

Businesses in Scotland 2022

Methodology

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1. Introduction

The 'Businesses in Scotland' provides information about the number of businesses operating in Scotland. 'Businesses in Scotland' breaks down the Scottish business stock by various groupings. These include industry, business size and local authority area. There are also statistics by urban/rural area and country of ownership. The publication includes all businesses that operate in Scotland. This is regardless of where the business has its base. This allows a more comprehensive understanding of the Scottish business environment. This differs from UK-wide publications. These only include a business in Scotland estimates if its UK base is in Scotland.

2. Overview of Methodology and Sources

The estimates have been constructed using data from the following sources:

- the [Inter-Departmental Business Register \(IDBR\)](#)
- the Annual Population Survey (annual version of the [Labour Force Survey \(LFS\)](#))
- the [Family Resources Survey \(FRS\)](#) and
- Self-Assessment (SA) data.

The IDBR provides the number of businesses registered for VAT and/or PAYE in Scotland. Yet there is a large number of very small businesses which have no employees. These are not included on the IDBR. A modeling procedure combines data from the IDBR with estimates derived from the LFS, FRS and SA data. This estimates the number of unregistered businesses. Economic consultants developed the principles of the model. To do this, they worked with the then Department of Trade and Industry and Eurostat.

3. Key Terms

Business units held on the IDBR can be grouped into 3 types:

Administrative Units:

VAT trader and PAYE employer information. Incorporated business data from Companies House supplements this.

Statistical Units:

An Enterprise (Business) Group is the name given to a group of legal units under common ownership.

One definition of a **business** is:

- the smallest combination of legal units that is an organisational unit producing goods or services. (This is generally based on VAT and/or PAYE records.)
- and this organisational unit benefits from a certain degree of autonomy in decision-making. Especially when the autonomy is for the allocation of its current resources.

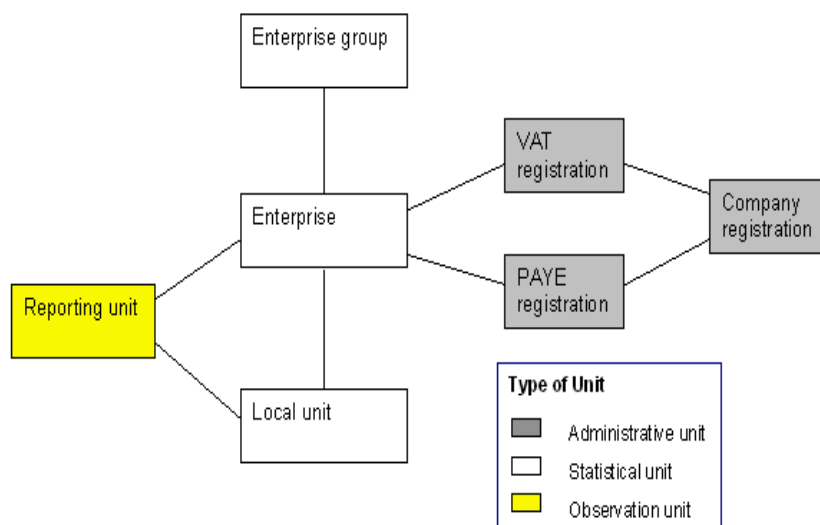
A business carries out one or more activities at one or more locations. A business may be a sole legal unit.

A local unit (or business site) is a business or part thereof situated in a geographically identified place. E.g. a workshop, factory, warehouse, office, mine or depot.

Observation Units:

Reporting Units hold the mailing address to which the survey questionnaires are sent. The questionnaire can cover the business as a whole. It could also cover parts of the business identified by lists of local units.

Business counts are the basis for the 'Businesses in Scotland' publication. The exceptions to this are Table 8 and Table 13, the basis of which are business sites (or local units).



4. About the Estimates

The purpose of the publication is to provide information about the number of businesses. The estimates also include information about businesses' employment and turnover. The function of these data is to act as 'auxiliary variables' that can be used to:

- classify businesses by employee/turnover size band and
- calculate shares of employment and turnover across different groupings. e.g. industrial sectors, local areas, business sizes etc.

Direct comparisons using the absolute values of these variables on the IDBR are less reliable. This is due to the nature of the underlying processes used to update these variables on the IDBR. (See Section 6.4 to 6.6)

Scotland-level estimates count businesses only once. This differs at local authority area or rural/urban area level estimates. For these, businesses are counted once in each of the areas they operate in (Tables 5-7, 9-11, 16, 18 and 20). Table 8 provides estimates of the number of business sites in each local authority area. Table 13 provides estimates of the number of business sites by urban/rural area. (See Section 12)

The estimates do not include turnover information for financial and insurance businesses. The reason for this is that it is not available on a comparable basis.

Estimates for unregistered businesses primarily use data from a sample survey (LFS). The LFS is subject to sampling error. This is important to consider for year on year comparisons between the number of unregistered businesses. Unregistered businesses make up the majority of the smallest size band in Tables A-E.

5. 'Businesses in Scotland 2022' Tables

The latest figures relate to a snapshot of the business stock as at March 2022. These were released on 23 November 2022.

We will publish 'Businesses in Scotland 2023' in late 2023. This will follow the release of the UK Business Activity publication. The Office for National Statistics will publish this in autumn 2023.

Any changes as a result of the coronavirus (COVID-19) pandemic are first reflected in the data for 2021.

The 2011 and 2012 publications introduced several methodological changes:

- All data are now published using the Standard Industrial Classification (SIC) 2007 only.
- In 2011 we made methodological changes. This was to the methodology used to estimate the number of unregistered businesses. See section '7 Unregistered Businesses' below for more details.
- In 2012 HMRC made improvements to their computer systems. This resulted in the addition of 2,340 extra businesses to the IDBR for Scotland in 2012. The IDBR should have included these extra businesses in previous years also.
- The 2018 publication also introduced a new methodological tweak. This was to constrain the estimates of unregistered jobs to the Scotland total.

The latest [2022 publication tables](#) are consistent for the years 2010 to 2022. i.e. they include all methodological changes above back to 2010.

We have constructed high level time series for 2000 to 2022. One time series is for all businesses (registered and unregistered). A further time series is for registered businesses only. We have produced these long time series on a consistent basis as far as possible – as follows:

We adjusted the registered time series upwards. This was to take account of the 2,340 extra businesses added to the IDBR in 2012. Note that this back revision was based on businesses that were in operation in 2012. We could make additions to the stock estimates for back years by using the birth dates of the businesses. See Table 5 below.

We adjusted the unregistered time series upwards. This was to take account of the improved unregistered businesses estimation methodology. See Table 5 below.

Table 5: Constructed Back Series

Year	<u>Original</u>			<u>Constructed Time Series</u>		
	Registered	Unregistered	Total	Registered*	Unregistered**	Total
2000	148,635	89,195	237,830	148,665	89,230	237,895
2001	149,325	94,580	243,905	149,370	94,615	243,985
2002	149,560	102,655	252,215	149,615	102,695	252,310
2003	147,490	115,135	262,625	147,590	115,180	262,770
2004	149,025	122,980	272,005	149,180	123,025	272,205
2005	146,890	120,685	267,575	147,065	120,730	267,795
2006	147,490	119,670	267,160	147,745	119,715	267,460
2007	150,745	128,745	279,490	151,145	128,795	279,940
2008	154,635	127,490	282,125	155,285	127,540	282,825
2009	154,370	137,010	291,380	155,320	137,065	292,385

* Adjusted for HMRC additions.

** Adjusted based on relationship between estimates under old and latest methodology in 2010.

Please go to the [Tables Archive](#) for data on a SIC 2003 basis for 2000 to 2010. Please note the Tables Archive is not consistent with the latest tables for 2010 to 2022, as we have not updated the Archived Tables with the following:

- The number of unregistered businesses was not estimated using the latest methodology.
- There has been no upward revision of the registered business count. There were extra registered businesses added to the IDBR in 2012. This was as a result of improvements made to HMRC computer systems.

Where will I find the data I need?

The latest [2022 publication tables](#) contain the following:

Time Series 2000 to 2022

Table	Time Trend	Content
Time Series 1	2000-2022	Number of businesses (registered and unregistered) in Scotland by employee sizeband
Time Series 2	2000-2022	Number of businesses (registered only) in Scotland by employee sizeband

All Businesses (registered and unregistered)

Tables A to E include both registered and unregistered businesses. Table A includes the public sector; Tables B to E exclude all public sector businesses.

Table	Time Trend	Content
Table A	2010-2022	Number of businesses (registered and unregistered, including public sector) in Scotland and their total Scottish employment and turnover by business legal status and employee sizeband
Table B	2010-2022	Number of businesses (registered and unregistered) in Scotland and their total Scottish employment and turnover by employee sizeband
Table C	2010-2022	Number of businesses (registered and unregistered) in Scotland by sector and employee sizeband
Table D	2010-2022	Total Scottish employment in businesses (registered and unregistered) in Scotland by sector and employee sizeband
Table E	2010-2022	Total Scottish turnover of businesses (registered and unregistered) in Scotland by sector and employee sizeband

Registered Businesses Only

Tables 1 – 3 include registered private sector businesses (excluding public sector businesses). Table 4 refers to public sector businesses. Tables 1 - 4 exclude estimates for unregistered businesses.

Table	Time Trend	Content
Table 1	2010-2022	Number of registered private sector businesses in Scotland by sector, division (2 digit SIC), employee sizeband and total Scottish employment and turnover
Table 2	2010-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by sector and country of main base (percentage based in Scotland)
Table 3	2010-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by sector and country of ownership (Scotland/Rest of UK/UK/Abroad)
Table 4	2010-2022	Number of registered public sector businesses in Scotland and their employment by sector

Local Authority Area Tables (Registered Businesses Only)

Tables 5 - 8 provide data split by Local Authority area. They include registered private sector businesses (excluding public sector businesses). Tables 5 - 8 exclude estimates for unregistered businesses.

Table	Time Trend	Content
Table 5	2010-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by Local Authority area and employee sizeband
Table 6	2010-2022	Number of registered private sector businesses in Scotland by Local Authority area, employee sizeband and sector
Table 7	2010-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by Local Authority area and sector
Table 8	2010-2022	Number of business sites of registered private sector businesses by Local Authority area, sector and employee sizeband of site

Urban Rural Tables (Registered Businesses Only)

Tables 9 - 13 provide data split by the Scottish Government 2016 Urban Rural definition. Tables 9 – 11 and 13 include registered private sector businesses. These exclude public sector businesses. Table 12 refers to public sector businesses. Tables 9 - 13 exclude estimates for unregistered businesses.

Table	Time Trend	Content
Table 9	2015-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by urban/rural classification and employee sizeband
Table 10	2015-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by urban/rural classification and by sector
Table 11	2015-2022	Number of registered private sector businesses in Scotland and their total Scottish employment and turnover by urban/rural classification, employee sizeband and sector
Table 12	2015-2022	Number of registered public sector businesses in Scotland and their total Scottish employment by urban/rural classification and broad sector
Table 13	2015-2022	Number of business sites of registered private sector businesses in Scotland by urban/rural classification and Local Authority area

Abroad-Owned Businesses Tables (Registered Businesses Only)

Table	Time Trend	Content
Table 14	2010-2022	Number of abroad-owned registered private sector businesses in Scotland and their total Scottish employment and turnover by country of ownership
Table 15	2010-2022	Number of abroad-owned registered private sector businesses in Scotland and their total Scottish employment and turnover by EU breakdown and sector
Table 16	2010-2022	Number of abroad-owned registered private sector businesses in Scotland and their total Scottish employment and turnover by EU breakdown and Local Authority area

National Indicator Tables (Registered Businesses Only)

Table	Time Trend	Content
Table 17	2010-2022	Number of registered private sector businesses in Scotland per 10,000 resident adults
Table 18	2010-2022	Number of registered private sector businesses in Scotland per 10,000 resident adults by Local Authority area
Table 19	2010-2013 to 2019-2022	Number of registered private sector high growth businesses in Scotland as a share of all registered private sector businesses
Table 20	2010-2013 to 2019-2022	Number of registered private sector high growth businesses in Scotland as a share of all registered private sector businesses by sector, owner and Local Authority area

6. Registered Businesses

6.1. Source

The Office for National Statistics (ONS) maintains the Inter-Departmental Business Register (IDBR). This is a database of all registered businesses operating in the UK. i.e. businesses registered for VAT and/or PAYE. It covers 99% of economic activity in the UK. It excludes small sole traders. It also excludes partnerships with:

- no employees, and
- an annual turnover of less than the VAT threshold.

Information on when a business registers/de-registers for VAT/PAYE with HMRC feeds through to the IDBR. But the reporting of de-registrations can be subject to some time delays. For example, when a business closes there may be a delay before HMRC become informed. There may be delays to the closure of the VAT record until all liabilities are settled. There may also be lags in recording PAYE data.

6.2. Time Period Covered

The basis for the estimate of registered businesses is a snapshot of the IDBR taken in March of each year. (Before 2005 we used a November snapshot). A Scottish extract provides a count of the IDBR businesses that were “live” at the snapshot date. Time lags often occur in recording de-registrations. e.g. an extract of the IDBR may include a business which had ceased trading by March but still had outstanding business with HMRC. This introduces some error into the data. But this lag impacts on each year, so the extracts are consistent over time.

6.3. Scope

Almost all tables in this publication are for the private sector (excluding Table A, Table 4 and Table 12). The private sector includes:

- companies
- sole proprietors
- partnerships
- public corporations/nationalised bodies, and
- not for profit organisations.

It excludes central and local government. This differs from the headline estimates from the ONS publication “UK Business: Activity, Size and Location”. That includes the public sector.

6.4. Employment

Before 2009, the employment information held on the IDBR was for the most part drawn from two sources:

- the Business Register Survey, and
- the employment part of the Annual Business Inquiry (ABI/1).

The use of these sources caused a considerable time lag in the employment data. In each March extract, the majority of employment information was two years out of date. i.e. employment estimates for 2009 were generally based on data from 2007. For some businesses, the employment data was even more lagged than this.

The Business Register and Employment Survey (BRES) replaced and integrated the BRS and ABI/1 in 2009. The regional and local estimates of employment from BRES are more accurate. Data reported at site level provide these directly. This is instead of producing data by an apportionment model. Employment data is now updated on the IDBR on a monthly basis on the return of completed surveys. This is instead of annual updates. So employment data on the IDBR is as accurate and up to date as possible.

But year on year comparisons made using point in time extracts of the IDBR will be less accurate. Businesses are unlikely to return their forms at precisely the same time each year.

The most up to date employment information in ‘Businesses in Scotland 2022’ tends to be based on data from BRES 2021. (BRES 2021 asks businesses for their level of employment as at September 2021). For some businesses the employment data will be more lagged than this.

It is important for users to be aware that time lags exist in the employment estimates in every year. A greater impact applies to the March 2009 and March 2010 extracts. These were particularly influenced by the change in BRES reporting.

BRES (and previously BRS/ABI1) is based on a sample of businesses. As a result, estimates from previous returns and other ONS surveys are also used to update employment on the IDBR. For the smallest businesses, it uses either PAYE jobs or employment imputed from VAT turnover.

Note that the employment estimates refer to the number of employee jobs. This is rather than the number of individual employees. A person who has more than one job is counted once in each business they work for. Furthermore, it makes no distinction between full-time and part-time employees. Both count as one employee.

6.5. Turnover

On the IDBR, the basis for turnover is VAT returns for a 12 month period. This is the case for the majority of registered businesses. For 2022, these tend to relate to two 12 month periods, depending on the reporting pattern of the trader. Either the 12 months ending in December 2020, or January/February 2021. For other records, turnover may relate to an earlier period or survey data. This is the case in particular members of VAT group registrations. Turnover for traders who have registered more recently differs. For these, it represents the estimates made by traders at the time of registration. The turnover figures on the IDBR generally exclude VAT. But they include other taxes, such as the revenue duties on alcoholic drinks and tobacco.

6.6. Making Comparisons over Time

The main purpose of this publication is to provide information about the number of businesses operating in Scotland. This is as per the time of the IDBR snapshot in March. But the estimates also include information about businesses' employment and turnover. Sections 6.4 and 6.5 explained that these variables get updated on the IDBR via several sources and at different times. This makes it difficult to get accurate employment/turnover estimates on the IDBR. This is because the figures for each business may not relate to the same point in time. This needs consideration if comparing employment and turnover estimates over time. The employment/turnover data should be treated as 'auxiliary variables'. Legitimate uses of these are:

- to compare shares across industrial sectors, or
- to determine how shares have changed over a period of several years.

You can get more detailed comparisons for employee jobs via [BRES](#). You can get more detailed comparisons for turnover via [Scottish Annual Business Statistics](#).

Comparisons of business counts can be made robustly. The IDBR is a live register. It is continually updated each time a business registers/de-registers for VAT/PAYE. It is a reliable estimate of the number of businesses in operation at any point in time. 'Businesses in Scotland' data is always based on a March extract of the IDBR. So comparisons of business counts from year to year can be considered reliable.

6.7. Exclusions

Excluded businesses are:

- businesses with no UK activity
- dummy businesses created to help with clerical procedures
- businesses which have zero employment and zero turnover. This is because they are holding companies whose activity is recorded elsewhere. Or they are businesses not contributing to the economy at the time of the estimates.

There were a few instances where several registrations for a single company occurred at the same address. (This is usually VAT registrations). This may be a result of a legal loophole created as a result of changes in legislation. The Office for National Statistics now exclude these from their publications. This is because it would overstate the actual number of businesses in existence and their associated employment. Please note the estimates for 2000 and 2001 are not amended to reflect these changes.

6.8. Major Reclassifications

Historic Reclassifications

The number of public corporations in Scotland decreased from 60 businesses in 2014 to 35 businesses in 2015. This was largely as a result of the reclassification of Lloyds Banking Group plc. On 30th April 2014, the Office for National Statistics (ONS) announced the reclassification of Lloyds Banking Group plc (and subsidiaries). It was a former Public Corporation and moved it into the private sector. For more information, see [Classification of Lloyds Banking Group and Subsidiaries](#).

On 17th December 2013, the ONS announced the reclassification of Network Rail. ONS reclassified it as a Central Government body in the public sector from 1st September 2014. This change is most visible in Table 4 of the 'Businesses in Scotland' publication. Public sector employment in the 'H Transportation and storage' sector increased by 2,850 (+87%) between 2014 and 2015. For more information see [Classification of Network Rail](#).

ONS reclassified Colleges of Further Education to the public sector in October 2010. This was for the purposes of National Accounts. The change transferred 35 businesses from the business sector to the public sector. This applied from the March 2011 results onwards. Previous years' estimates do not show this reclassification.

ONS reclassified Primary Care NHS Trusts to the public sector in 2001. ONS reclassified all remaining NHS Trusts to the public sector in 2003. This was to bring the 2003 Standard Industrial Classification in line with international guidelines for National Accounts. The change transferred 54,200 jobs from the business sector to the public sector in 2001. It also transferred 95,530 jobs from the business sector to the public sector in 2003. This has led to a discontinuity between tables as they included this employment before.

7. Unregistered Businesses

The IDBR excludes a large number of very small firms. This is because they are small sole traders/partnerships with:

- no employees, and
- an annual turnover of less than the VAT threshold.

This section describes the method used to estimate the number of unregistered businesses in Scotland.

7.1. Estimation

The Labour Force Survey (LFS) provides data on the self-employed (with no employees). It provides the number of people who are self-employed in their first or second jobs. The estimates from 2010 onwards apply a new methodology. This enables a better estimate of the self-employed. It reclassifies people who have misclassified their employment status.

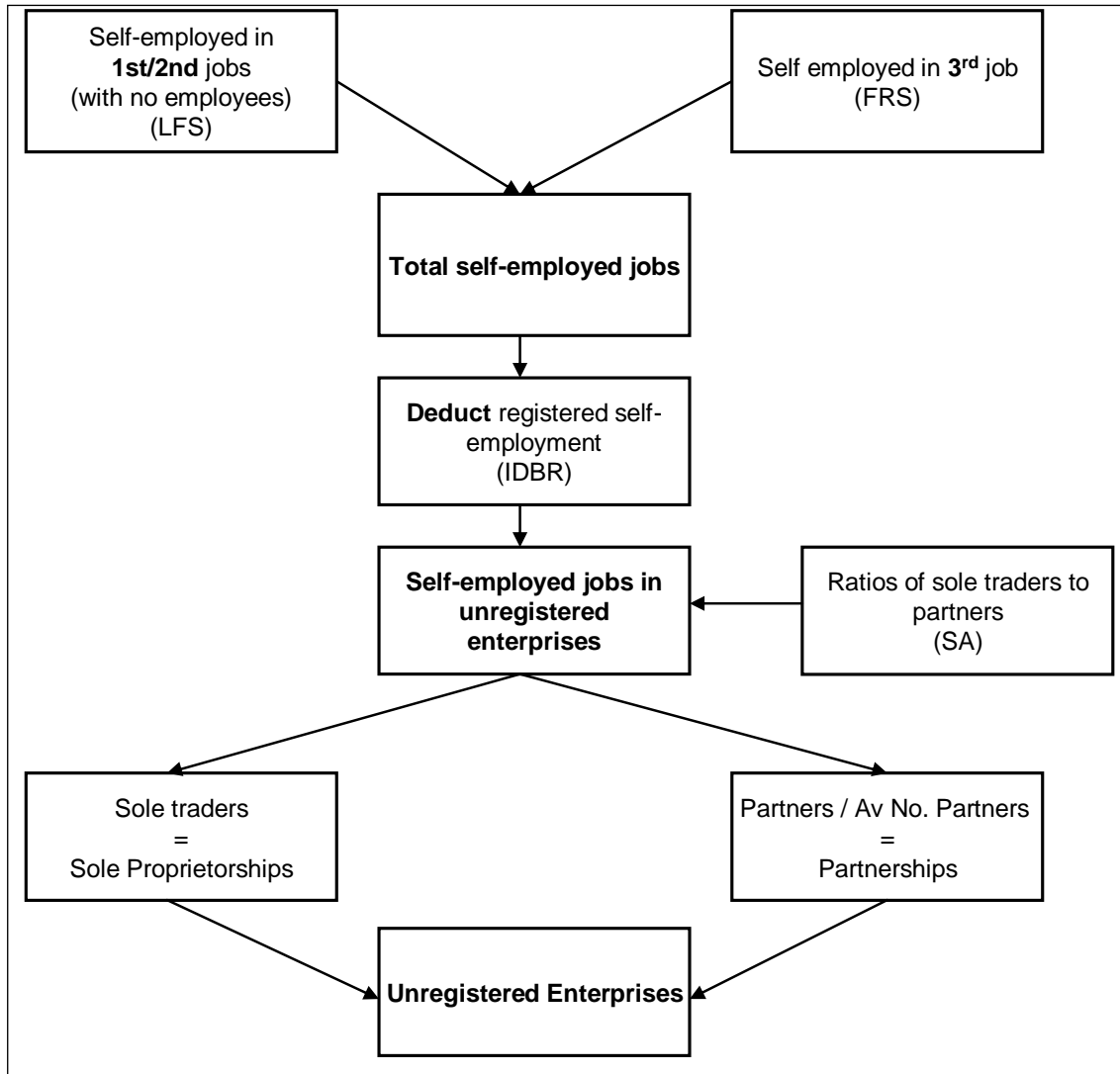
Data from the Family Resources Survey (FRS) augments the LFS figure for second jobs. The data is on people who are self-employed in a third job. This is to get an estimate of the total number of self-employed jobs (with no employees). This estimate is compared to the level of self-employment that is already registered on the IDBR. This applies to businesses (sole traders/partnerships) with no employees. Many self-employed people are not required to pay VAT or register for PAYE. So the figure from the LFS/FRS is generally higher.

The difference between these two figures represents self-employed jobs in unregistered businesses. This is the starting point for estimating the number of additional sole traders and partners with no employees. The ratio between sole traders and partners is different in each industry. HMRC Self Assessment (SA) data provides this. We used the Survey of Personal Incomes (SPI) before for this purpose. But it was necessary to use a different source. This was due to delays with updated data. It was also due to more stringent disclosure control processes.

We use the ratios to derive the number of unregistered sole traders and partners in each industry. This then allows us to derive the number of sole proprietorships and partnerships.

Note that each of the sample surveys above are subject to sampling error. For example, a yearly estimate of 300,000 taken from the Annual Population Survey (APS) has a 95% confidence interval of +/- 12,000. (The APS is the annual version of the Labour Force Survey (LFS).) You should consider this sampling error when making year on year comparisons between the number of unregistered businesses. (This is the smallest size band in Tables A-E).

Diagram 1: Estimating Unregistered Businesses



7.2. Time Period Covered

The self-employment estimates from the LFS drive the estimate of unregistered businesses. The data used from the LFS covers the period April to March. i.e. the estimate of unregistered businesses for 2022 was derived from annual LFS data covering April 2021 to March 2022.

Estimates for the number of people self-employed in a third job relative to those who are self-employed in a second job use FRS data. The data used are a three year rolling average percentage. i.e. FRS data from 2018/19, 2019/20 and 2020/21 is the basis for the 2022 estimates.

Self-Assessment data as at 2020/21 were used to get the ratio of sole traders to partners for the 2022 estimates.

7.3. Turnover

Turnover in unregistered businesses will generally be lower than that of registered businesses of the same size. This is because turnover in the former would usually be below the VAT threshold. Turnover for the unregistered businesses is imputed from turnover per head in each industry division. We only use registered sole traders and partners with zero employees for this. The resultant figure is then scaled down by a factor of a half. There is a further issue for a few 2-digit industry divisions. For these, the average annual turnover per unregistered business remains above the VAT threshold. In these cases, we reduce the unregistered turnover to the VAT threshold for that year.

8. Industrial Classification

The UK Standard Industrial Classification (SIC) define the industrial sectors presented. This classifies business establishments and other statistical units by the type of economic activity in which they engage.

8.1. Assigning Businesses to Industrial Sectors

Businesses may have business sites operating in several industrial sectors. The business as a whole is assigned to one sector. The basis for this is the sector and then division in which the majority of its Scottish employment operates. Some businesses change their sector between years. This is the result of a change in the balance of employment across sites.

Table 8 provides sector classification at business site level rather than business level.

The classification for this publication follows the standard coding scheme. We have shortened some titles to make them more readable. The tables generally exclude central and local government. (This is as defined by the legal status of the business). There are a small number of businesses that provide support services to public administration. For these tables, we include these within the sector 'Other community social and personal services'. We have excluded extra territorial organisations and private households with employees.

8.2. Revision of Standard Industrial Classification

In January 2008, the Standard Industrial Classification underwent a major revision. This was to enable it to reflect the structure of the modern economy more accurately. SIC 2007 replaced SIC 2003. The need to adapt the classification to changes in the world economy motivated the revision. There has been a growing importance of service activities in economies over the last fifteen years. This is mainly due to the developments in information and communications technologies. The revised classification reflects this.

The 'Businesses in Scotland 2022' tables provide data on a SIC 2007 basis only. Tables for registered businesses are available for 2010 to 2022. Tables for unregistered businesses (and hence total businesses) are available for 2010 to 2022. Time series data on total (unregistered and registered) and registered businesses are also available from 2000 to 2022. Data on the old SIC 2003 basis are still available from the Scottish Government website. Note that archived tables are not updated with the latest methodology.

9. VAT Thresholds

Operative Dates	VAT Registration Threshold
01 Apr 1999 – 31 Mar 2000	£51,000
01 Apr 2000 – 31 Mar 2001	£52,000
01 Apr 2001 – 24 Apr 2002	£54,000
25 Apr 2002 – 09 Apr 2003	£55,000
10 Apr 2003 – 31 Mar 2004	£56,000
01 Apr 2004 – 31 Mar 2005	£58,000
01 Apr 2005 – 31 Mar 2006	£60,000
01 Apr 2006 – 31 Mar 2007	£61,000
01 Apr 2007 – 31 Mar 2008	£64,000
01 Apr 2008 – 30 Apr 2009	£67,000
01 May 2009 – 31 Mar 2010	£68,000
01 Apr 2010 – 31 Mar 2011	£70,000
01 Apr 2011 – 31 Mar 2012	£73,000
01 Apr 2012 – 31 Mar 2013	£77,000
01 Apr 2013 – 31 Mar 2014	£79,000
01 Apr 2014 – 31 Mar 2015	£81,000
01 Apr 2015 – 31 Mar 2016	£82,000
01 Apr 2016 – 31 Mar 2017	£83,000
01 Apr 2017 – 31 Mar 2018	£85,000
01 Apr 2018 – 31 Mar 2019	£85,000
01 Apr 2019 – 31 Mar 2020	£85,000
01 Apr 2020 – 31 Mar 2021	£85,000
01 Apr 2021 – 31 Mar 2022	£85,000

For further details on VAT thresholds, see [HM Revenue & Customs](#).

10. Size Bands

In the tables (except for Table 8), we classify businesses by employee size bands. These size bands are on the basis of their total UK employees. This is because the size of the business as a whole determines its behaviour as an economic agent. A business with a large number of employees in the UK as a whole is likely to behave like a large business. This is regardless of its level of Scottish employment.

Table 8 contains data on the number of business sites. We classify these sites by the total number of employees at each site.

We treat businesses with only one employee (who is also the employer) as a self-employed person working in a firm with zero employees. This is the case unless the business is part of an enterprise (business) group. These businesses provide no employment for others. So it is more consistent to classify them as businesses with no employees.

11. Public Sector

Public sector businesses engage in more varied activities than the majority of those in the private sector. Table 4 (and Table 12) accounts for this by counting each business once in each sector it has activity in. This helps to provide a more realistic impression of public sector activity in each industry. To provide accurate figures at Scotland level, we count each business only once in the total. As a result, the table components do not equal the overall total.

Estimates of public sector employee jobs are available at local authority area level. For these estimates, see the ONS publication [Business Register Employment Survey](#).

12. Geographical Analyses

The geographical analyses use a postcode index file. The Office for National Statistics provide this index file. Unregistered businesses are not included in the geographical analyses.

Tables 5-7,16,18,20:

These tables split the data by local authority area. They include each business once in each local authority it operates in. This is irrespective of how many business sites it has in each area. Each business is only counted once in the total for Scotland. Hence cells in the business column of the tables do not sum to the overall total. This is due to double counting.

Note that only businesses are double-counted in these tables. We assign businesses' employment and turnover, where provided, to the local authority areas they operate in.

Tables 8, 13:

These tables present data on individual business sites within each local authority area (and urban/rural area for Table 13). This is a straightforward count of the number of sites located in each area. Note that in Table 8 the number of employees at each site is the basis for the employee size bands.

Tables 9-11:

These tables split the data by urban/rural area. They include each business once in each area it operates in. This is irrespective of how many business sites it has in each area. Each business is only counted once in the total for Scotland. Hence cells in the business column of the tables do not sum to the overall total. This is due to double counting.

Note that only businesses are double-counted in these tables. We assign businesses' employment and turnover, where provided, to the urban/rural areas they operate in.

We will publish data on the total number of business sites at intermediate zone. These will be available on <http://statistics.gov.scot/>.

13. Business Ownership

Within 'Businesses in Scotland', we define business ownership as:

- UK (Scotland based)
- UK (Rest of the UK (RUK) based)
- Abroad.

We class business country of ownership as either UK or Abroad (outside the UK). The nationality of the ultimate parent of the business determines the country of ownership. (i.e. the institutional unit, proceeding up a business' chain of control, which is not controlled by another institutional unit). Where control of a business is shared, we look to the majority ultimate owner. Its country of residence determines the country of ownership. We use data provided by Dun & Bradstreet to identify enterprise (business) groups with abroad ownership. We classify businesses that do not belong to an enterprise group as UK-owned. This is because these are not under the control of another institutional unit.

We must next determine where UK owned businesses are registered. To do this, we use the business's VAT/PAYE registered office address. If this address is in Scotland, we classify the business as Scotland registered. If this address is elsewhere in the UK, we classify the business as RUK registered. This process applies to businesses' associated local units as well.

14. Statistical Disclosure Control

The Code of Practice for Official Statistics protects the confidentiality of all data held on the IDBR. Specific legislation also provides protection. The disclosure of data relating to individual undertakings without consent is prohibited under:

- the Statistics of Trade Act 1947
- the Value Added Tax Act 1994, and
- the Finance Act 1969.

So measures are in place to ensure that we do not disclose any information about individual businesses or local units. We have rounded all figures in this publication to avoid disclosure. Where necessary, we have taken extra measures to protect confidentiality.

We have rounded the number of businesses/business sites to the nearest 5. We have rounded employment to the nearest 10. We have rounded turnover to the nearest £million.

We have updated the statistical disclosure control process for the 2010 results onwards. Before, we applied a minimum threshold rule. This suppressed the employment and turnover values associated with business counts below a certain threshold. To avoid disclosure by deduction, more cells have also now been suppressed. To further minimise disclosure, we have lowered the minimum threshold. We have also introduced an additional dominance rule to this end. The dominance rule identifies and suppresses cells where a small number of businesses account for the majority of the associated employment or turnover. The overall effect of these changes is that we include more information in the tables. But we provide greater protection for businesses which dominate their respective industry or local area.

15. Revisions Policy

15.1. General Revisions Policy for Unregistered Businesses

LFS self-employment data is the basis for the estimate of unregistered jobs. This leads to the estimate of unregistered businesses. ONS reweight the LFS data according to the latest population estimates. As a result, we will revise the unregistered time series to take account of the reweighted LFS data. These revisions are generally small in magnitude. We will revise to take account of the latest LFS data on a biennial basis (every two years). We may also make improvements to the unregistered business methodology.

15.2 Unregistered Businesses – latest revisions

We have revised the unregistered estimates for the years 2019 to 2021. This is to take account of the latest population estimates used in the LFS. The next set of revisions for the unregistered estimates will be in the ‘Businesses in Scotland 2024’ publication. This will take account of the latest LFS reweighted data. It will also take account of any other methodological improvement.

15.3. General Revisions Policy for Registered Businesses

In general, the figures for registered businesses should be final. These should not be revised in future. This is because their basis is a snapshot in time from the IDBR which cannot change. Sometimes, we may discover errors in the industry or geographical classifications applied to businesses. This would be when quality assuring the data for the latest year. In which case, we may correct the erroneous business classifications in previous years.

15.4. Registered Businesses – latest revisions

The registered estimates in 2021 have been revised to correct for erroneous business classifications and to remove around 1,500 enterprises with multiple business registrations at a single postcode. There are several reasons why these multiple registrations can occur, such as an increase in the use of management and personal service companies, virtual offices and foreign internet sellers.

16. Making comparisons with other business statistics

16.1. Business Stock Data published by ONS and BEIS

The Office for National Statistics (ONS) and the Department for Business, Energy and Industrial Strategy (BEIS) publish business stock estimates for the UK and all regions of the UK (including Scotland). There is a key difference between the UK series for Scotland and the 'Businesses in Scotland' publication estimates. 'Businesses in Scotland' includes all businesses that operate in Scotland. This is regardless of where the business is based. UK-wide publications differ from this. They tend to publish region/country results according to the registered office (base/head-quarter) of a business. 'Businesses in Scotland' goes wider than this. It provides statistics on all businesses operating in Scotland. So it covers those based/head-quartered in Scotland. But it also covers all other businesses with a presence in Scotland.

16.2. Scottish Annual Business Statistics

Scottish Annual Business Statistics (SABS) is another publication released by the Scottish Government. The source of SABS is the Annual Business Survey. The main purpose of SABS is to provide information on the performance of detailed industry sectors of the Scottish economy. Predominantly, this is in terms of turnover or gross value added. The 'Businesses in Scotland' publication provides employment and turnover estimates. These are not ideal for comparing change in employment or turnover over time. (Section 6.6 above discussed this.) SABS is the best source for comparing turnover change over time for detailed industry sectors.

17. Useful links – within the Scottish Government

statistics.gov.scot

statistics.gov.scot is the Open Data Platform for official statistics for Scotland. You can access a range of official statistics about Scotland on the site. These statistics are for information and re-use. You can explore the data by theme, organisation, or geography. You can also search for datasets, places or enter your postcode to find data about your local area. You can view the data as tables, maps and charts, or download them in various formats.

[Growth Sector Statistics Database](#)

The Growth Sector statistics database provides economic statistics for the growth sectors. (as set out in the [Scotland's Economic Strategy 2015](#)).

[Scottish Annual Business Statistics \(SABS\)](#)

Scottish Annual Business Statistics (SABS) provides data mainly on three areas. These are the Production (including Manufacturing), Construction and Service Sectors in Scotland. The statistics are largely derived from the Annual Business Survey. This covers approximately two thirds of the economy. The main sectors not covered are the financial sector, parts of agriculture and the public sector. So the statistics from SABS are best suited to the analysis of individual industries. This is rather than the economy as a whole.

[Business Insights and Conditions Survey \(BICS\) weighted Scotland estimates](#)

The Office for National Statistics (ONS) publish the Business Insights and Conditions Survey (BICS). The Scottish Government produce Weighted Scotland estimates using the BICS data. The ONS' BICS is a voluntary fortnightly business survey. It captures businesses' responses on how they have been affected by current conditions. The BICS asks businesses about their impact on turnover, workforce, prices, trade and business resilience. The weighted Scotland estimates are for businesses with a presence in Scotland that have 10 or more employees.

18. Useful links – outside the Scottish Government

Please take note. When accessing the following links you will leave the Scottish Government website. The Scottish Government and its staff are not responsible for content external to this website.

[Business Population Estimates](#)

This publication is produced by the Department for Business, Energy and Industrial Strategy. Business Population Estimates is the main UK equivalent of 'Businesses in Scotland'. It provides business information for each Government Office Region in the UK. These data are broken down by company size and industry. It includes information about registered and unregistered businesses.

[UK Business: Activity, Size and Location](#)

The Office for National Statistics (ONS) produce the UK Business: Activity, Size and Location publication. It contains detailed information on all registered businesses in the UK. This includes size, classification and location.

[Business Demography](#)

The ONS release statistics on Business Births, Deaths and Survival annually. They are the best official source on business start-ups, closures and survival rates. They provide detailed information by local authority, region and industrial sector at a UK level.

[Quarterly Business Demography](#)

Experimental quarterly statistics on business creations and closures (or births and deaths). These are sourced from the Inter Departmental Business Register (IDBR). They include high-level breakdowns by industry and region.

[IDBR](#)

This link provides more information on the Inter Departmental Business Register (IDBR).

[Business Insights and Conditions Survey \(BICS\)](#)

The ONS publish this fortnightly. It provides information on the impact of current conditions on UK businesses.

Business Register and Employment Survey (BRES)

Business Register and Employment Survey (BRES) is released annually. These data are the preferred source for employment estimates by industry for regional and sub-regional geographies.

Public Sector Employment (PSE)

The National Statistics Public Sector Employment (PSE) series is the preferred source of *public sector* employment data. This is published quarterly by ONS and the Scottish Government. It provides employment estimates at national and regional (government office) level. The basis for these are public sector returns.

Secure Research Service (SRS) - formerly known as *Virtual Microdata Laboratory*

The Office for National Statistics (ONS) Secure Research Service (SRS) is a Trusted Research Environment (TRE). It gives accredited or approved researchers secure access to a wealth of de-identified, unpublished data to work on research projects for the public good.

UK Data Service

The UK Data Service has trusted access and training to use the UK's largest collection of economic, social and population data for research and teaching. It assists researchers, students and teachers from all sectors, including academia, central and local government, charities and foundations, independent research centres, think tanks, and business consultants and the commercial sector. The UK Data Service collection includes major UK government-sponsored surveys, cross-national surveys, longitudinal studies, UK census data, international aggregate, business data, and qualitative data.

Companies House

Companies House provide a free Company Data Product. This is a downloadable data snapshot. It contains basic company data of live companies on the Companies House register.