

# Minutes of the Business Population and Demographics Statistics (BPDS) User Group meeting - 13<sup>th</sup> July 2016.

## Attendees

Drew Hird	BIS (chair)
Steve White	BIS (minutes)
Andrew Allen	ONS
Karen Watkins	ONS
Steve Dempsey	BIS
Richard Prothero	ONS
Cecilia Campos	ONS
Mike Moran	Sample Answers Ltd
Louise Nye	IPSE
Brian Smith	Greater London Authority
Karen Bonner	Enterprise Research Centre
Andrew Ledger	BIS
Jennifer Turnbull	Scottish Enterprise
Heather Smith	Highlands and Islands Enterprise
Marina Curran	Scottish Government
Alex Morton	South Lanarkshire Council
Julian Frankish	Barclays Bank
Jacqueline Carter	Manchester Metropolitan University
Stephen Bygrave	BT

## 1. Introductions

## 2. Review Terms of Reference for the Group and discuss recruiting new members

The Group agreed that:

- The Terms of Reference for the group should continue to focus on the specific National Statistics publications as originally envisaged by the UK Statistics Authority. However, during the course of the meetings, users will have the opportunity to touch on other related issues or new developments of interest.
- There was scope to widen the current Group membership by building new contacts and links with other user groups, including SCOTSTAT (government users of Scottish official statistics) and linking up with academics in Newcastle and Manchester Metropolitan Universities. Other suggestions including contacting the 'Centre of Research' at IPSE and making better links with LEPS in England and the City Regions of Scotland.
- There was also interest in hearing about relevant data on self-employment in future meetings, and potentially in creating links with NESTA, NIESR and the DWP.

Drew Hird also mentioned that production of the Business Population Estimates would be transferring to a new analytical team in BIS in the next year or so, because all BIS Headquarters functions would be moving to London.

***Action 1 – BIS and ONS to seek to widen the current membership of the Group by establishing new links with other user groups, academics, LEPS and City regions.***

***Action 2 – BIS to lead on any further discussions about self-employment and the availability of data on this issue.***

### **3. Update from producers on developments with National Statistics**

#### **Business Demography and UK Business**

Karen Watkins reported that the outcome of the recent ONS publications consultation was that ONS would be retaining both the publications. However, ONS was planning to reduce the statistical bulletin for UK Businesses to provide only key metadata and a short set of bulleted headline points. This was in response to feedback that users found the output tables more useful than the commentary.

The data content for UK Business would remain the same as last year and there would be no changes to the Business Demography publication. Karen flagged that last year this had also included an Employer Demography section and that would be repeated this year.

Release dates were yet to be confirmed; however it was likely that Business Demography would be released at the end of November and UK Business was likely to be in October.

#### **Businesses in Scotland**

Marina Curran reported that no changes to the structure of the release were planned; however an open data platform (beta version) is being made available, which will potentially include experimental urban and rural breakdowns.

The release date had not yet been set, but was likely to be in early November.

#### **Business Population Estimates for the UK and Regions**

Steve White reported that there would be no changes to the methodology or the content of the 2016 publication. The main change this year would be the use of recently re-weighted Labour Force Survey data, which would probably mean the number of un-registered businesses for 2013 to 2015 would be revised. The impacts of this in the past have tended to be relatively small.

BIS were also currently looking to develop a new web tool enabling users to look at different aspects of the BPE data, including the use of interactive charts and maps.

The provisional release date for the 2016 edition was October/November.

### **4. User Feedback on National Statistics publications**

#### **UK Business: Activity, Size and Location and Business Demography**

Steve Dempsey said that, where ONS was moving to using data explorer tools and potentially APIs, he was unlikely to use the statistical bulletins and would like to get notification updates if there were any changes to the meta-data and underlying data-sets for the different publications.

Julian Frankish and Jacqueline Carter agreed that they were more interested in the data than the commentary. They found the old 'Excel' format more useful than the Data Explorer tool, because it was earlier to find the data. Andrew Allen explained that ONS were looking to improve the Data Explorer and the 'Excel' tables had been stopped to keep costs down. He mentioned that the data was also available to users on NOMIS.

Richard Prothero said it was still important to still provide commentary, guidance and context/background in National Statistics publications, as many users will not be experts.

A link to the ONS 'UK Business: activity, size and location' data on NOMIS is provided below:

<https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?theme=49>

### **Business Population Estimates**

Lorence Nye thought the publication was very useful and used some of the bullets to populate Press Releases he was working on within IPSE.

Mike Moran also agreed, and said that having both charts and commentary made it easier for users to understand.

Richard Prothero also agreed that the BPE Statistical Release was very useful, and highlighting the importance of providing good commentary for users.

### **Statistics on wider topics**

Alex Morton asked about what information was available to users on innovation, productivity and exporting, where he had information gaps. He was also interested in getting more disaggregated data for Scotland, including information at City Deal level.

Drew Hird mentioned the BIS Longitudinal Small Business Survey, which would capture information on innovation and exporting, and that the sample size of 15,000 SMEs meant this could be analysed at a more detailed level. Drew explained that the headline indicators for exporting and innovation were drawn from the Annual Business Survey and UK Innovation Survey. The LSBS did not necessarily match these because of the different methods and coverage, but was useful because it allowed more factors to be examined together.

These statistics are available from the BIS and ONS websites:

<https://www.gov.uk/government/collections/small-business-survey-reports>

<http://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusiness/economy/previousReleases>

<https://www.gov.uk/government/collections/community-innovation-survey>

Brian Smith hoped that there would be opportunities in the future for better data sharing and asked about the availability of information/data on total levels of payroll within businesses on the register. Drew Hird confirmed that this information was not currently available, but it would be important to feed these requirements into the development work for the future Statistical Business Register.

### **Statistics for more detailed geographies**

Richard Prothero said there would be an increasing amount of interest in LEP areas over the next few years, and also on innovation and exporting. He also said it would be useful for more information/guidance to be made available to inform users on which sources were best to use.

Andrew Ledger said that BIS had looked into producing LEP level estimates for the Business Population Estimates, but a key barrier had been access to more detailed HMRC data. Drew Hird said that the development of a next-generation Statistical Business Register would probably be the way forward for delivering more detailed BPE statistics in future – this would mean statistics could be based on microdata rather than estimation.

### **Providing better guidance and metadata**

Brian Smith said he used a number of different sources for collating information for London specifically, and he needed to be aware of the underlying differences between them, hence the need for good accompanying commentary.

Drew Hird also said that the Group should not become too narrowly focused on National Statistics outputs and should ideally provide more information and clarity on how different sources relate to each other and communicate this with other users.

***Action 3 – ONS (Richard Prothero) to make initial proposals to BIS on options for providing more guidance for users on the comparability and coherence of the different National Statistics publications***

## **5. Devolution Agenda work in the ONS and implications for Business Population and Demographics Statistics.**

Richard Prothero gave an update on developments in his Team in the Devolution area. He reported that more resources were being put into this area, because producing outputs at regional and local levels were being given higher priority. More work was being undertaken on the regional and public sector accounts and on other financial data-sources.

Richard wondered if more could be done to share localised data with a wider range of users and or share ad hoc papers on sub national data more widely. The example of working with Greater Manchester was mentioned.

Brian Smith mentioned said that setting up a user group of LEPS and city regions, could useful, but a strategy and stronger links would need to be developed first.

Richard Prothero agreed that any new groups needed to be brought together in a more coherent way, and suggested that discussions with the UKSA and other parts of ONS might be useful to consider how to develop different contacts.

Alex Morton pointed out that the ONS had an obligation to engage with the City Deal's National Evaluation plan.

***Action 4 – ONS and BIS to consider options for expanding the Group, including whether to include LEPS in the process and how this would fit with other groups looking at wider data issues.***

## 6. Update on developments on Business Registers

Andrew Allen explained that the IDBR (Inter Departmental Business Register) had been running now for around 22 years and had been set up mainly for use as a sampling frame for ONS surveys. More recently the microdata has been used as the foundation for the various National Statistics on business population and demographics, and increasingly for more complex analysis such as that being undertaken by the Enterprise Research Centre.

Now a new project had been setup to develop a new comprehensive register of all businesses, including those below the compulsory VAT or PAYE thresholds. This process includes the development of two products, a Business Index and a new Statistical Register.

The Business Index will form a comprehensive list of legal entities, allowing systems to be joined up and creating a single list that can be used across government operations. This should reduce burdens on businesses and facilitate improved experiences when using government services. It will include a minimal set of information to describe the business – currently 8 data fields.

The Statistical Register will be used for statistical and research purposes only and is expected to include a wider range of variables than the Index and the current IDBR. It will also contain more information on business structures and ideally include more economic variables, such as approximated GVA and exporting. This register will be updated more frequently and efficiently compared to the IDBR. It is expected that this would be the sole source of business population statistics in future, removing the need for estimating parts of the population.

Andrew Allen explained that a new legal framework and access controls would have to be developed over the next year, before the Index and Register could be fully developed and put into use. This was being investigated elsewhere in government, in parallel to the work ONS was undertaking to develop technical solutions.

Andrew was keen to hear from users about how they might want to use either system, to help him develop User Stories against which the success of the development could be measured.

## 7. Work being undertaken by the Enterprise Research Centre

Karen Bonner updated the Group on the work being currently undertaken by the ERC using data from the Business Structures Database (BSD).

- Follow on analysis from a previous productivity decomposition study using underlying turnover and employment data from the BSD.
- Developing insight about 'Growth Hero' businesses – those that had growth in turnover and employment over a 3 year period, and where turnover growth was higher than employment growth.
- Comparisons of Growth Heroes with i. High growth firms (OECD definition), ii small high growth firms and iii. ERC's "M2000" firms.
- Growth dashboard analysis covering the period 2012 to 2015, including a range of metrics derived from the BSD for all LEPS and for Scotland, Wales and Northern Ireland.
- Spatial incidence of high growth firms.
- Productivity and employment growth, examining this relationship by size and age of firm.
- Linking the SME Finance Monitor to the BSD to explore growth and various aspects of finance.

## **8. Update on work being undertaken by the ONS using the Virtual Micro-data Laboratory**

Cecilia Campos gave the Group an update on her work over the last 2 years to improve the way data is used in the VML and the Secure Data Service:

- Improving the documentation, including publications on data-sets.
- Improving and providing more meta-data and appropriate documentation.
- Obtaining better data
- Facilitating more data linkage

Cecilia explained that a catalogue for each data-set containing consistent names for variables and meta-data had been created. She had also been working on obtaining better data for users, including using linked data containing financial, employment and information for productivity analysis. This also included providing improvements to the Business Structure Database (BSD), which was the most widely used information source used in the VML, mainly for evaluations and productivity analysis.

Steve Dempsey stressed the importance of documentation on meta-data being made to new people working in the VML to guide them.

Richard Prothero hoped in the future that more government users would have access to the VML data across a larger number of government offices.

Julian Frankish had problems with accessing the Secure Data Service because he wasn't an academic researcher. Cecilia Campos explained that there was provision for non-government users to access the VML.

***Action 5 – Cecilia Campos to provide links on guidance concerning access to secure data-sets***

## **9. AOB**

Alex Morton asked about the implication of the UK EU referendum vote and whether the UK would need to abide by the EUROSTAT regulations in the future. The ONS stated that it would be business as usual for the moment, and we would wait for further guidance on this in due course.

Drew Hird also mentioned that the Microbusiness Research portal had been launched at the start of 2016, providing information about datasets and research reports on microbusinesses, as well as news and blogs about research activity. See: <http://microbusiness.ac.uk/>

## **10. Date and time of next meeting.**

Drew Hird thanked all those attending the meeting and suggested that the next meeting would probably take place around May 2017.