



UK Business Confidence Monitor

Q1 2014

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Technical Information

The ICAEW/Grant Thornton UK Business Confidence Monitor (BCM) is conducted by ICAEW with assistance from Centre for Economics and Business Research (Cebr) and Kudos Research.

Reports are based on data drawn from a continuous research programme consisting of approximately 4,000 telephone interviews each year with ICAEW members working in industry and commerce. The interviews typically last 12–15 minutes and gather opinions on past performance and future prospects for members’ businesses and investigate perceived changes in the impact of factors such as availability of skills, government regulation and the tax regime.

Each quarter the latest 1,000 interviews are aggregated to produce the new quarterly dataset which measures the current views of members. The current dataset is based on interviewing conducted during the period 28 October 2013 – 23 January 2014.

Data are weighted to ensure the profile of each quarter’s survey sample accurately represents the UK economy (by value) for company size (no. of employees), regional location and industry sector.

BUSINESS CONFIDENCE INDEX METHODOLOGY

The Business Confidence Index is calculated from the responses to the following:

‘Overall, how would you describe your confidence in the economic prospects facing your business over the next 12 months, compared to the previous 12 months?’

A score was applied to each response as shown to the right, and an average score calculated.

Using this method, a Confidence Index of +100 would indicate that all survey respondents were much more confident about future prospects, while -100 would indicate that all survey respondents were much less confident about future prospects.

Further technical details on the design of the survey are available upon request.

Variable	Score
Much more confident	+100
Slightly more confident	+50
As confident	0
Slightly less confident	-50
Much less confident	-100

WEIGHTING APPROACH

Those interviewed in the survey are categorised by regional location, company size (no. of employees) and industry sector.

Rim weighting has been applied to ensure the profile of each quarter’s sample accurately represents the UK economy. Weighting factors applied to this quarter’s data are detailed below. Target weights for sector and region are derived from Office of National Statistics published data on GVA (Gross Value Added) 2009. Weights for company size are based on turnover data for start 2011 published by the Small Business Analytical Unit of the Department for Business, Innovation and Skills. (Previous quarters were weighted to most up-to-date sources available at the time which were not materially different.)

	Sample number	Profile unweighted sample	Profile weighted sample
	Number	%	%
REGION	Total ▶ 1,000		
London	174	17	20
South East (excl London)	143	14	16
South West	79	8	8
East of England	85	9	10
East Midlands	80	8	6
West Midlands	78	8	8
North West	104	10	10
Northern England	72	7	3
Yorks & Humber	70	7	7
England TOTAL	885	89	88
Scotland	54	5	9
Wales	60	6	4
Northern Ireland	1	0	0

CONT'D...

Weighted figures may not sum to 100% due to rounding

	Sample number	Profile unweighted sample	Profile weighted sample
	Number	%	%
SIZE (EMPLOYEES)	Total ► 1,000		
Micro (<10)	111	11	13
Small (10-49)	187	19	17
Medium (50-249)	240	24	15
Large (250+)	462	46	55
SECTOR	Total ► 1,000		
Agriculture & fisheries	21	1	1
Energy, Water & Mining	54	3	4
Manufacturing & Engineering	135	7	8
Construction	80	4	9
Retail & Wholesale	123	7	13
Transport & Storage	77	4	6
IT & Communications	75	4	8
Banking, Finance & Insurance	123	7	12
Property	66	4	9
Business Services	118	6	15
Consumer Service Activities*	128	7	12

Weighted figures may not sum to 100% due to rounding

* = Hotels & Catering, Health & Education and Other Service Activities

COVERAGE OF REGIONAL ECONOMIC ACTIVITY

Analysis shows the data which forms the basis of the BCM Business Confidence Index covers a significant proportion of UK economic activity both for the UK as a whole, and for the different UK regions. This assures that our data is accurately capturing the mood of UK business.

The table below shows our estimate of the proportion of economic activity which is represented by the businesses interviewed in BCM each quarter. (Further detail on the technical approach taken is available on request.)

REGION	Coverage of economic activity (Gross Value Add)
	%
London	0.9
South East (excluding London)	1.2
South West	1.3
East of England	1.3
East Midlands	1.5
West Midlands	1.3
North West	1.3
Northern England	2.9
Yorks & Humber	1.3
Scotland	0.9
Wales	1.9
UK	1.1

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