



## English Business Survey – Quarter 4 2012

This release presents the key messages from the English Business Survey (EBS) for Quarter 4 2012 (October to December). 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. Quarterly statistics are created by aggregating three months' of responses and using a quarterly weighting scheme, instead of a monthly weighting scheme. The quarterly release differs from the regular monthly Statistical Release by providing sub-regional geographical information in the accompanying tables.

### 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>1</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.

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<sup>1</sup> Source: UK Business: Activity, Size and Location, 2012

## Key Points

- The proportion of businesses in England reporting output being higher in Quarter 4 2012 than the previous quarter was 40%, the highest quarterly figure in the series which may in part be reflecting normal seasonal variation.
- The majority of businesses report that employment was the same in Quarter 4 2012 as in Quarter 3 2012, indicating relative stability. However, 20% of businesses reported an increase in employment over the same period, the highest proportion since Quarter 4 2011.
- In contrast expectations of future levels of employment were pessimistic with 14% reporting they expect higher employment in Quarter 1 2013 compared with Quarter 4 2012, but 17% said they anticipate lower levels of employment.
- In England, 40% of exporting businesses reported export volumes were the same in Quarter 4 2012 as in Quarter 3 2012. Equal proportions of businesses reported either a higher or lower volume of exports (25%), giving a balance score of 0%.
- However, expectations of future exports volumes are more positive; with 29% of exporting businesses expecting higher volumes in Quarter 1 2013, while 18% expect volumes to be lower, giving an overall balance of +12%.

## Economic Context

This section provides contextual information about economic performance over the survey period (Quarter 4 2012) and in the preceding months to help the user to interpret the statistics. Official statistics showed the value of the economy – Gross Domestic Product (GDP) – was estimated to have decreased in Quarter 4, by 0.3% when compared with Quarter 3 2012, while the economy was estimated to have expanded by 0.2% in 2012 overall.<sup>2</sup> Official business statistics suggest the economy remains generally weak: in the three months to December, retail sales declined,<sup>3</sup> manufacturing output continued to contract<sup>4</sup> and there was a small increase in construction output compared to the third quarter<sup>5</sup>. Annual inflation was estimated to have stayed at 2.7% in January, unchanged for the fourth month and above the Bank of England target rate of 2.0%.<sup>6</sup>

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<sup>2</sup> <http://www.ons.gov.uk/ons/rel/elmr/economic-review/february-2013/economic-review--february-2013.html>

<sup>3</sup> <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/index.html>

<sup>4</sup> <http://www.ons.gov.uk/ons/rel/iop/index-of-production/index.html>

<sup>5</sup> <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/index.html>

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

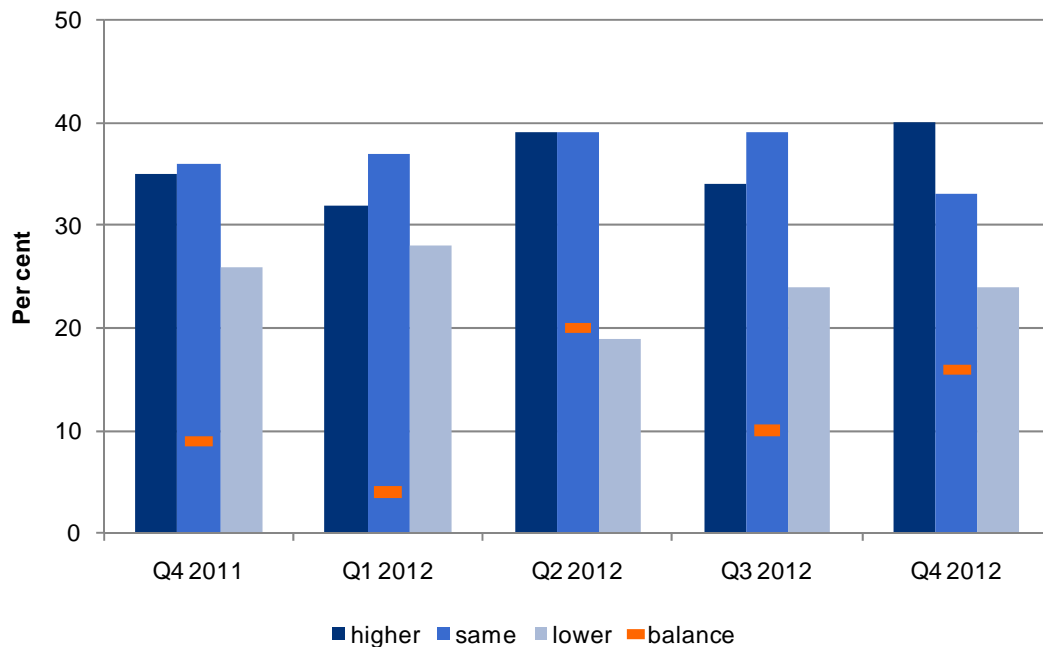
The labour market has proved resilient with employment levels rising over the year and a small fall in unemployment over the three months to December.<sup>7</sup> According to Eurostat, GDP in the Euro area contracted by 0.6% during Quarter 4 2012.<sup>8</sup> Over the year 2012, GDP in the Euro area was estimated to have fallen by 0.5%.

## Latest EBS results

### Output

Across England as a whole, an estimated 40% of businesses reported that output<sup>9</sup> was higher in Quarter 4 2012 than it had been in Quarter 3 2012, the highest quarterly figure in the series.<sup>10</sup>

**Chart 1: Level of output in England, Quarter 4 2011 to Quarter 4 2012**



**Notes:**

1. Workplaces were asked about the level of output in the preceding Quarter when compared to the reference Quarter, for example Quarter 4 2012 results compare Quarter 4 with Quarter 3 2012.
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 2012

<sup>7</sup> <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/february-2013/statistical-bulletin.html>

<sup>8</sup> [http://epp.eurostat.ec.europa.eu/cache/ITY\\_PUBLIC/2-14022013-AP/EN/2-14022013-AP-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-14022013-AP/EN/2-14022013-AP-EN.PDF)

<sup>9</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>10</sup> Estimates are not seasonally adjusted; therefore seasonal effects may be driving the results.

Thirty-three per cent of businesses reported that output in Quarter 4 2012 was the same as it had been in Quarter 3; 24% of businesses reported lower output.<sup>11</sup> This gives an overall balance score of +16% in Quarter 4 2012 which is an improvement on the results in Quarter 3 which recorded a balance score of +10%.

All regions reported positive balance scores: the South West had the highest balance score (+20%), followed by London and the East of England (both +19%). There is more variation at the NUTS2 level (hereafter referred to as sub-regions)<sup>12</sup>, although most recorded positive output balances. The strongest performance was Shropshire and Staffordshire (+28%), while of the two sub regions that recorded negative scores Cumbria had the weakest balance score (-11%), with Lincolnshire reporting a balance score of -1%.

When examining the Survey results by the size of the business,<sup>13</sup> larger businesses of 250 or more employees were most likely to report that output had increased when compared to September (48%) and least likely to report that output was lower (13%), giving a balance of +35%. In contrast, amongst micro businesses of 1 to 9 employees, an estimated 30% reported higher output compared to 37% reporting lower output, giving a balance score of -7% – micro businesses were the only size band with a negative balance.

### *Expected output performance*

Expectations of future output are less strong in Quarter 4 2012 when compared to survey results for Quarter 3 2012, but have improved when compared to the same quarter last year (Quarter 4 2011).

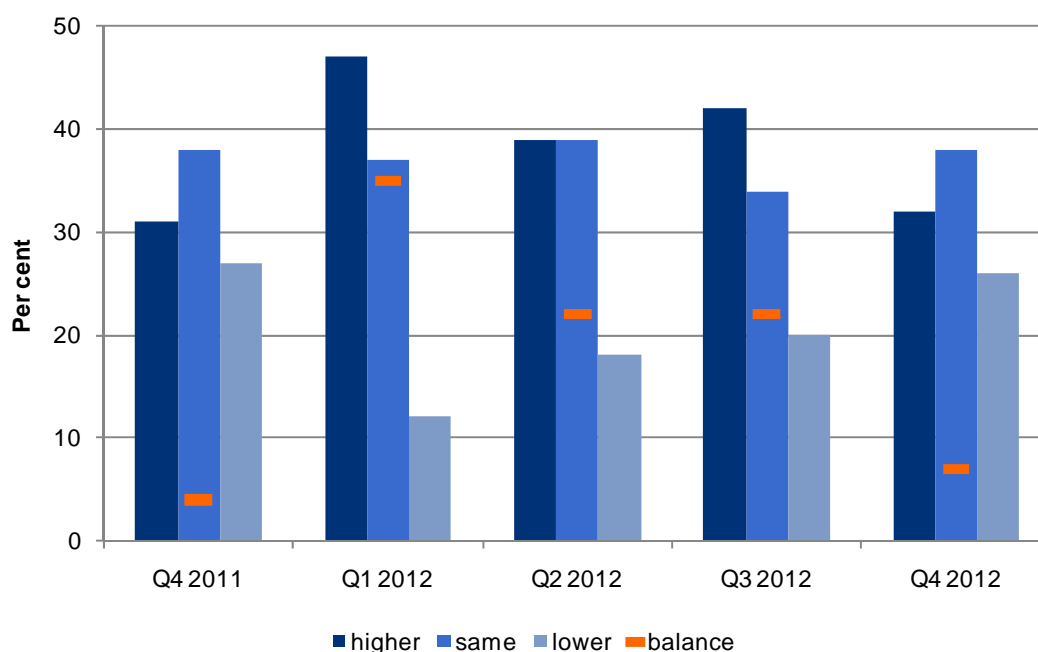
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<sup>11</sup> Responses across all categories (i.e. Higher, The same, Lower and Don't Know) sum to 100%. Workplaces accounting for 4% of employment responded don't know. See data tables (<https://www.gov.uk/government/organisations/department-for-business-innovation-skills/series/english-business-survey>) for detailed figures.

<sup>12</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.

<sup>13</sup> Business size is measured in terms of the number of employees at the workplace.

**Chart 2: Expected level of output in England, Quarter 4 2011 to Quarter 4 2012**



**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 2012 results compare Quarter 4 2012 with Quarter 1 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.

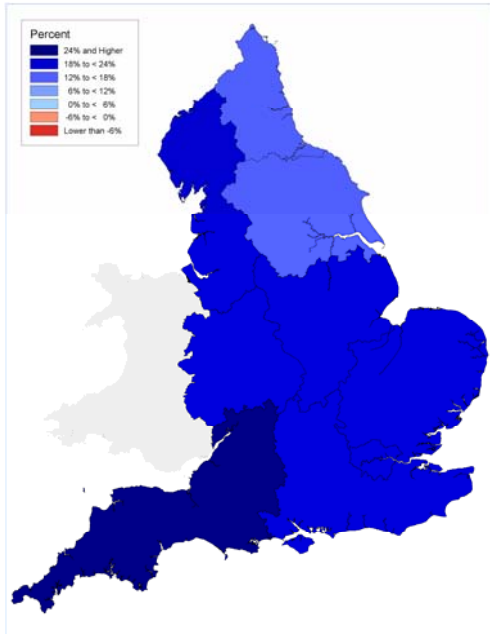
Source: BIS - English Business Survey, Quarter 4 2012

Looking forward, most businesses expect output to be the same in Quarter 1 2013 as in Quarter 4 2012, while an estimated 32% of businesses expect output to be higher, and 26% expect output to fall giving a positive balance score of +7%. This is the lowest balance score for any Quarter in 2012 and may be due to seasonal factors.

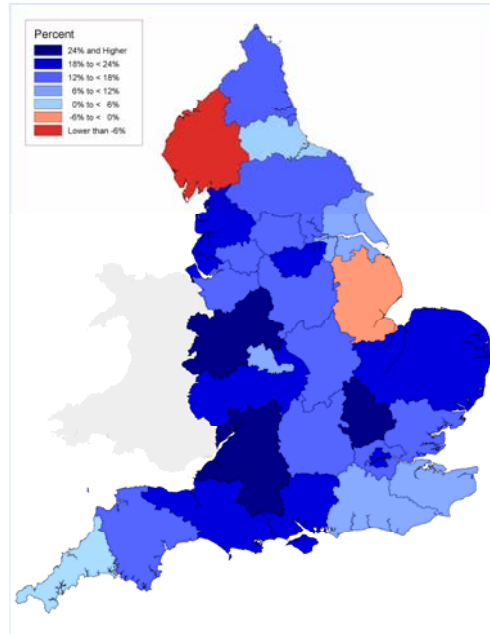
Almost all regions recorded a positive balance score on expectations of future output. Only the North East reported a negative balance score of -2%, with the strongest results in London with a balance score of +16%. At a sub-regional level Inner London has strong expectations for future output with a balance score of +20%, the highest of all sub regions.

The two North East sub-regions show little variation in their expectations for future output with both Tees Valley and Durham, and Northumberland and Tyne and Wear reporting balance scores of -2%. However, there is much more variation in Yorkshire and Humber with North, South, and West Yorkshire reporting balance scores of -7%, -4% and -1% respectively, where as East Riding and North Lincolnshire reporting a positive balance score of +15%.

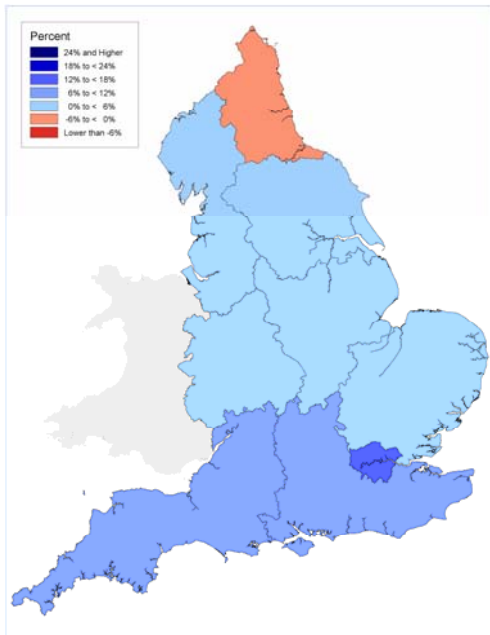
**Map 1: Balance Statistics for level of output, Quarter 4 2012, by NUTS1 region**



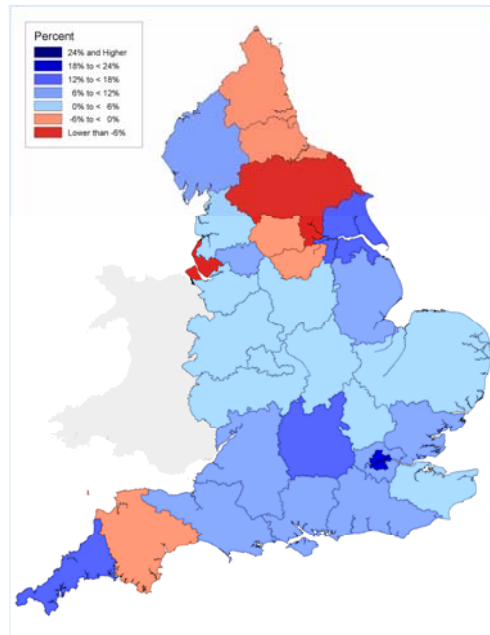
**Map 2: Balance Statistics for level of output, Quarter 4 2012, by NUTS2 region**



**Map 3: Balance Statistics for expected level of output, Quarter 4 2012, by NUTS1 region**



**Map 4: Balance Statistics for expected level of output, Quarter 4 2012, by NUTS2 region**



**Notes:**

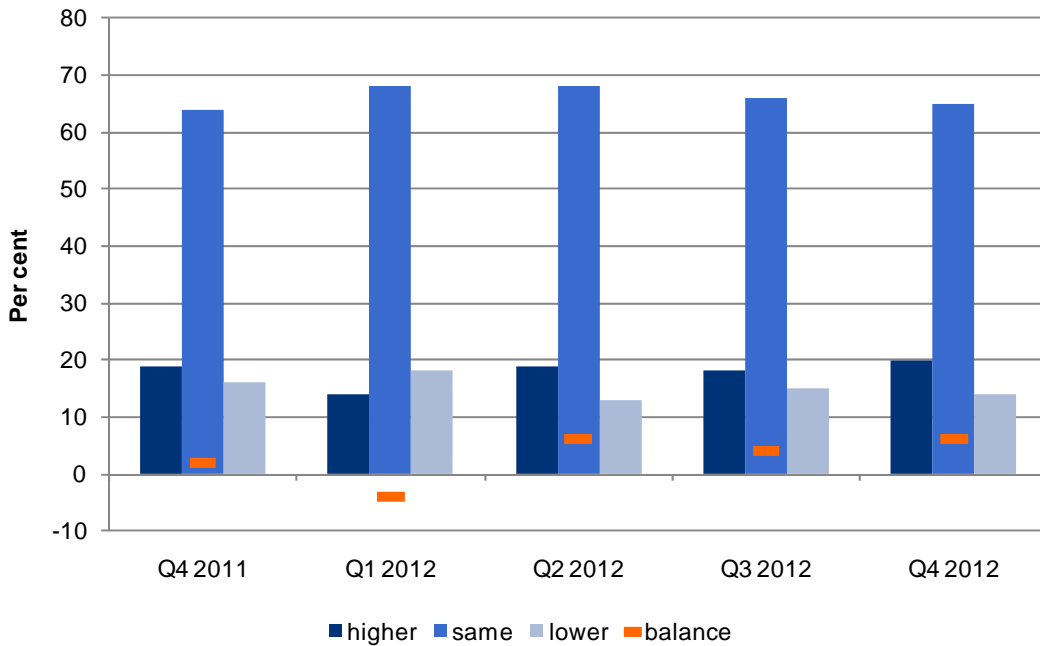
1. Map 1 & 2: Workplaces were asked about the level of employment in Quarter 4 2012 compared with Quarter 3 2012.
2. Map 3 & 4: Workplaces were asked about the level of employment in Quarter 4 2013 compared with Quarter 1 2012
3. Results are weighted to be representative of total employment in England, not workplaces.
4. Balance statistics are simple 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

## Employment

In England, most businesses reported that employment levels<sup>14</sup> were stable; but with positive balance scores reported. Over two thirds (65%) of businesses reported employment was the same in Quarter 4 as it was in Quarter 3 2012; 20% estimated higher employment while 14% estimated lower employment, giving a balance of +6%.

**Chart 3: Level of employment in England, Quarter 4 2011 to Quarter 4 2012**



**Notes:**

1. Workplaces were asked about the level of employment in the preceding Quarter when compared to the reference Quarter, for example Quarter 4 2012 results compare Quarter 4 with Quarter 3 2012.
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 2012

All regions reported positive employment balance scores in Quarter 4 2012. The largest balance was found in the West Midlands (+10%), followed by East of England (+8%); both regions reported that 22% of businesses stated output was higher in Quarter 4 compared with Quarter 3 2012. The North East and Yorkshire and The Humber both reported balance scores of +1%, the weakest of all regions.

Most sub-regions also reported positive balance scores; a particular exception is Cornwall and the Isles of Scilly reported the weakest results with a negative balance of -12%. Bedfordshire and Hertfordshire reported a balance score of +16%, the highest reported.

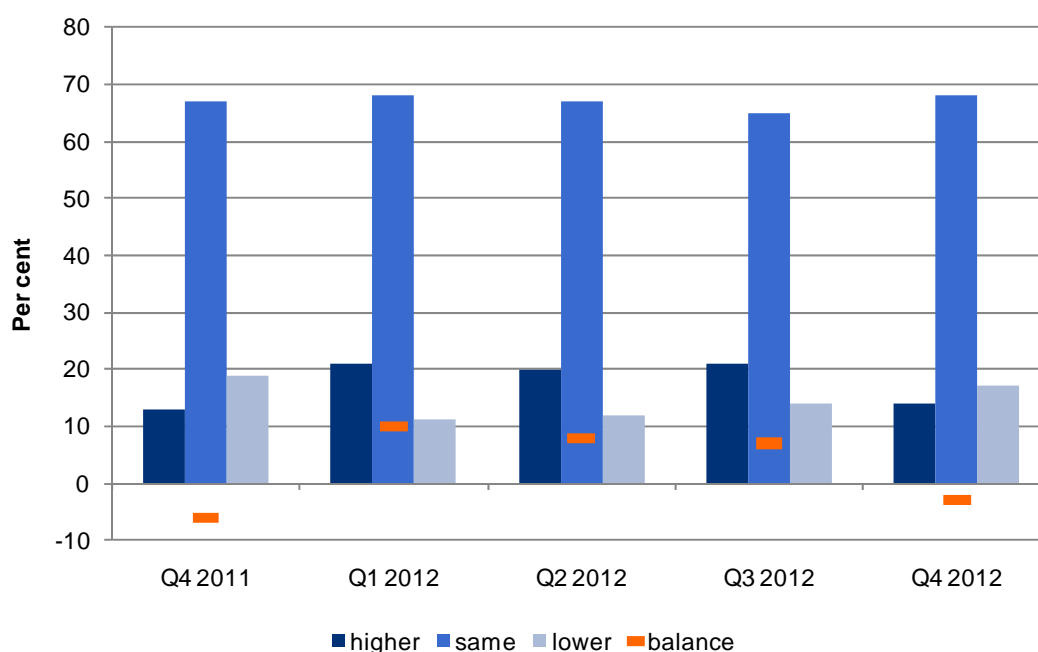
<sup>14</sup> Employment level is used to describe the average number of people working at a workplace.

Larger businesses were more likely to estimate that employment levels had changed, whilst smaller businesses were more likely to report employment levels remained the same. An estimated 30% of large businesses reported increased levels of employment in December compared to September and 19% reported lower employment, giving a balance of +11%. However, only an estimated 7% of micro businesses reported increased employment, compared to 11% that reported lower employment – the only business size to report a negative balance score (-3%) for employment.

### *Expected employment performance*

Expectations for future employment levels in Quarter 1 2013 were pessimistic across England with a balance score of -3%. This is the first negative balance score since Q4 2011.<sup>15</sup> While the majority (68%) anticipate stability in employment levels, 17% of businesses expect them to fall, and 14% expect employment to be higher in Quarter 1 2013.

**Chart 4: Expected level of employment in England, Quarter 4 2011 to Quarter 4 2012**



**Notes:**

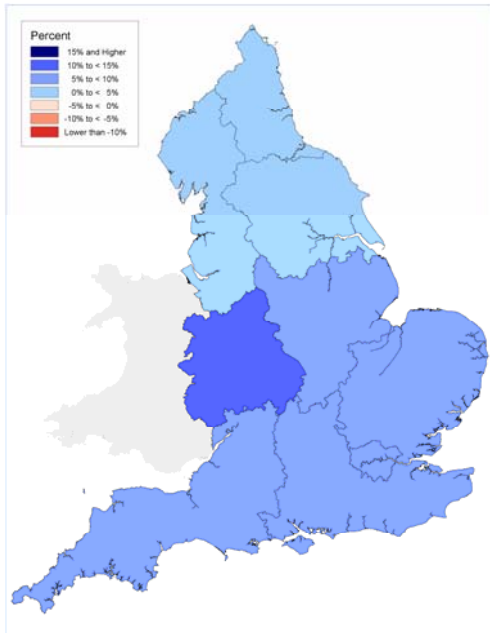
1. Workplaces were asked about their expectations for the level of employment in the next Quarter when compared to the reference Quarter, for example Quarter 4 2012 results compare Quarter 4 2012 with Quarter 1 2013.
2. Estimates are not seasonally adjusted
3. Survey results sum to 100%=(% Higher)+(% 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 2012

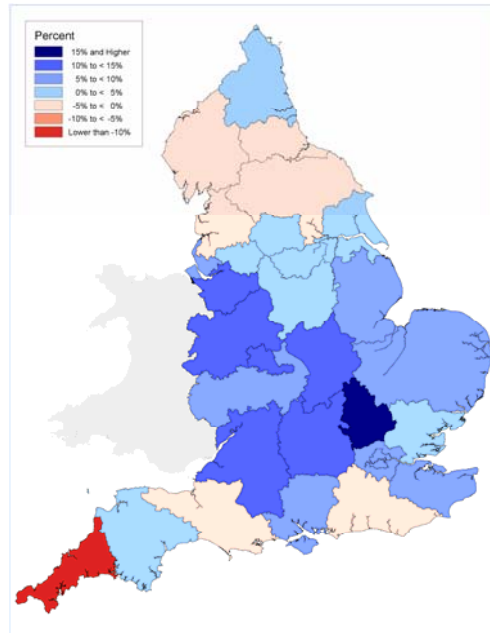
<sup>15</sup> Estimates are not seasonally adjusted; therefore seasonal effects may be driving the results.



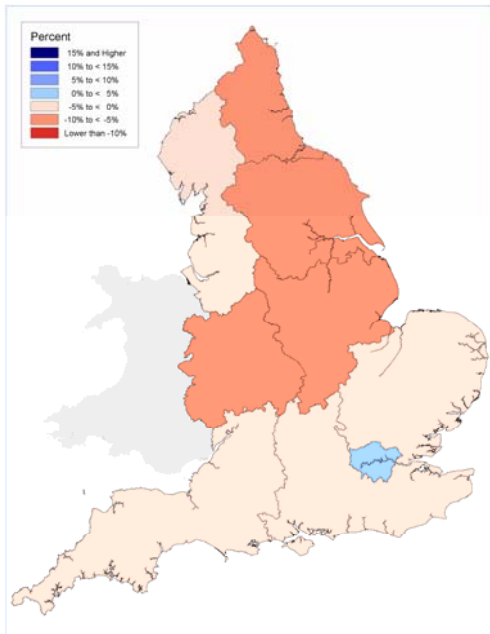
**Map 5: Balance Statistics for level of employment, Quarter 4 2012, by NUTS1 region**



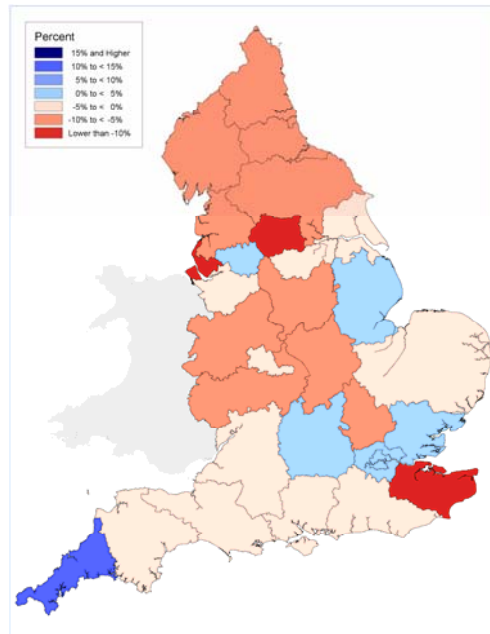
**Map 6: Balance Statistics for level of employment, Quarter 4 2012, by NUTS2 region**



**Map 7: Balance Statistics for expected level of employment, Quarter 4 2012, by NUTS1 region**



**Map 8: Balance Statistics for expected level of employment, Quarter 4 2012, by NUTS2 region**



**Notes:**

1. Map 5 & 6: Workplaces were asked about the level of employment in Quarter 4 2012 compared with Quarter 3 2012.
2. Map 7 & 8: Workplaces were asked about the level of employment in Quarter 4 2013 compared with Quarter 1 2012
3. Results are weighted to be representative of total employment in England, not workplaces.
4. Balance statistics are simple 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

All regions except London reported a negative balance score for expectations of future employment. London's balance score was 3% made up of 17% of businesses expecting output to be higher, and 14% of businesses expecting lower employment. The North East reported the weakest balance score of -8%, followed by Yorkshire and The Humber with a score of -7%.

While the majority of sub-regions reported negative balance scores there were a number of exceptions, including: Cornwall and the Isles of Scilly which reported the highest balance score of +11%; Berkshire, Buckinghamshire and Oxfordshire, and Lincolnshire (both +3%).

## Exports

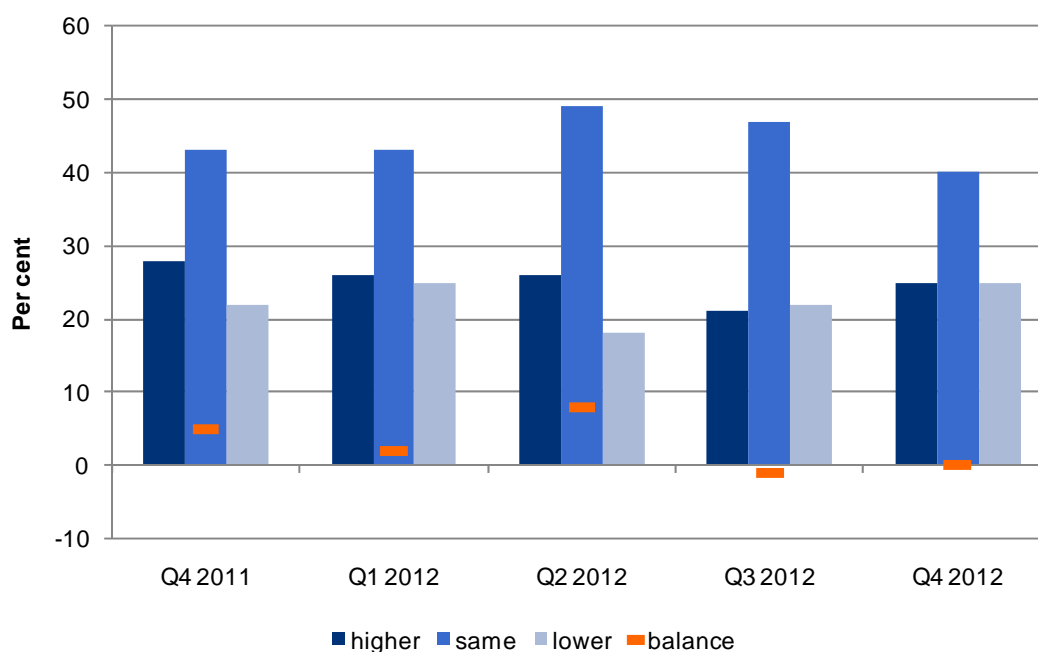
Exporting businesses are a sub-set of the business population. It is estimated that approximately 23% of small and medium sized businesses, that have employees, export goods or services<sup>16</sup> – which means that statistics on exports can only be published on a quarterly basis due to the small number of monthly responses. Within this section the estimates refer to exporting businesses only.

In England, 40% of exporting businesses reported that the volume of exports was the same in Quarter 4 2012 as in Quarter 3 2012. Equal proportions of businesses reported either a higher or lower volume of exports in the same period (25%), giving a balance score of 0% for England. This is a small improvement on Quarter 3's survey results which reported a balance score of -1%.

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<sup>16</sup> BIS Small Business Survey, 2010

**Chart 5: Volume of exports in England, Quarter 4 2011 to Quarter 4 2012**



**Notes:**

1. Workplaces were asked about the volume of exports in the preceding Quarter when compared to the reference Quarter, for example Quarter 4 2012 results compare Quarter 4 with Quarter 3 2012.
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 2012

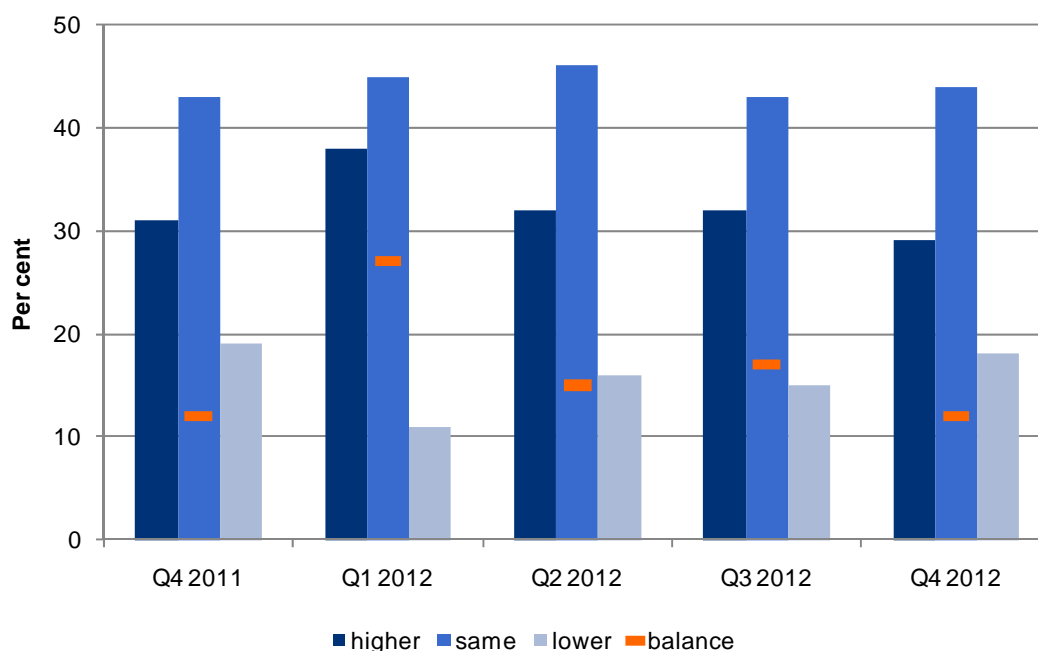
There was a large variation in balance scores across the English regions for export volumes in Quarter 4 2012 compared with Quarter 3 2012. Four of the nine regions reported negative balance scores, including: the North West and West Midlands which reported the weakest balance scores (-17%). Those reporting positive balance scores include; London (+13%), the North East (+11%), South West (+10%) and the South East (+1%).

Comparing across firm size there is little variation in balance scores, with micro and medium sized businesses reporting positive balance scores of +3% and large businesses with a score of +2%. Small businesses (10 to 49 employees) are the exception, reporting a negative balance score of -7%.

***Expected export performance***

Looking ahead the expectations for future export volumes are more positive than the backward looking measure; with 29% of exporting businesses expecting higher export volumes, 44% expecting exports to remain the same, and 18% reporting they would be lower, giving an overall balance of +12% – this is the lowest balance score reported in 2012. From the past survey results it can be seen that generally, export expectations are more optimistic than export performance actually experienced.

**Chart 6: Expected volume of exports in England, Quarter 4 2011 to Quarter 4 2012**



**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 2012 results compare Quarter 4 2012 with Quarter 1 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 2012

At a regional level only the South West reported a negative balance score (-10%) for future volumes of exports. The South East recorded the highest balance score of +27%, followed by London and the North West (both +15%)

An estimated 34% of small businesses reported they expected export volumes to be higher in Quarter 1 2013 when compared with Quarter 4 2012, the highest of all firm sizes, giving a balance score of +19%. Micro businesses (1 to 9 employees) reported the weakest balance score (+4%).

**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 advantages 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. The *Monthly Purchasing*

*Managing Index* (PMI) in December reported slight expansion for Manufacturing while the indices for Services and Construction showed contraction; the contraction in Services was the first since December 2010 and the results for Construction represented a six month low.<sup>17</sup>

The Confederation of British Industry (CBI)'s *Industrial trend survey*<sup>18</sup> reported slight contraction in output volumes in the three months to February which is in contrast to what the EBS reports for the three month to December. British Chambers of Commerce (BCC) *Quarterly Economic Survey* shows an increase in domestic sales over Quarter 4 2012 while domestic orders showed a positive balance score, recovering from the negative score recorded in Quarter 3.<sup>19</sup>

Employment data from the surveys is broadly in line with the EBS, the BCC indicates that employment increased in Quarter 4 2012 and predicts employment will continue to increase in Quarter 1 2013, and similarly CBI also recorded a positive backward and forward looking balance for employment (+2% and +13% respectively for the three month to February). Official statistics show employment has increased between November and January.

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<sup>17</sup> <http://www.markiteconomics.com/Survey/Page.mvc/AboutPMIData>

<sup>18</sup> <http://www.cbi.org.uk/business-issues/economy/business-surveys/industrial-trends-survey/>

<sup>19</sup> <http://www.britishchambers.org.uk/policy-maker/policy-reports-and-publications/quarterly-economic-survey-q4-2012.html>

## Background Notes

### Product Development

The survey has undergone extensive development and testing, including pilot testing of the survey and cognitive testing of the survey questions. The Report on the EBS Questionnaire<sup>20</sup> contains details of the development and testing of the questionnaire; the Technical Annex details the methods which underpin the survey. Both documents are available on the EBS webpage.<sup>21</sup>

EBS methods and questionnaire continue to be reviewed and analysed to ensure they remain the best possible. Should you have any comments on the statistics – including on the methods used and dissemination of the statistics – or would like to inform us how you use the statistics, please contact [ebssurvey@bis.gsi.gov.uk](mailto:ebssurvey@bis.gsi.gov.uk).

### 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 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 adjustment<sup>22</sup>. It is expected that seasonal patterns will 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 until the statistics are assessed for seasonality 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

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<sup>20</sup> <http://www.bis.gov.uk/assets/biscore/statistics/docs/e/12-601-english-business-survey-report-questionnaire-development.pdf>

<sup>21</sup> <http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebssurvey>

<sup>22</sup> The recommended approach for removing seasonality in UK Official Statistics requires three years of monthly data or 5 years of quarterly data.

and employment<sup>23</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.

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>24</sup>, which provides information about how to interpret results, and a Technical Annex<sup>25</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>26</sup> businesses. This is potentially important as such businesses make up a significant

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<sup>23</sup> The characteristics used for weighting include: location (NUTS2 Region) and employment size (0-49, 50-249 and 250+).

<sup>24</sup> <http://www.bis.gov.uk/assets/biscore/statistics/docs/e/12-598-english-business-survey-user-guide.pdf>

<sup>25</sup> <http://www.bis.gov.uk/assets/biscore/statistics/docs/e/12-602x-english-business-survey-technical-annex.pdf>

<sup>26</sup> Non-registered businesses are not registered for either PAYE or VAT, which means they are generally, the very smallest non-employing businesses.

proportion of the overall business population (55% of businesses) although they account for a smaller share of employment (12%) and turnover (3%)<sup>27</sup>.

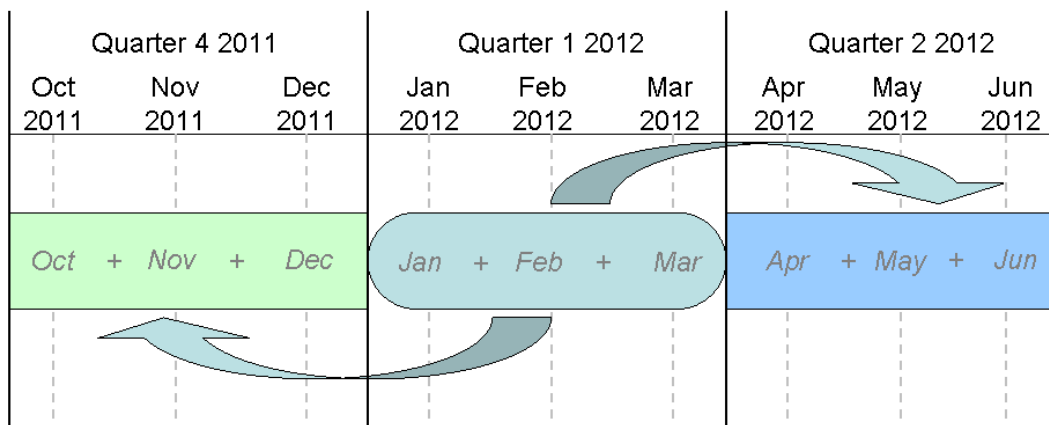
## Interpreting the results

### Workplace based survey

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 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*.

<sup>27</sup> Statistics on the non-registered businesses are taken from Business Population Estimates for the UK and Regions 2012



### *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. Data from the EBS is still in its infancy and therefore it is not yet possible to seasonally adjust the data. 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 Annex*.
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.
9. Unlike the monthly EBS statistics, tests for statistically significant differences between the England total results and the results from each sub-group are still to be developed and are not included in this release.

### *Presentation*

10. In the tables accompanying this release, the following conventions have been used:

- 0 nil (none recorded in sample)
- \* Suppressed due to small cell sample size
- - Suppressed due to small column sample size
- ... Balance score not available due to small sample counts

11. 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*

12. Quarterly statistics from the EBS are published within two months of the period to which they refer. The date of publication will be announced at least four weeks in advance. We are working towards a regular publication cycle; however, due to the experimental nature of the data, the publication date for each quarter may initially vary. Future publication dates will be added to the National Statistics Publication Hub.<sup>28</sup>

### *Revisions*

13. 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**

### *Geographical units and NUTS levels*

14. 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.

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<sup>28</sup> <http://www.statistics.gov.uk/hub/index.html>

15. 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*

16. The English Business Survey Reporting Tool<sup>29</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 range of statistics than presented in the Statistical Release and the supporting tables.

### *Micro data*

17. EBS Micro data are available to 'approved researchers' via ONS' Virtual Micro Laboratory<sup>30</sup> and an aggregated version of the dataset is available to academics from the UK Data Archive<sup>31</sup>.

## **Contact details**

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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>29</sup> <http://dservuk.tns-global.com/English-Business-Survey-Reporting-Tool/>

<sup>30</sup> <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/index.html>

<sup>31</sup> <http://www.data-archive.ac.uk/>