



UK Business Confidence Monitor

Q1 2016

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Technical Information

The ICAEW/Grant Thornton UK Business Confidence Monitor (BCM) is conducted by ICAEW with assistance from Oxford Economics 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 27 January – 22 April 2015.

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.

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	175	18	23
South East (excl London)	144	14	15
South West	74	7	8
East of England	88	9	9
East Midlands	72	7	6
West Midlands	76	8	7
North West	103	10	10
Northern England	70	7	3
Yorks & Humber	77	8	7
England TOTAL	879	88	88
Scotland	60	6	8
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)	139	14	14
Small (10–49)	181	18	15
Medium (50–249)	201	20	16
Large (250+)	479	48	55
SECTOR	Total ▶ 1,000		
Agriculture & fisheries	17	2	1
Energy, Water & Mining	71	7	4
Manufacturing & Engineering	130	13	13
Construction	66	7	8
Retail & Wholesale	115	12	14
Transport & Storage	48	5	5
IT & Communications	86	9	8
Banking, Finance & Insurance	149	15	10
Property	65	7	13
Business Services	102	10	14
Other Service Activities*	151	15	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.

REGION	Coverage of economic activity (Gross Value Add)
	%
London	1.3
South East (excluding London)	1.7
South West	1.7
East of England	1.7
East Midlands	2.1
West Midlands	1.8
North West	1.9
Northern England	4.0
Yorks & Humber	2.0
Scotland	1.3
Wales	3.0
UK	1.6

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Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK

T +44 (0)20 7920 3508

E bcm@icaew.com

icaew.com/bcm

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