



English Business Survey – February 2014

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; this month's EBS release is the final publication.** 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.

This release provides timely intelligence on business conditions in England, presenting key messages from the English Business Survey (EBS) in February 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.

Key Points

- In England, output and employment balance score estimates in February 2014 were +14% and +0%, respectively. Across business sizes and sectors, output balance scores were positive, except for micro businesses (1-9 employees) which reported a negative balance score of -3%. Employment balance scores were more mixed, with micro and medium size (50-249 employees) businesses, as well as businesses in the Other Services sector, recording negative balance scores.
- Sub-nationally, output balance scores for February 2014 ranged from +21% in Yorkshire and the Humber to +0% in the North West. Employment balance scores were somewhat weaker, ranging from +4% in East Midlands to -11% in the North West. The North East also recorded a negative employment balance score of -3%.
- Businesses in England reported stronger output performance in February 2014 compared to the same period the year before, with a balance score estimate 13 percentage points (pp) higher than its

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

equivalent for February 2013. February 2014 is the 12th consecutive month that a national output balance score has been higher in a given month than its equivalent the previous year (i.e. comparing February 2014 with February 2013 or comparing March 2013 with March 2012). This positive performance was mirrored across the regions. In addition, businesses in England and across the regions registered higher employment balance scores in February 2014 compared with the same month the previous year, with the exception of the North West and South West, at -7pp and -4pp respectively.

- When asked to consider their positions three months in the future, businesses in England reported positive expectations of output and employment activity in May 2014, compared to February 2014, with balance score estimates of +46% and +16%, respectively. Across regions, workplace sizes and sectors, all businesses were optimistic about future output and employment. Sub-nationally, future output balance scores ranged from +49% in both the West Midlands and London to +40% in the East of England; with future employment balance scores ranging from +21% in the South West to +10% in Yorkshire & the Humber. Businesses in all regions reported stronger levels of expected output and employment in February 2014 compared to February 2013, except East of England and South West (output), as well as South East (employment).

Economic Context

This section provides contextual information on the economic performance over the survey period (February 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 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 December 2013 to February 2014 was 72.6%, up 0.5 percentage points from September to November 2013. There were 30.39 million people in employment aged 16 and over, up 239,000 from September to November 2013.
- The unemployment rate for December 2013 to February 2014 was 6.9%, down from 7.1% between September and November 2013. There were 2.24 million unemployed people, down 77,000 from September to November 2013³.
- Annual inflation, using the Consumer Prices Inflation measure, was estimated to be 1.7% in the year to February 2014 down from 1.9% in

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/april-2014/statistical-bulletin.html>

January 2014⁴. 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 February 2014 increased by 3.5% compared to the same period the previous year. Compared to the previous month, retail sales increased by 1.3% in February 2014⁵.
- Construction output decreased by 2.8% in February 2014 when compared with January 2014. The three monthly (December 2013 to February 2014) estimate of construction output increased by 0.3% when compared with the previous three months (September to November 2013)⁶ for all types of work.

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 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,

⁴ <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/february-2014/index.html>

⁵ <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/february-2014/index.html>

⁶ <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/february-2014/index.html>

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

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 *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. Provisional information on the likely size of these sampling errors is provided in the *Technical Guide*.

Timeliness

2. 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 final Interactive Map was

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

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=*&lday=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/>

published with the last Quarterly release, Q4 2013, in March 2014. As this final publication is for data collected monthly in February 2014, it does not, therefore, include a Map.

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.

Contact details

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

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

¹⁵ <http://www.data-archive.ac.uk/>