Business Population and Demographic Statistics (BPDS) User Group meeting - 19 July 2018

Attendees

Jiten Champaneri	BEIS (Chair)
Matt Baker	BEIS (Minutes)
Frances Pottier	BEIS
Andrew Allen	ONS
Karen Watkins	ONS
Sarah Rose	ONS
James P Harris	ONS
Sarah Osborne	Home Office
Davita Patel	DCMS
Marina Curran	Scottish Government
Ross Miller	Swindon Council
Katherine Martin	Gloucestershire County Council
Zenith McIntyre-Allen	Essex County Council
Alex Morton	South Lanarkshire Council
Louis Richards	Greater Manchester Combined Authority
Paul Johnson	Sheffield City Region
Caroline Perkins	Thames Valley Berkshire
Michael Anyadike Danes	Enterprise Research Centre
Jennifer Turnbull	Scottish Enterprise Research
Heather Smith	Highland and Islands Enterprise

1. Introductions

Jiten Champaneri welcomed the group and introduced himself as the chair. He was the lead statistician responsible for the BEIS release Business Population Estimates (BPE) and also managed the analytical use in BEIS of the Inter-Departmental Business Register (IDBR).

Matt Baker worked with Jiten on BPE and the IDBR. He also answered wider business statistics queries from across the Department.

Frances Pottier was the head of the business statistics team in BEIS with responsibility for the Longitudinal Small Business Survey, the UK Innovation Survey, BPE, and Monthly Building Materials and Components.

Andrew Allen was working on the Statistical Business Register which would replace the IDBR.

Karen Watkins was responsible for the ONS publications UK Business and Business Demography.

Sarah Rose worked on the UK Business and Business Demography publications.

James P Harris was an ONS statistician currently looking at ways to use the IDBR to provide sub-regional breakdowns of where businesses were, who they employed and what they exported.

Sarah Osborne used the IDBR as a sampling frame for the Home Office's Commercial Victimisation Survey.

Davita Patel used business data for DCMS business demographic publications and was interested in using business births, deaths and survival rates data from the IDBR to improve analysis.

Marina Curran led the business statistics and innovation team in the Scottish Government which produced four annual publications based on IDBR, ABS and other ONS data.

Ross Miller led on research for the industrial strategy and other local growth objectives at Swindon Council.

Katherine Martin was a research analyst for Gloucestershire County Council and used business data to inform economic and policy decisions.

Zenith McIntyre-Allen led on data analytics for local growth and sectors at Essex County Council.

Alex Morton used business data to inform strategy around city regions and to support policy and economic growth in local areas.

Louis Richards was part of the business and economy research team at Greater Manchester Combined Authority. He used BPDS data to inform the local industrial strategy and to support mayoral priorities.

Paul Johnson was part of the economic policy team in Sheffield City Region which supported the new mayor for the area in policy delivery.

Caroline Perkins used business data to help inform local policy formulation and business growth support around the Thames Valley Berkshire area.

Michael Anyadike-Danes was part of the Enterprise Research Centre and used the Business Structures Database to understand firm level output and the decisions of small businesses.

Jennifer Turnbull used BPDS data to analyse Scotland's performance for the purpose of briefings, reports, etc.

Heather Smith used business data to help inform local policy decisions.

2. Minutes and actions from previous meetings

<u>Outstanding actions from the 2016 BPDS meeting</u>

Action 1 - BEIS 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.

Update – Jiten Champaneri reported that representatives from LEPs and city regions had been identified and invited and some were present at the meeting. He noted that the action was now completed.

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

Update – James Harris reported that ONS had made progress with producing draft documents and would circulate them to the group when they were ready.

Action 4 – ONS and BEIS 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.

Update – Jiten reported that this related to Action 1 so had been completed. He noted that various people who had recently contacted BEIS or ONS to enquire about business statistics had also been invited.

Action 5 – Cecilia Campos to provide links on guidance concerning access to secure datasets

Update – Jiten reported that guidance from Cecilia around the process for gaining access to the Secure Research Service was circulated to the group in March. He noted that the action was now completed.

<u>Actions from the 2017 BPDS meeting</u>

Action – Steve (Dempsey) to provide link to cluster analysis

Jiten reported that a link to the [published spatial cluster analysis](#), which Steve Dempsey's team had produced to identify industrial clusters in 15 sectors across the UK, was circulated to the group in March. He noted that the action was now completed.

3. Update on the Business Population Estimates Publication (including new data tools)

Matt Baker provided an update on the 2018 [Business Population Estimates](#) release produced by BEIS. Work was currently underway to process data from ONS's Labour Force Survey and the remaining IDBR and HMRC self-assessment tax data which underpinned the release would be available for processing from the end of July/early August. The aim was to publish the release in October.

Matt also presented [new data tools](#) based on 2017 BPE data which were developed as part of a collaborative project between data scientists and statisticians in BEIS. The tools had been published and included a data dashboard, which contained interactive charts and graphs, a data downloader, which allowed users to download headline data in a quick and flexible manner, and an application programming interface, which allowed advanced users to download headline data by entering a URL in a specific format. Matt demonstrated the tools and highlighted how they could be used to increase the accessibility and visibility of BPE to a wider audience.

Further to a follow-up question, Jiten Champaneri explained that it would not be possible to include more detailed geographic breakdowns in the tools due to limitations in the estimation procedure used to calculate the un-registered business population. Jiten also noted that he would be happy to be contacted after the meeting to explain in more detail how the tools were created.

Attendees provided positive feedback on the tools but noted that tables would still be needed for more detailed analyses.

4. Update on UK Business: Activity, Size and Location Publication

Karen Watkins provided an update on the 2018 [UK Business publication](#) produced by ONS. Karen explained that it would be released on 3 October and the data would be published in twenty-four Excel tables, the same format as last year. The data would also be available to download on the same day via [NOMIS](#) (using the UK Business Counts option). This dissemination tool allows users to filter the data by geography, industry, employment, turnover, size band etc.

5. Update on Business Demography Publication

Karen Watkins gave an update on the 2018 [Business Demography publication](#) produced by ONS, which measures the births, deaths and survival rates of businesses. She explained that a provisional publication date of 21 November had been set.

Karen explained that recently there had been several bespoke requests asking for high growth data. She asked attendees whether it would be beneficial to have a section on high growth businesses included in the publication. Attendees agreed that this addition would be very useful. It was noted that the inclusion of total business population figures for context alongside the high-growth figures would be helpful.

Karen explained that there had been an increase, in recent years, of multiple businesses registering at a single postcode. There were several reasons for this, such as the use of virtual offices i.e. businesses that were registered at a prestigious address but in practice operated elsewhere. Also, there was a rise in the use of personal service companies registering with a management company or firm of accountants. [A paper](#) had been published on the ONS website outlining this issue and users should bear this in mind when analysing fluctuations at lower geographic levels.

Managed service companies, that had been set-up to take advantage of tax benefits, had been excluded from previous publications. HMRC closed the loophole (that had allowed them

to be set up) and over recent years the numbers had drastically reduced. Their exclusion from previous publications had been applied at the postcode level. Due to the closure of the loophole by HMRC it was assumed that these postcodes now held genuine businesses. The businesses at these postcodes would be included in this year's publications.

A question was asked as to whether the Business Demography figures could be published at the four-digit SIC level. Karen explained that they would continue to be published at the three-digit level. Even though the "active" business population was large at around 2.8 million businesses and could easily be broken down by four-digit SIC the business births and deaths populations were much lower. The quality of the business births and deaths data was far better at the three-digit level and this is what would be included in the publication. However, users could request four-digit level analyses from ONS's bespoke data service by e-mailing idbrdas@ons.gsi.gov.uk.

6. Update on Businesses in Scotland

Marina Curran explained that the Businesses in Scotland release was due to be published on 7 November. Following the release of a new national performance framework for Scotland, there had been a lot of recent interest around high growth firms and policy options for encouraging growth. Marina's team were looking at ways to explore the provision of sub-regional breakdowns in Scotland, particularly for the un-registered population. Using innovative data science techniques and APIs, Scotland's Open Data platform would aim to publish more detailed business information around localities and travel to work areas on www.statistics.gov.scot.

7. Update on Inter-Departmental Business Register and Statistical Business Register

Andrew Allen gave an update on the status of the Business Index and Statistical Business Register (SBR) projects, which would in time replace the IDBR. The SBR would facilitate more robust analyses as it had been developed with that in mind, whereas the IDBR had been primarily designed to be used as a sample frame.

The SBR would include good metadata and more timely employment and turnover data. It would be comprehensive in its coverage of the business population as un-registered businesses would be captured for the first time by using self-assessment tax data. Other new data sources would include PAYE RTI (Real Time Information) and corporation tax data. It was noted that the un-registered business population was estimated to be around 3 million businesses in the BPE release.

The SBR was at the alpha stage and the aim was to complete development by 2019. The first statistical publications that may be affected would be those published from 2020 onwards. The SBR and IDBR would be run concurrently for a period of at least several months. However, the aim was for this time to be minimised and a 'mimic' of the IDBR may be made available on the SBR if necessary. The change would lead to discontinuities, both between the IDBR and the SBR but also between various iterations of the SBR as data would be added to it in stages over several years. Andrew said he was happy to receive feedback on this and consider the impact on users. He confirmed that the underlying structure of business data on the SBR would remain the same (local units, reporting units, enterprises).

The BI was now at the beta stage and a matching service for it was available for Government officials. The BI was based on legal units whereas the SBR would focus on enterprises, with an enterprise being the smallest combination of legal units with autonomy.

Further to a question asked, Andrew said that he would be happy to present on the SBR to BEIS analysts in the future. It was noted that the IDBR was a widely used data source for the Department's analytical work and users would be interested to hear about its replacement.

8. Understanding exports using the IDBR 📎

James Harris from the ONS delivered a presentation on a project that his team had been doing to analyse the imports and exports of services. Given that services accounted for around 80% of the economy, and his stakeholders in London's regional government, the Devolved Administrations, and in HMT all wanted better regional information about trade in services, his team conducted a project to better understand the services sector. The analyses were achieved by combining IDBR data with the Annual Survey of International Trade in Services (AITIS). See attached slides.

Further to follow up comments around the provision of other geographic breakdowns, James explained that he had been working with various partners including HMRC, GLA, devolved administrations and regional hubs. The figures would be broken down by region with as much granularity as possible, and in the near future breakdowns by Combined Authority geography would become available, but there were limitations to further geographic breakdowns. A publication related to the work was due to be published on ONS's website in the near future (now available here). The release would specifically look at Northern Ireland and would also detail the techniques used to deliver the analyses.

The presentation was well received and attendees agreed that trade in services had been a long overlooked section of the economy. James reported that he would engage with the group in the future as there may be further opportunities for collaboration and input.

9. Discussion about future BPDS meetings

Attendees agreed that the location, frequency and format of the meetings suited the group and shouldn't be altered. Jiten noted that BPDS users had been engaged with to a greater extent, further to actions from previous meetings.

10.   A.O.B

Further to a question about analysis that BEIS was doing in relation to the UK's Industrial Strategy, Frances Pottier mentioned that BEIS had recently developed a longitudinal version of the IDBR (LIDBR) which removed data lags and had information about the source and quality of IDBR records. The LIDBR covered the years 2006 to 2016 and had been used to identify the characteristics of high growth firms. It would be uploaded to the Secure Research Service in the near future to enable approved researchers and other government departments to access it.