FAME Quarterly Market Confidence Index Report Q4 2018

Report by
Doug Rocks-Macqueen
Deputy CEO

Registered address: Unit 54, Brockley Cross Business Centre, London SE4 2PD.

Registered Company No: 07860284

Overview of results

- Response rate achieved approximately one-third of membership
- Work levels remained similar to last quarter
- Majority of work comes from housing and infrastructure sectors
- Vast majority of work occurs in eastern – south-eastern England
- Lower business confidence for next 2 quarters (largely due to Brexit)

Background

The Federation of Archaeological Managers and Employers (FAME) is the voice of archaeological employers and managers in the United Kingdom, and the only organisation solely devoted to representing their interests within the profession and the business world. FAME started life in 1975 as the Standing Conference of Archaeological Unit Managers, before changing the name to FAME in 2008, to reflect more closely our purpose and membership.

The vision of FAME is to strive for a business environment where archaeological organisations can operate safely and sustainably, the well-being of employees is prioritised and archaeologists feel empowered to build careers and expertise, so that collectively we can conserve and advance knowledge of the past for the benefit of society.

As part of this vision we support research into the sector. For example, with funding from Historic England and in partnership with the Charted Institute for Archaeologists we have commissioned Landward Research Ltd to conduct annual surveys of our members to gain a wealth of information about the archaeological sector. Part of this research examines the confidence of employers in the business environment. This material helps to estimate future job and resource demand. To get more refined information FAME has decided to launch a quarterly survey of its members' confidence in the current market.

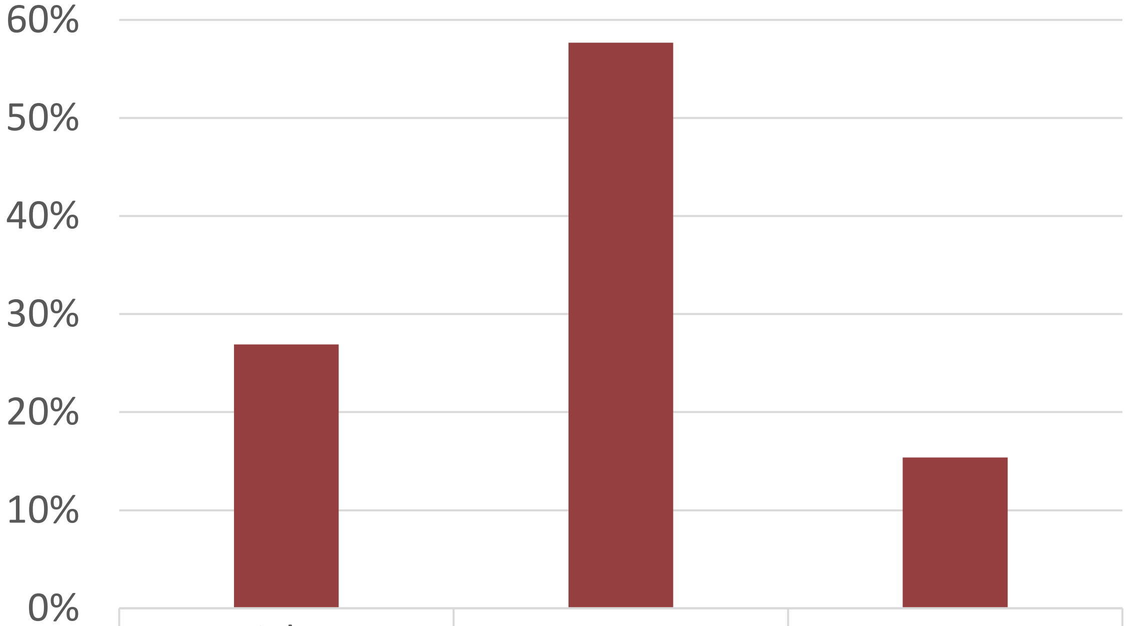
Methods

A five question survey was created in Survey Monkey. This was then emailed to 73 email addresses of FAME's membership on 1st February 2019. The survey was closed on 17th February 2019. A total of 26 responses were received for a completion rate of 35.6%.

Results

Question 1: How does your current level of work compare with the previous quarter

The majority of respondents’ work was unchanged from the previous quarter. Slightly more had higher levels of work than were lower (Figure 1).



	Higher	Same	Lower
%	27%	58%	15%
Count	7	15	4

Figure 1: Responses to question 1.

Question 2: Which industry sectors currently provides most of your work - please rank (with 5 providing most of your work and 1 the least, you do not need to rank those that do not apply to you)

The majority of work is coming from residential development and transportation. This was followed by commercial and industrial, energy and mineral (Table 1).

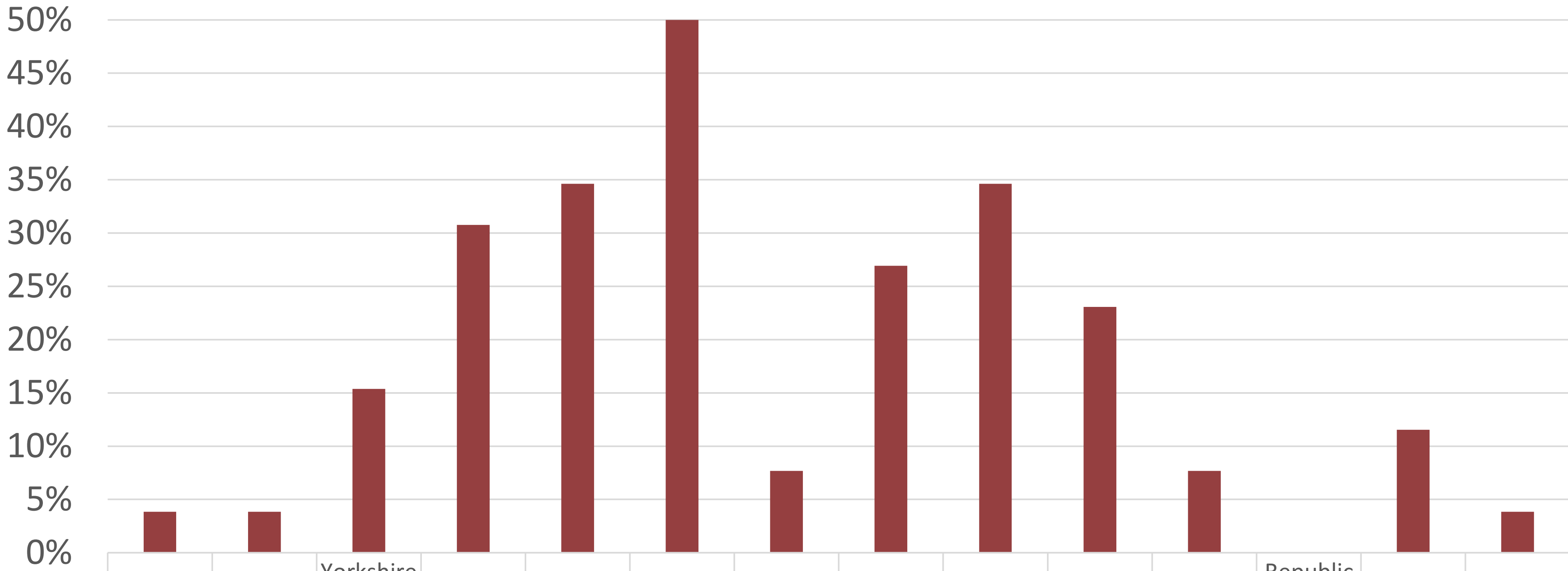
	5	4	3	2	1	Total	Weighted Average
residential development	56%	20%	12%	12%	0%		
	14	5	3	3	0	25	4.2
commercial and industrial	5%	20%	40%	20%	15%		
	1	4	8	4	3	20	2.8
transport	31%	37%	19%	0%	13%		
	5	6	3	0	2	16	3.75
energy	0%	33%	20%	20%	27%		
	0	5	3	3	4	15	2.6
leisure, sport, entertainment and tourism	0%	0%	0%	57%	43%		
	0	0	0	4	3	7	1.57
community projects and HLF	0%	0%	0%	22%	78%		
	0	0	0	2	7	9	1.22
retail and town centres	0%	0%	13%	25%	63%		
	0	0	1	2	5	8	1.5
water supply	0%	10%	20%	30%	40%		
	0	1	2	3	4	10	2
minerals	13%	27%	20%	7%	33%		
	2	4	3	1	5	15	2.8
education	0%	0%	0%	80%	20%		
	0	0	0	4	1	5	1.8
heritage conservation	0%	17%	17%	17%	50%		
	0	1	1	1	3	6	2
national agencies and university grants	0%	0%	11%	22%	67%		
	0	0	1	2	6	9	1.44
health	0%	0%	0%	0%	100%		
	0	0	0	0	4	4	1
	0%	0%	0%	0%	100%		

	5	4	3	2	1	Total	Weighted Average
assistance to LPAs in delivering development control services	0	0	0	0	4	4	1
local authority	0%	9%	9%	45%	36%		
	0	1	1	5	4	11	1.91
waste	0%	0%	17%	17%	67%		
	0	0	1	1	4	6	1.5
telecommunications	0%	0%	0%	25%	75%		
	0	0	0	1	3	4	1.25
any other services not listed above	17%	17%	0%	0%	67%		
	1	1	0	0	4	6	2.17

Table 1: Responses to question 2.

Question 3: In which areas is most of your work occurring (can select multiple).

The East of England dominated with the South East, South West and Midlands the next most dominate regions. Scotland follows this and most other regions have very little in terms of demand (Figure 2).

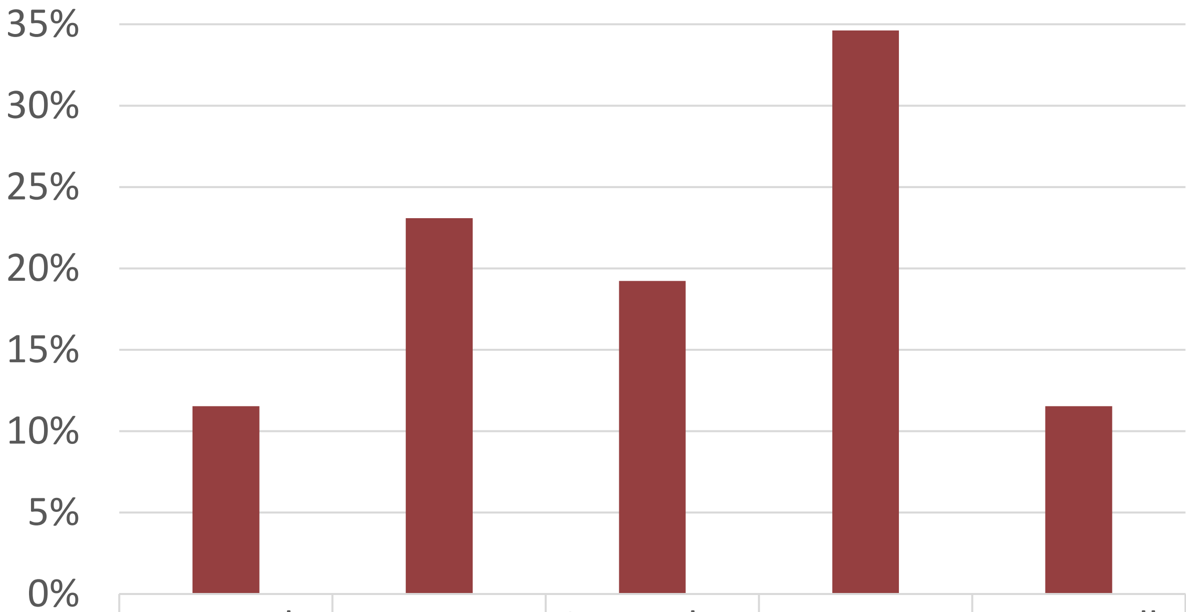


	North West	North East	Yorkshire and Humber	West Midlands	East Midlands	East of England	London	South West	South East	Scotland	Wales	Republic of Ireland	UK wide	Northern Ireland
%	4%	4%	15%	31%	35%	50%	8%	27%	35%	23%	8%	0%	12%	4%
Count	1	1	4	8	9	13	2	7	9	6	2	0	3	1

Figure 2: Reponses to question 3.

Question 4: How confident are you that business conditions will be favourable over the next 6 months?

A plurality of respondents were not confident that the business conditions will be favourable over the next six months, to various degrees (Figure 3). In the comments for Question 5 the reason for this is mainly attributed to the uncertainty of Brexit.



	Extremely confident	Very confident	Somewhat confident	Not so confident	Not at all confident
%	12%	23%	19%	35%	12%
Count	3	6	5	9	3

Figure 3: Responses to question 4.

Question 5: Do you have any comments about current market conditions?

- We have a lot of work in our books to start onsite over the coming months and we won a large infrastructure project to begin in the summer, worried a bit about outcome of Brexit as infrastructure project is getting money from ROI & EU, so will it go ahead?! We do have enough work if this doesn't come online to keep current staff employed.
- Buoyant

- I detect increased price-pressure, manifest in a sudden decline in the number of successful tenders on cost grounds.
- The market is very uncertain at the moment, we have costed for more projects than any previous year but many schemes of all scale have been put on hold. This is most likely a combination of Brexit uncertainty and continued austerity. The anticipated wave of archaeological works associated with HS2 has not yet appeared.
- Very busy lots going on
- Brexit continues to create extreme uncertainty
- Market conditions are suggestive of strong trading, however it is unclear how Brexit will impact the construction industry after 29th March. So we are concerned about the future.
- Uncertainty re Brexit --- exemplified by Jaguar Land Rover situation
- We work in post ex, so we will be ok for a while, but I am extremely concerned about Brexit and a likelihood that there will be a recession following this, which is likely to have an impact on archaeology.
- Infrastructure is better than chasing thousands of tiny commissions. Competing with the one man bands is a hiding to nothing.
- Many clients seem buoyant and are committed to delivery of projects for the next two years
- Market appears v febrile, projects are initiated then suspended/substantially altered, esp LA work.
- Currently seems buoyant but no one knows what impact Brexit might have.
- Brexit is affecting commercial projects with market uncertainty. Infrastructure projects funded via the taxpayer are thriving. Once they are over, I don't know where the work will come from.
- Uncertainty is rising but there is still pressure on resources.

Discussion & Recommendations

While the insights of this survey are interesting on their own, the real value will come in being able to compare them after several surveys have run. Currently, the results have no comparisons; is it normal for most respondents to not see an increase in work from the 3rd to 4th quarters? Once this survey has run several times the longitudinal data will be of increasing value.

This was the first run of this survey and on reflection there are several minor improvements that could be made:

- In Question 4 the middle answer, “Somewhat confident” should be changed to “neutral” or “unsure” to better reflect a middle ground answer;
- Consider removing a few of the options from Question 2 that are not relevant to most of the respondents;
- Consider adding a question about number of archaeologists employed by respondents to better extrapolate full sector results.