

Case Study: South East England Development Agency (SEEDA)

InterestMap - Plotting Redundancies in the Construction Sector (October 2008 to April 2009)

Background

Each month SEEDA are required to provide economy updates which are distributed internally, to the Dept. for Business, Innovation and Skills (BIS) (formerly Dept. for Business, Enterprise and Regulatory Reform - BERR) and partners. The analysis is used to inform discussions around the state of the economy in the region and what is happening at a local and sectoral level.

Part of recent analysis centred on the fact that approximately 10% of all redundancies from October 2008 to April 2009 notified to BERR were in the construction sector.

The HR1 notifications from BERR (the form that companies are required to complete when making more than 20 staff redundant) are obtained on a company basis and each company is matched to SIC 2007 (standard industrial classifications). There are significant caveats around this data, but it gives an indication of the growing number of job losses being seen around the South East. Only firms making more than 20 staff redundant have to give notification of their intentions:

- in some cases the company's headquarters is in the South East, but the actual redundancies are taking place in another region
- some of the redundancies are not scheduled to take place until a later date
- sometimes employees changing contracts are recorded as 'redundancies', even if they are moving into new employment

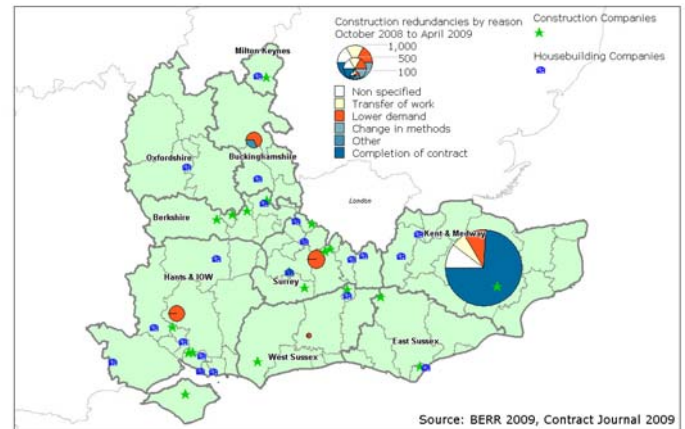
Key Facts

None of the previous datasets available to SEEDA identify individual companies. The lowest spatial level available (through existing subscriptions) is 'Super Output Area'. However, under the new Pan Government Agreement (PGA), SEEDA could now access detailed Points of Interest data using **InterestMap**.

InterestMap provided the necessary detail and accuracy required – providing information on different market sectors at company level. In addition, the 600 plus classes within the database are linked to SIC codes saving time and effort on behalf of SEEDA.

The structure of the database also enabled SEEDA to easily aggregate the number of redundancies by sub-region and reason for the redundancies using those companies classified within **InterestMap** as 'construction'.

For example, for the period from October 2008 to April 2009 Kent and Medway saw a large number of redundancies; however the majority of these were due to completion of contract. There are a high number of construction projects in the area encompassing the Thames Gateway, so it is difficult to determine whether these redundancies have been affected by the global economic conditions. In other sub-regions, lower demand has accounted for the majority of redundancies.



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The worst affected sub-regions are Kent and Medway with approximately 80% of all redundancies in the construction sector. Surrey, the location of a high proportion of housebuilding and construction companies, accounted for over 6% of all construction redundancies.

To get a sense of risks and opportunities sub-regionally in the construction map, SEEDA used the **InterestMap** dataset to determine the spatial pattern of the industry across the South East.

For example, Kent and Medway, and Hampshire and Isle of Wight (43% in total) account for nearly half of all construction companies in the South East. Surrey has 15%.

SEEDA used **Interestmap** to map the locations of the top 100 construction companies and top 25 housebuilders (as supplied by the Contact Journal). Fifteen of the top 100 construction companies and ten of the top 25 housebuilders have headquarters or offices in the South East.

Results

The result of this analysis of existing datasets alongside **InterestMap** can then be used, for example, by SEEDA's Area Teams in targeting areas that may need extra support such as providing details of support available through Business Link etc. Benefiting those affected most by the economic downturn.

The immediacy, accuracy and comprehensive nature of **InterestMap** made the product ideally suited to the task.

For more information on the project contact:
JoanneBrooker@seeda.co.uk

For further information on the PGA contact:
Lars.Calvert@communities.gsi.gov.uk

For further information on InterestMap contact
rick.crowhurst@landmark.co.uk