



English Business Survey – December 2013

This release provides timely intelligence on business conditions in England, presenting key messages from the English Business Survey (EBS) in December 2013, which is the reference month for the survey. The EBS interviews around 3,000 workplaces each month providing an assessment of past, current and future business and economic conditions. The release focuses on changes in business activity and employment levels, with statistics on a range of variables contained in the fifteen supplementary tables that accompany the release.

Notice of cessation

After reviewing the English Business Survey to ensure it continues to meet both the needs of the Department and 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 page¹.

Key Points

- In England, positive balance scores in December 2013 were recorded for both output and employment. Estimates recorded in December 2013 for output were +22%, and +10% for employment. Across sectors and business sizes, employment and output balance score estimates were positive, except for the Construction sector which reported a negative employment balance score for December 2013.
- All regions reported positive balance score estimates for output and employment in December 2013. Balance scores for output ranged from +30% in London to +13% in the South West, whilst balance scores for employment ranged from +17% in the North East to +6% in the East Midlands.
- Businesses reported stronger output performance in December 2013 with the balance score estimate 15 percentage points (pp) higher than the balance score estimate for December 2012. This positive performance was mirrored across all the regions. Output balance scores have been higher than their 2012 equivalents for 9 consecutive

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

months, adding further weight to the positive performance suggested in other official statistics.

- Across businesses in England, future expectations of output and employment levels in March 2014 were positive, with balance score estimates of +24% and +5% respectively. Sub-nationally, all regions were optimistic about future output and employment levels; with the exception of the East of England which reported an employment balance score of -3%; a lower score than published for December 2012. In addition, though the South East's future output balance score was positive, it was the only region to register a lower output balance score than those published for December 2012.

Economic Context

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

- Gross Domestic Product (GDP) increased by 0.7% in Q4 2013 compared with Q3 2013². Compared with the same quarter a year ago, Q4 2012, GDP was 2.8% higher in Q4 2013.
- The employment rate in the working age population (16-64) from October to December 2013 was 72.1%, up 0.3 percentage points from July to September 2013. There were 30.15 million people in employment aged 16 and over, up 193,000 from July to September 2013.
- The unemployment rate for October to December 2013 was 7.2%, down 0.4 percentage points from July to September 2013. There were 2.34 million unemployed people, down 125,000 from July to September 2013³.
- 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 November⁴. In December 2013, inflation hit the Bank of England's target rate of 2.0% for the first time in 4 years.
- Retail Sales estimates for December 2013 increased by 5.3% compared to the same period the previous year. Compared to the previous month, retail sales increased by 2.6% in December 2013⁵.
- Construction output increased by 2% in December 2013 when compared with November 2013. However comparing December 2013 with December 2012 shows that construction output increased by an

² <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q4-2013/stb-gdp-preliminary-estimate--q4-2013.html>

³ <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/february-2014/index.html>

⁴ <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/december-2013/index.html>

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

estimated 1.3%, the seventh consecutive increase in the rolling 12 month estimate⁶.

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.⁷ 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.

Background Notes

Quality and use

These estimates are currently 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 adjustment⁸.

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 Guide*⁹, which provides information about how to interpret results, and a

⁶ <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/december-and-q4-2013/index.html>

⁷ Source: UK Business: Activity, Size and Location, 2013

⁸ The recommended approach for removing seasonality in UK Official Statistics requires 3 years of monthly data or 5 years of quarterly data.

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210768/12-598-english-business-survey-user-guide.pdf

*Technical Guide*¹⁰, 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 are published on the National Statistics Publication Hub¹¹.

Revisions

3. 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

Sub-regional data

4. The English Business Survey Reporting Tool¹² 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 Map¹³ allows users to determine how NUTS 2 areas are performing, relative to England, over time for Output, Employment and levels of Stock. The Map uses quarterly statistics and is updated shortly after each quarterly release. **The next and final update is scheduled for publication on 30th April 2014.**

Micro data

6. EBS Micro data are available to 'approved researchers' via ONS' Virtual Micro Laboratory¹⁴ and an aggregated version of the dataset is available to academics from the UK Data Archive¹⁵.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf

¹¹ http://www.statistics.gov.uk/hub/release-calendar/index.html?newquery=*%&iday=0&lmonth=0&lyear=0&title=English+Business+Survey&pagetype=calendar-entry&uday=&umonth=&uyear

¹² <http://dservuk.tns-global.com/English-Business-Survey-Reporting-Tool/>

¹³ <http://aalookup.bis.gov.uk/ebs/map/>

¹⁴ <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/index.html>

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¹⁵ <http://www.data-archive.ac.uk/>