



English Business Survey – January 2014

This release provides timely intelligence on business conditions in England, presenting key messages from the English Business Survey (EBS) in January 2014, 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 score estimates were recorded in January 2014 for both output and employment, at +12% and +2%, respectively. Across sectors and business sizes, output and employment balance scores for January 2014 were positive, except for micro businesses (1-9 employees) which reported a negative balance score for both variables and the Other Services sector which reported a negative balance score for employment.
- Across the regions, non-negative output balance scores were recorded in all 9 regions for January 2014 ranging from 0% in the North East to +17% in London. Employment balance scores were more mixed, ranging from -6% in the North East to +8% in London. The West Midlands and the South East also recorded negative employment balance scores, at -3% and -2%, respectively.
- Compared to figures published in January 2013², businesses reported a stronger output performance (+17 percentage points – pp) for

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

² Estimates are not seasonally adjusted

January 2014. This positive result was mirrored across all the regions. At the national level, January 2014 is the 11th consecutive month that output balance scores have been higher than their 2012 or 2013 equivalents. Businesses across the regions also registered higher employment balance scores in January 2014 compared to their January 2013³ equivalent, except the West Midlands which registered a small decline (1pp).

- Businesses in England reported positive future expectations of output and employment activity when asked to think of March 2014; with balance scores of +47% and +20% respectively. Sub-nationally, all regions were optimistic about future output; with balance scores ranging from +54% in the East of England to +40% in both Yorkshire & The Humber and the North East. Regions were similarly optimistic about employment; where balance scores ranged from +29% in London to +11% in the North East. Compared to January 2013 results, all regions reported higher output and employment balance scores; except for Yorkshire & The Humber and the South East which registered declines of -3pp and -2pp, respectively, for future expectations of output and for the North East which registered no change.

Economic Context

This section provides contextual information on the economic performance over the survey period (January 2014) 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 2013⁴. 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 November 2013 to January 2014 was 72.3%, up 0.3 percentage points from August to October 2013. There were 30.19 million people in employment aged 16 and over, up 105,000 from August to October 2013.
- The unemployment rate for November 2013 to January 2014 was 7.2%, down 0.2 percentage points from August to October 2013. There were 2.33 million unemployed people, down 63,000 from August to October 2013⁵.
- Annual inflation, using the Consumer Prices Inflation measure, was estimated to be 1.9% in the year to January 2014 down from 2.0% in

³ Estimates are not seasonally adjusted

⁴ <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q4-2013/stb-gdp-preliminary-estimate--q4-2013.html>

⁵ <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/march-2014/index.html>

December 2013⁶. 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 January 2014 increased by 4.3% compared to the same period the previous year. Compared to the previous month, retail sales declined by 1.5% in January 2014⁷.
- Construction output increased by 1.8% in January 2014 when compared with December 2013. Similarly, comparing January 2014 with January 2013 shows that construction output increased by an estimated 5.4%, the eighth consecutive increase in the rolling 12 month estimate⁸.

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 workplace⁹. 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

⁶ <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/january-2014/index.html>

⁷ <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/january-2014/index.html>

⁸ <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/january-2014/stb-construction-jan-2014.html>

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

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 Guide*¹¹, which provides information about how to interpret results, and a *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 and 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 Hub¹³.

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 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 Output,

¹⁰ The recommended approach for removing seasonality in UK Official Statistics requires 3 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

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/release-calendar/index.html?newquery=*&lday=0&lmonth=0&lyear=0&title=English+Business+Survey&pagetype=calendar-entry&uday=&umonth=&uyear

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

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

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 28th March 2014.** The final publication on 30th April 2014 is for the monthly data and does not, therefore, include a Map.

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.

Contact details

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

Statistician: Heidi Grainger **Tel:** 020 7215 5892

Economist: Victoria Allard **Tel:** 0207 215 5742

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

Letters: 4th Floor Spur, 1 Victoria Street, London, SW1H 0ET

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

¹⁷ <http://www.data-archive.ac.uk/>