

ENGLISH BUSINESS SURVEY – JANUARY 201229th March 2012**Period:***January 2012***Coverage:***England; Regions***Frequency:***Monthly***Status:***Experimental Official
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Introduction

This statistical release is the second of a series of monthly publications based on data from the English Business Survey (EBS). The data in the publication refers to conditions in January 2012. Until the data series is fuller and can be better understood it is advised that results are not compared across months; each month of data should be taken as a snapshot in time. Even within the snapshot of monthly data seasonal patterns may be present and results should be interpreted with this in mind (see Background note on Comparability).

The EBS is a workplace survey so characteristics (e.g. region, employment size and industry) relate to the workplace rather than the enterprise.¹

Regional results are discussed in this Statistical Release, with supporting tables, including results by workplace employment size and broad industry, available from the EBS page of the BIS website <http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>.

Results are weighted to take account of workplace employment size, so workplaces with higher employment are given a larger weight. This is a way of measuring a workplace's contribution to the economy. Doing this provides a view of conditions of the economy as a whole. When reading results in the tables, a national estimate of 10% for example should be interpreted as workplaces accounting for 10% of employment in England giving that response, rather than 10% of workplaces in England giving that response.

While every care has been taken to produce reliable statistics, this survey is still in its infancy and full quality assurance of the data is not yet possible. Until this fuller quality assurance is possible estimates from the survey have been designated as *Experimental Official Statistics*, meaning results may be subject to revision if improvements in methodology are identified. All revisions would be pre-announced. Results should be used with this in mind.

¹ A business can be a single workplace, or a workplace that belongs to a larger enterprise, for example a local store of a larger retail chain.

Summary

- Across all regions except London, more workplaces, weighted by employment, reported lower **output** rather than higher output in January 2012 compared with October 2011.
- However, with the exception of the East Midlands and the North East, all regions saw a higher share of workplaces, weighted by employment, reporting that **output** was higher in January 2012 than in January 2011 rather than lower.
- Looking forward, the balance of **expectations for output** in April 2012 compared with January 2012 is positive across all regions, with the majority of workplaces, weighted by employment, expecting higher output.
- The majority of workplaces, weighted by employment did not report changes in employment in January 2012 compared with October 2011. Of those that reported a change slightly more workplaces, weighted by employment, reported that **employment** was lower rather than higher. This pattern was seen across all regions apart from London.
- Again going forward the majority of workplaces, weighted by employment, do not expect to change **employment**. Of those expecting a change more workplaces, weighted by employment expect higher employment in April compared with January giving positive balances across all regions, with Southern regions seeing higher balances.
- Workplaces accounting for 29% of employment in England made new **capital investment** in the period November 2011 to January 2012 and looking forward intentions to invest in the period February to April remain at a similar level (30%). Differences across the regions are generally small.
- Majority of workplaces, weighted by employment, reported that **labour costs** were unchanged in January 2012 compared with October 2011. This was true across all regions. Of those reporting changes a higher share of workplaces, weighted by employment, reported an increase in labour costs. More workplaces, weighted by employment, expect labour costs in April 2012 to be higher than in January 2012. Again this is true across all regions.
- Across all regions, the majority of workplaces weighted by employment reported that **output prices** were unchanged in January 2012 compared with October 2011. Looking forward a higher percentage of workplaces, weighted by employment, expect output prices to be higher in April 2012 compared with January 2012.

Output/business activity and Stocks

Output/ business activity

Workplaces accounting for 25% of employment in England reported higher output in January 2012 than in October 2011, compared with 33% which reported lower output

(Chart and Table 1).² On balance a larger share of workplaces, according to employment, reported lower output than higher output; giving a balance of -7%.

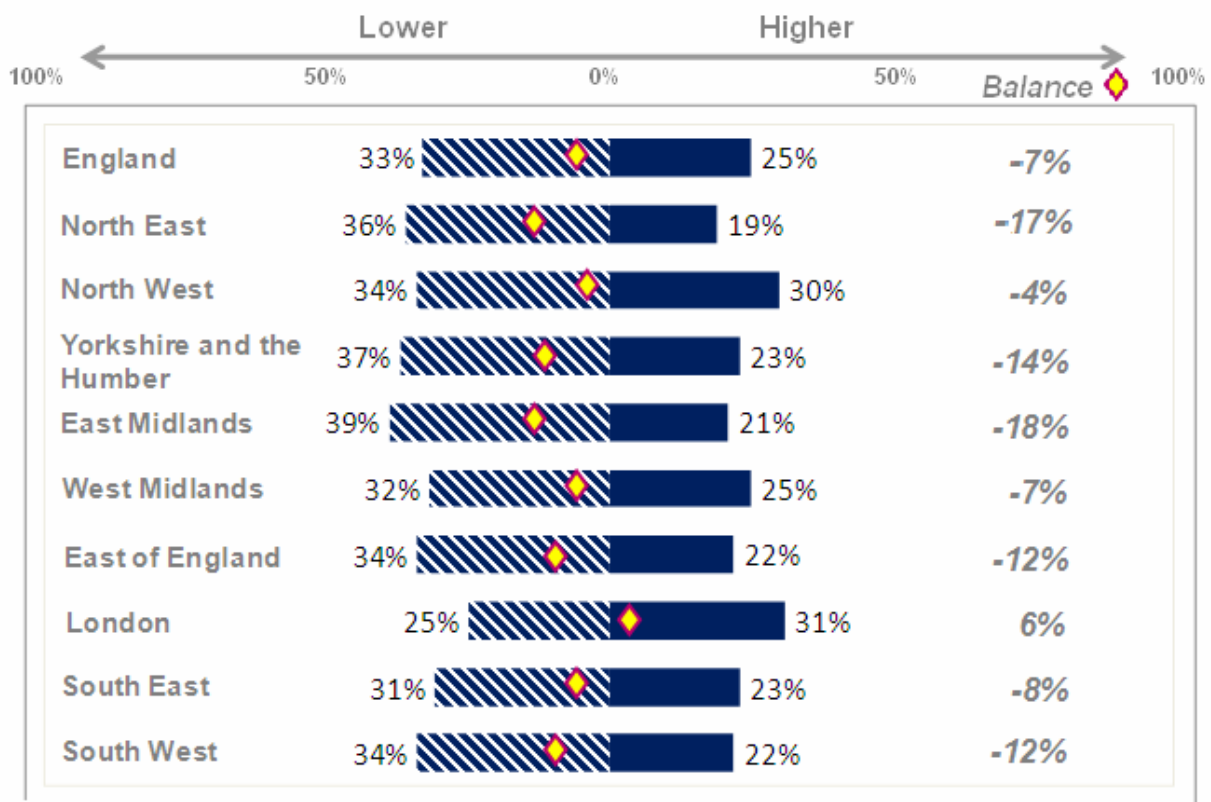
All but one region saw negative balances but there was considerable variation amongst the regions. The East Midlands and North East saw balances of -18% and -17% respectively, whilst London was the only region with a positive balance (6%).

A higher share of workplaces, weighted by employment, in London reported increased output, along with a lower share of workplaces, weighted by employment, reporting decreased output compared with the English average. Workplaces accounting for 31% of employment in London reported they had increased activity, compared with 25% in England. This, along with a lower share reporting decreased activity (25% compared with 33% in England) led to a positive balance in London compared with England (6% compared with -7%).

The output balance was weakest in the East Midlands and the North East at -18% and -7% respectively, with a larger share of workplaces, weighted by employment, reporting decreased activity compared with England.

² Responses across all categories (i.e. Higher, The same, Lower and Don't Know) sum to 100%. . . Workplaces accounting for 39% of employment reported that output had not changed in January 2012 compared with October 2011, with only 4% reporting don't know.

Chart 1: Level of output/business activity in January 2012 compared with October 2011, by region



Notes:

1. Workplaces were asked about the level of output in January 2012 compared with October 2011.
2. Results are weighted to be representative of total employment in England, not workplaces. Results should be interpreted as workplaces accounting for x% of employment said...
3. Survey results sum to 100%=Higher%+The same%+Lower%+Don't know% (only a small share of total).

Looking forward to three months time, workplaces accounting for 50% of employment in England expect output to be higher in April 2012 than in January 2012, compared with 10% which expect output to be lower, giving a positive balance of 40%. Workplaces in the North West seem more optimistic on balance compared to other regions, with workplaces accounting for 57% of employment in the North West expecting output to be higher in April 2012 than in January 2012, which is significantly higher than the 50% for England. This results in a balance for the North West of 47%; above the 40% balance for England.

Comparing to last year, workplaces were asked how output in January 2012 compared with that in January 2011. Workplaces accounting for 39% of employment reported higher output, compared to 25% reporting lower output giving a positive balance of 14% for England. Balances varied across England. The East Midlands was the only region with a negative balance (-5%), with workplaces accounting for 30% of employment reporting higher output and 35% lower output. The North East balance was 0%, with an equal weighted share of 33% reporting higher and lower. Positive balances were seen across all other regions, with the largest balance being seen in the South East (26%).

Table 1: Output percentages and balances^{1 2 3 4}, by region, January 2012

		Eng	NE	NW	YH	EM	WM	EE	L	SE	SW
Output											
Past (Jan12 vs. Oct11)	Higher	25%	19%	30%	23%	21%	25%	22%	31%	23%	22%
	Lower	33%	36%	34%	37%	39%	32%	34%	25%	31%	24%
	Balance (Higher-Lower)	-7%	-17%	-4%	-14%	-18%	-7%	-12%	6%	-8%	-12%
Future (Apr12 vs. Jan12)	Higher	50%	53%	57%	49%	46%	49%	51%	47%	49%	52%
	Lower	10%	10%	9%	14%	13%	10%	8%	12%	8%	9%
	Balance (Higher-Lower)	40%	43%	47%	35%	33%	39%	43%	34%	41%	43%
Past annual (Jan12 vs. Jan11)	Higher	39%	33%	45%	34%	30%	40%	35%	40%	44%	42%
	Lower	25%	33%	26%	30%	35%	26%	27%	22%	19%	23%
	Balance (Higher-Lower)	14%	0%	19%	4%	-5%	15%	8%	18%	26%	19%

Notes:

- Results are weighted to be representative of total employment in England, not workplaces (see 'Weighting' section of Background note).
- A positive balance indicates that Higher was more than Lower As well as assessing the balance, it is important to consider the underlying figures which are available here (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>). See 'Balance' section of Background note for more explanation.
- Balances are calculated on unrounded figures and then rounded. For this reason Higher minus Lower percentages may not sum to the balance score.
- The dates indicate the periods being compared in the question i.e. Past (Jan 12 vs. Oct 11) indicates that workplaces were asked how conditions in January 2012 compared with October 2011.

Stocks

Only those sectors that typically have stocks are asked about stocks.³ Of these sectors, in England workplaces accounting for 20% of employment report currently having no stocks.

Overall, the majority of workplaces, weighted by employment reported that stocks remained unchanged in England (34%) in January 2012 compared with October 2011. Workplaces accounting for 14% of employment in England reported higher stocks in January 2012 than in October 2011, compared to 29% which reported lower stocks (Table 2). The balance of -15% means overall, more workplaces as accounted by employment, saw lower stocks. Lower stocks, together with lower output responses suggests that workplaces could be reducing their stock levels rather than increasing output to meet demand.

All regions saw a negative stocks balance. The lowest stocks balance was the North West with -29%. This was mainly due to a significantly greater share of workplaces, weighted by employment, reporting lower stocks (40%) compared with England (29%). London was the region with the smallest negative stock balance of -5%, as a significantly lower share of workplaces, weighted by employment, reported lower stocks (17%). It is worth noting that a significantly higher share of workplaces in

³ This includes Agriculture, Production, Wholesale and Retail, Real Estate and Professional, Scientific and Technical Activities.

London, weighted by employment, do not hold stocks compared to England (36% compared to 20%).

On balance workplaces expect to increase stocks going forward. Workplaces accounting for 28% of employment expect stocks to be higher in April 2012 than in January 2012, while 14% expect them to be lower; giving a balance of 14%. Balances are positive across all regions, although the size of the balance varies. Regions with the largest negative backward balances, comparing January 2012 with October 2011, generally see the largest positive balances going forward.

Table 2: Stocks percentages and balances^{1 2 3 4}, by region, January 2012

		Eng	NE	NW	YH	EM	WM	EE	L	SE	SW
Stocks⁵											
Past (Jan12 vs. Oct11)	Higher	14%	14%	11%	13%	16%	15%	8%	12%	16%	19%
	Lower	29%	29%	40%	23%	26%	37%	30%	17%	29%	26%
	Balance (Higher-Lower)	-15%	-15%	-29%	-11%	-10%	-21%	-22%	-5%	-13%	-7%
Future (Apr12 vs. Jan12)	Higher	28%	23%	38%	23%	22%	36%	32%	20%	28%	26%
	Lower	14%	12%	15%	16%	20%	13%	12%	13%	13%	14%
	Balance (Higher-Lower)	14%	10%	23%	7%	3%	23%	20%	7%	15%	12%

Notes:

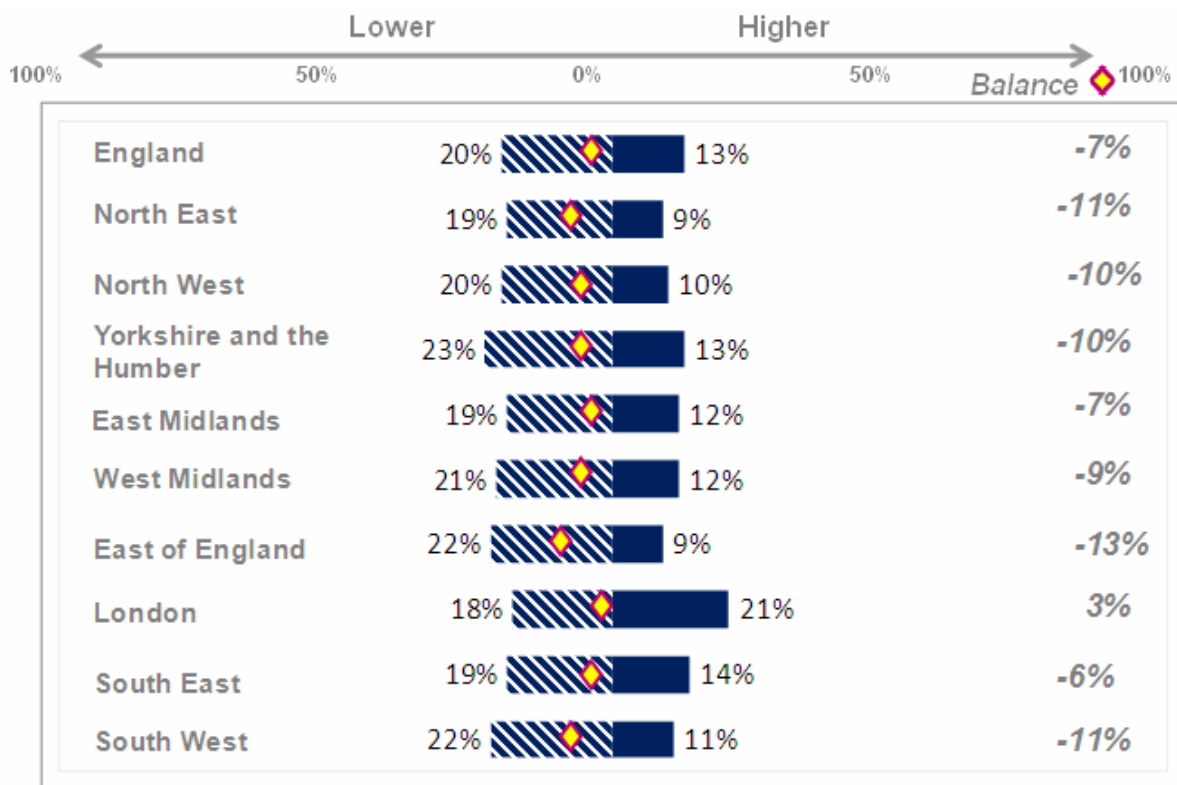
1. See note 1 of Table 1.
2. See note 2 of Table 1.
3. See note 3 of Table 1.
4. See note 4 of Table 1.
5. The questions on stocks are only asked of workplaces in the following sectors Agriculture, Production, Wholesale and Retail, Real Estate and Professional, Scientific and Technical Activities (SIC 2007 Codes A-G, L and M. Workplaces can also report having no stocks.

Labour market

The majority of workplaces (66%), weighted by employment, did not report a change in employment in January 2012 compared with October 2011. Of those reporting a change there was a negative balance at the England level. Workplaces accounting for 13% of employment in England reported higher employment in January 2012 than in October 2011, compared to 20% reporting lower employment; giving a balance of -7% (Chart 2 and Table 3).

The balances were negative across all regions apart from London, which saw a balance of 3% as a result of a higher share of workplaces, weighted by employment, reporting higher employment (21% compared to 13% for England). Balances were slightly weaker in the East of England (-13%), North East (-11%) and the South West (-11%).

Chart 2: Level of employment in January 2012 compared with October 2011, by region



Notes:

1. Workplaces were asked about the level of employment in January 2012 compared to October 2011.
2. Results are weighted to be representative of total employment in England, not workplaces. Results should be interpreted as workplaces accounting for x% of employment said... .
3. Survey results sum to 100%=Higher%+The same%+Lower%+Don't know% (only a small share of total).

Looking forward, again the majority of workplaces (66%), weighted by employment, did not expect employment to change in April 2012 compared with January 2012. Of those expecting a change workplaces accounting for 21% of employment in England expect employment to be higher in April 2012 than in January 2012, compared with 12% expecting lower employment levels. The balance of 8% suggests that future employment is likely to be higher than currently for more workplaces. The employment balance was lowest in the East Midlands, followed closely by Yorkshire and the Humber. Workplaces accounting for 17% of employment in the East Midlands expect higher employment in April 2012 compared to January 2012 while 16% expect lower employment, giving a balance of 1%. This compares to more positive balances seen in the South with the South East and the South West which saw balances of 15% and 13% respectively.

On workforce use, workplaces accounting for 22% of employment reported that the workforce was overstretched in January 2012 with 13% reporting being underutilised, giving a positive balance of 10%.⁴

⁴ Figures do not sum due to rounding.

The message of the workforce being overstretched was seen consistently across the regions, except the North East which reported a negative balance of -8% indicating some spare capacity for labour. The balances were particularly strong in the South East and London (17% and 18% respectively) which corresponds to some extent with higher future employment expectations.

Table 3: Employment and Workforce Use percentages and balances^{1 2 3 4}, by region, January 2012

		Eng	NE	NW	YH	EM	WM	EE	L	SE	SW
Employment											
Past (Jan12 vs. Oct11)	Higher	13%	9%	10%	13%	12%	12%	9%	21%	14%	11%
	Lower	20%	19%	20%	23%	19%	21%	22%	18%	19%	22%
	Balance (Higher-Lower)	-7%	-11%	-10%	-10%	-7%	-9%	-13%	3%	-6%	-11%
Future (Apr12 vs. Jan12)	Higher	21%	17%	20%	15%	17%	19%	20%	24%	24%	24%
	Lower	12%	13%	15%	13%	16%	10%	12%	14%	9%	11%
	Balance (Higher-Lower)	8%	4%	5%	2%	1%	9%	8%	10%	15%	13%
Workforce Use⁵											
January 2012	Overstretched	22%	13%	20%	22%	23%	21%	19%	25%	28%	23%
	Underutilised	13%	20%	12%	15%	17%	14%	17%	7%	10%	14%
	Balance (Over-Under)	10%	-8%	8%	7%	6%	7%	1%	18%	17%	9%

Notes:

1. See note 1 of Table 1.
2. See note 2 of Table 1.
3. See note 3 of Table 1.
4. See note 4 of Table 1.
5. Balance of respondents (weighted by employment) reporting workforce was overstretched or underutilised. Positive figure indicates workforce is overstretched. It is also important to consider the underlying figures, available here (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>)

Investment

Workplaces accounting for 29% of employment in England made new capital investment in the 3 months from November 2011 to January 2012 and looking forward 30% expecting to make new capital investment in the 3 months from February to April 2012 (Table 4).

In the period November 2011 to January 2012 new capital investment in the North West and London was slightly above the England average, with workplaces accounting for 32% of employment in each of these regions reporting they had made new investment. New investment was significantly lower than the England level in Yorkshire and the Humber during this period with workplaces accounting for 23% of employment reporting new investment.

Looking forward the outlook for investment in the period February to April 2012 is again fairly similar across the regions, with intentions in London remaining slightly above the English average. In London 34% of workplaces weighted by employment expect to invest compared with 30% in England. Investment intentions in the North East were significantly lower than England at 22%.

Workplaces were asked about their use of capital which included buildings, plant and machinery, equipment, vehicles and computer hardware. Workplaces accounting for

the majority of employment (74%) reported that capital was used at a satisfactory level in January 2012 and this was consistent across the regions.

For England, 10% of workplaces, as weighted by employment, reported their capital use as being overstretched and 13% underutilised giving a balance of -4%. A negative balance occurred in all regions except London which saw a balance of 1%.⁵ The North East had the most negative balance of all the regions at -11%.

This indicates that workplaces, as weighted by employment, reporting underutilised capital slightly exceeded those reporting overstretched capital and contrasts with workforce use (Table 3) which indicated that on balance the workforce was generally overstretched.

Table 4: Capital Investment percentages and Capital Use percentages and balances^{1 2 3 4}, by region, January 2012

		Eng	NE	NW	YH	EM	WM	EE	L	SE	SW
Capital Investment⁵											
Past (Nov11-Jan12)	Have invested	29%	29%	32%	23%	29%	27%	29%	32%	31%	25%
Future (Feb12-Apr12)	Plan to invest	30%	22%	32%	25%	27%	33%	28%	34%	30%	30%
Capital Use⁶											
January 2012	Overstretched	10%	8%	9%	8%	10%	8%	10%	11%	12%	7%
	Underutilised	13%	19%	13%	15%	16%	12%	15%	9%	13%	15%
	Balance (Over-Under)	-4%	-11%	-3%	-7%	-6%	-4%	-5%	1%	-1%	-8%

Notes:

1. See note 1 of Table 1.
2. See note 2 of Table 1.
3. See note 3 of Table 1.
4. See note 4 of Table 1.
5. Workplaces accounting for x% of employment report making or planning to make capital investments.
6. Balance of respondents (weighted by employment) reporting capital was overstretched or underutilised. Positive figure indicates capital is overstretched. It is also important to consider the underlying figures, available here (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>)

Prices

Labour costs

Workplaces accounting for 74% of employment in England reported that labour costs (per person) remained the same in January 2012 compared with October 2011. Workplaces accounting for 14% of employment in England reported higher average labour costs (per person), compared with 8% which reported lower; a balance of 5% (Table 5). A positive balance was seen in every region. The balance was highest in the West Midlands at 11% and lowest in Yorkshire and the Humber at 1%.

On balance labour costs are expected to be higher going forward. Workplaces accounting for 30% of employment in England reported expecting higher average labour costs (per person) in April 2012 than in January 2012, compared to 5% which

⁵ Figures do not sum due to rounding.

reported lower; a balance of 25%. A positive balance was seen in every region. The regions with the highest balance are the West Midlands and the South East, both 29% and London with 28% and the lowest is Yorkshire and the Humber at 17%.

Output prices

Workplaces accounting for 65% of employment in England reported that the prices charged (output prices) in January 2012 compared with October 2011 had not changed. Across all regions, the majority of workplaces weighted by employment reported that output prices were unchanged.

Of those reporting changes, workplaces accounting for 16% of employment in England reported higher output prices in January 2012 than in October 2011, compared with 13% reporting lower; giving a balance of 3%. Variation across the regions was small, with the West Midlands reporting the highest balance of 6% compared to the lowest of -2% from the North East.

Looking forward, workplaces accounting for 24% of employment in England expect higher output prices in April 2012 compared to January 2012, with 6% expecting lower output prices; giving a balance of 18%. All regions saw positive balances showing that on balance, workplaces expect prices to be higher rather than lower over the period. The balance is most positive in the North West and East Midlands (both 23%) and weakest in London and the West Midlands (both 12%).

Table 5: Labour cost and output price percentages and balances^{1 2 3 4}, by region, January 2012

		Eng	NE	NW	YH	EM	WM	EE	L	SE	SW
Labour costs											
Past (Jan12 vs. Oct11)	Higher	14%	18%	14%	12%	16%	17%	11%	12%	15%	13%
	Lower	8%	10%	10%	11%	9%	6%	9%	8%	6%	10%
	Balance (Higher-Lower)	5%	8%	4%	1%	8%	11%	2%	4%	9%	3%
Future (Apr12 vs. Jan12)	Higher	30%	30%	29%	25%	31%	33%	32%	31%	32%	28%
	Lower	5%	10%	8%	7%	9%	4%	5%	3%	3%	4%
	Balance (Higher-Lower)	25%	21%	21%	17%	23%	29%	26%	28%	29%	24%
Output prices											
Past (Jan12 vs. Oct11)	Higher	16%	18%	20%	14%	16%	15%	18%	14%	15%	17%
	Lower	13%	20%	17%	15%	12%	8%	14%	9%	13%	14%
	Balance (Higher-Lower)	3%	-2%	4%	0%	4%	6%	3%	5%	2%	3%
Future (Apr12 vs. Jan12)	Higher	24%	27%	28%	26%	27%	20%	28%	17%	23%	31%
	Lower	6%	10%	4%	7%	4%	8%	7%	4%	6%	9%
	Balance (Higher-Lower)	18%	17%	23%	19%	23%	12%	22%	12%	17%	22%

Notes:

1. See note 1 of Table 1.
2. See note 2 of Table 1.
3. See note 3 of Table 1.
4. See note 4 of Table 1.

Background Note

Workplace survey

1. The EBS is a survey of workplaces. A business can be a single workplace, or a workplace that belongs to a larger enterprise for example a local store of a larger retail chain. Most businesses only consist of a single workplace. The main purpose of the EBS is to provide sub-national information. For this reason the location and business conditions at local workplaces is very important and therefore the interviews were conducted with, or with reference to, specific workplaces. The region, employment size and industry all relate to that of the workplace and not the enterprise.

Period covered

2. EBS Releases are labelled by the period which workplaces are asked about (the reference month). In most questions workplaces are asked to compare the reference month with the month three months previous and three months forward. For example, for the January 2012 EBS most backward-looking questions compare January 2012 with October 2011 and forward looking questions compare April 2012 with January 2012. However, care should be taken as the reference month for questions on capital investment, capacity constraints and annual output differs. Periods being compared are clearly labelled on the tables. This is also explained in the User Guide (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>).

Weighting

3. EBS results are required to give a snapshot of economic conditions as a whole. For this reason it makes sense to give workplaces which contribute more to the economy a larger weight in the results. This would ideally be done using turnover or Gross Value Added but this is not available at the workplace level. Instead results are weighted to reflect the distribution of employment. Responses from larger workplaces, in terms of employment, will be given more weight as a proxy for the contribution it makes to the economy or it's to economic influence. Results therefore **should not** be interpreted as 'x% of businesses said ...' but rather workplaces representing x% of employment said ...'.

Balance

4. Most results in this release are presented as a balance statistic, that is: Higher % minus Lower %. The balance can take any value in the range of -100% (if all workplaces were to provide negative responses) to +100% (if all workplaces were to provide positive responses), with a zero index indicating a balanced picture.
5. A balance can be achieved through a number of different scenarios in the underlying results, for example a balance of zero can be achieved from Higher and Lower both being 0% or both being 50%. It is therefore important to consider the underlying figures. All figures in this document and the underlying data can also be found in the accompanying excel tables and will provide additional context for the results (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>).
6. It is important to remember that these questions only ask workplaces whether output was higher or lower and this does not take into account the size of any changes. Therefore a balance of 50% does not necessarily mean output growth will be higher

than if the balance was 20%, as the growth rate seen by those contributing to the 20% positive balance may, in aggregate, outweigh the growth rates seen or expected by those contributing to the positive 50% balance. The difference in size between two higher percentages simply means that a higher percentage of workplaces, by employment, reported that output was higher.

Comparability

7. Data from the EBS is still in its infancy and therefore it is not yet possible to understand any time series that may result. It is likely that comparisons over time will show large changes for certain groups. These changes could be true changes, but they could be a result of seasonal patterns, due to the survey not yet being fully established or due to smaller sample sizes achieved for some groups. Given this, until the series is better understood, it is sensible to treat each new month of results as a snapshot in time, rather than trying to draw comparisons over time.
8. Even within the snapshot of monthly data seasonal patterns may be present. Seasonal patterns differ by industry. For example, all else being equal some industries would expect output to be much lower in January compared with October due to seasonal patterns. The annual output question attempt to make comparisons between periods which would be less affected by seasonal patterns. Results should be interpreted with this in mind.

Accessibility

9. First releases, supporting tables and full documentation for the EBS can be found on the BIS website (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>). Once the EBS is more established the aim is to publish a wider set of supporting tables through an online reporting tool which is being developed. A link to the reporting tool will be added to future releases once it is ready. The microdata will be placed in the ONS Datalab and an aggregated version of the dataset will be placed in the UK Data Archive.

Methodology and Data Source

10. 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, which gives a general introduction of how to interpret the tables of results and a Technical Annex which contains fuller details of the methodology. Both documents can be found here <http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>.
11. The EBS is a monthly business survey of around 3,000 workplaces across England conducted by TNS-BMRB on behalf of BIS. The survey is conducted by telephone with each interview lasting an average of 11 minutes.
12. The sample is drawn from the ONS Inter-Departmental Business Register which is a list of registered businesses. This means the results do not cover unregistered businesses, so will exclude the very smallest, non-employed businesses that are not registered for VAT/PAYE.
13. Businesses are asked a range of backward and forward-looking directional questions related to business and economic conditions, such as output, employment, wage costs

and output prices. The survey also covers capital investment and capacity constraints.

14. Although some of the information collected is available elsewhere, the EBS brings some topics together on one survey and the sample size opens up the potential to go below the regional level each quarter. The EBS also covers all sectors of the economy including the public/ not for profit sectors. The timeliness of the survey is a critical advantage to policymakers in providing a prompt response to issues as they arise in the current macroeconomic climate.
15. Only regional results are discussed in the statistical release. In the supporting tables there are also results by workplace employment size and broad industry. In this release, and the tables accompanying it, region, employment size and industry all relate to that of the workplace, rather than for the enterprise. Data is not seasonally adjusted.
16. The questionnaire was cognitively and pilot tested prior to its launch. The questionnaire development report summarising this development work can be found here (<http://www.bis.gov.uk/analysis/statistics/sub-national-statistics/ebsurvey>).
17. Full details of the response rates can be found in the accompanying *Technical Annex*. The sample loaded each month stays live for three months so at this stage the response rate for the January 2012 EBS is not known. As an indication, the final response rate for the October 2011 EBS was 43% of the launched sample and for the November 2011 EBS was 44%.

Accuracy

18. 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 Annex*.
19. Provisional testing has been carried out to test for statistically significant differences between the England total results and the results from each sub-group. For example whether the higher percentage in the North East is significantly different to that in England. The results of these tests are marked on the accompanying tables. Due to additional complexities testing has not yet been done on the balances. A worked example of what this testing means and how it should be interpreted is in the *User Guide*.

Presentation

20. In the tables accompanying this release, the following conventions have been used:
 - 0 nil (none recorded in sample)
 - * Suppressed due to small cell sample size
 - - Suppressed due to small column sample size
 - ... Balance score not available due to small sample counts
21. All figures and percentages in this release, including the accompanying tables, have been rounded. Unweighted counts have been rounded to the nearest 5 and percentages have been rounded to the nearest integer. Balances are calculated based

on unrounded figures and rounded independently therefore differences in the components may not equal the difference between the rounded figures.

Strengths and Limitations

22. The EBS has a number of strengths:

- a relatively large monthly sample which will provide timely sub-national results;
- a workplace focus which will enable data on local conditions to be collected;
- an 'economic influence' type weighting approach to try to better represent what is happening for sub-national economies.

However, it also has some limitations:

- the nature of data collection being at workplace level mean that inferences about the enterprise-level business population are more limited;
- due to the coverage of the sampling frame the EBS does not cover non-registered businesses. This is potentially important as such businesses make up a significant proportion of the overall business population (55% of businesses⁶) although they account for a smaller share of employment and turnover.

Timeliness

23. This publication is the second of a series of monthly publications based on data from the English Business Survey (EBS). Each release will include one additional month of data, so EBS February 2012 data will be released in April 2012 and so on, meaning results are published within two months of the period to which they refer.

24. The date of publication will be announced at least four weeks in advance. We are working towards a regular publication cycle, however due to the experimental nature of the data; the publication date for each month may initially vary. Future publication dates will be added to the National Statistics Publication Hub (<http://www.statistics.gov.uk/hub/index.html>).

Data users and uses

25. As this is a new survey the full list of data users is not known and will evolve over time. The EBS was launched to meet the information requirements of the Department for Business, Innovation and Skills (BIS) so, as a minimum, the data will be used by BIS to provide timely indications of sub-national economic and business conditions across England. NIESR have also been contracted by BIS to undertake analysis of the EBS data and produce monthly reports, which will be published with a six month lag.

26. Over time it is likely that users will include:

- other central government departments to inform policy development;

⁶ Source: BIS National Statistics publication Business Population Estimates for the UK and Regions 2011.

- a range of public bodies including local government to inform decision making;
- private sector businesses; and
- academics to inform research into business at national and local level.

Contact details

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