



## English Business Survey – Quarter 4 2013

This release provides timely intelligence on business conditions in England, presenting key messages from the English Business Survey (EBS). The EBS interviews approximately 9,000 workplaces each quarter, providing an assessment of past, current and future business and economic conditions. The statistics refer to business conditions in Quarter 4 2013 (October to December), which is the reference quarter for the survey. Quarterly statistics are created by aggregating three months of responses and using a Quarterly weighting scheme, instead of a monthly weighting scheme. The release focuses on changes in business activity, employment levels and exporting activity. The quarterly release differs from the regular monthly statistical release by providing sub-regional geographical information and statistics on exports in the accompanying tables.

### Notice of cessation

As a result of running a consultation to ensure that the English Business Survey continues to meet both the needs of the Department and its users, **BIS has decided to cease the collection of data and publication of statistics from the English Business Survey; the last publication will take place on the 30 April 2014.** For more information on the decision and a brief list of some of the alternative sources of information provided by the English Business Survey, see the Cessation Notice on the EBS web page<sup>1</sup>.

### Key Points

- In England and its constituent regions, positive balance score estimates were recorded in Q4 2013 for both output and employment. In England, the estimated balance score for output was +27%, for employment this was +11%; respectively the second highest and the highest since the series began with Quarter 4 2011.
- In England and its regions, a higher proportion of exporting businesses reported an increase in exporting activity than a decline; leading to a national balance score estimate of +13% for Quarter 4 2013. This is 13 percentage points higher than in the same period the previous year when the balance score was 0%. Expectations for *future* exports were equally positive in England; exporting businesses reported a positive balance estimate of +17%. This is 5 percentage points higher than the same period the previous year.

<sup>1</sup> <https://www.gov.uk/government/collections/english-business-survey>

- Over a longer horizon, businesses in England have reported increasingly better performance when asked to compare to 12 months before. Output balance scores comparing business performance to 12 months before have been increasing each quarter in 2013 since Quarter 1, with results for Quarter 2, Quarter 3, and Quarter 4 being the highest since the survey began. This performance is consistent with other official statistics that suggest signs of an improving economy.

## Economic Context

This section provides contextual information on the economic performance over the survey period (Quarter 4 2013) to enable the user to interpret the statistics.

- Official statistics showed the value of the UK economy, Gross Domestic Product (GDP), was estimated to have expanded by 0.7% between Q3 2013 and Q4 2013<sup>2</sup>.
- According to Eurostat, GDP increased by 0.3% in the Euro area and by 0.4% in the EU28<sup>3</sup> during Quarter 4 2013 when compared to the previous Quarter. Compared with Quarter 4 2012, GDP in the Euro area increased by 0.5% and rose by 1% in the EU28, while UK GDP expanded by 2.8%<sup>4</sup>.
- Compared with outputs in Quarter 3 2013, retail sales in Quarter 4 2013 increased by 0.4%<sup>5</sup>.
- In Quarter 4 2013, production output and the volume of construction rose by 0.5%<sup>6</sup> and 0.7%<sup>7</sup>, respectively. The volume of construction has grown steadily over the last three Quarters following a prolonged period of predominantly negative growth that began in Q3 2011.
- Annual inflation, using the Consumer Prices Inflation measure, was estimated to be 2.0% in the year to December 2013, down from 2.1% in November<sup>8</sup>, meeting the Bank of England target rate of 2% for the first time in 4 years<sup>9</sup>.

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<sup>2</sup> <http://www.ons.gov.uk/ons/rel/naa2/second-estimate-of-gdp/q4-2013/stb-second-estimate-of-gdp--q4-2013.html>

<sup>3</sup> From 1 July 2013 the European Union (EU28) also includes Croatia

<sup>4</sup> [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/2-14022014-AP/EN/2-14022014-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-14022014-AP/EN/2-14022014-AP-EN.PDF)

<sup>5</sup> <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/december-2013/index.html>

<sup>6</sup> <http://www.ons.gov.uk/ons/rel/iop/index-of-production/december-2013/stb-iop-dec-2013.html>

<sup>7</sup> <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/december-and-q4-2013/index.html>

<sup>8</sup> <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/december-2013/stb---consumer-price-indices---december-2013.html>

<sup>9</sup> <http://www.bankofengland.co.uk/about/Pages/strategy/default.aspx>

- The labour market expanded in Quarter 4 2013: the employment rate rose by 0.3 percentage points compared to Quarter 3 2013. The unemployment rate fell 0.4 percentage points to 7.2% in Quarter 4 2013<sup>10</sup>.

## 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<sup>11</sup>. 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 positive responses and the negative responses. Balances allow a general assessment of whether businesses feel positive or negative about something. More detailed information on the terminology used is included in the Background Notes to the release.

## Latest EBS results

### Output

Output results were positive in Quarter 4 2013 for England overall, the regions and the sub-national pictures were also largely positive.

Across England as a whole, businesses achieved the second strongest output performance since the series began for Quarter 4 2013 (+27%). Compared to the same period the previous year, this is an increase of 11 percentage points. This positive result was driven by 46% of businesses reporting an increase in the level of output activity<sup>12</sup> in Quarter 4 2013 when asked to compare with Quarter 3 2013. This follows a Quarter 3 2013 balance score of +22%<sup>13</sup>.

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<sup>10</sup> <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/february-2014/index.html>

<sup>11</sup> Source: UK Business: Activity, Size and Location, 2013 ([http://www.ons.gov.uk/ons/dcp171778\\_329129.pdf](http://www.ons.gov.uk/ons/dcp171778_329129.pdf))

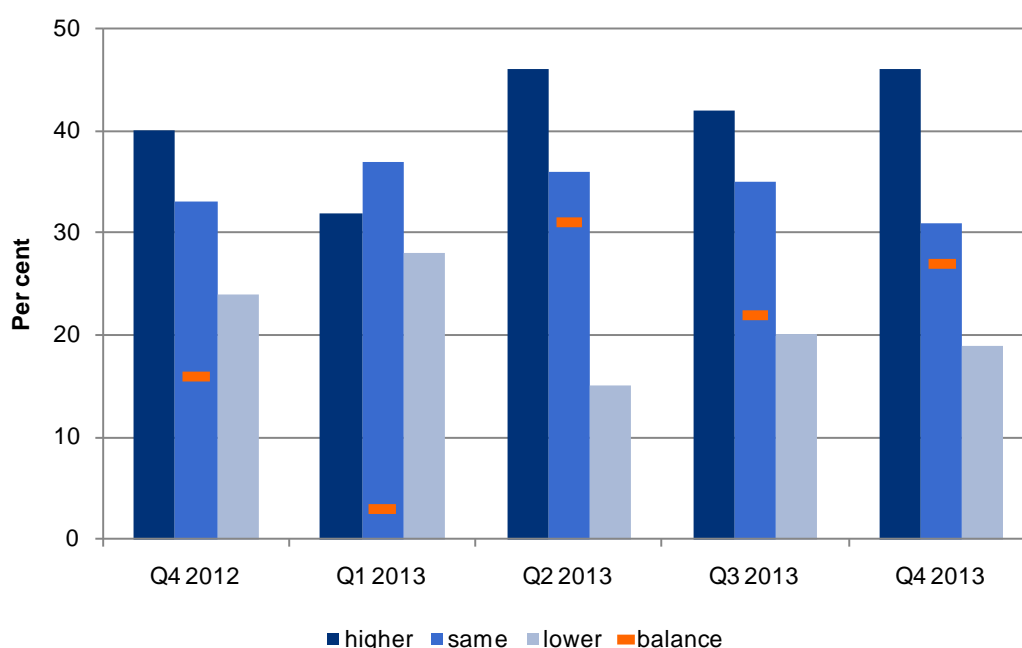
<sup>12</sup> Businesses are asked whether they believe their level of business activity or volume of output at a workplace is the same, higher or lower.

<sup>13</sup> Estimates are not seasonally adjusted

Businesses were also asked to compare output activity in the current month compared to the same month the previous year<sup>14</sup>. Estimated output balance scores for Quarter 4 2013 added to an emerging trend of increasing business activity since Quarter 1 2013, with results for Quarter 2, Quarter 3, and Quarter 4 subsequently being the highest since the survey began.

At the regional level, London registered the highest estimated balance score (+33%). This performance seems attributable to Inner London which had the highest balance estimate at the NUTS 2 level (hereafter referred to as sub-regions)<sup>15</sup> of +44%. The South West reported the lowest regional balance score with +20% which may be explained by Cornwall and Isle of Scilly being the only sub-region to register a negative balance estimate (-9%).

**Chart 1: Level of output in England, Quarter 4 2012 to Quarter 4 2013**



Notes:

1. Workplaces were asked about the level of output in the preceding Quarter when compared to the reference Quarter, for example Quarter 4 2013 results compare Quarter 4 2013 with Quarter 3 2013.
2. Estimates are not seasonally adjusted.
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.

Source: BIS - English Business Survey, Quarter 4 2013

<sup>14</sup> Businesses are asked this each month. Quarterly results are 3 months results aggregated with a quarterly weighting. See note at the beginning.

<sup>15</sup> NUTS1 refers to the 9 English Regions; NUTS2 refers to 30 areas in England that are mainly groups of counties and unitary authorities, referred to as sub-regions.

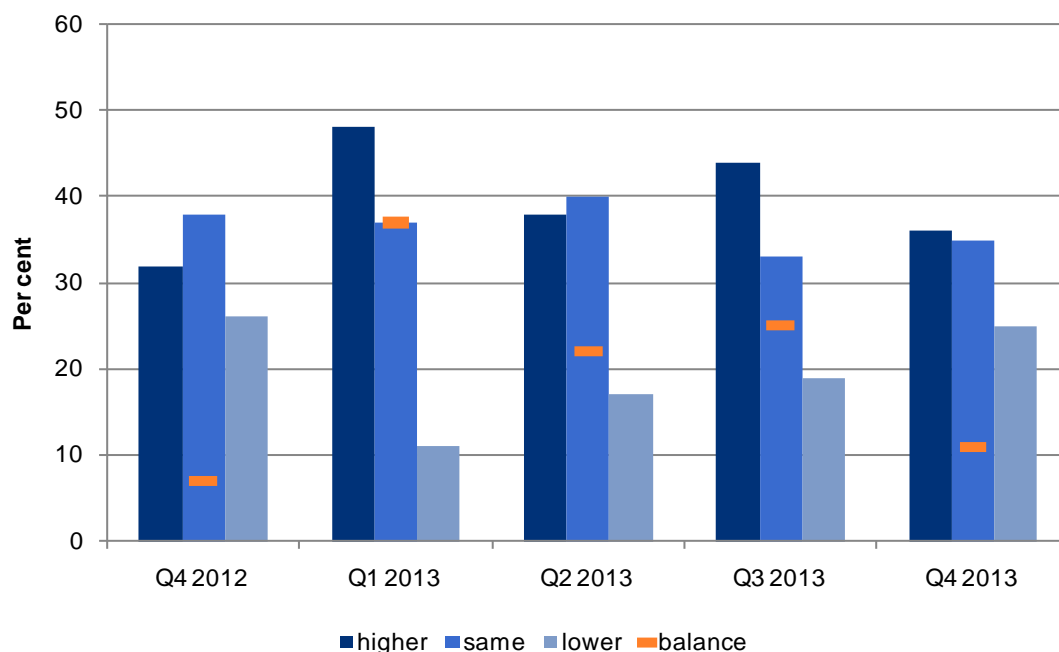
Across all business sizes, larger businesses reported higher output balance scores. Large size businesses reported the highest estimated balance of +47% with micro businesses registering the lowest, +7%.

All sectors registered positive output balance score estimates. The Education, Health and Public administration and defence sector registered the highest balance estimate of +36 while the Agriculture/Production sector registered the lowest balance of +17%.

### Expected output performance

Businesses were optimistic about *future* levels of output activity in England and across the majority of English regions and sub-regions. Output expectations for Quarter 1 2014 were positive with the balance score of +11%. This was 4 percentage points greater than the same period the previous year. The Quarter 3 2013 balance score was +25%<sup>16</sup>.

**Chart 2: Expected level of output in England, Quarter 4 2012 to Quarter 4 2013**



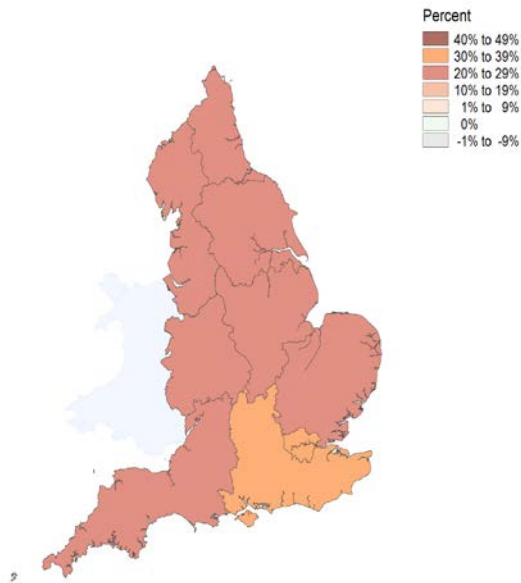
#### Notes:

1. Workplaces were asked about their expectations for the level of output in the next Quarter when compared to the reference Quarter, for example Quarter 4 2013 results compare Quarter 4 2013 with what respondents expect for Quarter 1 2014.
2. Estimates are not seasonally adjusted.
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.

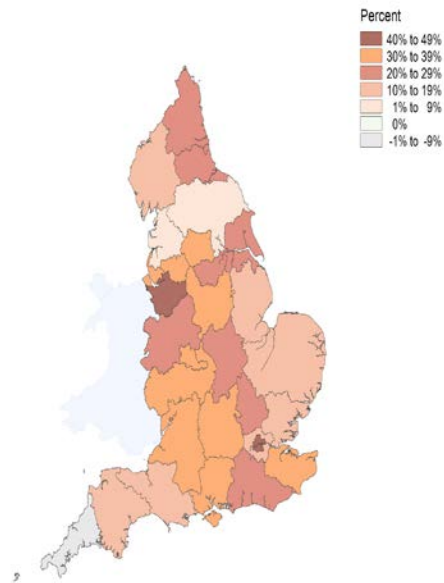
Source: BIS - English Business Survey, Quarter 4 2013

<sup>16</sup> Estimates are not seasonally adjusted

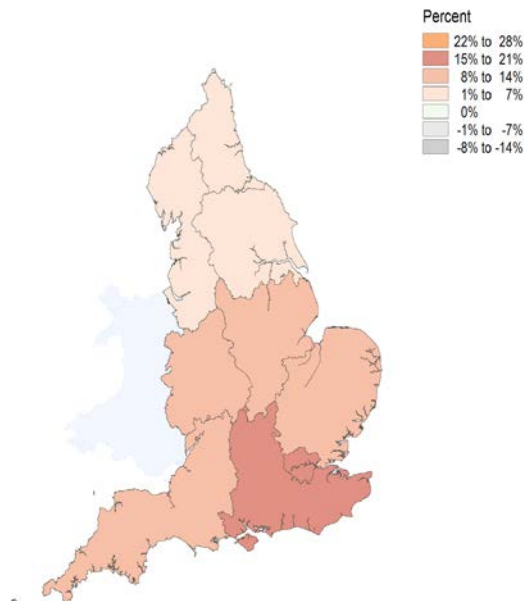
**Map 1: Balance Statistics for level of output, Quarter 4 2013, by NUTS1 region**



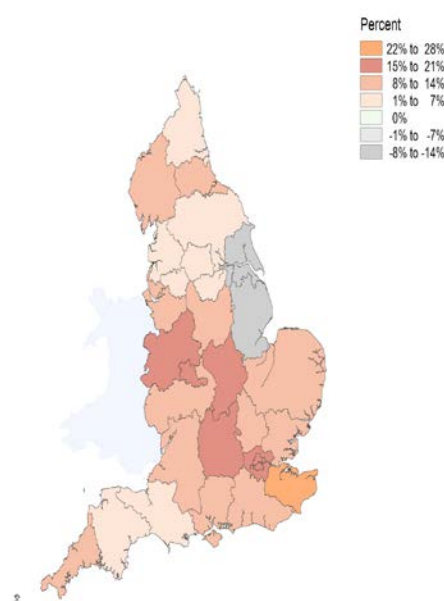
**Map 2: Balance Statistics for level of output, Quarter 4 2013, by NUTS2 region**



**Map 3: Balance Statistics for expected level of output, Quarter 4 2013, by NUTS1 region**



**Map 4: Balance Statistics for expected level of output, Quarter 4 2013, by NUTS2 region**



**Notes:**

1. Map 1 & 2: Workplaces were asked about the level of employment in Quarter 4 2013 compared with Quarter 3 2013.
2. Map 3 & 4: Workplaces were asked about the level of employment in Quarter 4 2013 compared with what respondent expect for Quarter 1 2014
3. Results are weighted to be representative of total employment in England, not workplaces.
4. Balance statistics are simply the estimate for higher minus the estimate for lower. A positive balance indicates more business expected higher output than lower output.
5. Contains Ordnance Survey Data © Crown Copyright and database right

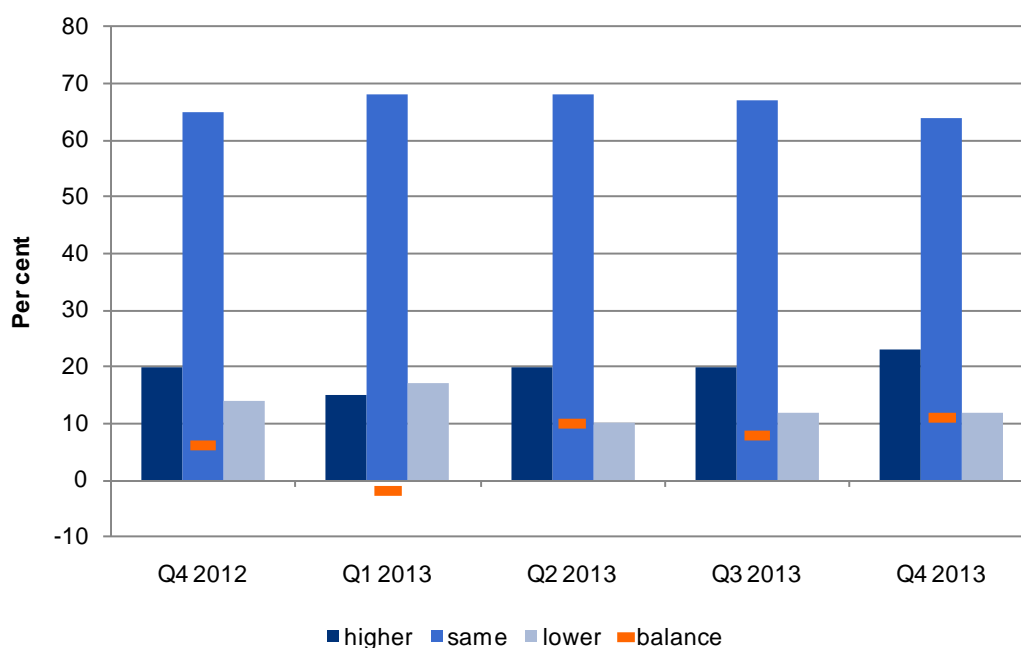
Source: BIS - English Business Survey, Quarter 4 2013

All regions were optimistic about *future* output activity. The strongest result was recorded for London with a balance score estimate of +19%. At the sub-regional level, Inner London was particularly optimistic, reporting the second highest balance estimate +21%, and Kent registering the highest with +25%. Yorkshire and the Humber registered the lowest balance estimate of +2% that may be linked to East Riding and North Lincolnshire registering the weakest balance score estimate of -13% at the sub-regional level. Lincolnshire was the only other sub-region to register a negative balance estimate of -8% in Quarter 4 2013.

## Employment

Employment results were positive for England and its regions, with more businesses reporting an increase in employment levels in Quarter 4 2013 than a decrease. Across the sub-regions all but three reported positive balance scores.

**Chart 3: Level of employment in England, Quarter 4 2012 to Quarter 4 2013**



**Notes:**

1. Workplaces were asked about the level of employment in the preceding Quarter when compared to the reference Quarter, for example Quarter 4 2013 results compare Quarter 4 2013 with Quarter 3 2013.
2. Estimates are not seasonally adjusted.
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.

Source: BIS - English Business Survey, Quarter 4 2013

Employment performance for Quarter 4 2013 was positive with an estimated balance score of +11%, the highest in the series. In comparison to the same Quarter the previous year this is an improvement of 5 percentage points. The estimated balance score for Quarter 3 2013, was +8%<sup>17</sup>.

All regions and sub-regions except East Riding and North Lincolnshire, North Yorkshire, and Essex reported positive employment balance score estimates in Quarter 4 2013. The West Midlands registered the highest balance score estimate of +15%. This may be attributable to Shropshire and Staffordshire registering the highest balance estimate at sub-regional level with +21%. East of England registered the lowest balance estimate of +5%, again this could be driven by Essex third lowest balance estimate of -1%. At sub-regional level, East Riding and North Lincolnshire, and North Yorkshire jointly registered the lowest balance estimate of -2%.

Across all business sizes, there were reported increases in employment levels with larger businesses reporting the highest balance estimate with +21%.

The construction sector was the only sector to have reported a negative balance estimate (-3%) while the Other services sector reported the highest with +12%.

### *Expectations for future employment*

Businesses continue to be optimistic about *future* employment levels; this applies across England and the majority of English regions, except for the East of England and the North West. At the sub-regional level, businesses' perspectives are mixed but are largely positive with only 7 out of 30 sub-regions expecting lower employment levels

The balance score for expected employment in Quarter 4 2013 for Quarter 1 2014 was estimated at +4%. This is 7 percentage points higher than for the same quarter the previous year. The balance score estimate for Quarter 3 2013 was +10%<sup>18</sup>.

All but two regions reported positive balance score estimates for future expectations of employment. London was the most optimistic region with the highest estimated balance of +9%. This is possibly attributable to Inner London that was the most optimistic at the sub-regional level with the highest balance estimate of +11% (jointly with Cumbria, and Dorset and Somerset). North West and the East of England jointly registered the lowest balance estimate of -1%. East Riding and North Lincolnshire was the least optimistic sub-region with a balance estimate of -13%.

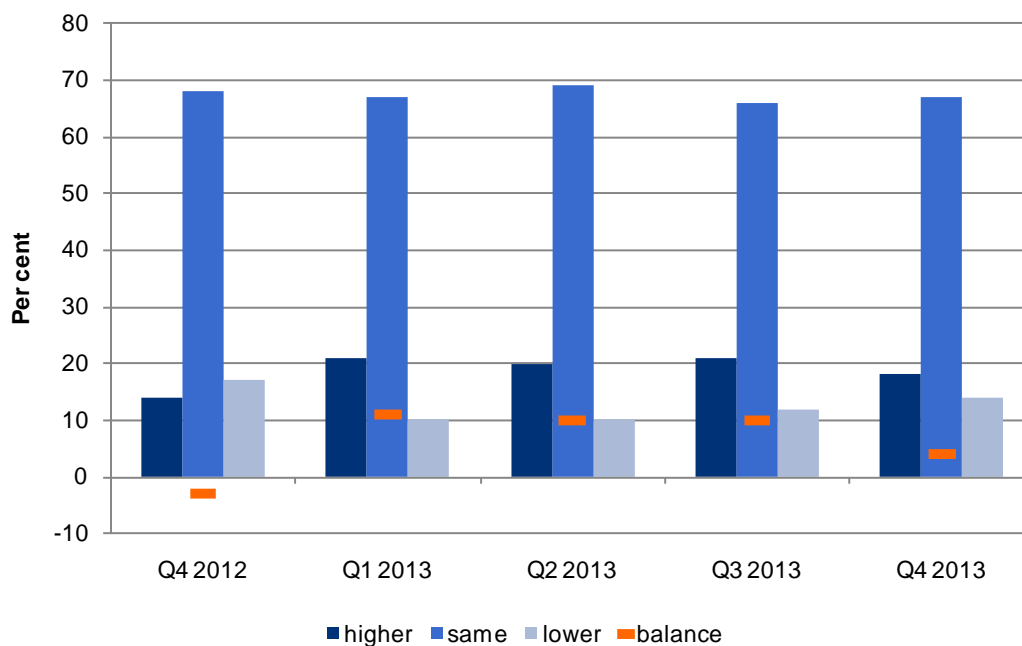
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<sup>17</sup> Estimates are not seasonally adjusted

<sup>18</sup> Estimates are not seasonally adjusted



**Chart 4: Expected level of employment in England, Quarter 4 2012 to Quarter 4 2013**

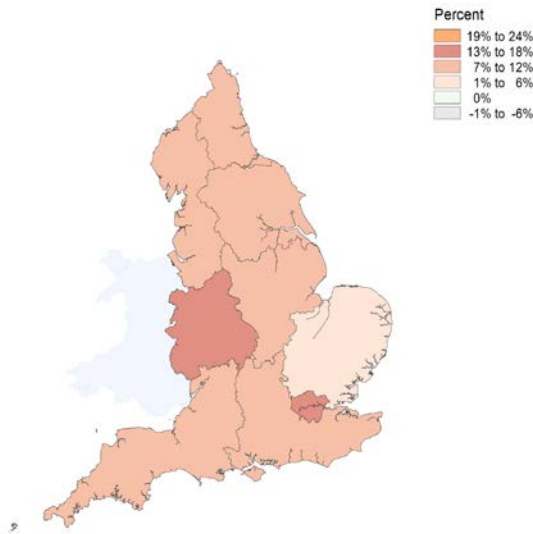


Notes:

1. Workplaces were asked about their expectations for the level of employment in the next Quarter when compared to the reference Quarter, for example Quarter 4 2013 results compare Quarter 4 2013 with Quarter 1 2014.
2. Estimates are not seasonally adjusted.
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.

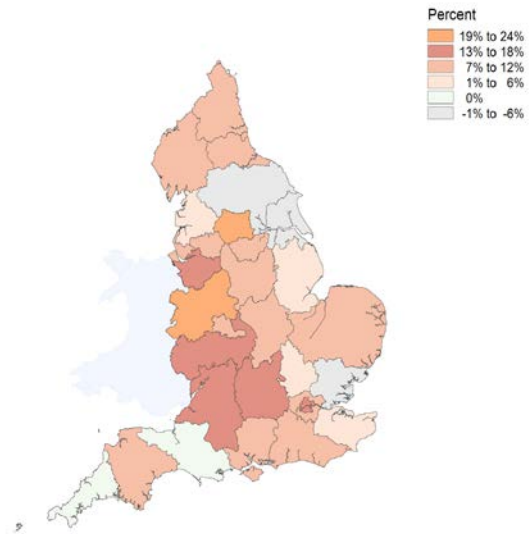
Source: BIS - English Business Survey, Quarter 4 2013

## employment, Quarter 4 2013, by NUTS1 region

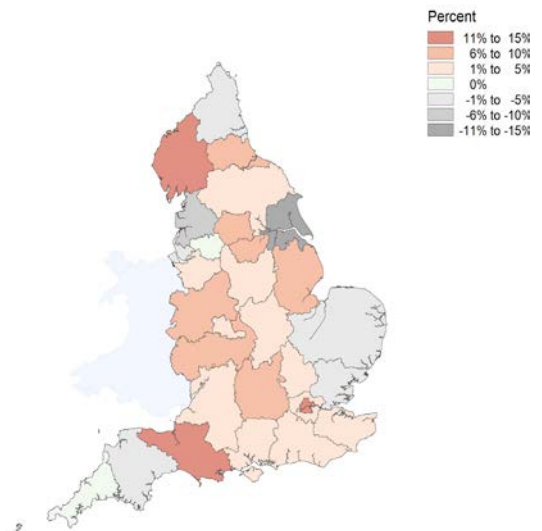
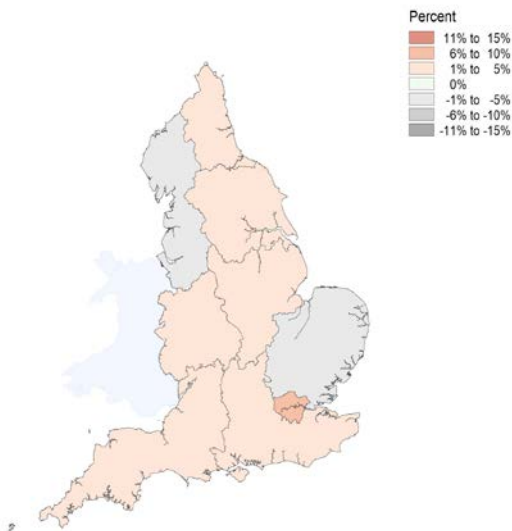


**Map 7: Balance Statistics for expected level of employment, Quarter 4 2013, by NUTS1 region**

## employment, Quarter 4 2013, by NUTS2 region



**Map 8: Balance Statistics for expected level of employment, Quarter 4 2013, by NUTS2 region**



### Notes:

1. Map 5 & 6: Workplaces were asked about the level of employment in Quarter 4 2013 compared with Quarter 3 2013.
2. Map 7 & 8: Workplaces were asked about the level of employment in Quarter 4 2013 compared with what respondents expect for Quarter 1 2014
3. Results are weighted to be representative of total employment in England, not workplaces.
4. Balance statistics are simply the estimate for higher minus the estimate for lower. A positive balance indicates more business expected higher output than lower output.
5. Contains Ordnance Survey Data © Crown Copyright and database right

Source: BIS - English Business Survey, Quarter 4 2013

## Exports

Exporting businesses reported positive results in England and across the regions.

Exporting businesses are a sub-set of the business population and it is estimated that approximately 19% of small and medium sized businesses, that have employees, export goods or services<sup>19</sup> – which means that statistics on exports can only be published on a Quarterly basis due to the small number of monthly responses. Within this section, the estimates refer to exporting businesses only.

In England, a greater proportion of exporting businesses reported increases in exporting activity in Quarter 4 2013 when asked to compare to Quarter 3 2013; leading to a balance score estimate of +13%, the second highest in the series. This is 13 percentage points higher than Quarter 4 2012. Quarter 3 2013 estimated balance score was +6%<sup>20</sup>.

All regions reported positive balance estimates. The strongest balance score estimate of +25% was jointly recorded in the South East and West Midlands. The East of England registered the lowest balance estimate of 0%; with as many businesses reporting an expected increase in exporting activity as a decrease.

Exporting activity across all business sizes in Quarter 4 2013 was reported to have increased. Large size exporting businesses reported the strongest balance score estimate of +24%, an increase of 18 percentage points compared to the previous quarter<sup>21</sup>. Small businesses registered the weakest balance estimate of +6%.

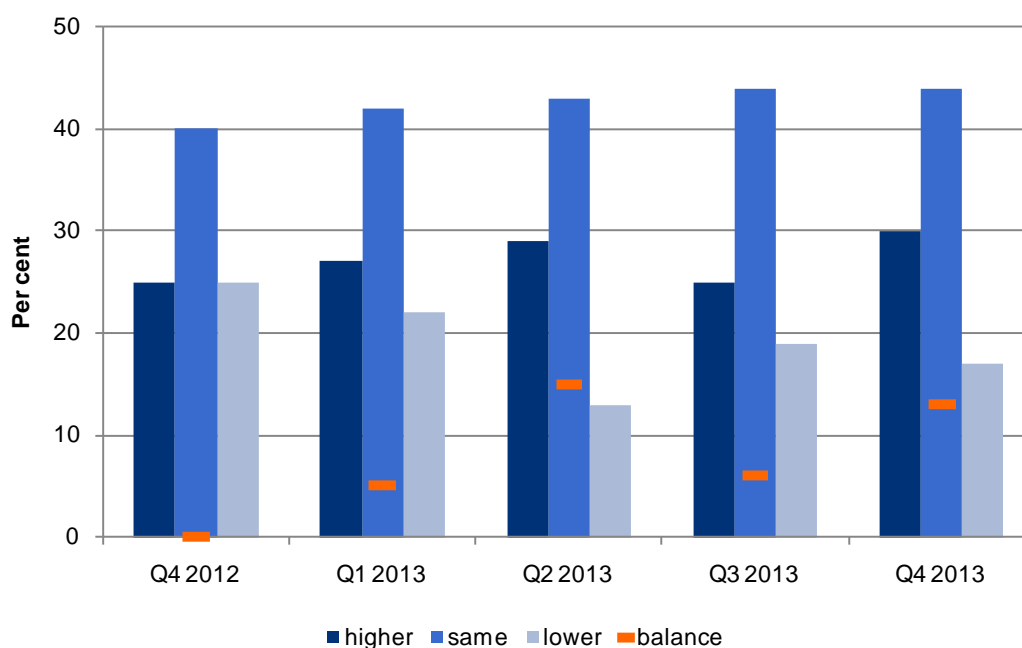
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<sup>19</sup> BIS Small Business Survey, 2012

<sup>20</sup> Estimates are not seasonally adjusted

<sup>21</sup> Estimates are not seasonally adjusted

**Chart 5: Volume of exports in England, Quarter 4 2012 to Quarter 4 2013**



**Notes:**

1. Workplaces were asked about the volume of exports in the preceding Quarter when compared to the reference Quarter, for example Quarter 4 2013 results compare Quarter 4 2013 with Quarter 3 2013.
2. Estimates are not seasonally adjusted.
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.

Source: BIS - English Business Survey, Quarter 4 2013

**Expected export performance**

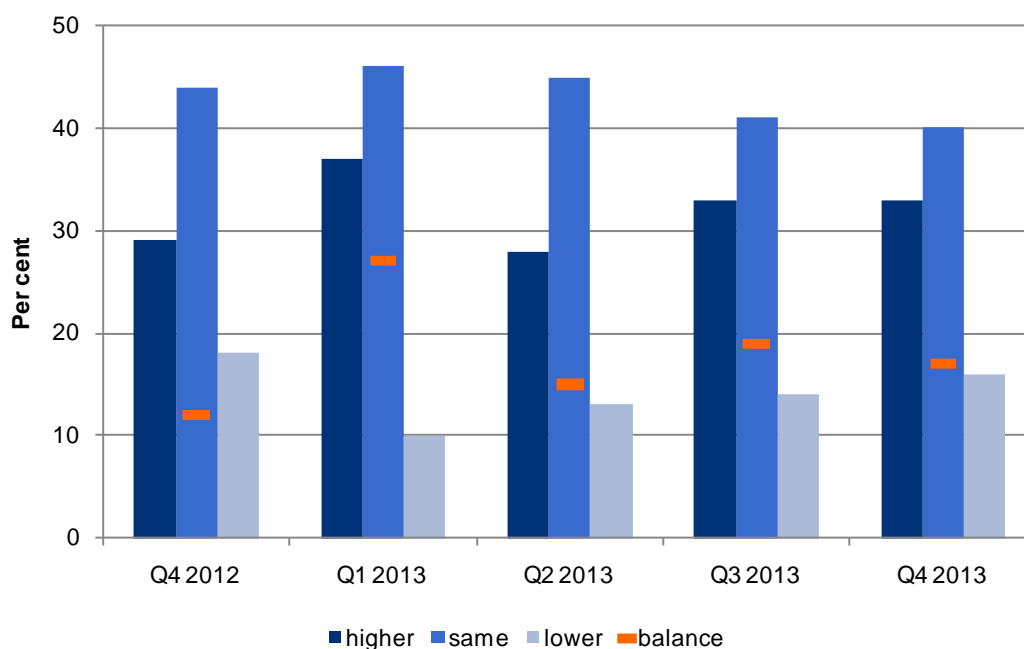
Exporting businesses have positive expectations for the volume of *future* exports. Quarter 4 2013 results show a positive balance score estimate of +17% for England. This is 5 percentage points higher than in Quarter 4 2012.

All English regions in Quarter 4 2013 reported positive balance score estimates - with the exception of Yorkshire and the Humber, who register a negative balance estimate of -8%. For a consecutive quarter, London was the most optimistic region for future exporting activity with a balance estimate of +27% (last quarter's balance score was +32%)<sup>22</sup>

Across business sizes, Micro businesses that export were the most optimistic about future exporting business activity with a balance estimate of +21%. Large and Small exporting businesses jointly registered a balance estimate of +18%. Medium size exporting businesses registered the lowest balance estimate of +13%.

<sup>22</sup> Estimates are not seasonally adjusted

**Chart 6: Expected volume of exports in England, Quarter 4 2012 to Quarter 4 2013**



**Notes:**

1. Workplaces were asked about their expectations for the volume of exports in the next Quarter when compared to the reference Quarter, for example Quarter 4 2013 results compare Quarter 4 2013 with Quarter 1 2014.
2. Estimates are not seasonally adjusted.
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.

Source: BIS - English Business Survey, Quarter 4 2013

**Coherence with similar data**

Other business surveys, conducted by both trade bodies and private companies, collect information across a range of variables. Although some of this information overlaps with that collected through the EBS, the EBS has the advantage that it: brings the data together in a single place; allows sub-regional analysis each Quarter; and, covers all sectors of the economy, including the public/not-for-profit sectors.

Along with many other business surveys, data from the EBS is difficult to reconcile with official statistics, particularly output. In January, the Confederation of British Industry's (CBI) *Industrial Trends Survey*<sup>23</sup> reported an expansion in output volumes over the past 3 months, with the strongest performance in Yorkshire and The Humber, and the South West. In the EBS, London and the South East (CBI combines Greater London area and South East together as one region while the EBS has them as separate regions) performed the strongest while the South West performed the weakest. This contrast in message about the South West performance between the EBS

<sup>23</sup> <http://www.cbi.org.uk/business-issues/economy/business-surveys/industrial-trends-survey/>

and CBI is reflective of some of the disparities between EBS and other official statistics. In both the CBI and EBS, expectations of future output were positive. In the CBI, the strongest expectation balance estimate was recorded in Yorkshire and The Humber with Greater London and the South East region not far behind. In the EBS, London registered the strongest output expectation balance estimate.

The monthly *Purchasing Manager's Index (PMI)*<sup>24</sup> reports an expansion in business activity in each of the three months to January 2014. This is consistent with the EBS balance score for output in Quarter 4 2013. Overall, in the 3 months to December, the PMI shows the North East, and Yorkshire and the Humber registered the weakest regional performance. In the EBS, the same regions registered relatively low balance estimates. The PMI shows that over the same period, London was the strongest performer for business activity. This is consistent with the EBS result, London registering the highest balance estimate.

The British Chamber of Commerce (BCC) *Quarterly Economic Survey*<sup>25</sup> reported an increase in national domestic sales over Quarter 4 2013. Increases in domestic sales were higher than their average pre-recession levels in 2007. The *Quarterly Economic Survey* indicated that one employment measure also increased in Quarter 4 2013 to an all time high for the survey. This reflects a similar picture to the EBS although the magnitude of the increase is higher in the BCC survey than reported in the EBS.

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<sup>24</sup> <http://www.markiteconomics.com/Survey/Page.mvc/AboutPMIData>

<sup>25</sup> <http://www.britishchambers.org.uk/policy-maker/economic-data/quarterly-economic-survey/>

## Background Notes

### Product Development

The survey underwent extensive development and testing, including pilot testing of the survey and cognitive testing of the survey questions. The *Report on the EBS Questionnaire* contains details of the development and testing of the questionnaire; the *Technical Guide* details the methods that underpin the survey. Both documents are available on the EBS webpage.<sup>26</sup>

### Quality and use

The English Business Survey provides timely and robust information on a regular and geographically detailed basis, the survey enhances understanding of business perceptions and economic conditions throughout England and ultimately improves policy making through this understanding. The statistics are also useful to businesses, providing intelligence about local economic and business conditions.

These estimates are classified as experimental statistics as they have not 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 adjustment<sup>27</sup>. It is expected that seasonal patterns differ by industry, for example, all else being equal; some industries would expect output to be much lower in January compared to November due to seasonal patterns. It is recommended that that time series results are interpreted with caution.

### Methodology

The English Business Survey is a monthly telephone survey that asks managers at sampled workplaces about their expectations and experiences on a range of measures such as output or sales. The data are weighted so that the weighted sample matches the population with respect to sub-region and employment<sup>28</sup>. This is designed to capture the importance of the workplace to the economy; employment is used as a proxy for economic importance as a robust measure of turnover is not available for all workplaces. The use of employment means that the results effectively estimate: the proportion of employees whose manager believes a particular measure is positive/negative/the same.

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<sup>26</sup> <https://www.gov.uk/government/organisations/department-for-business-innovation-skills/series/english-business-survey>

<sup>27</sup> The recommended approach for removing seasonality in UK Official Statistics requires three years of monthly data or 5 years of quarterly data.

<sup>28</sup> The characteristics used for weighting include: location (NUTS2 Region) and employment size (0-49, 50-249 and 250+).

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 Guide*<sup>29</sup>, which provides information about how to interpret results, and a *Technical Guide*<sup>30</sup>, which contains detailed information about the methodology.

## Strengths and Limitations

The EBS has a number of strengths:

- a relatively large monthly sample with the potential to provide timely sub-national statistics;
- a workplace focus, which will enable data on local conditions to be collected;
- an 'economic influence'-type weighting approach to try to better represent what is happening for sub-national economies;
- coverage of all sectors of the economy, including the public/not-for-profit sectors; and
- timely statistics, allowing policy makers and businesses to react promptly to issues as they arise in the current macroeconomic climate.

However, it also has some limitations:

- the nature of data collection being at workplace level mean that statistics about region, employment size and industry all relate to that of the workplace, rather than for the enterprise. Accordingly, inferences about the enterprise-level business population are more limited; and
- due to the coverage of the sampling frame – the Inter-Departmental Business Register – the EBS does not cover non-registered<sup>31</sup> businesses. This is potentially important as such businesses make up a significant proportion of the overall business population (55% of businesses) although they account for a smaller share of employment (12%) and turnover (3%)<sup>32</sup>.

## Interpreting the results

### *Workplace based survey*

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<sup>29</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/210768/12-598-english-business-survey-user-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210768/12-598-english-business-survey-user-guide.pdf)

<sup>30</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf)

<sup>31</sup> Non-registered businesses are not registered for either PAYE or VAT, which means they are generally, the very smallest non-employing businesses.

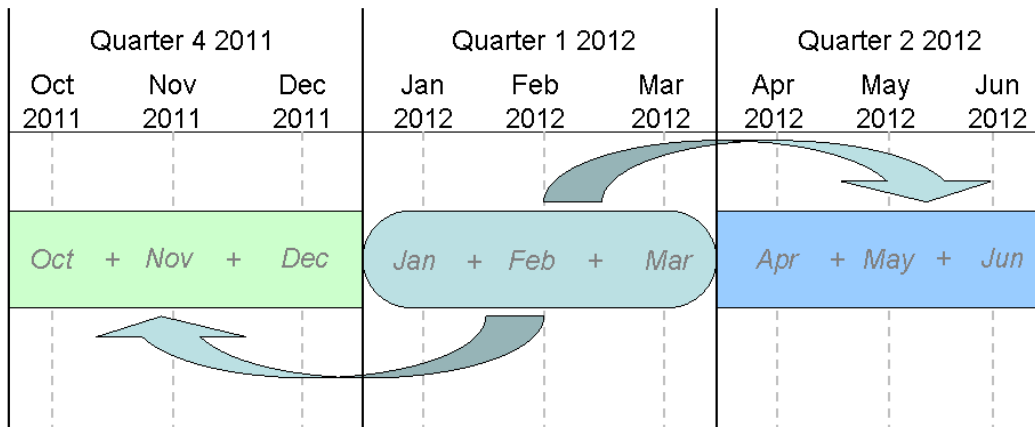
<sup>32</sup> Statistics on the non-registered businesses are taken from Business Population Estimates for the UK and Regions 2012



1. The main purpose of the EBS is to provide sub-national information. For this reason the EBS is a survey of workplaces and the region, employment size and industry all relate to that of the workplace.

*Period covered*

2. EBS Releases are labelled by the period which workplaces are asked about – the reference Quarter. In most questions workplaces are asked to compare the reference Quarter (Quarter T) with the previous Quarter (T-1) and the next Quarter (T+1). For example, in the Quarter 1 2012 EBS, most backward-looking questions compare Quarter 1 2012 with Quarter 4 2011 and forward-looking questions compare Quarter 2 2012 with Quarter 1 2012.



**Key**

- Quarter of Survey
- Quarter backward-looking question refers to
- Quarter forward-looking question refers to
- Feb* Months aggregated to form the quarterly data

3. Questions on capital investment and capacity constraints cover the reference period; however, these statistics present a single month's responses – rather than three months - and have a smaller sample size that does not allow sub-regional analysis. Periods being compared are clearly labelled on the tables. This is also explained in the EBS *User Guide*.

### *Balance Statistics*

4. A balance can be achieved through a number of different scenarios in the underlying results, for example a balance of zero can be achieved from Higher and Lower both being 0% or both being 50%. It is therefore important to consider the underlying figures. All figures in this document and the underlying data can also be found in the supporting tables.
5. It is important to remember that these questions only ask workplaces whether output was higher or lower and this does not take into account the size of any changes. Therefore a balance of 50% does not necessarily mean output growth will be higher than if the balance was 20%, as the growth rate seen by those contributing to the 20% positive balance may, in aggregate, outweigh the growth rates seen or expected by those contributing to the positive 50% balance. The difference in size between two higher percentages simply means that businesses accounting for a larger proportion of the economy, reported that output was higher.

### *Time Series Comparisons*

6. The results presented in this release are not seasonally adjusted and users should be aware of this when interpreting the results, as it is likely that comparisons over time will show large changes for certain groups; these changes could be true changes, but they could be a result of seasonal patterns.

### *Accuracy*

7. 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*.
8. Like all statistics, the estimates in the EBS are subject to potential non-sampling errors – for example biases; measurement errors; and calculation errors. However, attempts have been made to minimise these by, for example, rigorous testing of the questionnaires, monitoring the work of interviewers and response rates to the survey.

## *Presentation*

9. All figures and percentages in this release, including the accompanying tables, have been rounded. Unweighted counts have been rounded to the nearest 5 and percentages have been rounded to the nearest integer. Balances are calculated based on unrounded figures and rounded independently therefore differences in the components may not equal the difference between the rounded figures.

## *Timeliness*

10. Quarterly statistics from the EBS are published within two months of the period to which they refer. The date of publication is announced at least four weeks in advance. Future publication dates are published on the National Statistics Publication Hub.<sup>33</sup>

## *Revisions*

11. While every care has been taken to produce reliable statistics, EBS has been designated an Experimental Official Statistic. All revisions will be pre-announced where practicable and all known users notified.

## **Additional information**

### *Geographical units and NUTS levels*

12. The Nomenclature of Units for Territorial Statistics (NUTS) provides a single uniform breakdown for the production of regional statistics for the European Union. Results are published at two of the three NUTS levels in England:

- NUTS1: 9 English Regions;
- NUTS2: 30 areas in England that are mainly groups of counties and unitary authorities; can be referred to as sub-regions.

13. More information on NUTS areas can be found on ONS' Beginner's Guide to Geography - <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/eurostat/index.html>

### *Sub-regional data*

14. The English Business Survey Reporting Tool<sup>34</sup> 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

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<sup>33</sup> <http://www.statistics.gov.uk/hub/index.html>

<sup>34</sup> <http://dservuk.tns-global.com/English-Business-Survey-Reporting-Tool/>

range of statistics than presented in the statistical release and the supporting tables.

15. The English Business Survey Interactive Map<sup>35</sup> allows users to determine how NUTS 2 areas are performing, relative to England, over time for a Output, Employment and levels of Stock. The Map uses quarterly statistics and is updated shortly after each quarterly release.

#### *Micro data*

16. EBS Micro data are available to 'approved researchers' via ONS' Virtual Micro Laboratory<sup>36</sup> and an aggregated version of the dataset is available to academics from the UK Data Archive<sup>37</sup>.

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If you require this publication in an alternative format, email [enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk), or call 020 7215 5000.

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<sup>35</sup> <http://aalookup.bis.gov.uk/ebssurvey/map/>

<sup>36</sup> <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/index.html>

<sup>37</sup> <http://www.data-archive.ac.uk/>