

Implementing the classification update on the UK business register

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Overview

- Agreeing the classification
- Updating the business register
- Next steps

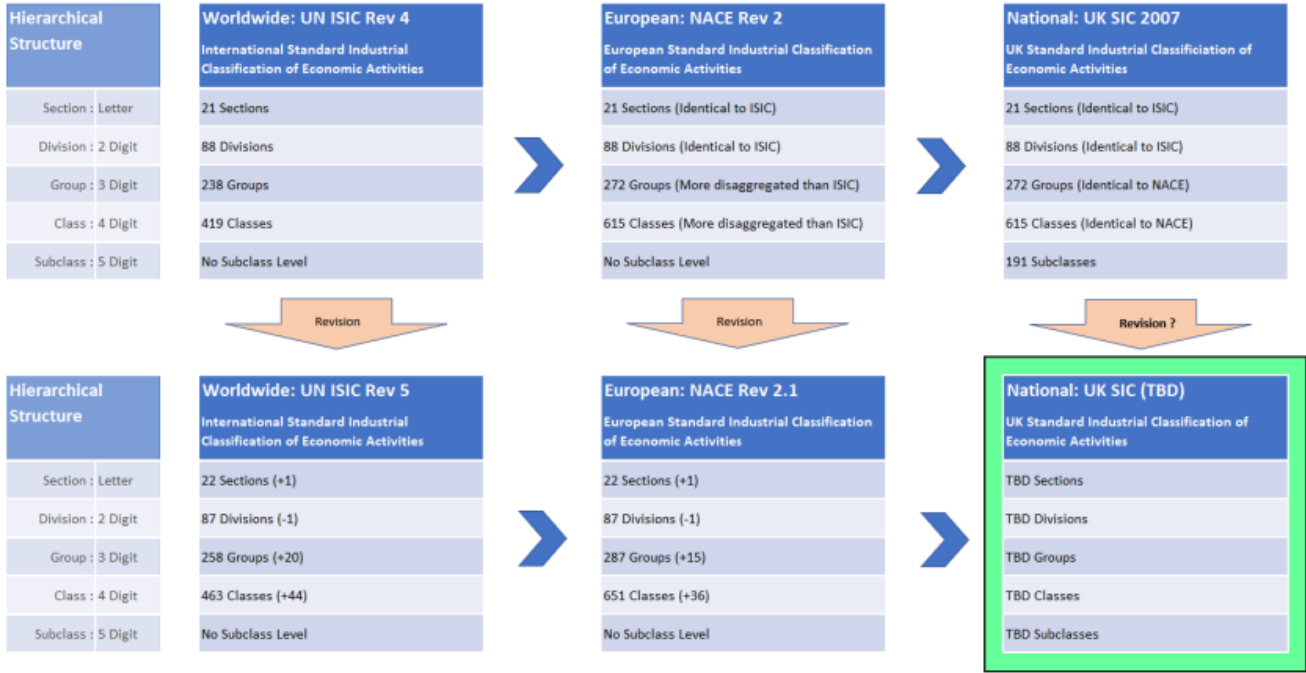
Agreeing a classification

- Outside EU, so we have to decide which classification to use – a new process:
- ISIC, NACE or hybrid
- National Statisticians Committee for Advice on Standards for Economic Statistics
- Then agree a UK specific 5 digit with all government departments

Classification summary

Figure 1: Alignment between the international classifications and their previous versions

Note: Figure 1 has been corrected in this document to reflect the correct classification breakdown for UN ISIC Rev. 5. See the Version Tracker on page 2 for further information.



Register sources

- Revenue department : VAT supplied with SIC
- Revenue department: employment tax – supplied with an industry code and some business descriptions
- Company Registration: supplied with SIC code
- Business Register and Employment Survey – best source

Business Register and Employment Survey

- All big businesses and sample of smaller. Sampled at enterprise level
- Collects a business description for each local unit within an enterprise. Also feeds back the last supplied business description.
- The LU description is then auto-coded using G-code and our library of business descriptions/ SICs
- Enterprise coded from LU's using top-down methodology

Register conversion

- 1:1 correlation – simple recoding using correspondence tables
- Many to 1 - simple recoding
- 1 to Many-will use business description to allocate to correct code ?

Business Descriptions

- >30,000 descriptions mapped to over 800 SIC 4/5 digits, using a bridging code.
- If SIC07 43341 maps to single SIC25 xxxx1 OK
- If SIC07 43341 maps to SIC25 xxxx1, xxxx2, xxxx3. Then
- use business descriptions of each business by text string matching in Gcode to allocate.

When there is no business description?

- In the previous exercise we randomly allocated based on proportions derived from the population with business descriptions.
- Subsequently refine these when information becomes available.
- Other options to be considered: using web, using commercial suppliers etc

Supplier conversion

- We will agree a conversion with the main suppliers
- Revenue department VAT registrations will move to new SIC
- Company Registration department will move to new SIC for businesses to self-code on registration

Broad timeline

- Agree which classification
- Consultation across government, trade associations etc to agree a UK specific 5 Digit
- Begin UK conversion project starting with the business register.