-global.com/English-Business-Survey-Reporting-Tool/>

¹⁵ <http://aalookup.bis.gov.uk/ebs/map/>

User Consultation

Thank you to those Users that responded to the recent the English Business Survey consultation. A summary of BIS's response to the consultation can be found at: <https://www.gov.uk/government/consultations/english-business-survey-user-review>

Contact details

For enquiries, or to give feedback on this publication, please use the details below:

Statistician: Gary Wainman **Tel:** 0114 207 5114

Assistant Economist: Michael Morondiya **Tel:** 020 7215 8191

E-mail: ebsurvey@bis.gsi.gov.uk

Letters: 2nd Floor, 2 St Paul's Place, 125 Norfolk Street, Sheffield, S1 2FJ

© Crown copyright 2013

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit www.nationalarchives.gov.uk/doc/open-government-licence, write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

If you require this publication in an alternative format, email enquiries@bis.gsi.gov.uk, or call 020 7215 5000.

¹⁶ <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/index.html>

¹⁷ <http://www.data-archive.ac.uk/>