

Which business data ... data note

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There are a variety of sources of information about businesses in East Sussex. This note summarises the different ways of counting businesses and business activity and the range of information available from each source.

Business data sources

The Office for National Statistics (ONS) currently produces two publicly available datasets which provide counts and characteristics of East Sussex businesses. Data from both are published on East Sussex in Figures:

- Business Demography
- UK Business: Activity, Size and Location (UK BASL – also published as ‘UK business counts’ on Nomis).

Both datasets are sourced from the Inter Departmental Business Register (IDBR), a list of UK businesses managed by the ONS. In recent years, ONS has released two further datasets consistent with UK BASL, providing supplementary information about business characteristics.

Local information about businesses is also available from other sources, but may need to be purchased or have restrictions placed on its use or publication. Businesses counts and characteristics described in each may differ due to variations in source and definitions. Examples include:

- Inter Departmental Business Register - Local authority extract
- Proprietary sources managed by data publishers
- Local authority administrative records.

In recent years, the number of multiple registrations observed on the IDBR at a single postcode have increased. This can cause large fluctuations and it can distort lower geography (e.g district level) data analysis. It was always recommended to treat data with caution when it is broken down to the lower geographical level.

There are several reasons why these multiple registrations can occur. For example:

- the increase in the use of management and personal service companies
- the use of formation agents to register a new business with Companies House
- virtual offices
- the presence of the HM Revenue and Customs (HMRC) local offices
- foreign online sellers

In certain local authorities, this has caused:

- large increases in business births
- large increases in business deaths
- poor survival rates

This means that the results, especially in local authority districts should be treated with some caution. More detail is available in a paper published by the ONS (see [link](#)).

Business demography

The ONS publish this dataset annually, sourced from the Inter Departmental Business Register (IDBR). It counts the number of businesses that are (or have been) registered for Value Added Tax (VAT) and/or Pay As You Earn (PAYE), identified by ONS surveys or registered at Companies House.

Using the concept of population, this dataset gives details of 'births', 'deaths' and the number of active businesses. 'Births' are those businesses which have newly registered in the year of measurement. 'Deaths' are businesses which were registered in the previous year but are not registered in the year of measurement. Active businesses are all those businesses which have been active, that is, they have had either employment or turnover, at any time during the calendar year. This will include some businesses also recorded as 'deaths'.

The Business demography dataset also includes business survival rates (the proportion of businesses still trading up to five years since 'birth') and is used to calculate the new business registration rate which describes the number of new businesses per 10,000 adult population (aged 16 and over).

Data is now also available for 'high growth businesses'. These are defined as: all enterprises with average annualised growth greater than 20% per annum, over a three year period. While growth can be measured by the number of employees or by turnover, the high growth data published by ONS has been measured using growth in employment.

Business demography counts differ from those given in UK BASL because the Business demography methodology takes into account businesses that were active at any time during the reference calendar year, whereas UK BASL numbers are based on a snapshot taken from the IDBR on a specific date at the end of March of the relevant year. As a result, numbers in the Business demography dataset are higher than those given in UK BASL.

UK Business: Activity, Size and Location/UK business counts

Each autumn this publication from the ONS also uses data from the IDBR to report the total number of businesses still active on a particular day at the end of March. This is the most up-to-date source for data about business activity at local authority level and gives details of both the number of business enterprises and the number of local units.

Business enterprises are defined as: the smallest combination of legal units that is an organisational unit producing goods or services (e.g. the headquarters of a business), and is generally identified by VAT and/or PAYE records. An enterprise carries out one or more activities at one or more locations, although an enterprise may also be a sole local unit.

Local units are defined as: individual sites that are part of an enterprise (e.g. a workshop, factory, warehouse, mine or depot) situated in a geographically identified place. At least one person works at or from this location for the same enterprise.

Data is available by industrial sector, business size (in terms of number of employees) and annual turnover. Data on the age of businesses (years of trading) was discontinued with the 2014 publication.

Data up to 2007 only included businesses that were registered for VAT. From 2008 the dataset also included those businesses registered for PAYE. This led to a significant increase in the number of businesses reported. This is because those smaller businesses with a turnover below the VAT threshold, or those that are VAT exempt, such as health and education businesses, which had previously been excluded, are now included in the figures. This discontinuity means that care must be taken when interpreting longer time-series data. Because of changes in the way industrial sectors are classified (from SIC(2003) to SIC(2007)) it is not possible to look at change in sectors over time between 2008 and 2009.

In 2010, additional business data from IDBR was released by ONS to support the development of Local Economic Assessments, through the Neighbourhood Statistics website. This gave details of businesses, employment and total turnover at district level. The ONS has not repeated this release and Neighbourhood statistics has now been closed down.

'UK Business Counts' are now published on the Nomis website at the same time as the UK BASL, including information on business size band, detailed industrial sectors and legal status. Turnover data is available for business enterprises. Business enterprise and local unit totals found in both datasets equal those in the UK BASL publication.

Inter Departmental Business Register – local authority extract

Local Planning Authorities are able to purchase an extract of data from the IDBR for businesses in their area at a cost per district. This local authority dataset contains business enterprises and local units in the local authority area that are registered for employers PAYE. Those businesses that are registered for VAT only do not appear. The count of these excluded businesses is provided in the dataset, which when summed to the number of businesses included should equal the business stock figure. Note that because the local authority extract is taken from the IDBR in September of each year, that figures are likely to differ from those available in UK BASL as they relate to a different point in time (March).

Variables that can be included in the dataset are: business name, address and post code, number of employees, employment, SIC 2003, SIC 2007. Information about business turnover is not available.

Local authorities have to apply to access the data and be able to demonstrate that the information can be stored securely. There are also strict rules about how this information can be used and published.

Proprietary sources

Databases and lists of businesses can be purchased from a number of proprietary sources, such as Bureau van Dijk's Fame database and Experian's National Business database. Products available could range from purchasing a financial report about a single business from Companies House to purchasing a licence to access an online database of all businesses in the UK.

East Sussex County Council currently purchase data from the Bureau van Dijk Fame UK product. This source includes not only those businesses that are large enough to need register for VAT or PAYE but also many of those much smaller businesses and companies created for tax or organisational purposes, such as leaseholder groups, that are typically excluded from ONS business counts. They also include multiple subsidiaries of larger businesses registered in the area, so care should be taken comparing the number of businesses on these lists with the official Business Counts from the ONS.

Local authority administrative records

Local authority districts maintain records about businesses involved in certain activities that need to be monitored or licensed (e.g. preparing food or selling restricted products). They also hold records about business premises for the purpose of administering Business Rates.

These sources can give an indication of the number of businesses trading in certain sectors in an area, although are subject to Data Protection legislation. Information about business premises (occupied or vacant), along with a basic description of business activity is held for administering Business Rates, but does not include detailed information about individual businesses, their turnover or employment. Not all businesses trade from premises that are liable for Business Rates and certain data will be subject to the Data Protection Act and cannot be disclosed.

Discontinued datasets

Annual Business Inquiry (ABI) – ‘Business units’ data

Until 2009, this annual survey of UK businesses provided estimates of the number of business units and their employees. Estimates were based on the responses of around 80,000 businesses that were surveyed nationally, with the sample drawn from IDBR. The ABI was replaced by the Business Register and Employment Survey (BRES) in 2010, but BRES reports only on employment and does not give data about the number of businesses.

Business units in the ABI did not necessarily represent individual companies or employers, although they were roughly equivalent to workplaces. Each business activity was given a separate Standard Industrial Classification (SIC) code and counted as a separate data unit.

The ABI was particularly useful for looking at the number of businesses and people employed in different sized businesses and industrial sectors. It also gave a clear picture of how businesses and employment have changed over time as, while there had been changes in the methodology over time, these were relatively minor. However with the release of BRES, up to date data which combines the number and size of businesses with details about employment is no longer available. This is because BRES reports employees and employment, sector and employment status but without data about the number of business units or information about business size.

ABI business data can be found in East Sussex in Figures in the ‘Business units’ folder. Data are rounded to the nearest 100 units to prevent the identification of individual businesses to comply with ONS disclosure control guidelines.

VAT registrations – ‘VAT registered businesses’ data

The count of VAT registered businesses, new registrations and de-registrations was a key source of business activity data until 2007 when it was replaced by the Business Demography data tables. Data on VAT registered businesses was published for the last time in November 2008.

Comparing data sources

Data source	Business Demography	UK Business: Activity, Size and Location (UK Business counts)
Measurement unit	Businesses	Business enterprises, Local units.
Detail available	Starts (births), Closures (deaths), Stock (active), New business registration rate, Years of survival High growth businesses	Industry, Size, Turnover Age of business (discontinued from 2014) Legal status
Geography	Great Britain, England, South East, East Sussex, Districts.	UK, Great Britain, England, South East, East Sussex, Districts (MSOA data available on Nomis)
Useful for...	Understanding patterns of business formation and decline. Takes account of all businesses that were active at any point during reference calendar year.	Understanding the number of businesses in an area and their characteristics. Provides a snapshot of population of businesses at the end of the relevant financial year.

Data source	Business Demography	UK Business: Activity, Size and Location (UK Business counts)
Advantages	Up to date	Very up to date Size, sector and turnover detail, including detailed (5 digit) industry breakdown. Ability to cross-tabulate different characteristics (e.g. the number of businesses in an area by sector, size and legal status).
Disadvantages	Breakdown by industry, size and turnover not available at local level. 'Active' population figure for the year includes those businesses which closed in the course of the year.	
Dates available	Birth rate, Death rate, Active business counts: 2004-2022 New business registration rate: 2004-2022	Size and turnover: 2004-2023 Industry: SIC(2007): 2009-2023 Age : 2004-2013 (discontinued)

Discontinued datasets

Data source	Annual Business Inquiry	Neighbourhood Statistics Local Authority Guidance	VAT registrations
Measurement unit	Business units ('workplaces')	Business enterprises, Local units	VAT registered businesses.
Detail available	Industry, Size, Number of employees, Employee status (full- or part-time)	Industry, Turnover, Employment, Sector	Starts, Closures, Stock, Industry, Business registration rate
Geography	Great Britain, South East, East Sussex, Districts	England, South East, Districts	Great Britain, South East, East Sussex, Districts, Wards
Notes	Replaced by Business Register and Employment Survey in 2010. Measure of business activity useful for understanding the relationship between businesses and employment and examining change over time.	Neighbourhood Statistics has been closed down. One-off data release to support development of Local Economic Assessments. Was useful for understanding relationship between businesses, employment and turnover and examining change over time.	Historic measure, useful for reference purposes.
Dates and data available	Size, Number of employees 1995 – 2008. Industry: SIC(2003): 2004-2008 SIC(2007): 2007-2008	Count of enterprises and units, employees, turnover, 2000-2009. Sector 2009.	1994-2007. Ward level data for 2004 only.

Further information

Additional information about the availability of business data is available from the ONS: [Business Demography](#); [UK Business: Activity, Size and Location](#); and the [IDBR](#). [Nomis](#) publishes very detailed UK business count data.

VAT registration data and Annual Business Inquiry (ABI) data are no longer available, but [ABI data](#) can be found in the National Archives. The Neighbourhood Statistics website has now been closed down. For UK and regional level business data, BIS publish '[Business Population Estimates](#)', estimates of the total UK business population, which also includes an estimate of the unregistered business population. These tend to be very small businesses with no employees and are estimated by combining data about self-employed people from the Labour Force Survey and HM Revenue & Customs self-assessment tax returns data. Business Population estimates data is not available at county or district level. ONS published a useful 'Guide to the business population and demographics statistics publications' in June 2012.

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Contact details

The Research and Intelligence Team, Governance Services, provides demographic and socio-economic data, intelligence and insight to support East Sussex County Council and other East Sussex Partners. The Team also manages East Sussex in Figures (ESiF), the Local Information System for East Sussex.

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