

Department for Business and Trade Old Admiralty Building London SW1A 2DY

Jane.naylor@businessandtrade.gov.uk 07920 288516 14th August 2024

Dear Ed,

I am writing to inform you of our intention to publish the <u>Business Population Estimates</u> (BPE) 2024 as **official statistics in development**.

The BPE is currently an accredited official statistic (formerly referred to as National Statistics). It was designated a National Statistic in 2012, with this status confirmed in 2022 following a compliance check.

The publication provides the only official estimate of total numbers of private sector business in the UK at the start of each year. The population comprises both VAT and/or PAYE registered businesses and numbers of unregistered businesses. In the 2023 edition of the publication, unregistered businesses accounted for 52% of the total private sector business population.

Data on registered businesses included in the publication comes from ONS' Inter-Departmental Business Register. Data on unregistered businesses are estimated based on self-employed jobs data from the Labour Force Survey (LFS). The LFS data used to produce estimates of unregistered businesses consists of data from the 4th calendar quarter of the year before the BPE reference date and from the 1st calendar quarter of the BPE reference year.

ONS have classified various estimates from the LFS datasets, including those will be used in the 2024 BPE (4rd Quarter 2023 and 1st Quarter 2024) as official statistics in development, <u>for reasons described in my letter to you of 23 May 2024</u>.

Sections of the BPE providing data on registered business do not use LFS data and so are unaffected by changes to the status of LFS data and the ONS already publishes similar data on registered businesses to that contained in the BPE in its UK Business, Activity, Size and Location publication. However, data in the BPE relating to the unregistered component of the business population, and to the total business population, make use of the LFS data and are not published elsewhere.

As expected, measures of statistical precision for estimates of unregistered business numbers are less precise than in previous years.

Consequently, the BPE 2024, which will be published in early October this year, should be classified as official statistics in development.

We will provide users with background information explaining the change to official statistics in development (subject to your agreement)

Jane Naylor

Chief Statistician, Department for Business and Trade

Yours sincerely,

Jane Naylor

Chief Statistician, Department for Business and Trade