

Businesses in Scotland

The information below relates to the [Businesses in Scotland](#) publication. The aim is to summarise key features of the publication and its use.

Please note that the 'Businesses in Scotland' publication was previously entitled Scottish Corporate Sector Statistics

Description

'Businesses in Scotland' provides information on the number of enterprises (businesses) operating in Scotland. The main purpose of the publication is to provide an estimate of Scotland's business stock.

Source

The primary data source is the Inter-Departmental Business Register (IDBR), a comprehensive business database maintained by the Office for National Statistics (ONS) which contains all businesses that are registered for VAT and/or PAYE in the UK. Annual Scottish extracts of the IDBR taken in March of each year are used to obtain figures for Scotland.

There are a substantial number of very small enterprises which have no employees and operate below the VAT threshold, and are therefore not included on the IDBR. A modelling procedure that combines data from the IDBR with data from the Annual Population Survey (annual version of the Labour Force Survey (LFS)), Family Resources Survey (FRS) and HMRC Self Assessment tax returns are used to estimate the number of unregistered enterprises.

Please see Sections 6 and 7 of the [Methodology section](#) of the 'Businesses in Scotland' website for more information on how the figures for registered and unregistered enterprises are obtained.

Use

Data from the 'Businesses in Scotland' publication are used to provide insight into the characteristics of Scotland's business stock and high growth businesses, and how Scotland's business stock and high growth businesses has changed over time. The data are used to inform decision making and performance monitoring – both inside and outside government. Some common uses of the Businesses in Scotland results are as follows:

Performance Monitoring:

The total stock of private sector VAT/PAYE registered business per 10,000 resident adults in Scotland, is the basis of the **Scotland Performs National Indicator: "The number of businesses"**. The high growth business stock count is the basis of the **Scotland Performs National Indicator: "High growth businesses"**. We defined a high growth business as an enterprise with 10+ employees in the base year (x - 3) exhibiting an average of 20% growth over three years in terms of turnover. In practice, average annualised growth of 20% per annum over three years would be equal to 72.8% growth from year x - 3 to year x.

Both indicators are used to monitor progress towards the **"Fair Work and Business" National Outcome**: "We have thriving and innovative businesses, with quality jobs and fair work for everyone". Further information can be found at: <http://nationalperformance.gov.scot/>

A range of statistics from the 'Businesses in Scotland' publication broken down by industry sector are used to monitor change within the growth sectors (covering Food & Drink, Creative Industries, Sustainable Tourism, Energy, Financial & Business Services and Life Sciences) of the Scottish economy. The **Growth Sectors statistics database** is available at: <https://www2.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors>

The Rural Scotland Key Facts is a biennial compendium publication comparing and contrasting statistics on key policy topics such as People and Communities, Services and Lifestyle, Economy and Enterprise broken down by Remote Rural, Accessible Rural and the Rest of Scotland. This publication used statistics from the 'Businesses in Scotland' publication broken down by Urban Rural Classification:

[Rural Scotland Key Facts 2018](#)

Use outside the Scottish Government:

Links to some other uses of the Businesses in Scotland results, outside the Scottish Government, are provided below:

Fraser of Allander Institute, Brexit and the Glasgow City Region. The 2018 publication below includes use of 'Businesses in Scotland 2017' data:

https://www.sbs.strath.ac.uk/economics/fraser/20181002/Brexit_and_the_Glasgow_City_Region.pdf

The Federation of Small Businesses, Digital Connectivity in Scotland report. The 2018 publication below includes use of 'Businesses in Scotland 2017' data:

https://www.fsb.org.uk/docs/default-source/fsb-org-uk/cr_digital-connectivity.pdf?sfvrsn=0

Fife Economy Partnership, The Manufacturing Industry in Fife. The infographic below includes use of 'Businesses in Scotland 2017' data:

<http://www.fifeeconomypartnership.com/wp-content/uploads/sites/10/2018/10/Manufacturing-in-Fife-factsheet-2018.pdf>

Dundee City Council, Dundee Economic Profile. The report below includes use of 'Businesses in Scotland 2017' data:

https://www.dundee.gov.uk/sites/default/files/publications/q2_final.pdf

Geographical Availability

Data on all enterprises are available at **Scotland** level at:

<https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate/Tables>

Data on registered enterprises and business sites of registered enterprises are available at **Local Authority Area** level at:

<https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate/LocalAreaTables>

Data on registered enterprises are available by **Urban Rural Classification** at:

<https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate/UrbanRuralTables>

Data on business sites of registered enterprises at **Intermediate Geography** level are available under the Topic Business, Enterprise and Energy of the Statistics.gov.scot website at:

<https://statistics.gov.scot/data/business-stocks-and-sites>

Relevance

'Businesses in Scotland' publishes information on the business stock in Scotland. The publication includes **all enterprises that operate** in Scotland regardless of where the enterprise is registered or based. This allows a more comprehensive understanding of the Scottish business environment than is possible via other UK business data sources which only classify enterprises as Scottish if they have their registered address in Scotland.

More information about the differences between Businesses in Scotland and other sources of business statistics can be found at:

<https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate/ukbusiness>

Caveats

The purpose of the publication is to provide information about the number of enterprises but the publication also includes information about enterprises' employment and turnover. There are time lags associated with the employment and turnover figures which makes comparisons less reliable. Further information about how these variables should be used is available in Sections 6.4 to 6.6 of the [Methodology section](#) of the website.

Quality Assurance

Businesses in Scotland is a National Statistics publication. It has been produced to the high professional standards set out in the [Code of Practice for Official Statistics](#) and the [Pre-release Access to Official Statistics \(Scotland\) Order 2008](#). These statistics undergo regular quality assurance reviews to ensure that they meet customer needs.

In 2010, a user consultation on Scottish Corporate Sector Statistics (previous name for Businesses in Scotland) was carried out by the Scottish Government and a summary of the findings is available at: <https://www2.gov.scot/Topics/Statistics/Browse/Business/scotstat/findingsreport>

In 2012, the Businesses in Scotland publication was assessed by the UK Statistics Authority for compliance against the Code of Practice for Official Statistics. Details of the assessment are available at: [Statistics on Scottish Businesses and Research and Development \(Scottish Government\)](#)

Data Available

Published data are available by the following breakdowns:

- by Company Size (based on UK and Scotland employee sizeband)
- by Industrial Sector (on SIC 2007)
- by Region and Country of Ownership
- by Legal Status (e.g. company, sole proprietor, partnership, etc.)
- by Local Authority areas
- by Urban Rural Classification.

Also, more data are available on <https://statistics.gov.scot/data/business-stocks-and-sites> by the following breakdowns:

- by Intermediate Zone (2001 and 2011 codes)
- by Travel to Work Area (2011 code)
- by Locality 2016 code.

Timeliness of Data

Data are published on an annual basis. The aim is to publish 'Businesses in Scotland' as soon as possible after the release of the Office for National Statistics' (ONS) UK Business Activity publication, which is due out in Autumn.

The figures in the publication are based on a Scottish extract of the IDBR taken in March of each year. There is an approximate 7 month time lag between the extract being taken and publication of the data.

Accuracy

The IDBR covers 99% of economic activity in the UK. Those excluded are small sole traders or partnerships with no employees and an annual turnover of less than the VAT threshold.

The number of unregistered businesses are estimated from a combination of sample surveys which are all subject to sampling error. For example a yearly estimate of 300,000 taken from the Annual Population Survey has a 95% confidence interval of +/- 12,000. Year on year comparisons between the numbers of unregistered enterprises should therefore be regarded as indicative.

Comparability over Time

The 2011 and 2012 publications introduced several methodological changes:

- All data are now published using the Standard Industrial Classification (SIC) 2007 only.
- In 2011 and 2012 a number of changes were made to the methodology used to estimate the number of unregistered enterprises. See the [Methodology section](#) of the website for more details.
- In 2012 improvements to HMRC computer systems led to previously excluded businesses being added to the IDBR. For Scotland, this resulted in 2,340 extra enterprises being added to the IDBR in 2012; these extra enterprises should have been included in previous years also.

The 2018 publication also introduces a new methodological tweak to constrain the estimates of unregistered jobs to the Scotland total.

The latest 2018 publication tables on the [Businesses in Scotland](#) website are consistent for the years 2010 to 2018 i.e. all methodological changes above have been applied back to 2010.

Older tables, available in the [Tables Archive](#), have not been updated to reflect the methodological changes and are therefore not consistent with the latest tables for 2010 to 2018.

However, a high level time series for total (registered and unregistered) enterprises and registered enterprises has been constructed for 2000 to 2018. This long time series has been produced on a consistent basis as far as possible. The time series is available on the Businesses in Scotland website, specifically at:

<https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate/Tables/TimeSeries>

Statistical Disclosure Control

Statistical disclosure control is applied to tables where employment and turnover values are provided in order to maintain the confidentiality of the data. Employment and turnover values associated with enterprise counts below a minimum threshold are suppressed. Additionally, a dominance rule identifies and suppresses any cells where a small number of enterprises account for the majority of the associated employment or turnover. Additional cells are also suppressed to avoid disclosure by deduction.

Links to Data

Data are available at the following website:

<https://www2.gov.scot/Topics/Statistics/Browse/Business/Corporate>

Data on business sites of registered enterprises at **Intermediate Geography** level are available under the Topic Business, Enterprise and Energy of the Statistics.gov.scot website at:

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