

CUMBRIA FLOODS 2015

Profile of Businesses in Flood Extent Areas

1.0 Introduction & Methodology

The floods of December 2015 had a major impact on Cumbrian businesses of all sizes and across all sectors. A Business & Economy Recovery Group was quickly established and as a first stage in assessing the scale of impact, data was requested from the Office for National Statistics on all businesses in the county. This data was drawn from the Inter-Departmental Business Register (IDBR) and covers local units within enterprises registered for VAT and/or PAYE. Whilst this excludes the smallest non-employing organisations, it does include the majority of wealth creating businesses. The IDBR data was combined with flood extent data from the Environment Agency to produce a profile of units located within one of the 85 flood extent areas (as notified May 2016). We have excluded from the analysis units with a legal status of public corporation, central or local government. Whilst they are important organisations in terms of employment and the contribution they make to local economies, their structure and funding takes them outside the scope of standard business recovery funding schemes. Not for profit organisations have been included.

It is important to note that this analysis profiles all businesses located in one of the EA designated flood areas as a proxy for “affected” businesses. However, whilst it is unlikely that any of those businesses were completely unaffected, the scale and nature of impact will vary and we also know from other work that significant impacts have been experienced by businesses outside the EA flood extent areas. Therefore this analysis should not be regarded as an assessment of the full impact on businesses and should be read in conjunction with other analysis and survey work.

2.0 Key Findings

- There are 2,923 local units located within one of the 85 flood extent areas (and a further 108 public corporations, central or local government organisations which have not been included in the analysis);
- 10.3% of all businesses in Cumbria are located in a flood affected area;
- 14.3% of all businesses in South Lakeland are in a flood affected area, compared to 14.2% in Allerdale, 13.2% in Eden and 9.3% in Carlisle;
- 16.0% of all wholesale businesses in Cumbria are located in a flood extent, whilst 15.6% of motor businesses, 14.9% of property businesses and 14.4% of accommodation & food businesses are;
- 36.4% of flood extent businesses are in South Lakeland, 26.6% in Allerdale, 19.7% in Eden and 17.2% in Carlisle;
- The individual flood extents containing the most businesses are Kendal (675), Carlisle (474), Cockermouth (320), Windermere (208) and Keswick (122) – between them accounting for 61.5% of all businesses in a flood extent;
- 68.2% of flood extent businesses employ fewer than 5 people;

- 14% of flood extent businesses are in the agriculture sector, 12.1% in accommodation & food services, 10.2% in construction and 10.2% in retail;
- 25,112 people work in flood extent businesses, 13.0% of all employment in Cumbria;
- 4,513 manufacturing employees are based in flood extent businesses, together with 4,264 accommodation & food employees and 3,539 retail employees;
- Employees in flood extent businesses generate £871m a year in economic value, 13.2% of all Cumbria's total economic value.

Figure 1: Businesses, employment & economic value in flood extent areas by district

	Allerdale	Carlisle	Eden	South Lakeland	Cumbria
Businesses in flood extents	777	504	575	1,067	2,923
% total business base in flood extents	14.2%	9.3%	13.2%	14.3%	10.3%
Employment in flood extents	4,745	6,409	2,900	11,058	25,112
% total employment in flood extents	13.7%	13.8%	11.7%	23.7%	13.0%
Economic value in flood extents	£170m	£203m	£84m	£414m	£871m
% total economic value in flood extents	14.4%	12.4%	11.2%	26.0%	13.2%

Source: ONS IDBR 2015 / EA flood extents (May 2016) / Experian Cumbria Local Economy Model

Figure 2: Businesses, employment & economic value in flood extent areas

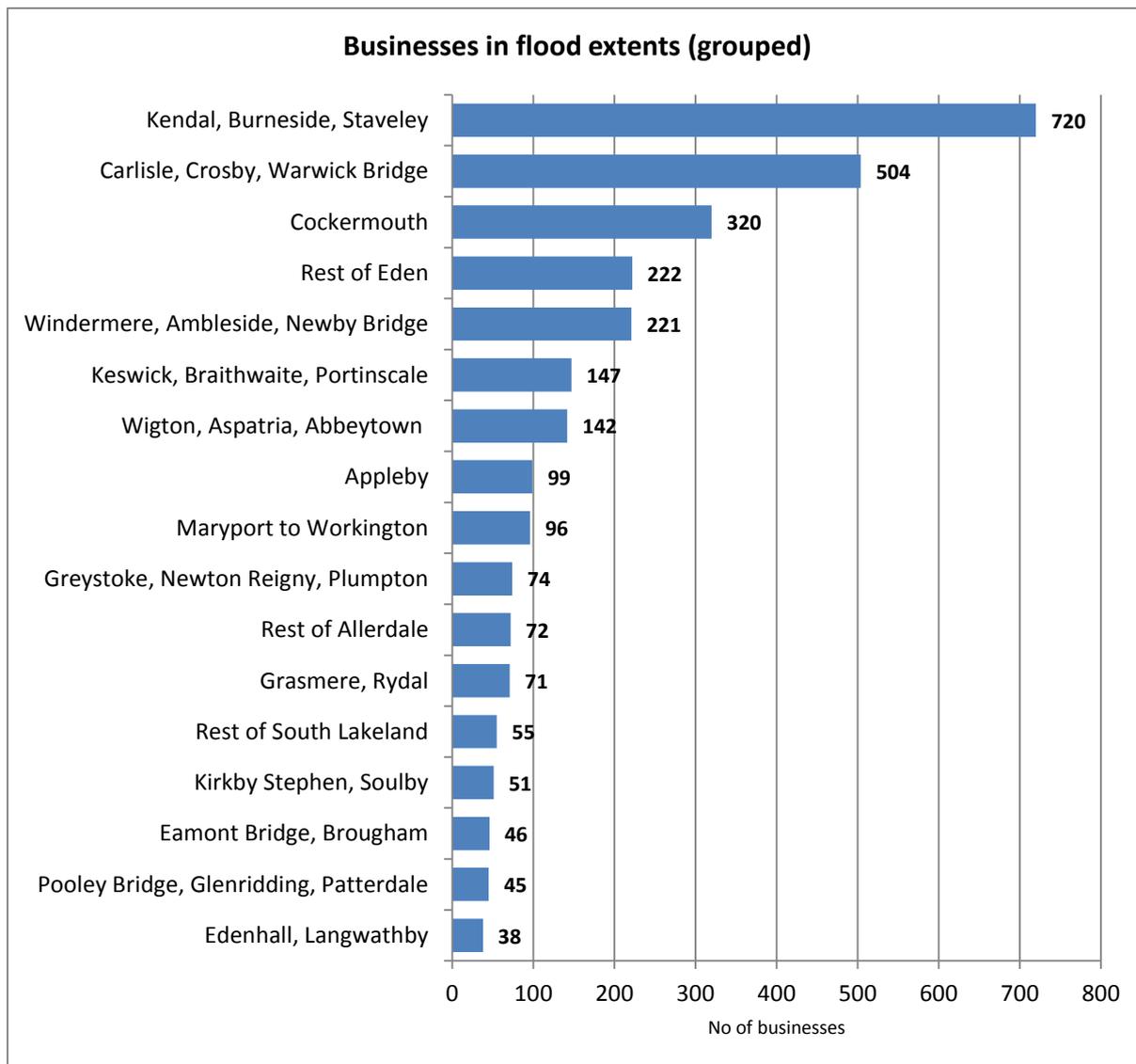
Flood Extent (grouped)	Businesses	Employment	Economic Value
Appleby	99	486	£14m
Carlisle, Crosby, Warwick Bridge	504	6,409	£203m
Cockermouth	320	1,983	£83m
Eamont Bridge, Brougham	46	442	£13m
Edenhall, Langwathby	38	386	£18m
Grasmere, Rydal	71	566	£15m
Greystoke, Newton Reigny, Plumpton	74	257	£7m
Kendal, Burneside, Staveley	720	7,542	£314m
Keswick, Braithwaite, Portinscale	147	978	£30m
Kirkby Stephen, Soulby	51	142	£4m
Maryport to Workington	96	802	£33m
Pooley Bridge, Glenridding, Patterdale	45	380	£8m
Rest of Allerdale	72	475	£11m
Rest of Eden	222	807	£20m
Rest of South Lakeland	55	448	£21m
Wigton, Aspatria, Abbeytown	142	507	£13m
Windermere, Ambleside, Newby Bridge	221	2,502	£63m
All flood extent areas	2,923	25,112	£871m

Source: ONS IDBR 2015 / EA flood extents (May 2016) / Experian Cumbria Local Economy Model

3.0 Number of Flood Extent Businesses

There are 2,923 local units which are located in the 85 EA designated flood extent areas. The largest number of these is in Kendal where there are 675 followed by Carlisle where there are 474. The following figure shows the number of businesses by flood extent – to avoid disclosure, some flood extents have been combined.

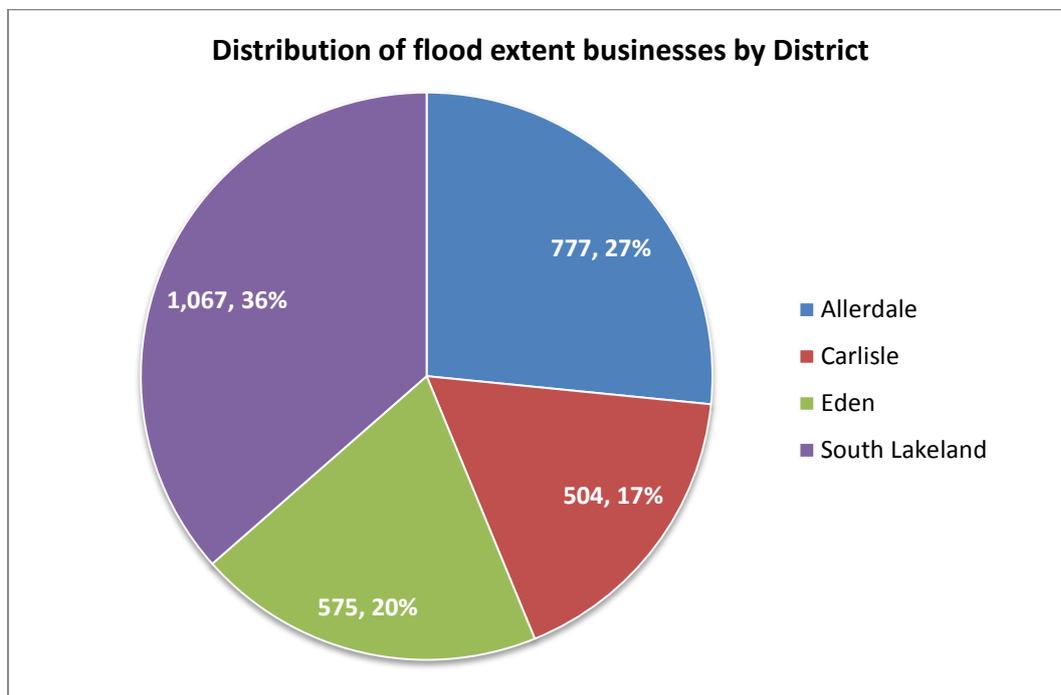
Figure 3: Number of flood extent businesses



Source: ONS IDBR 2015 / EA flood extents (May 2016)

Over a third of all flood extent businesses are located in South Lakeland with just over a quarter in Allerdale, a fifth in Eden and the remainder in Carlisle. There were no flood extents in Barrow or Copeland.

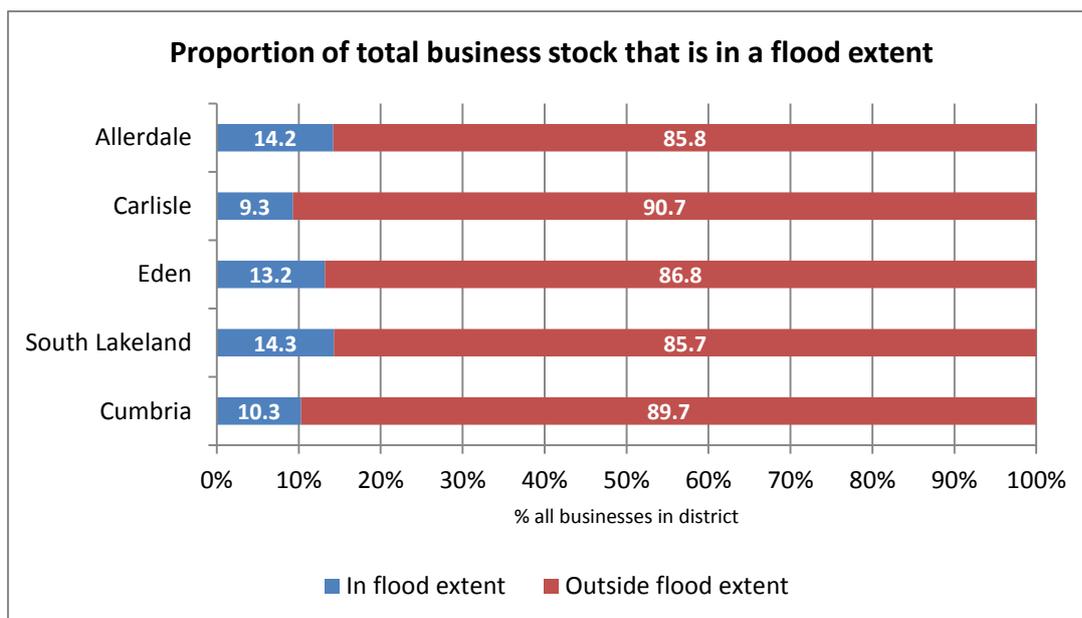
Figure 4: Distribution of flood extent businesses by District



Source: ONS IDBR 2015 / EA flood extents (May 2016)

The 2,923 flood extent businesses represent 10.3% of all businesses in Cumbria. The proportion is highest in South Lakeland where 14.3% of all businesses are in a flood extent area, closely followed by Allerdale with 14.2%. The proportion in Eden is 13.2% and in Carlisle 9.3%.

Figure 5: Proportion of total business stock that is in a flood extent area

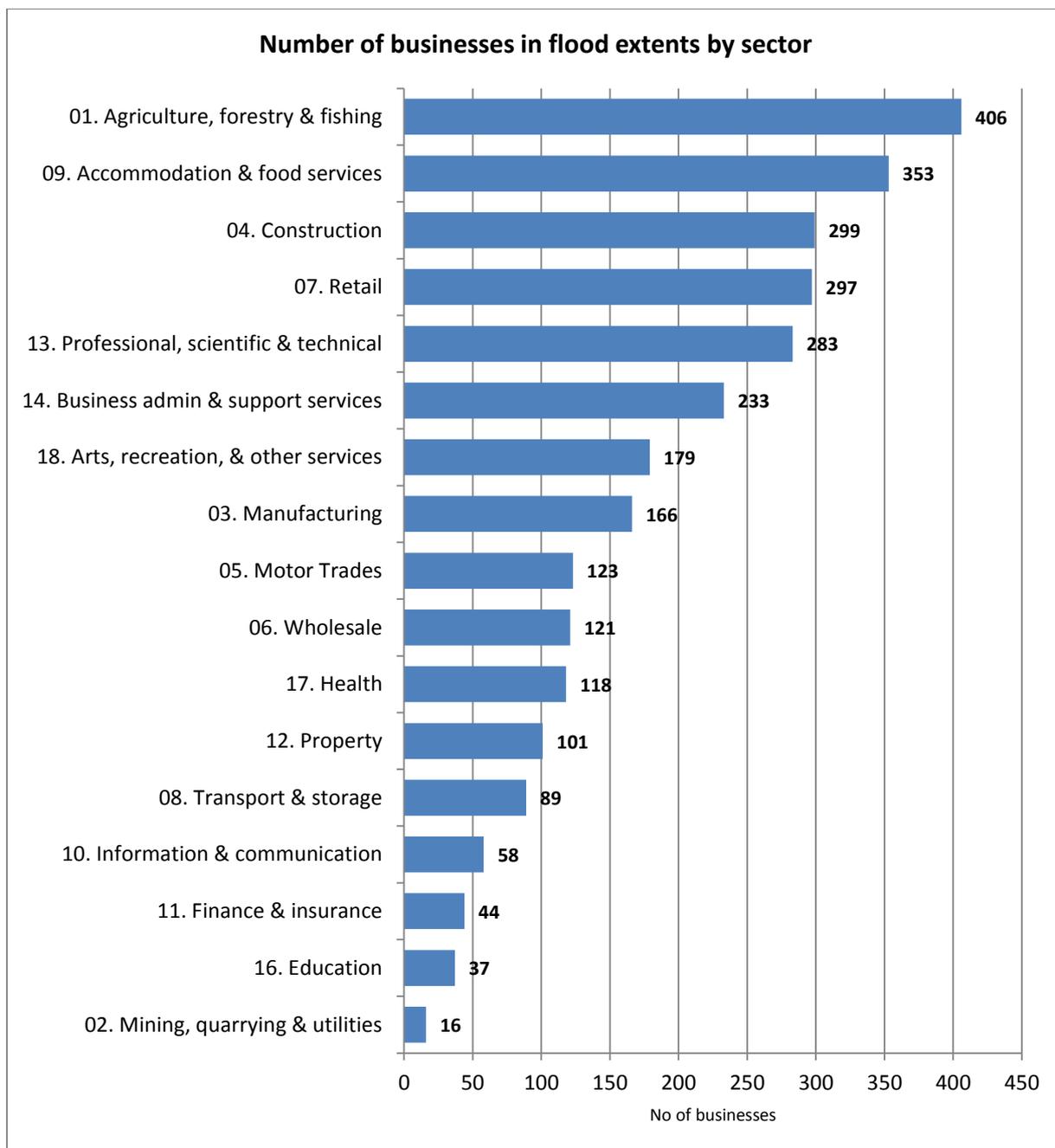


Source: ONS IDBR 2015 / EA flood extents (May 2016)

4.0 Sector of flood extent businesses

The highest number of businesses in flood extent areas are in the agriculture, forestry & fishing sector (406) which is 13.9% of all flood extent businesses, followed by accommodation & food services (353, 12.1%).

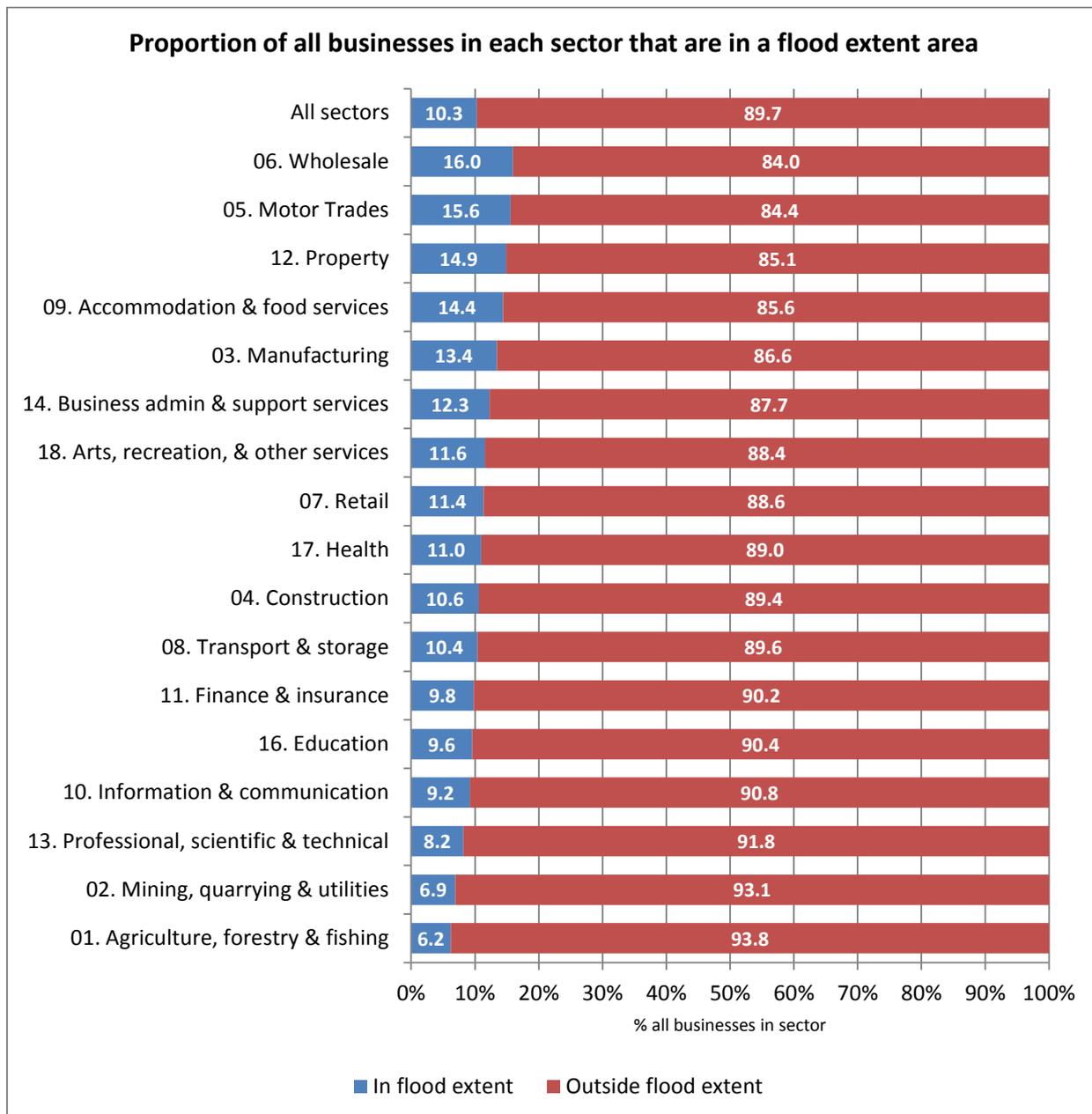
Figure 6: Proportion of flood extent businesses by sector



Source: ONS IDBR 2015 / EA flood extents (May 2016)

When flood extent businesses are considered as a proportion of total business stock in the sector, it can be seen that the wholesale and motor sectors have a particularly high concentration of businesses located in flood extent areas - 16.0% and 15.6% respectively. Although the agriculture, forestry & fishing sector has the highest number of businesses located in flood extents, due to the size of the sector (in terms of number of businesses), these represent the smallest proportion within any sector (6.2%).

Figure 7: Proportion of businesses in each sector that are in a flood extent area

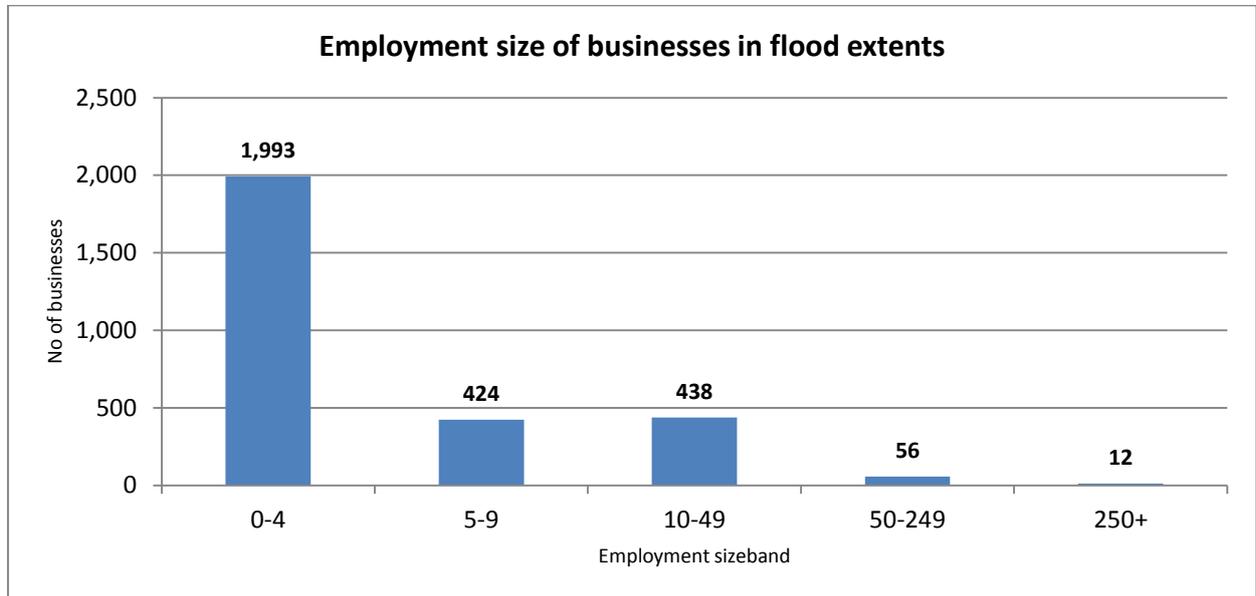


Source: ONS IDBR 2015 / EA flood extents (May 2016)

5.0 Employment in flood extent businesses

Just over two thirds of all flood extent businesses (1,993 in total) are small businesses employing fewer than 5 people while almost a third employ between 5 and 50 people.

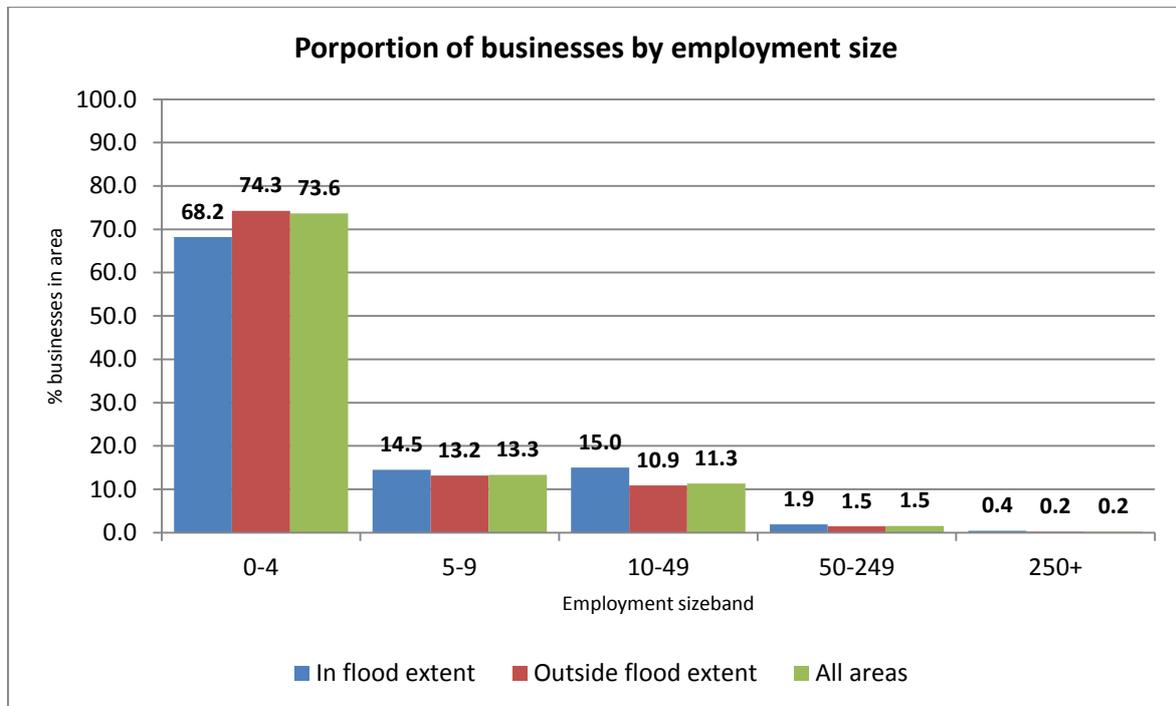
Figure 8: Proportion of flood extent businesses by employment size



Source: ONS IDBR 2015 / EA flood extents (May 2016)

The size profile of flood extent businesses is very similar to those not in a flood extent area, although there are slightly fewer micro businesses in flooded areas and slightly more 10-49 employee businesses.

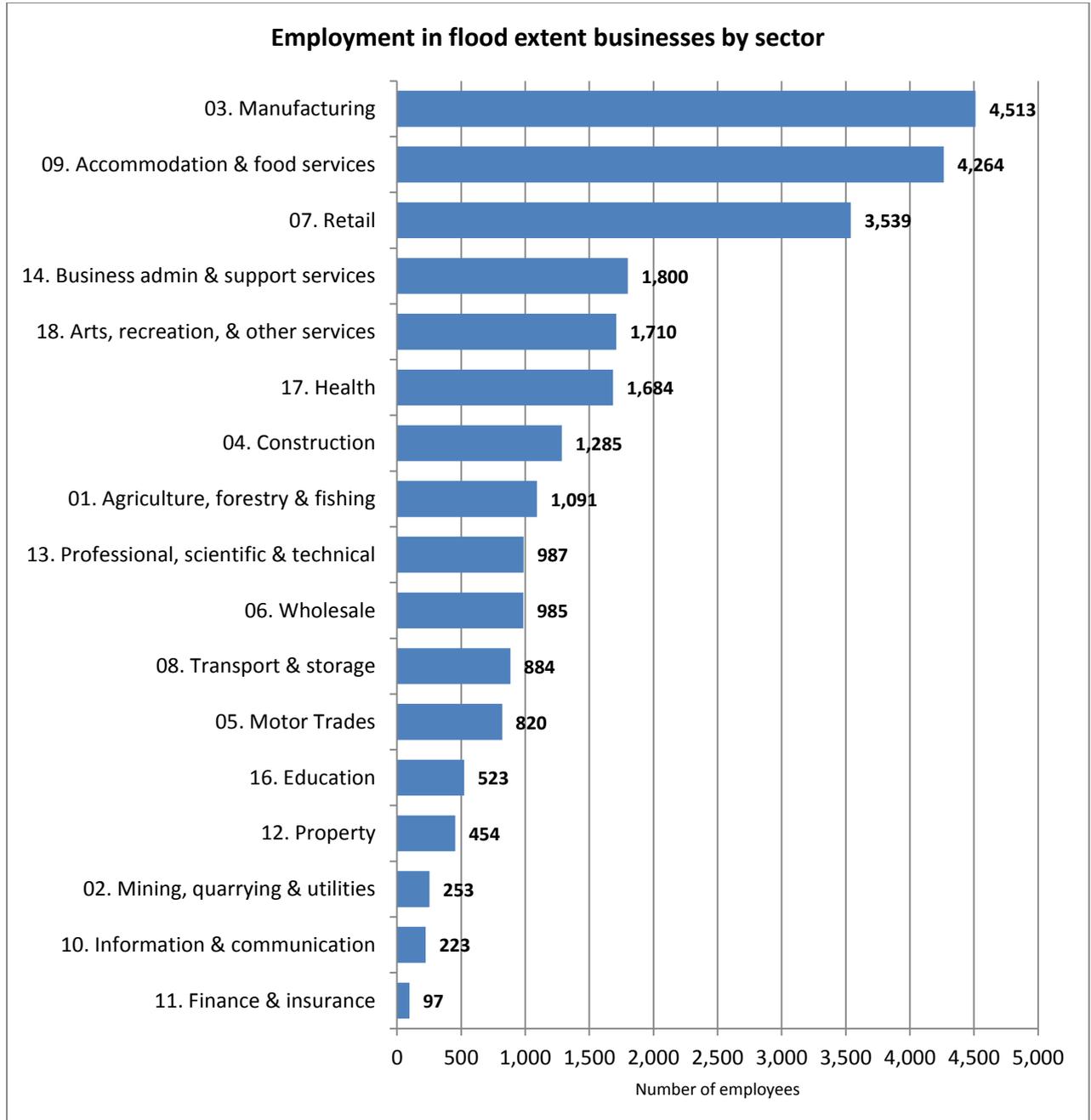
Figure 9: Proportion of flood extent businesses by size, flooded v non flooded areas



Source: ONS IDBR 2015 / EA flood extents (May 2016)

There are 25,112 employees in the 2,923 flood extent businesses which represents 13.0% of all employment in Cumbria. The sector with the most employees located in a flood extent area is manufacturing with 4,513 employees, followed by accommodation & food with 4,264 and retail with 3,539.

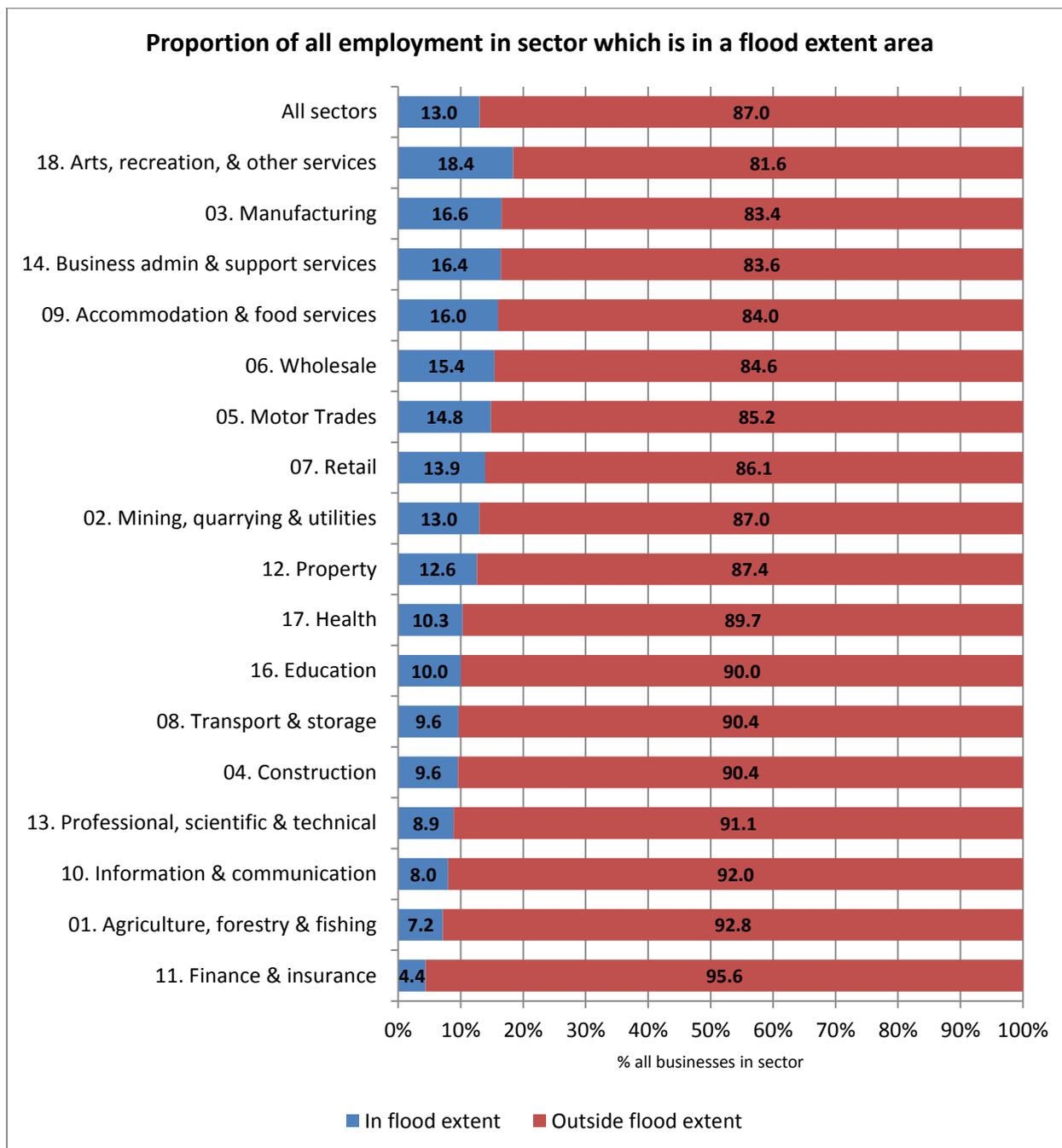
Figure 10: Employees in flood extent businesses by sector



Source: ONS IDBR 2015 / EA flood extents (May 2016)

The arts, recreation & other services sector has the highest proportion of its employees located in a flood extent area at 18.4% followed by manufacturing with 16.6%, business admin & support services with 16.4% and accommodation & food with 16.0%.

Figure 11: Proportion of all employment in sector that is in flood extent businesses



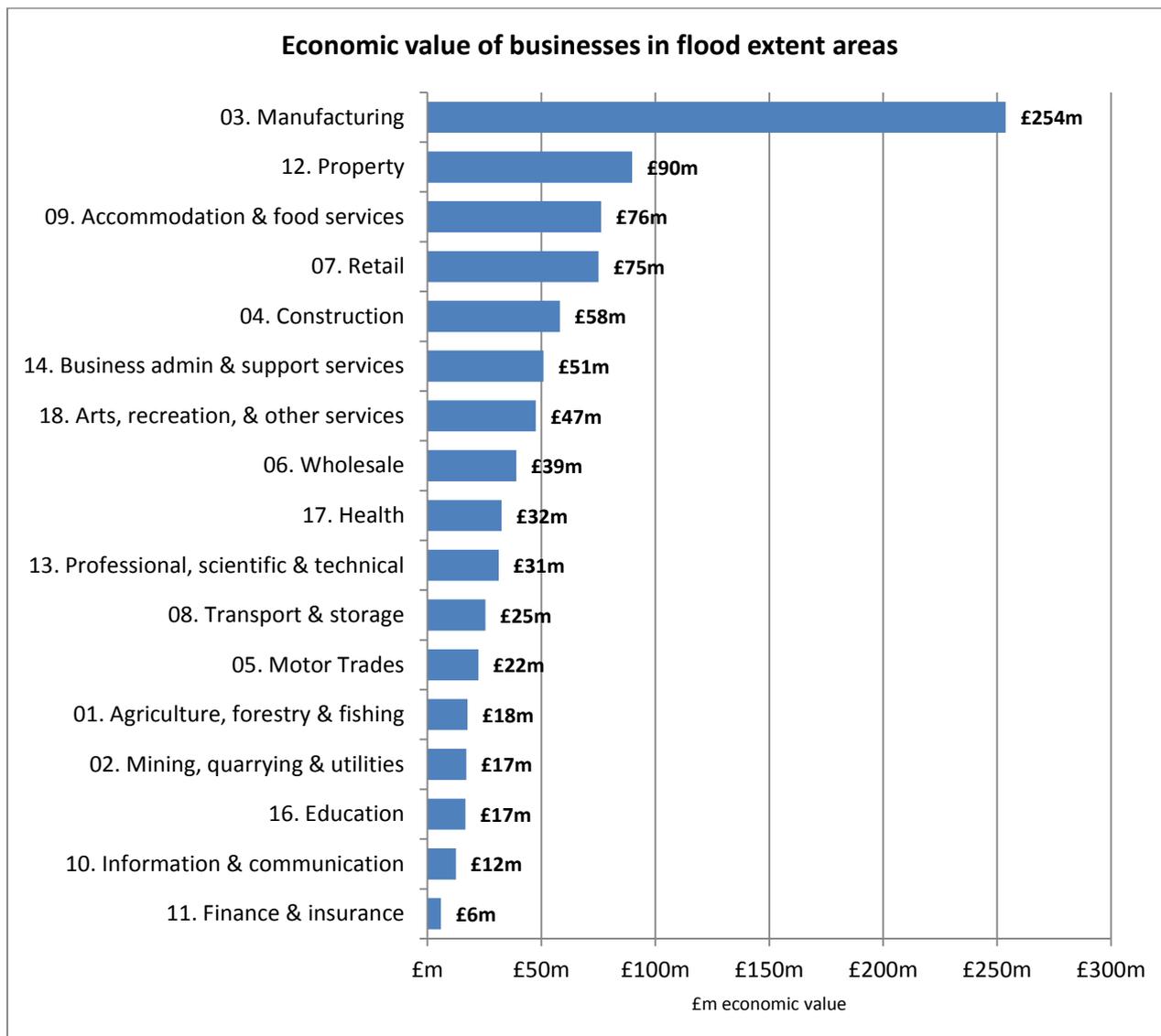
Source: ONS IDBR 2015 / EA flood extents (May 2016)

6.0 Economic Value of Flood Extent Businesses

We can estimate the economic value generated by employees in businesses located in one of the flood areas by utilising average economic output per employee in each sector derived from the Experian Cumbria Local Economy Model.

This analysis shows that the economic value of employment in flood extent businesses is £871m a year which is 13.2% of Cumbria’s total economic value. The economic value of affected employees is highest in manufacturing, £254m. This sector has the highest number of employees involved and also has relatively high economic output per employee.

Figure 12: Economic value of businesses in flood extent businesses



Source: ONS IDBR 2015 / EA flood extents (May 2016) / Experian Cumbria Local Economy Model

For further information, please contact:

Ginny Murphy, Senior Analyst

Cumbria County Council

Tel: 07826 859026 Email: ginny.murphy@cumbria.gov.uk