

Information Rights Team

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Our ref: FOI24/25-056 Date: 29th August 2024

Dear

Re: Freedom of Information Act (FOIA) Request

Thank you for your email of 29th July in which you requested from the Insolvency Service:

"Request for information under the freedom of information act: construction insolvency statistics 1970 onwards

- a) Statistics of insolvencies (incl. all corporate and individual liquidations, administrations, bankruptcies etc) broken down to 5-digit SIC codes for England, Wales and Northern Ireland from 1970 onwards to the latest quarter in 2024 on a month-by-month basis.
- b) In the event that the above data is not available from 1970 onwards to the latest quarter in 2024, we would request the data to go back as far as records and data sets allow.
- c) In the event that the above data is not available on a monthly basis, we would request the data is expressed on a quarterly basis.
- d) In the event that the above data is not available for Northern Ireland, we would request the data for England & Wales only."

Your request has been dealt with under the Freedom of Information Act 2000 (FOIA).

I can confirm that the agency holds some of the information that you have requested.

1. Company insolvency

Annex A contains four tables. Tables 1, 2 and 3 relate to company insolvencies. Table 1 presents the monthly number of company insolvencies in the construction industry in England and Wales from January 2000 to March 2010, excluding compulsory liquidations. Table 2

presents the monthly number of company insolvencies in the construction industry in England and Wales from April 2010 to December 2013. For data on construction company insolvencies in England and Wales from January 2014 onwards, please refer to our <u>record-level data file</u> in the official monthly <u>Company Insolvency Statistics</u> publication, which provides SIC-codes at the 5-digit level.

Information on SIC codes for insolvencies prior to 2000 is not held by the Insolvency Service. Complete information on SIC codes prior to March 2010 for compulsory liquidations is also not held. Data on SIC 2007 codes held for the periods covered in Tables 1 and 2 are translated from 4-digit SIC 2003 codes. The Insolvency Service does not hold information on 5-digit SIC codes for these dates.

Table 3 of Annex A presents the monthly number of company insolvencies in the construction industry in Northern Ireland from November 2009 to May 2024. Data for the counts presented here has been sourced from Companies House. The company register for Northern Ireland merged with that for Great Britain in October 2009. Data covering the period prior to this date may be available from the <u>Department for the Economy in Northern Ireland</u>.

For data on selected company insolvencies by industry dating back to 1990, and 3-digit SIC code breakdowns from 2007 onwards, which may be relevant to your query, please refer to the <u>National Archives website</u>.

Under section 16 of the Act (Advice and Assistance) you may find it useful to note:

Tables 1 and 2 of Annex A include creditors' voluntary liquidations, corporate voluntary arrangements, administrations, and administrative receiverships. Table 2 also includes compulsory liquidations. Solvent company closures such as members' voluntary liquidations and dissolutions are not included in these counts.

Companies with multiple insolvency procedures are included multiple times to give a full record of all registered insolvencies. Administrations which have directly resulted in a creditors' voluntary liquidation are included only as administrations. Similar information for administrations converting to a compulsory liquidation or to a company voluntary arrangement is not available so these are counted as both insolvency procedures.

Data for insolvency procedures except for compulsory liquidations in England & Wales are sourced from Companies House, with the registration date based on the date that an insolvency was registered at Companies House. Companies House carries out its statutory functions of maintaining the registry of corporate bodies that are regulated by the Companies Act 2006. Compulsory liquidations in England and Wales are sourced from a live administration system managed by the Insolvency Service. The registration date for these is the court order date. Because accurate data on compulsory liquidations in England and Wales before April 2010 is not available on our systems, we provided data on all other insolvency procedures from January 2000 to March 2010 in a separate table (Table 1).

Industry breakdowns have been presented in line with the Standard Industrial Classification (SIC 2007). Companies self-report their sector (or industry) at the time of registration at Companies House. However, a company may have changed its primary business since first registration, or the industry sector might be recorded as that of its holding company and appear

under "activities of holding companies". Please note that companies can register up to four SIC codes with Companies House to describe their activities. For these statistics, the first SIC code recorded on the Companies House register has been used to determine the industry in which a company operates.

The industry SIC code for compulsory liquidations in England and Wales is recorded under the SIC 2003 classification. To obtain SIC 2007 codes for these, companies are matched against the Companies House register where possible, and SIC data are drawn from this source. Where matching is not possible, the 2003 SIC code has been converted to a 2007 code using a 'best match' approach using the correlation tables provided by the Office for National Statistics. For more information on this approach please see our Methodology and Quality Document.

Data in Table 3 has been provided, where available, at the sector, division, group, class, and sub-class levels. However, extra caution must be taken when making historical comparisons at a 5-digit SIC code level, because information relating to 5-digit SIC codes is incomplete.

These statistics may not align with the now discontinued quarterly official Insolvency Statistics publication on our website. Typical differences are no more than 3%. This is due to changes in the method used to match earlier SIC codes to the SIC 2007 system.

These statistics may also not align with information published separately by Companies House or with data extracted from the Gazette. For further information on why numbers may not align, please refer to the Company Insolvency Statistics Methodology and Quality document.

2. Individual insolvency

Table 4 of Annex A relates to individual insolvency. It presents the monthly number of trader bankruptcies in the construction industry in England and Wales from January 2008 to May 2024. The data is provided at a sector, division, and group levels (3-digit SIC). Information on the industry sector of self-employed individuals entering debt relief orders and individual voluntary arrangements is not held.

Data prior to this period is not available in our administrative systems, and classification beyond 3-digit SIC level is also not available. We do not hold industry data relating to individual insolvency in Northern Ireland.

Under section 16 of the Act (Advice and Assistance) you may find it useful to note:

Trader bankruptcy numbers have been presented in accordance with the 2007 Standard Industrial Classification (SIC). Trader bankruptcies refer to individuals who self-declared as self-employed at time of bankruptcy.

Trader bankruptcy data held by the Insolvency Service includes cases classified under the 2003 Standard Industrial Classification (SIC). Where a 2003 SIC code was supplied, it has been converted to the 2007 code using correlation tables provided by the Office for National Statistics. Where more than one SIC codes were recorded, only the first listed code has been used for these statistics.

Monthly numbers by 3-level standard industrial classification back to January 2021, and annual numbers back to 2014 can be found in Table 4c of the accompanying data tables of our monthly individual statistics Individual Insolvency Statistics Releases - GOV.UK (www.gov.uk). The quarterly long-term series back to 2013 can be found in the now discontinued Quarterly Insolvency Statistics.

For trader bankruptcies data categorised as 'Construction' dating back to 1990, and 3-digit SIC code breakdowns from 2007 onwards, which may be relevant to your query, please refer the National Archives website.

Please note FOIA only applies to recorded information, it does not require public authorities to answer a question unless recorded information exists. Therefore, to answer a request FOIA does not oblige a public authority to create information if the requested information is not held.

Complaints

If you are not satisfied with the response we have provided you and would like us to reconsider our decision by way of an internal review (IR), please contact our Information Rights team within 40 working days of this letter at foi@insolvency.gov.uk or by post at:

Information Rights Team
The Insolvency Service
3rd Floor
Cannon House
18 Priory Queensway
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You also have the right to contact the Information Commissioner's Office (ICO) if you wish for them to investigate any complaint you may have regarding our handling of your request. However, please note that the ICO is likely to expect an IR to have been completed in the first instance.

Kind regards

Information Rights Team The Insolvency Service

The Department for Business and Trade, Official receivers and the Adjudicator are Data Controllers in respect of personal data processed by the Insolvency Service. For the details about how personal data is processed by the agency, please see the full Insolvency Service Personal Information Charter here: https://www.gov.uk/government/organisations/insolvency-service/about/personal-information-charter