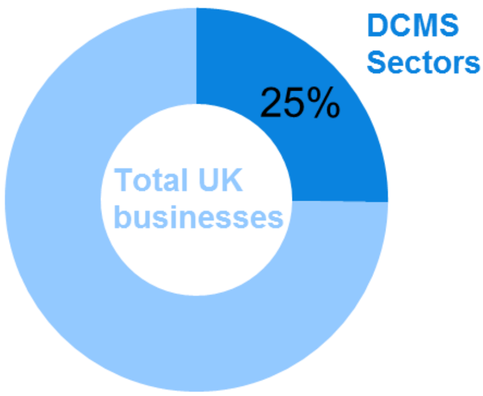
DCMS Sectors Economic Estimates 2016: Business Demographics

- In 2016, there were around **610,000** businesses in the DCMS sectors (excluding Civil Society), accounting for a **quarter** of all businesses in the UK.



Of all businesses in the DCMS sector (excluding Civil Society):

- Nearly **9 in 10** employed fewer than 10 people
- The regions with the two largest proportions of DCMS businesses in the UK were **London (**24.3%) and the **South East** (16.7%)
- **12.8%** engaged in international trade
- A large majority (99.0%) were **UK owned** with the remaining 1.0 per cent being foreign owned

This release provides estimates of the number and size of businesses within the DCMS sectors. Other economic measures, such as GVA, employment, and trade are available in separate publications. These releases enable stakeholders to evaluate the economic contribution of DCMS sectors, which are not traditional National Account sectors, and to understand how current and future policy interventions can be most effective. The DCMS sectors cover:

- Civil Society
- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms
- Tourism

Note that the Civil Society figures are not available on a consistent basis compared to the other DCMS sectors. Estimates for the Civil Society are included in Annex A.

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Contents

Chapter 1: Introduction

Code of Practice for Official Statistics
DCMS Sector Economic Estimates is an Official Statistic and has been produced to the standards set out in the Code of Practice for Official Statistics.

Background

Released: 14 February 2018

Geographic Coverage: United Kingdom

This release provides estimates for the number of businesses in DCMS sectors. These numbers are further broken down by:

- Employment size band
- Turnover size band
- Region (number of business sites in the UK[1])
- Number/ proportion of import and export businesses in Great Britain
- Number/ proportion of foreign owned businesses

Estimates are available for 2016, except for the analysis by region where only 2014 and 2015 data are currently available and foreign owned businesses where only 2015 data are currently available. The same data sources are used for DCMS estimates as for national estimates, enabling comparisons to be made on a consistent basis. Please note that there was a structural break in the business survey data at 2016, and therefore data prior to this has not been published for DCMS sectors. Further information is available on ONS website.

Data are available for each DCMS sector, and sub-sectors within the Creative Industries, Digital Sector and Cultural Sector. Estimates for parts of the Civil Society are given in Annex A but these are based on different data sources and should not be compared directly to the other DCMS sector estimates.

A definition for each sector is available in the associated methodology note, along with details of methods and data limitations. There is significant overlap between DCMS sectors so users should be aware that the estimate for **"DCMS sectors total" is lower than the sum of the individual sectors.**

Estimates have been constructed from ONS Official Statistics which use international classifications (exception is for Civil Society – see Annex A). This is an important element of the methodology due to availability of data and to enable international comparability. The ability to produce consistent figures each year also allows trends over time to be measured. However, as a result there are substantial limitations to the underlying classifications. As the balance and make-up of the economy changes the international classifications are less able to provide the detail for important elements of the UK economy related to DCMS sectors, and therefore best fit SIC codes have been used to produce these estimates.

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[1] Information on the number of business sites in the UK varies to the total number of businesses in the UK as one business may have more than one site.

Feedback and consultation

DCMS aims to continuously improve the quality of estimates and better meet user needs. In April 2017, DCMS published a consultation response summary outlining some of the suggestions users have made on our Economic Estimates series and our response to these. In response to user requests, this release includes further breakdowns of businesses by employment size, turnover size, region, number/ proportion of import and export businesses and foreign owned businesses for the first time. DCMS welcomes any feedback on this element of the release. Feedback and responses should be sent to DCMS via email at evidence@culture.gov.uk by 31 March 2018.

The UK Statistics Authority (UKSA) are currently assessing the extent to which DCMS Sectors Economic Estimates statistics meet the professional standards set out in the statutory Code of Practice for Official Statistics. This assessment covers the Gross Value Added (GVA), Employment and Trade estimates which were most recently published in 2017, as well as the Business demographics in this release, and Regional GVA and Productivity estimates which will be published at the end of February 2018. This is the first time that this series of statistics have been assessed for National Statistics status. Further information on this consultation is available on the UKSA website. Responses should be sent directly to UKSA by 16th March 2018.

Chapter 2: Business demographics

This section provides estimates of the number of businesses in the UK for each DCMS sector (see Annex A for estimates on the Civil Society). Information on the size of businesses by employment and turnover band is also given for context.

These data are from the Annual Business Survey (ABS) and are based on the ABS definition of businesses[2]. Further information on methodology are available in the published methodology note.

Please note that the data presented on the number of businesses in the UK are not fully comparable with those published in the DCMS Sectors Economic Estimates 2015 release in August 2016. In 2016, DCMS published the number of enterprises in DCMS sectors, rather than the number of businesses[3] and used a narrower definition of the tourism sector.

2.1 Summary

In 2016, DCMS sectors accounted for 25.2 per cent of all UK businesses, with approximately 610 thousand businesses. There were around 284 thousand businesses in the Creative Industries, accounting for 11.8 percent of all businesses in the UK.

Table 2.1: Number of businesses in the DCMS Sectors (000's): 2016

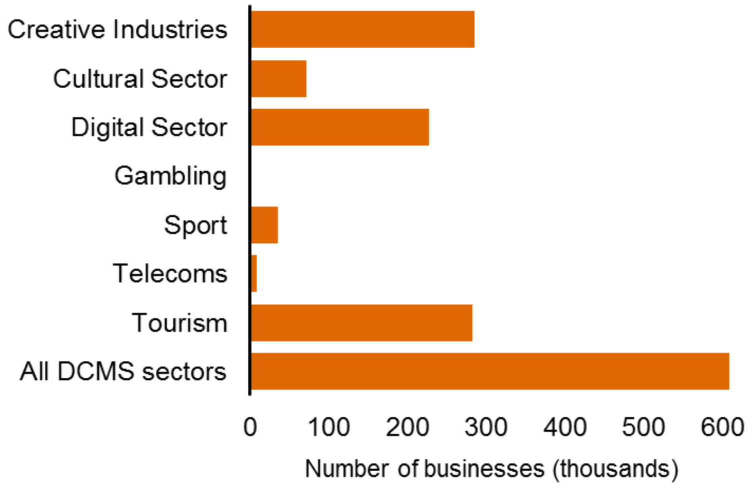
Sector	2016	*% of UK businesses 2016*
Creative Industries	284.4	*11.8*
Cultural Sector	71.3	*3.0*
Digital Sector	226.8	*9.4*
Gambling	1.1	*0.0*
Sport	34.9	*1.4*
Telecoms	8.3	*0.3*
Tourism	282.9	*11.7*
All DCMS sectors (excl Civil Society)[1,2]	**608.6**	***25.2***
% of UK businesses	*25.2*	*N/A*
UK	**2,416**	***100.0***

Notes
1. Data from the Civil Society sector is excluded in the DCMS sector total due to differences in methodology. More information about the Civil Society sector is presented in Annex A.
2. DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps between sectors.

[2] A business is defined as any Reporting Unit held on the Inter Departmental Business Register (IDBR). A business is held on the IDBR if it is registered for Value Added Tax (VAT) with HM Revenue and Customs (HMRC), registered for a Pay As You Earn (PAYE) scheme with HMRC, an incorporated business registered at Companies House. The term business can also be used to represent an enterprise for the majority of businesses (i.e. those who have a simple business structure).

[3] Further details of the difference between the definitions of an enterprise and business can be found in Annex B. The data presented here also includes all businesses in the Tourism Industries rather than applying a ratio to estimate a 'direct tourism' figure; this is responsible for the main difference in numbers between the two publications.

Figure 2.2 Number of businesses in the UK by DCMS Sector (000's): 2016



Within the Creative Industries, the 'IT, software and computer services' sub sector accounted for 49.6 per cent of the Creative Industries in 2016. The 'Architecture' sub sector between accounted for a smaller proportion of the Creative Industries (5.7%) in 2016.

The majority of businesses in the Cultural sector were from the 'Arts' (41.6%) and 'Film, TV and Music' (40.1%) sub sectors in 2016.

More than two thirds of businesses (69.7 per cent) in the Digital sector were from 'Computer programming, consultancy and related activities' sub sector in 2016.

2.2. Size of businesses by employment band

The standard definition of a small and medium sized enterprise (SME) is any business with fewer than 250 employees. In 2016, DCMS sectors accounted for a quarter of all SMEs in the UK.

In 2016, around 88.3 per cent of businesses in the DCMS sectors had fewer than 10 employees. This is similar to the UK total where 89.2 per cent of UK businesses had less than 10 employees.

Of all Micro businesses (fewer than 10 employees) in the DCMS sectors in 2016, around half (50.2 per cent) were in the Creative Industries compared to around 0.1 per cent in the Gambling sector.

Table 2.4: Businesses (000's) in DCMS sectors, by number of employees: 2016

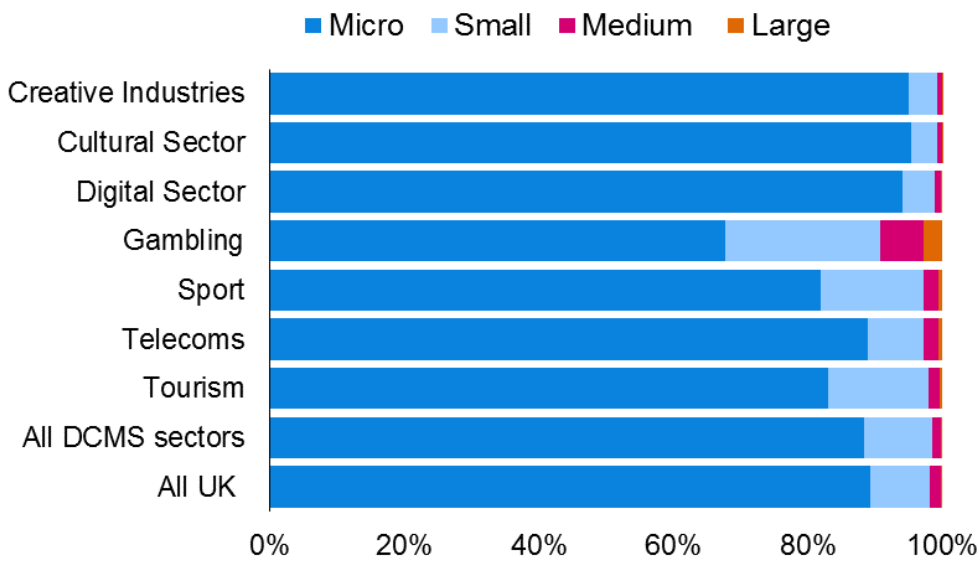
	Micro	Small	Medium	Large	
Sector	**0 to 9**	**10 to 49**	**50 to 249**	**250+**	**Total number of businesses**
Creative Industries	269.7	12.1	2.1	0.4	**284.4**
Cultural Sector	68.0	2.7	0.5	0.1	**71.3**
Digital Sector	213.3	10.9	2.2	0.5	**226.8**
Gambling	0.8	0.3	0.1	0.0	**1.1**
Sport	28.6	5.3	0.8	0.3	**34.9**
Telecoms	7.4	0.7	0.2	0.1	**8.3**
Tourism	234.5	42.4	4.9	1.1	**282.9**
All DCMS sectors (excl Civil Society)[1,2]	**537.3**	**61.3**	**8.1**	**1.8**	**608.6**
All UK (total)	**2,155**	**214.9**	**36.8**	**8.5**	**2,416**
DCMS sectors as a percentage of UK total	*24.9*	*28.5*	*22.1*	*21.6*	*25.2*

Notes
1. DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps among sectors.
2. Data from the Civil Society sector is excluded in the DCMS sector total due to differences in methodology. More information about the civil society sector is presented in Annex A.

In 2016, 2.9 per cent of businesses in the Gambling sector employed more than 250 people. This is much higher than the proportion of large businesses in the UK as a whole (0.4%).

Businesses with more than 250 employees accounted for 0.2 per cent of the Creative Industries, Cultural sector and Digital sector.

Figure 2.5: Proportion of DCMS sector businesses by employment band: 2016



2.3 Size of businesses by turnover band

Turnover refers to the value of sales, work done and services rendered by businesses, excluding VAT.

Summary:

In 2016, 58.8 per cent of DCMS sector businesses had a turnover of less than £100,000. The proportion of businesses in the Digital sector (69.4%), Cultural sector (63.2%) and the Creative Industries (68.6%) with a turnover less than £100,000 was higher than for the UK as a whole (55.2%).

DCMS sectors accounted for 22.6 per cent of all UK businesses with a turnover between £0 and £49,999 and for nearly a third (31.8%) of those with a turnover between £50,000 and £99,999 in 2016.

Table 2.6: Number of businesses (000's) by turnover band: 2016

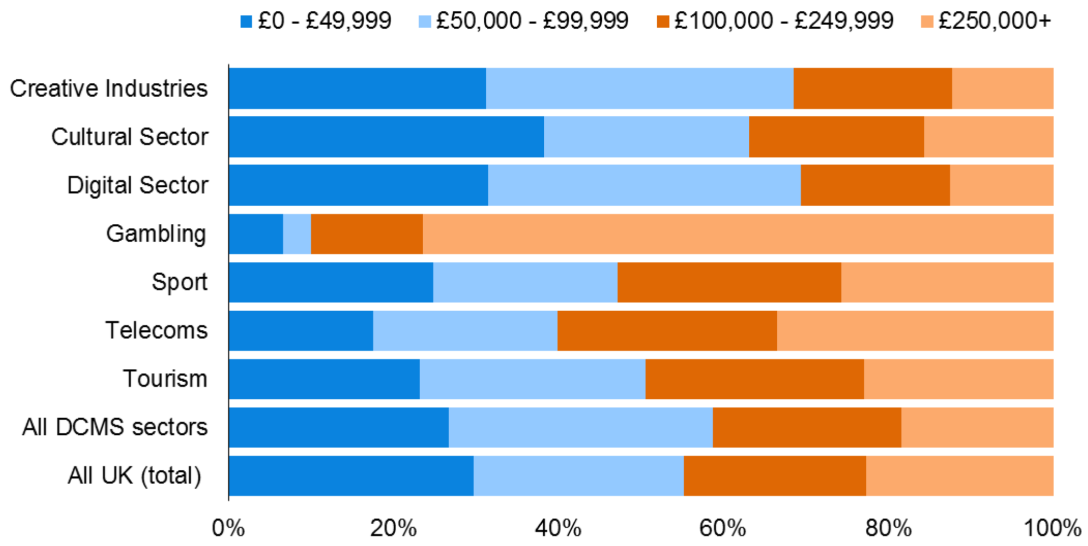
	Turnover (£000's)						
Sector	**0 to 49**	**50 to 99**	**100 to 249**	**250 to 499**	**500 to 999**	**1000+**	**Total**
Creative Industries	89.0	106.0	54.4	14.1	8.2	12.7	**284.4**
Cultural Sector	27.3	17.7	15.1	5.2	2.7	3.3	**71.3**
Digital Sector	71.4	86.1	40.8	9.6	6.3	12.6	**226.8**
Gambling	0.1	0.0	0.2	0.3	0.3	0.3	**1.1**
Sport	8.7	7.8	9.5	4.3	2.4	2.3	**34.9**
Telecoms	1.5	1.9	2.2	0.9	0.6	1.2	**8.3**
Tourism	65.6	77.6	74.9	29.9	17.3	17.6	**282.9**
All DCMS sectors (excl Civil Society) [1,2]	**162.6**	**195.2**	**138.7**	**47.8**	**28.4**	**35.9**	**608.6**
All UK (total)	**719.5**	**613.7**	**532.9**	**219.3**	**134.5**	**195.8**	**2,416**
DCMS sectors as a percentage of UK total	*22.6*	*31.8*	*26.0*	*21.8*	*21.1*	*18.3*	*25.2*

Notes
1. DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps among sectors.
2. Data from the Civil Society sector is excluded in the DCMS sector total due to differences in methodology. More information about the civil society sector is presented in Annex A.

In 2016, 22.8 per cent of all UK businesses had a turnover of over £250,000. Although the Gambling sector had the smallest number of businesses of all DCMS sectors, 76.5 per cent of businesses in this sector had a turnover of over £250,000.

A third (33.4%) of businesses in the Telecoms sector, over a quarter (25.8%) in the Sports sector and 22.9 per cent in the Tourism sector had a turnover of over £250,000. This compares to 12.3 per cent in the Creative Industries, 12.6 per cent in the Digital sector and 15.7 per cent in the Cultural sector.

Figure 2.7: Proportion of DCMS sector businesses by turnover band: 2016



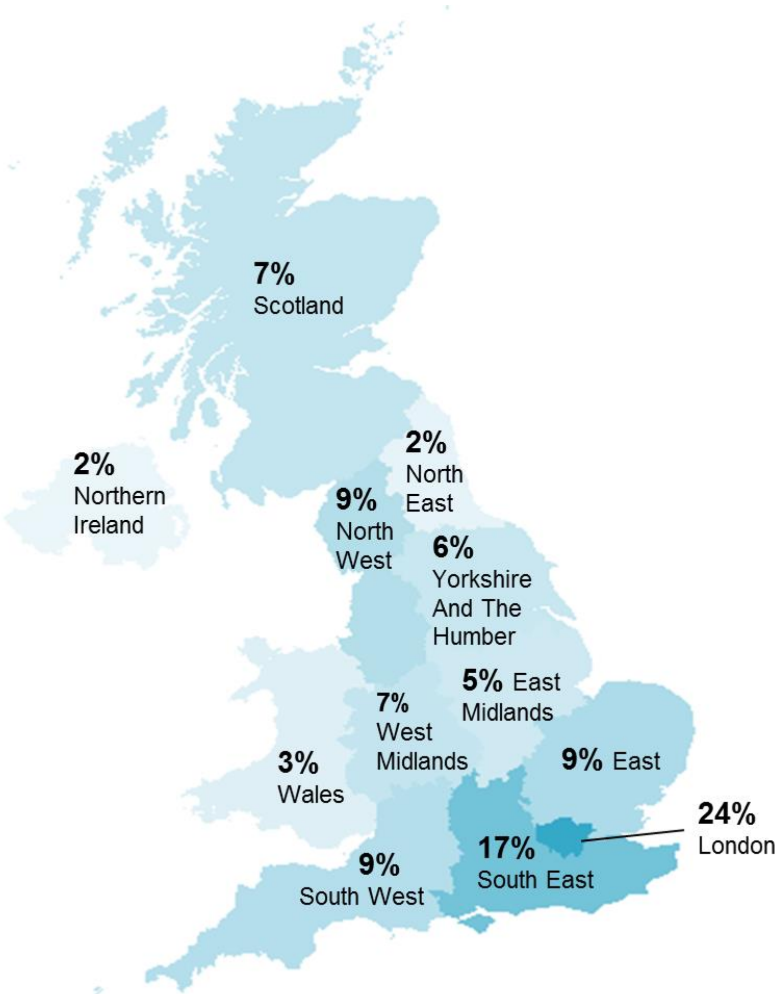
Chapter 3: Businesses by region

This section provides information on the number of sites of businesses allocated in the UK. Data are available for 2014 and 2015. Please note that the totals for this section differ to the total number of businesses in chapter 2 as many businesses have more than one site.

Summary

There were around 655 thousand DCMS sector business sites in the UK, accounting for more than a quarter of all business sites (25.6%) in 2015.

Figure 3.1: Distribution of DCMS sector businesses by region: 2015



Nearly a quarter (24.3%) of all DCMS sector businesses were based in London in 2015. A further 16.7 per cent of businesses were based in the South East. This compares to 2.4 per cent of DCMS sector businesses in the North East, 1.8 per cent in Northern Ireland and 3.4 per cent in Wales.

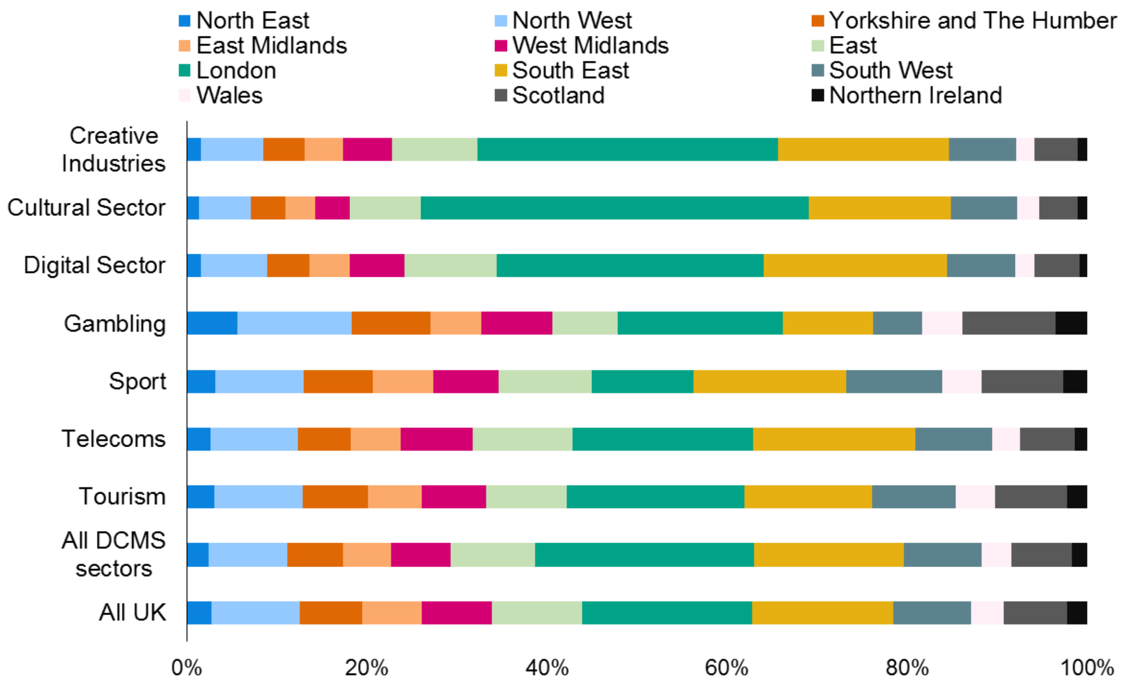
Table 3.2: Business sites in DCMS sectors by region (000's): 2015

Region	All DCMS sectors (excl Civil Society)[1]	All UK (total)	% of DCMS sector total	% of UK total
North East	16.0	71.5	*2.4*	*2.8*
North West	57.1	249.0	*8.7*	*9.7*
Yorkshire and The Humber	40.2	177.9	*6.1*	*6.9*
East Midlands	35.3	168.7	*5.4*	*6.6*
West Midlands	43.1	201.3	*6.6*	*7.9*
East	61.7	254.0	*9.4*	*9.9*
London	159.0	484.9	*24.3*	*18.9*
South East	109.0	401.7	*16.7*	*15.7*
South West	56.0	219.3	*8.6*	*8.6*
Wales	22.1	94.3	*3.4*	*3.7*
Scotland	43.6	177.7	*6.7*	*6.9*
Northern Ireland	11.6	59.5	*1.8*	*2.3*
UK Total	**654.8**	**2,560**	***100.0***	***100.0***
% of UK business sites	*25.6*	*100.0*	*N/A*	*N/A*

Notes
1. Data from the Civil Society sector is excluded in the DCMS sector total due to differences in methodology. More information about the civil society sector is presented in Annex A.

A greater proportion of businesses sites in the Cultural sector (43.1%), Creative Industries (33.4%) and Digital Sector (29.7%) were based in London compared to the UK as a whole (18.9%). However only one in ten business sites in the Sport sector were located in London.

Figure 3.2: Number of sites of businesses by DCMS Sector: 2015



Chapter 4: Foreign owned businesses

This chapter presents information on the number of businesses in DCMS sectors by country of ownership. A foreign owned business can be defined by the business' country of ownership, and determined by the nationality of the ultimate parent of the business. Where control of the business is shared, country of ownership is determined by the country of residence of the majority ultimate owner. All businesses that do not belong to an enterprise group, and are therefore not under the control of another institutional unit, have been classified as UK-owned.

Summary

In 2015, the majority of businesses in the DCMS sectors were UK owned (99.0%) and the remaining 1.0 per cent were foreign owned. This compares to the 1.1 per cent of all UK businesses being foreign owned in 2015.

The Digital sector accounted for 59.5 per cent of all DCMS sector businesses which were EU owned and 58.2 per cent of businesses which were non-EU owned.

In the Gambling sector 3.1 per cent of businesses were foreign owned, although the number of businesses in this sector is relatively small, and 3.1 per cent of businesses in the Telecoms sector were foreign owned. This compares to 0.5 per cent in the Sports sector being foreign owned.

Table 4.1: Businesses by ownership (000's): 2015

		Foreign Owned				
Sector	**UK Owned**	**EU28**	**Non-EU28**	**Total number of foreign owned businesses**	**Total number of businesses**	**% of foreign owned businesses**
Creative Industries	266.7	1.0	1.8	2.7	269.4	*1.0*
Cultural Sector	68.0	0.3	0.3	0.6	68.5	*0.8*
Digital Sector	211.9	1.2	2.2	3.4	215.3	*1.6*
Gambling[1]	1.1	-	-	0.0	1.1	*3.1*
Sport	32.6	0.1	0.1	0.2	32.7	*0.5*
Telecoms	7.7	0.1	0.2	0.3	8.0	*3.1*
Tourism	262.6	0.6	1.1	1.7	264.2	*0.6*
All DCMS sectors[3]	**567.7**	**2.0**	**3.8**	**5.8**	**573.5**	***1.0***
All UK (total)	**2182.5**	**9.9**	**14.2**	**24.1**	**2,206**	***1.1***
DCMS sectors as a percentage of UK total	*26.0*	*20.5*	*26.6*	*24.1*	*26.0*	*N/A*

Notes
1. Data have been suppressed to avoid disclosure of businesses
2. Data from the Civil Society sector is excluded in the DCMS sector total due to differences in methodology. More information about the civil society sector is presented in Annex A.
3. DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps among sectors. The totals for this row includes the supressed data for the gambling sector.

Chapter 5: Business Importers and Exporters

Results in this section are based on data from the Annual Business Survey which asks businesses in Great Britain whether they have either purchased (imported) or provided (exported) goods and/or services to individuals, businesses or other organisations based outside the UK.

In 2016, 9.0 per cent of all businesses in the DCMS sectors engaged in exporting (of goods and/ or services) and 8.1 per cent engaged in importing. There was some crossover within these businesses with 4.5 per cent of businesses in the DCMS sector both exporting and importing. Therefore, 12.8 per cent[4] of all businesses in the DCMS sector engaged in international trade. This was very similar to GB as a whole (12.9%).

Table 5.1: Business importers and exporters (000's) by DCMS sector: 2016

Sector	Exporters	Importers	Exporter and Importer	Exporter and/or Importer	Total number of businesses	% of Exporter and/or Importer businesses in 2016
Creative Industries	38.3	28.1	16.5	50.3	281.6	*17.9*
Cultural Sector	13.8	8.2	5.1	17.1	71.0	*24.1*
Digital Sector	31.0	26.4	15.9	41.9	225.2	*18.6*
Gambling	0.0	0.0	0.0	0.0	1.0	*0.0*
Sport	2.2	3.7	1.4	4.4	34.4	*12.8*
Telecoms	1.6	2.0	1.0	2.5	8.2	*30.5*
Tourism	10.0	10.2	3.9	16.6	277.0	*6.0*
All DCMS sectors[2]	**54.3**	**48.8**	**27.2**	**76.7**	**600.1**	***12.8***
All GB (total)	**206.8**	**214.0**	**115.6**	**305.2**	**2,359**	***12.9***
DCMS sectors as a % of GB total	*26.3*	*22.8*	*23.5*	*25.1*	*25.4*	*N/A*

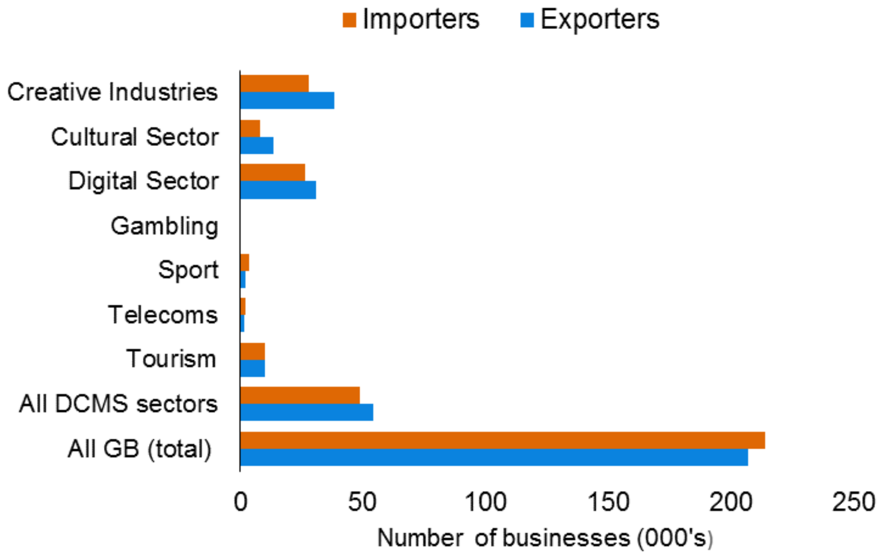
Notes
1. Figures are rounded to the nearest 100 so figures may not add up to the total.
2. The export figures plus the import figures will not sum to the total number of businesses trading internationally as some businesses import and export.
3. The exporters and/ or importer counts are calculated as exporters plus importers less exporter and importer.
4. Data from the Civil Society sector is excluded in the DCMS sector total due to differences in methodology. More information about the civil society sector is presented in Annex A.
5. DCMS sector total is lower than the sum of individual DCMS sectors because of overlaps among sectors.

Nearly a third (30.5%) of businesses in the Telecoms sector and 18.6 per cent in the Digital sector traded internationally in 2016.

There were a greater number of business exporters compared to business importers in the Creative Industries, Cultural sector and Digital sector. In contrast, there were a greater number of business importers in the Sports sector, Tourism sector and the Telecoms sector in 2016.

[4] The exporters and/ or importers counts are calculated as exporters plus importers less exporter and importer.

Figure 5.2: Number of Exporter and Importer businesses by DCMS sector: 2016



Notes
1. The data is rounded to the nearest 100.
2. Although the data shows there were no businesses in the Gambling sector which traded internationally, this could be due to the numbers being less than 50 and therefore be rounded to zero.

Chapter 6: Next Steps

DCMS will continue to take forward work to develop our economic estimates for DCMS sectors further:

- **Regional GVA –** DCMS are aware of the importance of the regions and variations in economic output across the UK. We have therefore worked with ONS to adopt a methodology to enable us to publish regional GVA estimates for each of our sectors. We will be publishing these on 28th February 2018.

- **Productivity -** Understanding productivity is of critical importance to understanding the economic impact of DCMS sectors. We will be publishing productivity estimates for DCMS sectors on 28th February 2018.

- **GVA, employment, trade and business demographics** – Updates to these publications will be available in 2018. Dates of publication will be made available on our upcoming releases web page.

The next publication of DCMS Sectors Economic Estimates will be on 28th February 2018 and will include regional GVA and productivity in DCMS sectors.

Annex A: Civil Society

Following the move of the Office for Civil Society from the Cabinet Office to DCMS in 2016, Civil Society is an important DCMS sector. However the structure of the sector means that the data sources used to produce business estimates for the other DCMS sectors cannot be used to produce estimates for Civil Society.

This annex provides estimates for elements of the Civil Society to provide context and to give an indication of the size of the sector. However, the following limitations should be noted:

- The estimates have been collated from a range of external sources and are not consistent with the estimates for other DCMS sectors presented in this release.
- The estimates do not cover all elements of Civil Society and are therefore an underestimate of the number of Civil Society organisations operating in the UK
- The geographical coverage of the data available differs between sources
- The coverage of Civil Society here is different from that used in the 'DCMS Sectors Economic Estimates 2016: Gross Value Added' publication; although the figures in that release also did not cover the whole of Civil Society, the methodology used was consistent with the approach to estimating GVA used for other sectors so it was possible to identify overlaps with other sectors and include them in the DCMS total.

These limitations should be taken into consideration when interpreting and comparing the findings presented here.

Sector overview

The Civil Society businesses included in this section are:

- Charities registered with the Charity Commission of England and Wales.
- Community Interest Companies.
- Public Service Mutuals.

Social enterprises[5], and voluntary organisations which are not registered with the Charity Commission, are not included in this publication due to data limitations.

Additional Information

The 2017 National Council for Voluntary Organisation (NCVO) Almanac estimates there are approximately 390,000 Civil Society businesses in the United Kingdom.

This figure excludes estimates for unincorporated organisations, ranging from 600,000 to 900,000.

Summary:

Data collated for individual sectors within Civil Society show there are:
- 168,000 charities registered with the Charity Commission of England and Wales.
- 13,100 Community Interest Companies in the United Kingdom.
- At least 110 Public Service Mutuals in England.

[5] BEIS published a report in 2017 which looked at improving the methodology which allows identification of social enterprises in the UK small business population. DCMS plan to use this research to identify social enterprises in our estimates in forthcoming releases.

Table A1: Number of organisations by Civil Society Sector

	Year	Coverage	Estimated Number of Organisations	Source
Charities	2017	England and Wales	168,000	Charity register statistics
Community Interest Companies	2017	United Kingdom	13,100	CIC regulator
Public Service Mutuals	2017	England	110[6]	DCMS

Definitions

Charities

The Charities Act says that a ‘charity’ is an institution which

- is established for charitable purposes and
- is subject to the control of the High Court’s charity law jurisdiction

Table A2 gives information regarding the number of charities in England and Wales at 31st December 2014-17 (excluding linked charities[7]). These figures are published by the Charity Commission for England and Wales. The most recent estimate of the gross annual income stands at £75.4 billion with 62 per cent of this income coming from large charities.

Table A2: Number of Charities in England and Wales: 2014-2016

At 31 December	Total Number of charities	Annual gross income (£bn)	Number of large charities (annual income > £10 million)	Proportion of total income accounted for by large charities
2014	164,000	65.2	1,100	60%
2015	165,000	70.2	1,200	62%
2016	167,000	73.1	1,200	62%
2017	168,000	75.4	1,200	62%

Source: Charity register statistics, Charity Commission

[6] Public Service Mutuals do not have a responsibility to inform the department when they launch, and therefore this is likely to be an underestimate. As Public Service Mutuals are not a legal form, a large proportion will also be included in the Community Interest Company figures. A small number are likely to be included in the Charities figure.
[7] Charities that are connected or have the same trustees can apply to be linked - this means they can prepare just one set of accounts and share a charity number.

Community Interest Companies

Community Interest Companies are limited companies which operate to provide a benefit to the community they serve. They are not strictly 'not for profit', however, the purpose of a Community Interest Company is primarily one of community benefit rather than private profit[8].

The Office of the Regulator of Community Interest Companies publishes information about all new community interest companies registered per month. At March 2017 there were 13,100 community interest companies in the UK.

Public Service Mutuals

A Public Service Mutual is an organisation which[9]:

- has left the public sector (also known as ‘spinning out’)
- continues to deliver public services and aims to have a positive social impact
- has a significant degree of staff influence or control in the way it is run

It was estimated that there were at least 110 Public Service Mutuals at the end of January 2017. Mutuals do not have a responsibility to inform the department when they launch, and therefore this is likely to be an underestimate. A Public Service Mutual is not a legal form, therefore a large proportion of these will also be included in Community Interest Companies figures. A small number may be included in the charities figure.

[8] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/605429/13-783-community-interest-companies-information-pack.pdf
[9] https://www.gov.uk/guidance/introduction-to-public-service-mutuals#what-is-a-public-service-mutual

Annex B: Definitions and Limitations

This annex outlines the definitions used within Economic Estimates: Business Demographics and the limitations of the data.

Please note that these data are not fully comparable with those published in August 2016: DCMS Economic Estimates 2015 which referred to the number of enterprises, rather than the number of businesses.

An enterprise may consist of one or more sites (called local units), for example, the head office for a group of shops. An enterprise may therefore have local units at different locations, and may carry out more than one type of economic activity. For this release, we have therefore revised these measures to provide data on the number of businesses, often known as local units (An individual site, for example a factory or shop, and therefore one enterprise may have multiple businesses/local units), which is a more common and understood approach. Please note that approximately, 98% of businesses held on the Inter Departmental Business Register (IDBR) are also an enterprise.

In the August 2016 publication, the tourism ratio was applied to the tourism industries number of businesses to get an estimate of the number of tourism businesses. However, stakeholder feedback and further discussions with Visit England and Tourism Intelligence Unit suggested that this was not the most accurate approach. For this reason, figures should not be compared with the data published in August 2016.

Further information about the differences between an enterprise and a business can be found in the methodology notes.

Limitations

The estimates set out in this report are robust but there are some limitations which users should be aware of:

Sport - For the purposes of this publication the statistical definition of sport has been used. This incorporates only those 4 digit Standard Industrial Classification (SIC) codes which are predominately sport (see methodology note Table 2.1). DCMS also publishes estimates of sport based on the EU agreed Vilnius definition. The Vilnius definition is a more comprehensive measure of sport which considers the contribution of sport across a range of industries, for example sport advertising, and sport related construction. The methodology for the DCMS Sport Satellite Account is currently being reviewed and therefore has not been used in these estimates.

Tourism – Estimates for tourism used in this publication are based on the tourism industries, rather than direct tourism only.

Heritage – The heritage sector is defined in our estimates by one SIC code “91.03 Operation of historical sites and building and similar visitor attractions”. DCMS use standard industrial classification (SIC) codes to construct these estimates, which enables international comparability as well as comparability with national estimates. As the balance and make-up of the economy changes, the international SIC codes used here are less able to provide the detail for important elements of the UK economy related to DCMS sectors. It is therefore recognised that the published estimates are likely to be an underestimate for the Heritage sector.

Office for Civil Society – Responsibility for the Office for Civil Society (OCS) was transferred from Cabinet Office to DCMS on 21 July 2016. OCS leads cross-government work in support of the voluntary, community and social enterprise sector (VCSE). .Estimates have been provided in Annex A of this report which outlines the number of businesses in the different parts of the Office for Civil Society. However this sector are not defined by SIC codes and therefore different data sources have to be used to measure the size of this sector to the other DCMS sectors. Comparisons made between Civil Society and other sectors will not be on a comparable basis and should therefore be treated with caution.

More details of limitations are available in the methodology note.

Annex C: Further information

1. The next update to these statistics will be published in December 2018, once the Annual Business Survey data have been published.

2. The responsible statistician for this release is Davita Patel. For enquiries on this release, please contact Davita on 0207 211 2317 or email evidence@culture.gov.uk.

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4. DCMS statisticians can be followed on Twitter via @DCMSInsight.

5. The Economic estimates of DCMS Sectors release is an Official Statistics publication and has been produced to the standards set out in the Code of Practice for Official Statistics. For more information, see http://www.statisticsauthority.gov.uk/assessment/code-of-practice/code-of-practice-for-official-statistics.pdf. Details of the pre-release access arrangements for this dataset have been published alongside this release.

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