

Article

Impact on the 2015 Annual Business Survey results resulting from changes to improve coverage of the Standard Business Population

An article analysing the impact of changes to improve coverage of the Standard Business Population on the 2015 Annual Business Survey results.



Contact:
Melanie Richard
abs@ons.gsi.gov.uk
+44 (0)1633 455747

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Table of contents

1. [Main points](#)
2. [Introduction](#)
3. [Summary of main findings](#)
4. [Impact on Non-financial services](#)

1 . Main points

- The Office for National Statistics (ONS) Business Survey Population was expanded in 2015 to include a population of solely Pay-As-You-Earn (PAYE) based businesses; this was an increase of approximately 92,000 businesses.
- New estimates for the Annual Business Survey (ABS) 2015 have been calculated to assess the impact of the inclusion of these additional businesses.
- If included these businesses would have increased the level of total turnover by 0.4% and level of approximate gross value added (aGVA) by 0.8%.
- The biggest increase would have been seen within the non-financial services sector; an increase of 0.9% in turnover and 1.2% in aGVA.

2 . Introduction

As described in [Improving the Coverage of the Standard Business Survey Population](#) published on 21 December 2015, the coverage of the ONS Standard Business Survey Population was expanded to include a population of solely Pay-As-You-Earn (PAYE) based businesses.

These businesses will therefore be included for the first time in the population for the Annual Business Survey (ABS) in the provisional 2016 estimates to be published on 9 November 2017. The increase of approximately 92,000 solely PAYE-based businesses represents an approximate 4% increase in the number of businesses in the overall population, with nearly all (99.3%) in employment size-band one (zero to nine employees).

Revised [ABS results for 2015](#) were published on 9 June 2017, and to assess the impact of the additional businesses, new estimates for 2015 were calculated using the new extended population. These results have been compared with the 2015 revised results published on 9 June 2017.

Users should note that these additional businesses will not be included in historic ABS data. As provisional data for 2016 including the new businesses will be published on 9 November 2017, the new 2015 estimates were calculated so users can see year-on-year changes on a consistent basis.

3 . Summary of main findings

In the Annual Business Survey (ABS) estimates published in June 2017, the level of approximate gross value added at basic prices (aGVA) of the UK non-financial business economy for 2015 was estimated to be £1,147.2 billion. The impact of the addition of solely Pay-As-You-Earn (PAYE) based businesses into the population would have increased the estimated aGVA by £9.3 billion to £1,156.5 billion; an increase of 0.8%.

The total turnover of the UK non-financial business economy was previously estimated as £3,391.4 billion in 2015. With the addition of solely PAYE-based businesses into the population, the level of turnover would have increased by £14.9 billion to £3,406.3 billion; an increase of 0.4%.

4 . Impact on Non-financial services

Non-financial services is the area that has been most affected by the change because of the large number of small businesses in this sector. The impact for the non-financial services sector would result in the estimate of approximate gross value added (aGVA) increasing by £7.5 billion from £643.3 million to £650.9 million; an increase of 1.2%. Total turnover would have increased by £10.9 billion from £1,222.2 billion to £1,233.1 billion; an increase of 0.9%.

In the article [Improving the Coverage of the Standard Business Survey Population](#), four Standard Industrial Classifications (SICs (2007)) at four-digit level (class) were highlighted as having approximately 43,000 businesses (46.7%) in the Pay-As-You-Earn (PAYE) based population. These are:

- 96.02 Hairdressing and other beauty treatment
- 74.9 Other professional, scientific and technical activities not elsewhere classified (nec)
- 82.99 Other business support service activities nec
- 56.1 Restaurants and mobile food service activities

Combined, these four SICs would have seen an increase in estimated aGVA of £4.5 billion; an increase in the level of aGVA from £46.5 billion to £51 billion. The level of turnover would have shown an increase of £6.5 billion from a level of £82.7 billion to £89.2 billion. Further analysis and comparisons on the impact of the additional businesses will be included in the Annual Business Survey provisional results for 2016, to be published on 9 November 2017.