



## GUIDE TO THE BUSINESS POPULATION AND DEMOGRAPHICS STATISTICS PUBLICATIONS

### Summary

This guide summarizes the key features of the three key publications on the UK business population. It explains how they relate to each other and points out differences in coverage, to enable users to make an informed choice about which publication they should use.

### Background

Three publications provide information on the total UK business population.

The Department for Business and Trade's (DBT) [Business Population Estimates](#) publication provides the only estimate of the total UK business population. The Office for National Statistics' (ONS) [UK Business: Activity, Size and Location](#) publication provides more detail on the registered (for VAT and/or PAYE) section of the business population and the ONS' [Business Demography](#) publication includes levels of registered business start-ups and closures, as well as providing an alternative measure of the registered business population. ONS also publishes a [Quarterly Business Demography](#) report

In addition to these publications, related National Statistics are released by the three devolved administrations for their countries, the [Insolvency Service](#) publishes statistics for corporate and individual insolvency and [Companies House](#) publishes statistics based on activity on their register. Further details of these publications can be found in the "Related Statistics" section of [Business Population Estimates](#) editions and/or in the associated Methodology and Quality note.

After describing the key features of the three UK business population publications in Section 1, this document describes the most appropriate source

that should be used to answer a range of different questions in Section 2. The main characteristics and methodology used to produce each publication are summarized in Section 3. This section will explain the key differences between them and highlight issues to be aware of when using each source, to help users decide which is most appropriate for their needs. Finally, the key characteristics of the publications released by the devolved administrations, the Insolvency Service and Companies House are described in Section 4.

## Key features

	<b><i>Business Population Estimates</i></b>	<b><i>UK Business: Activity, Size and Location</i></b>	<b><i>Business Demography</i></b>
<b>Measure</b>	Population at start of calendar year (1 January), together with their associated employment and turnover.	Population at March each year.	All registered business births, deaths.
<b>Coverage</b>	VAT and/or PAYE registered private sector businesses plus estimate of unregistered population.	All VAT and/or PAYE registered businesses and local units.	All VAT and/or PAYE registered businesses.
<b>Data source</b>	<a href="#">Inter-departmental Business Register</a> (IDBR), ONS' Labour Force Survey and HMRC self- assessment tax data.	IDBR	IDBR
<b>Timeliness</b>	Released about 9 months after reference point (data for January published October).	Released about 6 months after reference point (data for March, published September/October).	Released about 10 months after reference period (data for 2020 published Nov 2021).
<b>Geography</b>	Data available at UK level, as well as by country and region	UK, down to county/district, parliamentary constituency.	UK, down to county district.

	<b><i>Business Population Estimates</i></b>	<b><i>UK Business: Activity Size and Location</i></b>	<b><i>Business Demography</i></b>
<b>Legal Status</b>	With exception of Whole Economy table, focus is on Private Sector – companies, public corporations, sole proprietorships and partnerships.	Company, public sector, non-profit, partnership, sole proprietors.	Company, public corporations, non-profit, partnership, sole proprietors.
<b>Industry</b>	Data available at SIC 2007 3 digit level.	Data available at SIC 2007 4 digit level.	Data available at SIC 2007 4 digit level.
<b>Other breakdowns</b>	Employee size band.	Age of business, turnover and employment size band.	Survival of businesses.

All three publications draw on ONS' [Inter-Departmental Business Register](#) (IDBR), a comprehensive list of UK businesses used by the government for statistical purposes. The IDBR provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It is also an important data source for analyses of business activities.

The two main sources of input are Value Added Tax (VAT) and Pay As You Earn (PAYE) records from HMRC. Additional information comes from Companies House, Dun and Bradstreet and ONS business surveys. The IDBR covers around 2.7 million businesses in all sectors of the economy, but since the main two tax sources have thresholds, very small businesses operating below these will, in most cases, not be included.

The ONS is currently (October 2024) developing a replacement for the IDBR, the Statistical Business Register (SBR). The SBR will change some IDBR processes considerably. It will incorporate new data sources, such as Corporation Tax and Self-Assessment data, potentially providing better measures of economic activity, including coverage of businesses below the VAT and PAYE thresholds not included in the IDBR.

## 1. Which publication should I use if.....

The *Business Population Estimates* publication provides the only estimate of the total UK business population, whilst *UK Business; Activity, Size and Location* provides more detail on the registered section of the business population and *Business Demography* includes levels of business start-ups and closures, as well as providing an alternative measure of the registered business population.

Each publication is appropriate for different purposes. This section recommends the best source to answer common questions.

### ***I want to know how many businesses there are in the UK?***

The *Business Population Estimates (BPE)* publication provides the most comprehensive source for this information, since it combines information on registered businesses (those registered for [VAT](#) and/or [PAYE](#)) with an estimate of the number of unregistered businesses in the UK.

*UK Business; Activity, Size and Location* and *Business Demography* publications provide information on the size and births/deaths of the registered business population and so will not include the smallest, non-employing businesses, which are included in the *BPE*.

### ***I want to know how the number of businesses in the UK has changed over time?***

The *BPE* publication should be referred to for consistent estimates of the total number of businesses in the UK since 2000. Previously, the BIS *Small and Medium sized Enterprise Statistics* provided estimates for 1994 to 2009, but these are not comparable with the *BPE* series due to methodological changes. Unfortunately, it was not possible to produce an equivalent time series of the employment and turnover associated with these businesses.

Alternatively, [Labour Force Survey data](#) provides estimates of the self-employed population and is available back to 1984. Note that this information does not capture employee-managers of companies and it estimates numbers

of individuals, not businesses (some individuals will be running business in partnership with others).

***I want to know how many business start-ups and closures there have been in the UK***

There are no official statistics on the total number of business start-ups and closures in the UK. The *Business Demography* publication provides information on the number of registered business births and deaths. This will exclude the smallest, non-employing businesses that are not VAT or PAYE registered and so not on the IDBR. Birth date refers to the time when the business is first identified as being 'active' on the IDBR (in terms of having recent VAT or PAYE activity), but the actual date the business started trading may have been some time earlier.

***I want to know how many local sites there are in the UK?***

The *UK Business; Activity, Size and Location* publication provides detailed data on the number of local sites (or 'local units') of registered businesses in the UK, as well as information at the business level. Note that this will exclude information on the smallest, non-employing unregistered businesses.

***I want to know how many businesses there are in local areas?***

The *BPE* estimates for the total (registered and unregistered) business population are only available down to a regional level, since the estimates of the unregistered population become less robust at lower-level geographies.

There are three alternative measures of business activity at a local level, covering registered businesses:

i) Counts of registered businesses based on 'head office' location. *UK Business; Activity, Size and Location* and *Business Demography* publications provide information on the number of registered businesses down to county

or district level geography (based on where the business is registered, the 'head office' when the business has more than one local site).

ii) Counts of individual local sites of registered businesses. The *UK Business; Activity, Size and Location* publication provides information on the number of local sites (or 'local units') belonging to these registered businesses down to county or district level geography.

iii) Counts of businesses with activity in devolved administrations. A third measure relating to the number of businesses operating in Scotland, Wales or Northern Ireland (regardless of where the business is registered or how many local sites they have), is provided in the individual publications for each of these countries. These are viewed by the devolved administrations as their preferred estimates (see Section 4 for more information)

***Are managed service companies (MSC) included in the three publications?***

Managed service companies (MSC) are included in publications since 2018. Between 2004 and 2017 managed service companies were excluded from all three publications. HMRC has published [guidance on relevant legislation](#).

***I want to know the level of employment in SMEs in the UK?***

The *BPE* contains this information, along with the share of private sector employment accounted for by SMEs.

***I want to know the level of employment in the UK?***

To find out about how many people are in employment in isolation (i.e., not employment in combination with size of enterprise), ONS' *Labour Market Statistics (LMS)* should be used. These are the preferred source of statistics on employment at the whole economy level.

The *LMS* concept of employment differs from the concept of jobs, since a person can have more than one job, and some jobs may be shared by more than one person. The [Workforce Jobs](#) series provides estimates of the

number of jobs in the UK economy and is the source recommended by ONS for both the number of jobs and the industrial composition of jobs. The [Business Register Employment Survey](#) (BRES) publishes employee and employment estimates at detailed geographical and industrial levels. BRES is regarded as the definitive source of official Government employee estimates at a detailed regional and industrial level.

***I want to know how much turnover SMEs in the UK account for?***

The BPE contains this information, as it provides the only source of (estimated) turnover for unregistered businesses, though for data on registered business turnover, including registered SMEs, the preferred source is the [Annual Business Survey](#).

***I want to know how much turnover is generated in the UK?***

To find out about the level of turnover in isolation (i.e., not turnover in combination with size of enterprise), the [Annual Business Survey](#) is the preferred source, though it only covers registered businesses.

***I want to know how many businesses are run by women in the UK?***

Information on the characteristics of business owners is not available for the total businesses population. Demographic information is not captured for owners of registered businesses on the IDBR. DBT's [Small Business Survey](#) provides some demographic information on the owners of small and medium sized enterprises (SMEs); for instance an estimate of the proportion of SMEs which are majority women-led. In addition the [Labour Force Survey](#) provides demographic information for the self-employed population (which represents a combination of registered and unregistered business owners).

## 2. Detailed description of UK publications

### [Business Population Estimates for the UK and Regions \(DBT\)](#)

#### **Purpose**

There is no single database in the UK which contains details of every active business. The *BPE* therefore combines information on registered businesses with an estimate of the number of unregistered businesses to produce an estimate of the total business population for the UK. The estimates are widely used to analyze the scale, structure and significance of the total business population in the UK and to monitor change over time.

#### **Methodology**

The main source for this publication is the IDBR, administered by the ONS, which is used to provide data on registered enterprises in the UK. The estimate of the number of unregistered businesses (with no employees and which aren't registered for VAT) that do not appear on the IDBR is produced by combining information about people who report they are self-employed on the *Labour Force Survey (LFS)* and HM Revenue & Customs [self-assessment tax returns data](#). See the Methodology Note that accompanies each publication for more detail.

#### **Coverage**

The *BPE* provides an estimate of the total number of businesses at the start of each calendar year, together with estimates of their associated employment and turnover. However, there are time lags associated with the employment and turnover variables, so any comparisons should be made with caution.

A single person may run more than one business and each of these businesses will be counted separately in the *BPE* publication.

Whilst the main focus of the *BPE* publication is the UK private sector, summary information is provided for the whole economy (including central and



local government and not-for-profit organizations). Data for the private sector is provided by legal status, industry, region and country, broken down by employee size-band.

A time series of the total number of UK private sector businesses by employee size-band is provided back to 2000, to enable robust comparisons over time, given changes in the methodology over this period (specifically, prior to the 2010 estimates).

Businesses that have sites (and employees) in more than one region or country are counted here only in the region or country where they are registered (i.e., where the head office is located). These estimates will therefore differ from actual employment in a region, since some employees in one region will work for enterprises that are registered in another region.

## **[UK Business: Activity, Size and Location \(ONS\)](#)**

### **Purpose**

*UK Business; Activity, Size and Location* allows analysis of the registered business population by detailed geography or industry. This publication has been released since the early 1970's, although the content and coverage has changed many times over this period.

### **Methodology**

*UK Business; Activity, Size and Location* provides detailed information about registered businesses that were 'live' on the IDBR in March each year. An extract is taken from the IDBR which matches the definitions used by most ONS surveys. This means that businesses which are considered out of scope for surveys (for reasons such as to avoid risk of duplication) are excluded from this publication.

Since the publication is an extract from the IDBR, which is based on administrative records, there is no estimation or imputation. However, it is

important to note that underlying the extracts are IDBR processing rules, which impact on timeliness and classification of businesses.

The publication is in two parts: enterprise and local unit. These are tabulated by industry and geography, with industry detail down to SIC 4-digit and geographies including county, district and parliamentary constituency. There are also tables by employment size band and turnover size band, but no employment or turnover values from the register are included in this publication. Additionally, tables by legal status and age of business are also produced.

### **Coverage**

The most notable recent change to *UK Business; Activity, Size and Location* was the extension from covering VAT registered businesses only, to VAT and PAYE registered businesses in 2008, extending coverage by around 450,000 businesses. The decision to broaden the criteria was taken to reflect the move from the old business register to the IDBR (which covers both VAT and PAYE registered businesses). The product includes private and public sector businesses, all legal statuses, and covers the whole economy.

### **[Business Demography \(ONS\)](#)**

#### **Purpose**

*Business Demography* was introduced as a result of the Structural Business Statistics Regulation (Annex IX) in 2008. The publication provides data on births, deaths and survivals of business and is different from the other publications in that the main focus is on change, rather than the size of the business population.

Business births and deaths are presented by industry and geography. In addition, a series on business survival is also presented, with 1 to 5-year survival rates by industry and geography.

## **Methodology**

Business demography is an annual publication produced from the IDBR, which is sourced mainly from administrative data and covers registered businesses.

The publication breaks the data down into the number of business births and deaths in the reference year and by geography and Standard Industrial Classification (SIC). It also tracks the five-year survival rates of new businesses.

The publication is based on the concept of an active population, that is a business active at any time during the reference year. Comparisons of this active population between two periods are used to derive births, and deaths. The headline figures are birth and deaths of businesses, with the population being primarily used as a denominator for calculation of birth and death rates.

The very smallest businesses (those with no employees and which aren't registered for VAT) are not covered within *Business Demography*. A business only becomes listed as a birth once it reaches the tax threshold. This could be in a later period than the point in time when the business started to trade.

## **Coverage**

*Business Demography* is based on the principle of businesses that are active during the year, so has wider coverage than *UK Business; Activity, Size and Location*, which selects businesses that are active on a single date within the year. Public sector organizations and the agricultural sector are excluded, since the publication is aimed at measuring entrepreneurship.

## [Business Demography: Quarterly Experimental Statistics \(ONS\)](#)

### **Purpose**

*Quarterly Business Demography* was introduced in August 2020 to provide more timely business demography statistics in response to the COVID-19 pandemic. It provides data on business births and deaths from the IDBR with high-level breakdowns by industry and region.

### **Methodology**

The methodology used is similar to that in the annual Business Demography publication, though data in the release is not entirely consistent with the annual Business Demography publication, which is a more accurate reflection of business births and deaths.

## **3. Related statistics**

### [Businesses in Scotland \(Scottish Government\)](#)

These annual statistics provides information about the total number of enterprises (registered and estimates of the unregistered) operating in Scotland broken down by various groupings including industry, company size, local authority area, and country of ownership.

The publication covers all enterprises that operate in Scotland regardless of where the enterprise is based. It gives a complete picture of the full business stock that operates in Scotland. The *BPE, UK Business; Activity, Size and Location* and *Business Demography* publications only allocate enterprises to Scotland if the enterprises' main registered address is in Scotland.

## **Business Structure** (Welsh Government)

This annual publication provides an estimate of the total number of businesses (registered and estimates of the unregistered) operating in Wales, regardless of where the head office is based. The publication is regarded as the official source of statistics on Welsh businesses by the Welsh Government.

It includes all enterprises that operate in Wales regardless of where the enterprise is based, and therefore gives a complete picture of the full business stock that operates in Wales. The *BPE, UK Business; Activity, Size and Location* and *Business Demography* publications only allocate enterprises to Wales if the enterprises' main registered address is in Wales. This underestimates the employment of businesses in Wales, particularly in respect of larger employers. For UK-wide comparisons DBT's *BPE* or ONS' *UK Business; Activity, Size and Location* or *Business Demography* statistics should be used.

## **Northern Ireland Business; Activity, Size, Location and Ownership** (Northern Ireland Statistics and Research Agency)

The publication is produced from an extract of the Northern Ireland element of the IDBR. The published tables provide counts of businesses registered for VAT and/or operating a PAYE scheme broken down by geography, Standard Industrial Classification (SIC), legal status, employment and turnover size bands. The tables also provide details of foreign owned businesses operating in Northern Ireland.

Like the publications for Scotland and Wales, the additional analysis in this publication includes all enterprises that operate in Northern Ireland regardless

of where the enterprise is based. However, this analysis only includes VAT and/or PAYE registered businesses and so will exclude very small businesses operating in Northern Ireland.

### [Insolvency Service Insolvency Statistics \(Insolvency Service\)](#)

The Insolvency Service publishes monthly and quarterly statistics on personal and corporate insolvencies for England & Wales, Scotland and Northern Ireland. Broad industrial breakdown for corporate insolvency procedures, as well as trading related bankruptcies are included, as well as additional breakdowns for personal insolvency procedures.

The monthly publication gives company and individual insolvency statistics for England and Wales, as well as Northern Ireland, and monthly company statistics for Scotland. For England and Wales, Breathing Space scheme statistics and the numbers of company moratoriums and restructuring plans are also included.

The quarterly publication provides statistics on new company insolvencies in England and Wales, and related statistics for Scotland and Northern Ireland.

The business population most closely related to the corporate insolvency statistics is the Companies House register figures (see below) and this is the basis currently used to calculate the 'rate' of company failures. For small businesses, these are more closely related to the legal status definitions covering sole traders or partnerships, though some partnerships would be liquidated as a registered company.

It is also worth noting that a company may progress through more than one form of insolvency; the most common route is from administration to liquidation, but other combinations of two or more types occur. This means that it is not appropriate to add the numbers of corporate insolvencies

together to produce a total for the number of companies in insolvency, as the same company may then be counted more than once.

## Companies House Statistics (Companies House)

Companies House (CH) releases quarterly and annual statistics on company register activity and register size, and annual figures on late filing penalties. A company is a specific type of legal form of business, covering those businesses that are registered (incorporated) at Companies House.

Whilst the *BPE* reported that there were 2.1 million actively trading companies at the start of 2022 (sourced entirely from the IDBR, the Companies House (CH) register statistics reported 4.4 million effective companies at the end of December 2021.

The four main reasons for this difference between the *BPE* and CH register statistics are described below. It is important to remember that the IDBR exists primarily as a sampling frame for business surveys, so filtering of company registrations is designed to fit survey requirements.

- i) The ONS only includes 'active' businesses on the IDBR (which they define as those who have recent VAT and/or PAYE activity), whilst the CH data will include some companies they define as 'dormant'
- ii) Many companies are set up for purposes which are not directly related to economic activity, such as the protection of names, or by clubs and societies which are not required on the business register and so are excluded.
- iii) Another factor is that the IDBR combines information from CH and other government departments to create 'enterprises', which may in some cases combine several CH registrations, where the financial links are close.
- iv) Some companies on the CH register will be registered in the UK, but all their activity occurs abroad, so they are not identified as being 'active' by the ONS.