
UKDS workshop – Commissioning and delivering research

BEIS - Business and Local Growth Analysis Team

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- Intro on Business and Local Growth Analysis projects
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Business and Local Growth Analysis

Committed to provide high quality evidence in line with the Industrial strategy ambition to ‘to make the UK the best understood major economy’

Key work: Local Growth Analysis

LEP Review
Local Industrial Strategies
Shared Prosperity Fund
Allocation/evaluation of local deals
What Works Centre

Key work: SME Analysis

Business Productivity Review
SME evidence and policy
Monitoring/evaluation of business support
Business Ratings Platform/Business Basics
Enterprise Research Centre

Key work: Future Economy

Business microdata - including **DECA**
Access to finance, Patient Capital Review
Monitoring/review of emerging sectors
Identifying high growth firms and potential



Team – LIS & BPR

- Local industrial strategies: Extensive work in organising analytical resources for the LEPs to embed analysis in their Local Industrial strategies documentation
- Business Productivity review: Focused on building the government's understanding of how firm-level interventions, by public and private sector actors, can support growth and improve productivity for the long tail of low productivity businesses.



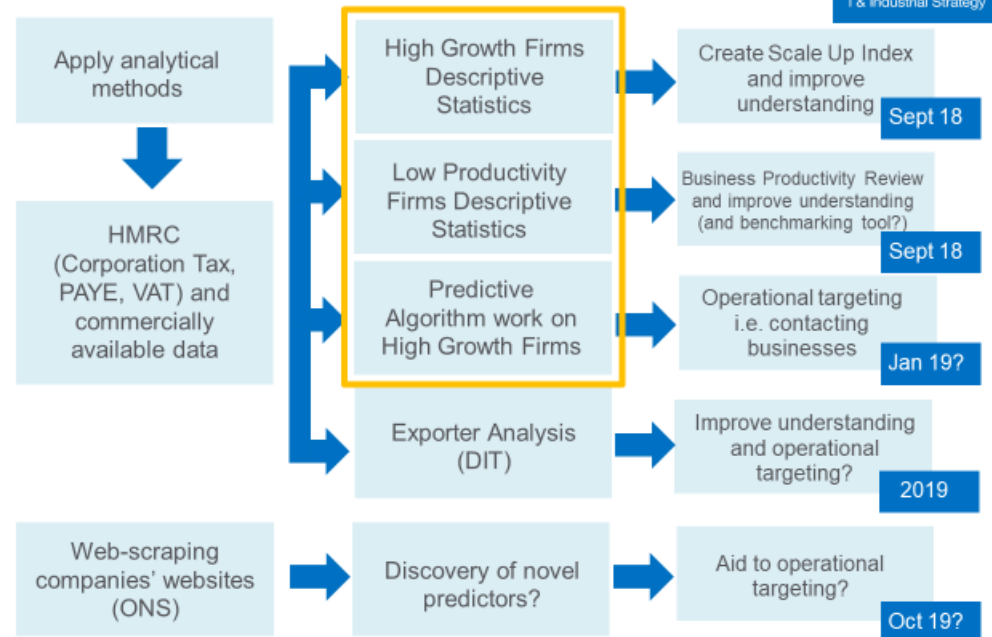


Team - DECA

DECA is a major cross-government data programme through which BEIS is pursuing improved access to and use of business data

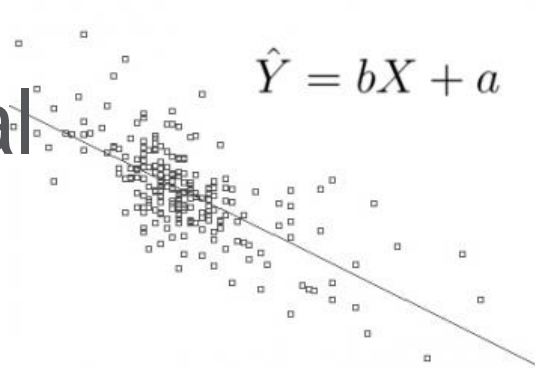
Within this wider initiative, BEIS is specifically focusing on achieving improved access to business data, with a focus on that collected by HMRC

There are various strands; each has different aims and outputs



The Impacts of New Commercial Property Developments

$$\hat{Y} = bX + a$$

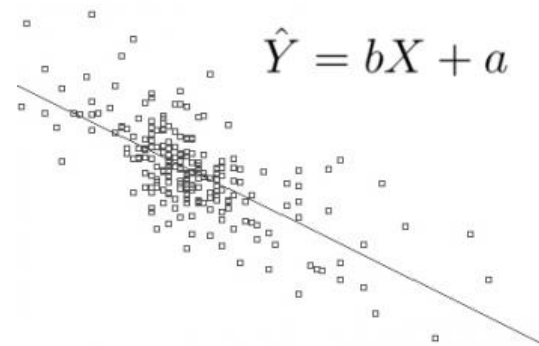


Project commissioned to Cambridge Econometrics to:

- Address an evidence gap on the impact of commercial property investments on local economic growth, and productivity more specifically.
- Produce estimates on the impact on firm turnover and employee wages from new commercial properties.
- Explore the role of new commercial property for driving local economic growth, local labour markets, and productivity more generally, by testing over different spatial units.



Methodology



Developing, combining and analysing various databases:

- Property level database (Costar)
- Firm-level (IDBR). Both original extract and BEIS improved version
- Propensity score matching used to compare the performance of local units that moved to a new CPD against a counterfactual (control group).
- A difference-in-differences approach used to estimate the average treatment effect on the treated local units
- **Used the Annual Survey of Hours and Earnings (ASHE)** to estimate impact on average wages and average normalised wages

Project timeline

Discussion with policy colleagues and other departments (Summer 2017)

Project commissioned to Cambridge Econometrics (October 2017)

Initial request for accessing ASHE database (November 2017)

Database build-up (November-December 2017)

Data processing of enhanced database to construct counterfactuals (January 2018)

Main analysis using diff in diff (February-March 2018)

Approval to access ASHE (March 2018)

ASHE analysis (March - April 2018)

Additional analysis and reporting (April-May 2018)

Presentation workshop (June 2018)

Policy implications

- Results fed into discussions over whether commercial property development for businesses should be an intervention in scope for the UKSPF policies
- Provided evidence to inform BEIS internal appraisal guidance, BEIS position in discussions with MHCLG and DfT on interactions between different appraisal methodologies, and over the Green Book refresh
- Methodology developed has been considered in scoping the analysis of impact of ERDF



Considerations on UKDS use and access

- Importance of providing training and support to prevent data misuse
- Very difficult to link data with databases external to Secure lab
- Remote access difficult to obtain
- Prioritisation-problem with turnaround for each of the steps required to access data being too long



Conclusion

- Government involved in a wide range of projects and initiatives – some of which involve fairly short timescales
- Increased emphasis on working on multiple databases, with emerging issues in linking those
- ‘Devolved’ access – data activities are increasingly decentralised

