



English Business Survey – November 2013

This release provides timely intelligence on business conditions in England, presenting key messages from the English Business Survey (EBS). The EBS interviews around 3,000 workplaces each month providing an assessment of past, current and future business and economic conditions. The data refers to business conditions in November 2013, which is the reference month for the survey. 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.

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; the last publication will take place on the 30 April 2014.** 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.

Key Points

- In England, businesses registered the highest balance estimates for both output and employment performance since the survey began². When compared with three months before, estimates in November 2013 reached +33% for output and +12% for employment (for employment, this was equal to July 2013's high). Employment and output estimates were positive across sectors and business sizes, except for small businesses that reported lower employment levels compared with 3 months before³.
- All regions reported positive balance score estimates for output and employment in November 2013, when compared to 3 months earlier. Balance scores for output ranged from +40% in South East to +22% in the East of England, whilst balance scores for employment ranged from +20% in London to +1% in the North East.

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

² Estimates are not seasonally adjusted

³ Estimates are not seasonally adjusted

- Over a longer horizon, businesses in England have reported increasingly better performance when compared to 12 months ago. Output balance scores comparing business performance to 12 months ago have been increasing each month since April 2013, with results for September, October and November the highest since the survey began⁴. This performance is consistent with other official statistics which suggest signs of an improving economy.
- In England expectations of output and employment levels in 3 months were positive with businesses registering a balance estimate of +9% and +3% respectively. Across the regions, 8 out of 9 regions were optimistic about future output level, with only Yorkshire and the Humber pessimistic. Six of the 9 regions were optimistic about future employment levels, with the North West, West Midlands and East of England pessimistic about future levels.

Economic Context

This section provides contextual information on the economic performance over the survey period (November 2013) 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 2013⁵. Compared with the same quarter a year ago, Quarter 4 2012, GDP was 2.8% higher in Q4 2013.
- The employment rate in the working age population (16-64) for September to November 2013 was 72.1%, up 0.5 percentage points from June to August 2013. There were 30.15 million people in employment aged 16 and over, up 280,000 from June to August 2013.
- The unemployment rate for September to November 2013 was 7.1%, down 0.5 percentage points from June to August 2013. There were 2.32 million unemployed people, down 167,000 from June to August 2013⁶. The unemployment rate has become a more prominent economic indicator since the Bank of England announced, as part of its forward guidance that it does not intend to raise interest rates while the unemployment rate remains above 7%⁷.
- Annual inflation was estimated to be 2.1% in the year to November 2013, down from 2.2% in October⁸. This remains above the Bank of England target rate of 2.0%.
- Retail Sales estimates for November 2013 compared to the same period the previous year showed that retail sales increased by 2%.

⁴ Estimates are not seasonally adjusted

⁵ <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q4-2013/stb-gdp-preliminary-estimate--q4-2013.html>

⁶ <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/january-2014/index.html>

⁷ <http://www.bankofengland.co.uk/publications/Pages/news/2013/096.aspx>

⁸ <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/november-2013/index.html>

Compared to the previous month retail sales increased by 0.3% in November 2013⁹.

- Construction output decreased by 4% in November 2013 when compared with October 2013. However comparing November 2013 with November 2012 shows that construction output increased by an estimated 2.2%, the sixth consecutive increase in the rolling 12 month estimate¹⁰.

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.¹¹ 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 currently classified as experimental statistics as they are undergoing development and have not yet been assessed against the standards required for National Statistics. It is recommended that users exercise caution when interpreting time series data, as the data are likely to include seasonal patterns, which have not been removed through seasonal adjustment¹².

⁹ <http://www.ons.gov.uk/ons/rel/rsi/retail-sales/november-2013/index.html>

¹⁰ <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/november-2013/index.html>

¹¹ Source: UK Business: Activity, Size and Location, 2013

¹² The recommended approach for removing seasonality in UK Official Statistics requires 3 years of monthly data or 5 years of quarterly data.

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*¹³, which provides information about how to interpret results, and a *Technical Guide*¹⁴, 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. Calculation of these errors for the EBS is still being developed and will be released when available, however, provisional information on the likely size of these sampling errors is provided in the *Technical Guide*.

Timeliness

2. Future publication dates will be added to the National Statistics Publication Hub¹⁵.

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 Tool¹⁶ 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 Map¹⁷ 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 next and final update is scheduled for publication on 30th April 2014.**

¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210768/12-598-english-business-survey-user-guide.pdf

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/227025/bis-13-1075-english-business-survey-technical-guide.pdf

¹⁵ 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

¹⁶ <http://dservuk.tns-global.com/English-Business-Survey-Reporting-Tool/>

¹⁷ <http://aalookup.bis.gov.uk/ebs/map/>

Micro data

6. EBS Micro data are available to 'approved researchers' via ONS' Virtual Micro Laboratory¹⁸ and an aggregated version of the dataset is available to academics from the UK Data Archive¹⁹.

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

¹⁸ <http://www.ons.gov.uk/ons/about-ons/who-we-are/services/vml/index.html>

¹⁹ <http://www.data-archive.ac.uk/>