

THE STATISTICAL BIAS AGAINST UNITARY COUNTIES

How local government reorganisation has hidden deprivation
and threatens to strip authorities of funding

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Summary

The reorganisation of local government in parts of England in 2009 has created a statistical anomaly. Whereas data for 36 former district councils is now being discontinued, figures continue to be produced for 201 districts within the surviving two-tier counties. This threatens to hide deprivation in the new unitary counties and, in turn, to erode the likelihood that some of these unitary counties will benefit from funding streams that target areas of disadvantage.

This could develop into a major, on-going problem. It would be astonishing if, in the long run, statistics for local disadvantage did not continue to guide policy and funding even though current area-based initiatives are being run down.

The Indices of Deprivation and DWP benefits data have already discontinued figures for the former districts. The continuing publication of data for very small areas ('Lower Super Output Areas' or LSOAs) does not plug this gap because specialist knowledge is needed to re-aggregate figures to the level of the former districts and most users, including most policy analysts, are likely to use 'off the shelf' figures.

'Before and after' comparisons using the Indices of Deprivation and DWP benefits data confirm that the effect of reorganisation and the discontinuation of data for the former districts has been to hide substantial concentrations of deprivation and disadvantage. The problems of these disadvantaged areas are now effectively invisible within the blander averages for their replacement unitary counties.

The former districts whose problems are most at risk of being hidden are Easington, Sedgfield and Wear Valley (in County Durham), Wansbeck and Blyth Valley (in Northumberland) and Ellesmere Port and Neston (in the new unitary of Cheshire West and Chester). The other new unitary counties are less affected, partly because there is less internal diversity and partly because their levels of deprivation are lower.

Whereas the new Durham County as a whole still stands a fighting chance of being identified as an area of disadvantage worthy of targeted support, the statistics suggest there is very little hope for Northumberland.

The case for the continuing publication of data for the former districts is essentially one of parity of treatment. Because figures continue to be compiled and published for districts in two-tier counties, there is an acute risk that some of these shire districts will attract funding and support even though their problems are less severe than some of the districts abolished in 2009. This would represent a great injustice.

Furthermore, the sheer physical size of several of the new unitary counties sets them apart from just about all the other unitary authorities in England with comparable populations. The new unitary counties are often amalgams of several different places, with different socio-

economic conditions. Averages for the unitary counties *hide* these differences. In contrast, the severity of deprivation in a number of very small unitary authorities, such as the London boroughs, is often *highlighted* by local residential segregation.

The report concludes by making five recommendations:

- Central government should immediately resume the production and publication of statistics for the former districts of the post-2009 unitary counties
- This can often be achieved by adopting simple procedures to add up LSOA data to the level of former districts alongside the figures for the new unitary counties
- The Indices of Deprivation should be amended to include a full range of figures for the former districts
- The resumption of the production and publication of statistics for the former districts should be implemented across the full range of government
- Any future decisions to allocate resources, or prioritise areas, on the basis of district-level data should utilise data for the former districts on the same basis as for surviving shire districts.

These recommendations could be implemented with only modest effort on the part of central government and at little if any cost. No new data collection would be required.

1. PURPOSE AND SCOPE OF THE REPORT

The nature of the problem

In April 2009 there was a significant round of local government re-organisation in England. 36 district councils were abolished and eight new 'unitary counties' were created in their place. Five of the new unitaries are based on pre-existing counties (Cornwall, Durham, Northumberland, Shropshire and Wiltshire). The remaining three (Central Bedfordshire, Cheshire East and Cheshire West) are essentially new creations.

There are strong reasons to believe that the creation of the unitary counties will have disadvantaged several of these areas by hiding acute socio-economic problems in component parts of the new authority.

Hiding concentrations of socio-economic disadvantage is in turn likely to result in reduced funding from central government, if not immediately then almost certainly at some point in the future.

The central problem is that district councils have traditionally provided a key building block for a wide range of official statistics. These district-level statistics have then been used to allocate resources, especially where central government has chosen to target funding and initiatives on the parts of the country that can be identified as the most deprived. Under the last government these included funding streams such as the Neighbourhood Renewal Fund and the Working Neighbourhoods Fund. More generally, district-level data on disadvantage has provided a key input into bids for resources and a guide to government departments in choosing areas for pilot schemes or special initiatives. It would be astonishing if, in the long run, statistics on local disadvantage did not continue to guide policy and funding.

Unfortunately, when the 36 district councils were abolished the regular production of statistics at this scale mostly also came to an end. In effect, the acute problems in some of the districts then became hidden within the statistics for the new unitary county.

That the pre-2009 districts have become statistically invisible would not matter if deprivation and economic disadvantage were spread evenly within each of the new unitary counties, but in practice this is rarely the case. There are 'good' and 'bad' areas within most counties, and these are often concentrated in some districts rather than others. Before local government reorganisation in 2009 the 'bad' districts were visible and therefore attracted funding. Since 2009 they have been subsumed in larger statistical units, where the high and low figures for the old districts have become averaged and, as a result, the disadvantage has become hidden and the claim on funding lost.

The continuing production of some statistics at a highly local level – typically for Lower Super Output Areas (LSOAs) which each cover around 1,500 people – does not compensate for the disappearance of district-level figures. In theory, LSOA data can be aggregated up to the level of the old districts. In practice, most users, including the policy analysts in Whitehall, are extremely unlikely to do this.

Partly the problem is that adding up figures to the district scale takes considerable time and effort, and requires a detailed knowledge of exactly which LSOAs make up which former districts. And partly the problem is that with the passage of time the relevance of aggregating figures up to the level of districts abolished in 2009 will no doubt seem to fade. In practice, most analysts will simply take the data that is available ‘off the shelf’ for post-2009 local authorities and use those figures to guide policy and funding.

Yet to fail to look beyond data for post-2009 local authorities runs the risk of being profoundly unfair. In effect, it also means ‘comparisons between apples and pears’. It is unreasonable, for example, to rank statistics for the whole of the new unitary County Durham, which until 2009 comprised seven local authority districts, against figures for say each the eight on-going districts in Derbyshire. But this is precisely what is likely to happen. Or to put the problem another way, why should the problems of the former Easington district (in County Durham) now be invisible whilst those of Bolsover district (in Derbyshire) continue to be readily identifiable in the published statistics?

The report

The aim of the present report is to assess the scale of distortion to statistics, and potentially thus to funding, arising from the creation of the new unitary counties.

The intention is that the evidence presented here should provide the basis for a constructive dialogue with the Department for Communities and Local Government (CLG), in particular, and with other departments and agencies with an interest in the production and use of local statistics (including for example the Department for Work and Pensions and the Office for National Statistics).

In the run-up to the creation of the unitary counties and in its immediate aftermath, the statistical distortions arising from local government reorganisation were raised with CLG by representatives from Durham and Northumberland. At the time, CLG acknowledged that there seemed to be an issue. However, progress in the discussions stalled, in part because of the lack of a comprehensive assessment of the scale of the problem. The present report plugs this gap.

The present report has been initiated and funded by Durham County Council. However, it takes a wider perspective on the issue, covering all the new unitary counties. The assumption here is that there is unlikely to be a satisfactory resolution to the statistical concerns voiced by Durham (or its near neighbour Northumberland) without a standard solution across the whole of England.

The remainder of the report is organised as follows:

Section 2 looks in detail at the current availability of statistics for the districts that disappeared when the unitary counties were created in 2009.

Section 3 draws on two key statistical sources, the *English Indices of Deprivation 2010* and DWP benefits data, to illustrate exactly how the problems of some districts have become hidden by the creation of the new unitary counties.

Section 4 shows how the new unitary counties differ in important respects from other large authorities in England and why a special solution to their statistical issues can therefore be justified.

Section 5 draws overall conclusions and puts forward recommendations on the future compilation and publication of statistics.

2. THE AVAILABILITY OF STATISTICS

The authorities affected by reorganisation

Table 1 lists the unitary counties created by local government reorganisation in 2009, and the district councils that were abolished. Seven English counties were affected: Cheshire was split into two parts, creating eight new unitary counties in all¹.

A key aspect of the 2009 reorganisation, unlike the major reorganisation in 1974, is that it only affected selected parts of England, and not even all the shire counties. Indeed, whereas seven previously two-tier counties were reorganised on a unitary basis, a further 27 English counties, which include a total of 201 district councils, were left unchanged. These 27 counties remain two-tier and central government presently has no plans to introduce further changes.

The selective and partial nature of the 2009 reorganisation has created anomalies and inconsistencies in administrative structures around England. Inadvertently, it has also created statistical anomalies.

The statistical anomalies would not have been so acute if the district authorities that were abolished had been systematically different in size from those that remain. In fact, the differences are marginal at best. The most up-to-date population statistics (for mid-2009) show that the average population of the 36 abolished districts was 84,000. This compares with an average of just 104,000 in the 201 surviving shire districts.

The 2009 reorganisation did abolish a handful of unusually small district councils, notably Teesdale in County Durham (24,600 pop) and, in Northumberland, Berwick-upon Tweed (26,100) and Alnwick (32,600), but by and large the district councils that were abolished were not very different in terms of population from those that survived.

To illustrate this point, Table 2 looks at the seven former districts of County Durham. It compares their population with seven surviving districts in seven different counties. The point here is simply that there are plenty of surviving district councils with near-identical populations to those that have been abolished. This inconsistency matters because figures for the surviving districts continue to be assembled, published and fed into the policy and resource-allocation process. In contrast, statistics for the similarly-sized districts are mostly being discontinued. These districts are, in effect, becoming invisible.

¹ In addition the former Bedford BC was hived off to become a unitary authority on its own.

Table 1: The new unitary counties

Unitary county	Districts abolished
Central Bedfordshire	Mid Bedfordshire South Bedfordshire
Cheshire East	Congleton Crewe and Nantwich Macclesfield
Cheshire West and Chester	Chester Ellesmere Port and Neston Vale Royal
Cornwall	Caradon Carrick Kerrier North Cornwall Penwith Restormel
Durham	Chester le Street Derwentside Durham City Easington Sedgefield Teesdale Wear Valley
Northumberland	Alnwick Berwick upon Tweed Blyth Valley Castle Morpeth Tynedale Wansbeck
Shropshire	Bridgnorth North Shropshire Oswestry Shrewsbury and Atcham South Shropshire
Wiltshire	Kennet North Wiltshire Salisbury West Wiltshire

Table 2: Abolished and surviving districts: a comparison

Former Co. Durham districts	Population (2009)	Some surviving districts	Population (2009)
Chester le Street	53,200	Richmondshire (N. Yorks)	52,800
Derwentside	88,400	East Northamptonshire	85,000
Durham City	94,700	Allerdale (Cumbria)	94,300
Easington	95,600	South Derbyshire	92,800
Sedgefield	86,800	Hyndburn (Lancs)	81,100
Teesdale	24,600	West Somerset	35,400
Wear Valley	63,200	Boston (Lincs)	59,000

Source: ONS Mid-year Population Estimates

Review of published data

Statistics for local areas, such as districts, are assembled by a wide range of agencies for many different purposes. In May 2011, the present research team reviewed the state-of-play regarding the publication district-level statistics from the three main on-line official sources of local data. The results of this exercise are presented in Tables 3 to 5 and summarised below.

This exercise provides a snap-shot of data availability at one point in time and it is worth bearing in mind that several of the data series may not yet have been revised to reflect local government reorganisation in 2009, especially where the data is published some eighteen months or more in arrears.

ONS Neighbourhood Statistics

Table 3 shows the data availability from the Neighbourhood Statistics published by the Office for National Statistics (ONS). In this and the two subsequent tables, 'none' in the second to last column means that, by May 2011 at least, the publication of data for the former local authority districts (LADs) in the new unitary counties had not been discontinued.

At first sight, the review of ONS Neighbourhood Statistics suggests that local government reorganisation has impacted little on the availability of data for the former districts. However, this conclusion is probably misleading:

- Crucially, the Indices of Deprivation no longer include statistics for the former districts. The Indices of Deprivation are perhaps the single most important dataset used in monitoring local conditions and in allocating resources. The Indices drove the allocation of the Neighbourhood Renewal Fund and the Working Neighbourhoods

Table 3: ONS Neighbourhood Statistics

Name of Data Set	Frequency	Dates Available for Former LADs	Dates Not Available for Former LADs	Smallest Area for which Data Available
Indices of (Multiple) Deprivation	Every 3 years	2004, 2007	2010	LSOA
Notifiable Offences Recorded by the Police	Annual	2001/2 to 2009/10	None	LAD
Child Benefit Families	Annual	1999 to 2008	2009 & 2010	LSOA
Housing Benefit & Council Tax Benefit Claimants	Occasional	2005	2009	LAD
Personal Insolvencies	Annual	2000 to 2009	None	LAD
Early Years Foundation Stage - Profile	N/A	2009	None	LAD
GCE A/AS Level Results	Annual	2004/5 to 2008/9	None	LSOA
GCSE and Equivalent Results	Annual	2001/2 to 2008/9	None	LSOA
National Curriculum Assessments at Key Stage 1	Annual	2005 to 2009	None	LSOA
National Curriculum Assessments at Key Stage 2	Annual	2002 to 2009	None	LSOA
National Curriculum Assessments at Key Stage 3	Annual	2002 to 2007	None	LSOA
Pupil Absence in Schools	Annual	2004/5 to 2008/9	None	LSOA
Hospital Admissions	Annual	2002/3 to 2007/8	None	MSOA
Life Expectancy at Birth	Two-year Spans	2000-2 to 2007-9	None	LAD
Mental Health: Adults Accessing Specialist Services	Annual	2008/9	2009/10	LAD
Weight of Children	Annual	2008/9, 2009/10	None	LAD
Dwelling Stock by Council Tax Band	Annual	2001 to 2009	None	LSOA
Dwelling Stock by Tenure and Condition	Annual	2001 to 2009	2010	LAD
Homelessness	Annual	2000/1 to 2008/9	None	LAD
Social Rented Housing Register Statistics	Annual	2000/1 to 2008/9	None	LAD
Deaths & Causes of Death	Annual	2004 to 2009	None	MSOA
Live Births	Annual	2004 to 2009	None	MSOA
Mid Year Resident Population Estimates	Annual	2001 to 2009	None	LSOA
Vacant Dwellings	Annual	2007 & 2008	None	LSOA
Housing Transactions by Dwelling Type	Annual	2001 to 2007	2008 & 2009	MSOA/Ward
Commercial and Industrial Floorspace Statistics	Annual	1998 to 2008	None	MSOA
Jobs Gained by New Deal Participants	Annual	2001 to 2008	None	MSOA
Economic Activity and Inactivity	Quarterly (rolling annual)	2005/6 to 2009/10	None	LAD
VAT Registered Enterprises	Annual	2000, 2004 to 2007	None	MSOA/Ward

NOTE: Merged/abolished LADs are classed as 'Former Local Authorities'

Fund, for example. The 2010 Indices (published in spring 2011) do not include figures for the former districts.

- Most of the datasets that still include figures for the former districts are ones for which the most recent statistics are for 2009 or earlier. As 2010 data comes on stream it seems distinctly possible that figures for the former districts will be discontinued.
- A number of datasets (eg Social Rented Housing Register Statistics) are likely to be tied to the administrative units that assemble them so in due course the abolition of the districts, and their replacement by unitary counties, seems likely to feed through to the availability of figures.

On a positive note, the mid-year population estimates have continued to be published for the former districts as well as for the new unitary counties. The most up-to-date figures are still for 2009; if the 2010 figures are published on the same basis this may be a model that could be followed by other datasets.

NOMIS

NOMIS – the National On-line Manpower Information System – is the principal source of labour market information for local areas. Its statistics, listed in Table 4, are particularly useful to those working in economic development and regeneration.

Many of the statistics published on NOMIS are relatively up-to-date – only a few weeks old in the case of claimant unemployment data for example – and several of the most important are derived from DWP benefit records. NOMIS data on benefits feeds in extensively to the Indices of Deprivation.

- The key DWP-based datasets on benefit numbers have discontinued figures for the former districts. This means that from May 2009 onwards figures on the number of Jobseeker's Allowance claimants, incapacity benefit claimants and Income Support claimants, to mention just three crucial groups, are no longer published for these districts.
- On the other hand, these DWP-based statistics do continue to be published at LSOA level, meaning that in theory there is no reason why the figures could not automatically be added up to the level of former districts.

CLG Online Statistics

The online statistics published by the Department for Communities and Local Government (CLG), listed in Table 5, often cover administrative data, some from local authorities' own records.

Table 4: NOMIS

Name of Data Set	Frequency	Dates Available for Former LADs	Dates Not Available for Former LADs	Smallest Area for which Data Available
Mid Year Population Estimates	Annual	1981 to 2009	None	LAD [‡]
Annual Civil Service Employment Survey	Annual	2008 to 2010	None	LAD
Annual Population Survey/Labour Force Survey	Quarterly	1992 to 2010	None	LAD
Model-based Estimates of Unemployment	Annual	1996 to 2004	None	LAD
	Quarterly	2005 to 2010	None	LAD
Annual Survey of Hours and Earnings	Annual	1998 to 2010*	None	LAD
Annual Business Inquiry	Annual	1998 to 2008 [†]	None	LSOA
Business Register and Employment Survey	Annual	2008 & 2009	None	LSOA
Claimant Count Stocks & Flows	Monthly	1983 to 2011	None	LSOA/Ward
DWP Working Age Client Group (WPLS)	Quarterly	Aug 1999 to Feb 2009	May 2009 onwards	LSOA
ESA Claimants (WPLS)	Quarterly	Nov 2008 to Feb 2009	May 2009 onwards	LSOA
IB/SDA Claimants (WPLS)	Quarterly	Aug 1999 to Feb 2009	May 2009 onwards	LSOA
IS Claimants (WPLS)	Quarterly	Aug 1999 to Feb 2009	May 2009 onwards	LSOA
JSA Claimants (WPLS)	Quarterly	Aug 1999 to Feb 2009	May 2009 onwards	LSOA
Carers Allowance Claimants (WPLS)	Quarterly	Aug 2003 to Feb 2009	May 2009 onwards	LSOA
DLA Claimants (WPLS)	Quarterly	May 2002 to Feb 2009	May 2009 onwards	LSOA
Pension Credits Claimants (WPLS)	Quarterly	Nov 2003 to Feb 2009	May 2009 onwards	LSOA
Statutory Pension Recipients (WPLS)	Quarterly	May 2002 to Feb 2009	May 2009 onwards	LSOA
Jobcentre Plus Notified Vacancies	Monthly	2004 to 2011	None	LSOA
Jobs Density	Annual	2000 to 2008	None	LAD
VAT Registrations and Deregistrations	Annual	1980 to 2007	None	LAD [‡]

NOTE: Merged/abolished LADs are classed as 'pre-2009 Local Authorities: district/unitary'

*Workplace based from 1998; residence based from 2002

[†]Earlier data available from Census of Employment and Annual Employment Survey

[‡]Available for LSOAs from 2001 via NeSS (see above)

[‡]Stock figures available for wards for 2000 and 2004, and for LSOAs from 2005 to 2007 via NeSS (see above)

Table 5: CLG Online Statistics

Name of Data Set	Frequency	Dates Available for Former LADs	Dates Not Available for Former LADs	Smallest Area for which Data Available
Dwelling stock estimates	Annual	2005 to 2009	2010	LAD [†]
Dwelling stock by tenure	Annual	2009	2010	LAD [†]
Net additions to dwelling stock	Annual	2004/5 to 2008/9	2009/10	LAD [†]
Vacant dwellings	Annual	2004 to 2008	2009 & 2010	LAD [†]
RSL dwelling stock	Annual	1997 to 2009	2010	LAD [†]
LA dwelling stock	Annual	1994 to 2009	2010	LAD [†]
Permanent dwellings started and completed	Annual	2004/5 to 2008/9	2009/10	LAD
Household estimates and projections	Every 2-3 years	1991 to 2033*	None	LAD [†]
Ratio of lower quartile house prices to lower quartile earnings	Annual	1997 to 2008	2009 & 2010	LAD
Mean, median and quartile house prices	Quarterly	Q1 1996 to Q3 2008	Q4 2008 to Q4 2010	LAD [‡]
Number of house property sales	Quarterly	Q1 1996 to Q3 2008	Q4 2008 to Q4 2010	LAD [‡]
Households on local authorities' housing waiting lists	Annual	1997 to 2009	2010	LAD
RSL rents	Annual	1997 to 2009	2010	LAD
Local authorities' action under homelessness provisions	Annual	2004/5 to 2008/9	2009/10	LAD
Social rent & other affordable dwellings provided by LA funding	Annual	1991/2 to 2008/9	2009/10	LAD
Development control & planning decisions	Annual	2004/5 to 2008/9	2009/10	LAD [†]
Dwellings in Council Tax bands	Annual	1999 to 2009	None	LAD [†]

NOTE: Merged/abolished LADs are classed as 'former districts'

*Estimates for each year, 1991-2008; projections at five year intervals, 2013-2033

[†]Some figures available for LSOAs via NESS (see Table 1)

[‡]Each record likely to be geocoded, so aggregation to any spatial area possible

[‡]Small area data produced by HM Land Registry, but not on general release

Given that CLG was the department that oversaw the 2009 reform of local government, it will perhaps come as no surprise that the discontinuation statistics for the former districts has gone furthest with these datasets. Indeed, the progress to date suggests that when the process is complete CLG will publish no further figures at all for the former districts. There is however a potentially important distinction within the CLG datasets:

- Where the data relies on the actions or administrative records of local authorities, and where it has never been published at below local authority level, there seems little likelihood of restoring figures for the former districts. This includes figures on homelessness and on funding for affordable housing.
- On the other hand, where the local authority figures are built up from statistics for small areas – for example in the case of house price data from the Land Registry – there seems no reason why in principle the publication of data for the former districts could not be resumed.

Data availability: some conclusions

It is clear that the process of discontinuing the publication of statistics for the districts abolished in 2009 is now well underway. The process is still far from complete, but there seems unlikely to be much left in a year or eighteen months as new figures come on-stream. Crucially, the key DWP benefits data and the Indices of Deprivation have already been discontinued for the former districts.

But what is also clear is that in the cases where data continues to be assembled and published at a sub-district level, usually for LSOAs, there is no reason in principle why the figures could not be automatically aggregated up to the level of former districts. The resulting figures for former districts could then be published alongside the data for the new unitary counties, as the ONS mid-year population estimates do already. For the data providers, this would only require a simple algorithm in their programs.

3. THE IMPACT ON THE MEASUREMENT OF DISADVANTAGE

A working method

The impact of local government reorganisation on the measurement of disadvantage can best be illustrated by ‘before and after’ comparisons:

- First, by a ranking of all unitary and district authorities in England using the pre-2009 boundaries, i.e. including all the former districts now merged into the new unitary counties
- Second, by a ranking of all unitary and district authorities in England using the post-2009 boundaries, i.e. including the new unitary counties instead of their former districts

The comparisons presented below use two key datasets:

- The 2010 Indices of Deprivation (IMD)
- DWP working-age benefits data for November 2010

Both datasets are key tools in defining the well-being of areas. However, both these data series have now discontinued the production of figures for former districts. The figures for former districts, used here, have been constructed by aggregating up from the LSOA data that continues to be published.

Indices of Deprivation

The Indices of Deprivation are a sophisticated tool that include several complex measures of overall disadvantage at the local authority scale. To simplify matters, especially in reconstructing data for former districts, the measure used here is the share of LSOAs in the most deprived 20 per cent across England.

Table 6 provides a before and after comparison of the most deprived authorities in England using the overall index of deprivation. The first column lists the former districts that would still appear in the ‘worst 150’ if statistics were still published for them; the second column shows the unitary counties that appear instead in the ‘worst 150’ now that the former districts have disappeared.

Table 6: Authorities in the 'worst 150' on the overall IMD, 2010

Former districts	Rank	New unitary counties	Rank
Easington	8	Durham	56
Sedgefield	37	Cheshire West and Chester	120
Wear Valley	44	Northumberland	127
Wansbeck	53		
Ellesmere Port and Neston	63		
Blyth Valley	75		
Derwentside	110		
Penwith	119		
Kerrier	122		
Chester le Street	123		
Crewe and Nantwich	138		
Vale Royal	150		

NOTE: Based on share of LSOAs in the most deprived 20% in England.

Source: Authors' calculations based on the IMD 2010

What the table shows is that Easington, Sedgefield and Wear Valley districts in County Durham would all rank among the most deprived 50 authorities but the unitary county that has replaced them ranks only 56 among post-2009 authorities. Wansbeck and Blyth Valley, in Northumberland, would also rank among the most deprived 100, but their new unitary county ranks only 127. Away from the North East, Ellesmere Port and Neston would rank 63 but the new unitary county of Cheshire West and Chester ranks 120.

IMD rankings are important because they provide a basis for resource allocation. In the past, the worst 50 or 80 authorities have typically been targeted. There is of course nothing fixed about how many authorities might be targeted in future, and the IMD indicator used for resource allocation is unlikely to be precisely the one used here. However, the rankings here do have important implications:

- If the 'worst 50' post-2009 authorities were to be targeted, three deprived former Durham districts (Easington, Sedgefield and Wear Valley) would now miss out because the new Durham County would not qualify
- On the other hand, if say the 'worst 75' post-2009 authorities were to be targeted, the whole of the new Durham County would be likely to be included
- In Northumberland, even extending the targeting to include all the 'worst 100' post-2009 authorities would still exclude Wansbeck and Blyth Valley even though these two former districts would have qualified in their own right before reorganisation.
- The former district of Ellesmere Port and Neston, in Cheshire, would also miss out.

Table 7: Authorities in the 'worst 100' on selected IMD domains, 2010

Former districts	Rank	New unitary counties	Rank
<i>Income deprivation</i>			
Easington	24	Durham	67
Wear Valley	48		
Sedgefield	54		
Wansbeck	56		
Blyth Valley	71		
Ellesmere Port and Neston	81		
Derwentside	83		
<i>Employment deprivation</i>			
Easington	1	Durham	12
Sedgefield	5	Northumberland	72
Wear Valley	12		
Derwentside	13		
Wansbeck	23		
Blyth Valley	42		
Chester le Street	44		
Ellesmere Port and Neston	61		
Penwith	81		
Durham City	83		
<i>Health and disability deprivation</i>			
Easington	2	Durham	27
Sedgefield	4	Northumberland	76
Wear Valley	6		
Wansbeck	18		
Blyth Valley	54		
Derwentside	56		
Chester le Street	65		
Teesdale	70		
Ellesmere Port and Neston	73		
Durham City	89		
Shrewsbury and Atcham	95		
<i>Education and skills deprivation</i>			
Easington	3	Durham	56
Wansbeck	18		
Wear Valley	53		
Sedgefield	54		
Blyth Valley	59		
Ellesmere Port and Neston	64		
Derwentside	66		

NOTE: Based on share of LSOAs in the most deprived 20% in England.
Source: Authors' calculations based on the IMD 2010

These comparisons also illustrate that the statistical consequences of the 2009 local government reorganisation is primarily an issue for Durham and Northumberland and, to a lesser extent, the new authority of Cheshire West and Chester. None of the other new unitary counties – Central Bedfordshire, Cheshire East, Cornwall, Shropshire and Wiltshire – include former districts that on this particular measure would have ranked amongst the most deprived 100. Even Cornwall's most deprived district, Penwith, ranks only 119.

Table 7 looks at four domains within the Indices of Deprivation, relating to income, employment, health, and education and skills. The same 'before and after' approach has been adopted but here the authorities listed are restricted to those in the worst 100.

These four different aspects of deprivation differ in modest ways from the overall index but in general they underline the point that acute deprivation in parts of Durham and in south east Northumberland is hidden by statistics for the new unitary county. This is especially the case for Northumberland, which only fitfully appears amongst the 'worst 100' post-2009 authorities. A number of points about the now statistically invisible former districts are worth noting:

- In the absence of local government reorganisation, Easington in County Durham would be seen to have the highest level of employment deprivation of any authority in the whole of England
- Easington would also be seen to have the second highest level of health deprivation of any authority, and the third highest level of education and skills deprivation
- Durham districts – Easington, Sedgefield and Wear Valley – would occupy three of the six top slots in terms of poor health and disability
- Durham and Northumberland districts would account for seven of the worst 50 in terms of employment deprivation.

It is also worth underlining the point that these startling statistics for former districts are no longer available from official sources.

In contrast, deprivation statistics for the 201 district authorities where the local government structure remains two-tier continue to be compiled and published. Table 8 lists the 27 shire districts that rank among the 'worst 100' post-2009 authorities on the overall deprivation index, again using on the share of LSOAs in each district in the worst 20 per cent nationally.

The important point about this list is that the counties that include the majority of these districts would probably not rank among the worst 100 if they too were to become unitary and figures for their constituent districts stopped being published. The deprivation in these districts would also become 'invisible'. For the moment, however, their statistical visibility gives them an unfair advantage over the former districts in the post-2009 unitary counties, and in the long-run they are more likely to receive funding as a result.

Table 8: Shire districts that remain within the 'worst 100' on the overall IMD, 2010

	Rank
Burnley (Lancashire)	21
Hastings (East Sussex)	25
Hyndburn (Lancashire)	30
Barrow in Furness (Cumbria)	34
Mansfield (Nottinghamshire)	35
Pendle (Lancashire)	39
Preston (Lancashire)	42
Corby (Northamptonshire)	49
Bassetlaw (Nottinghamshire)	55
Lincoln (Lincolnshire)	58
Thanet (Kent)	59
Norwich (Norfolk)	61
Havant (Hampshire)	65
Bolsover (Derbyshire)	69
Ipswich (Suffolk)	71
Chesterfield (Derbyshire)	72
Great Yarmouth (Norfolk)	73
Gloucester (Gloucestershire)	77
Weymouth and Portland (Dorset)	78
Ashfield (Nottinghamshire)	84
Redditch (Worcestershire)	86
Lancaster (Lancashire)	94
Wellingborough (Northamptonshire)	95
East Lindsey (Lincolnshire)	96
Northampton (Northamptonshire)	97
Swale (Kent)	98
Carlisle (Cumbria)	99

NOTE: Based on share of LSOAs in the most deprived 20% in England.
Source: Authors' calculations based on the IMD 2010

In practice, the new unitary counties would stand the best chance of inclusion in any initiative driven by the Indices of Deprivation if the selection of areas was based on the *numbers* affected by deprivation rather than share of the population living in deprived areas. In this regard the sheer size of their population, compared in particular to most districts, works in their favour. Durham County, for example, has a larger population living in the most deprived 20 per cent of LSOAs (on the overall index within the 2010 Indices of Deprivation) than all but eight of the most deprived 60 local authorities in England². The same statistical yardstick would not get Northumberland off the hook: as a smaller authority in population terms, its numbers living in the 20 per cent most deprived LSOA would still not be sufficient to place the county amongst the most deprived 60.

² The authors are grateful to Durham CC pointing out this statistic.

In the past, central government has sometimes targeted resources partly on the basis of absolute numbers – the Neighbourhood Renewal Fund is a case in point – and this has worked to the advantage of a handful of authorities with a very large population, such as Birmingham. It remains unclear whether this would happen again in future. Arguably, measures of the relative intensity of deprivation, not absolute numbers, are a better guide.

DWP benefits data

Table 9 shows ‘before and after’ comparisons for the new unitary counties and former districts based on the claimant rates for the three main benefits for the non-employed:

- Jobseeker’s Allowance (JSA)
- Incapacity benefits (Incapacity Benefit, Income Support on grounds of incapacity, Severe Disablement Allowance, Employment and Support Allowance)
- Income Support as a lone parent

Because of the way benefit rules work, these three groups are mutually exclusive – there is no double-counting of claimants.

The significance of this benefits data is that because accurate figures are available at the local level it is often used to target resources at economic and labour market problems. Over the years DWP has used these figures in piloting labour market interventions, for example, and the current Assisted Area map underpinning investment aid to firms was drawn up with reference to data for JSA and incapacity benefits.

The effect of the creation of the unitary counties is a familiar one: several former districts, particularly in Durham and Northumberland, would have ranked highly in their own right among the worst 100 but the new unitary counties are much further down the rankings. On Jobseeker’s Allowance, for example, Durham and Northumberland only rank 86 and 94 respectively.

The incapacity benefit data is worth highlighting. Over the years, Easington in County Durham earned a certain notoriety as the district with the highest incapacity benefit claimant rate in England, and vied with Merthyr Tydfil in Wales for the dubious distinction of having the highest incapacity claimant rate in the whole of Britain. Several other former districts in County Durham also have high incapacity claimant rates, so the new unitary county still ranks badly on this indicator – it comes in at 21 among all post-2009 English authorities. However, since local government reorganisation the acute problem in Easington has become invisible. Easington would still rank first in England in terms of its incapacity claimant rate, as Table 9 shows, but the figures for former districts are no longer published. In this table, they have had to be specially constructed from LSOA data.

Table 9: Authorities in the 'worst 100' on working age benefits data, November 2010

Former districts	Rank	New unitary counties	Rank
<i>Jobseeker's Allowance</i>			
Wansbeck	21	Durham	86
Wear Valley	31	Northumberland	94
Easington	33		
Blyth Valley	61		
Sedgefield	65		
Derwentside	93		
<i>Incapacity benefits (IB/SDA/ESA)</i>			
Easington	1	Durham	21
Wear Valley	8	Cornwall	82
Sedgefield	9		
Derwentside	21		
Wansbeck	30		
Penwith	38		
Blyth Valley	52		
Kerrier	58		
Chester le Street	62		
Restormel	72		
Ellesmere Port and Neston	77		
<i>Income Support (as lone parent)</i>			
Wear Valley	31	(none)	
Wansbeck	39		
Easington	45		
Sedgefield	77		
Derwentside	82		

Source: Authors' calculations based on DWP Works and Pensions Longitudinal Study (WPLS) data for small areas and ONS Mid-year Population Estimates (both accessed via NOMIS)

The impact: an assessment

Whilst this review of the impact of reorganisation on the measurement of disadvantage has focussed only on the Indices of Deprivation and DWP benefits data, there is little reason to suppose that a wide range of other socio-economic data would not reveal a similar pattern. This is particularly the case because the Indices of Deprivation are themselves assembled from so many individual data sets.

The unequivocal conclusion is therefore that the effect of local government reorganisation has been to hide acute deprivation and disadvantage in some unitary counties, most especially Durham and Northumberland.

In County Durham's case, statistics for the unitary county push the authority considerably further down the rankings than some of its former districts, but the new unitary county does not always disappear entirely.

In Northumberland's case, the impact of reorganisation is arguably far more serious. Whereas the problems of the former districts of Wansbeck and Blyth Valley could once have been guaranteed visibility, the averaging process across the county as a whole means that the new unitary often struggles to make even the 'worst 100'.

4. A SPECIAL CASE?

The counter-argument

The evidence in this report points strongly to the case for continuing to compile and publish statistics for the former districts of the new unitary counties. These statistics should then be used, as appropriate, in resource allocation and policy targeting

There is a potential counter-argument, however. This is that the new unitary counties are neither unique in being single-tier authorities nor unusually large in terms of population. Why should they therefore be treated differently, in statistical terms, to other large unitary authorities?

To put the counter-argument in concrete terms: the government does not publish statistics for sub-areas of unitary metropolitan authorities such as Leeds, Sheffield or Birmingham (other than at the very fine-grain LSOA level available everywhere of course) so why should it do so for unitary counties such as Durham, Northumberland or Cornwall?

This is actually a spurious argument, but since it is certain to be deployed the reasons why it is wrong need explaining.

The scale of the new unitary counties

The observation that the new unitary counties are not unusually large in terms of population, by comparison with other single-tier authorities, is correct. They are however among the very largest authorities, in terms of population, in England.

Table 10 lists the 20 largest unitary, metropolitan, district or London borough authorities in terms of population. A number of shire counties have larger populations (Kent comes in at 1.4m) but these counties are two-tier so statistics continue to be produced for their constituent districts. The significance of the types of authority included in Table 10 is that they are the lowest level of local government for which a full range of statistics, including the Indices of Deprivation, is now available. When nation-wide comparisons are made between local areas it is therefore statistics for these authorities that are normally used.

As Table 10 shows, putting aside the two-tier county councils, the new unitary counties now make up three of the 10 largest authorities in England, in terms of population, and six of the largest 20.

Table 10: Largest unitary, metropolitan, district or London borough authorities in England, by population, 2009

	Total population
1 Birmingham	1,029,000
2 Leeds	788,000
3 Sheffield	547,000
4 CORNWALL	531,000
5 Bradford	507,000
6 DURHAM	506,000
7 Manchester	484,000
8 WILTSHIRE	456,000
9 Liverpool	442,000
10 Bristol	433,000
11 Kirklees	407,000
12 CHESHIRE EAST	363,000
13 Barnet	343,000
14 Croydon	342,000
15 East Riding of Yorkshire	337,000
16 Wakefield	329,000
17 CHESHIRE WEST AND CHESTER	327,000
18 Ealing	316,000
19 Coventry	313,000
20 NORTHUMBERLAND	311,000

NOTE: New unitary counties in capitals and bold
 Source: ONS Mid-year Population Estimates

It will perhaps come as a surprise that, in population terms, Cornwall is now the fourth largest unitary authority in England, behind only Birmingham, Leeds and Sheffield. Durham County ranks sixth – with a bigger population than either Manchester or Liverpool city councils. Northumberland tends to be regarded as a sparsely populated county but even the new unitary Northumberland County ranks 20th – out of more than 300 authorities across England as a whole. Only two of the eight new unitary counties fail to make the top 20³.

The point here is that the new unitary authorities may not be unique in having large populations but they are certainly *very large*.

They are also *very different*. Anyone with a rudimentary knowledge of the geography of Britain will immediately notice that the list of the 20 largest authorities places the unitary counties in very unusual company. Just about all the other authorities are big cities or London boroughs – densely built-up urban areas, in contrast to the smaller towns and rural areas that make up the unitary counties.

³ Shropshire has a population of 292,000 and Central Bedfordshire of 253,000.

To underline this point, Table 11 ranks the same 20 local authorities in terms of their physical area. This highlights the stark differences: the new unitary counties are vastly bigger than England's other most populous unitary authorities. Only one – the East Riding of Yorkshire – can match the new unitary counties, and this is because it too is a unitary county created (along with Herefordshire) by local government reorganisation in 1996. Northumberland, at the top of this list, is nearly *one hundred times larger* than Ealing, at the foot of the list, though their populations are almost identical.

Table 11: Largest unitary, metropolitan, district or London borough authorities in England, by population, ranked by physical size

	Sq. km.
1 NORTHUMBERLAND	5,013
2 CORNWALL	3,563
3 WILTSHIRE	3,255
4 East Riding of Yorkshire	2,408
5 DURHAM	2,226
6 CHESHIRE EAST	1,166
7 CHESHIRE WEST AND CHESTER	916
8 Leeds	552
9 Kirklees	405
10 Sheffield	368
11 Bradford	366
12 Wakefield	329
13 Birmingham	268
14 Manchester	116
15 Liverpool	112
16 Bristol	110
17 Coventry	99
18 Barnet	87
19 Croydon	87
20 Ealing	56

NOTE: New unitary counties in capitals and bold
Source: ONS

To underline the point still further, Table 12 shows the average size (in terms of square kilometres) of four categories of authorities. This again underlines just how different the new unitary counties are in terms of physical scale. The average new unitary county is more than *fifty times* larger than the average London borough, more than *thirteen times* larger than the average metropolitan borough, and more than *eight times* the average size of other unitary authorities in England.

Table 12: Average physical size of authorities

	Sq. km
London boroughs	48
Metropolitan districts	182
Other English unitaries	284
New unitary counties	2,507

Source: ONS

Why size matters

In this context, there are two reasons why the physical size of an authority matters a great deal.

The first is that geographically extensive areas, such as most of the new unitary counties, are more likely to be made up of several largely separate places, with relative weak functional economic links between them and often quite different levels of prosperity. A generation ago each of these separate places would have probably been described as a 'travel to work area' within which people both lived and worked. Commuting patterns have since become more complex, with some middle class car-owners travelling very long distances whilst the labour market horizons of the less well paid and less mobile remain relatively local. Nevertheless, the concept remains valid.

To illustrate the diversity within a unitary county, Table 13 looks at the seven former districts of County Durham. These vary considerably in economic and social health, measured by the Indices of Deprivation:

Easington, on the Durham coast, was dominated by the coal industry until the early 1990s but in a short space of time lost all its mines and, as noted elsewhere in this report, is home to some of the most acute deprivation in the whole of England.

Sedgefield, in central Durham, also lost jobs in the coal industry, though mostly somewhat earlier, and has been further hit by the loss of manufacturing jobs, so that it too is highly deprived.

Wear Valley, which includes the towns of Bishop Auckland and Crook as well as an extensive rural hinterland in the Pennines, lost its coal jobs in the 1960s and has long struggled to develop a new economic base, resulting again in high deprivation.

Derwentside, focussed on the former steel town of Consett in the north west of the county, is gradually being drawn into the commuting orbit of the Tyneside conurbation, which tends to leaven its statistics.

Chester le Street, in the north, is already functionally connected to Tyneside through strong commuting flows.

Durham City, at the centre, is in many respects quite unlike the rest of the county – a prosperous university town and administrative centre with a strong tourist trade, and socio-economic indicators often far more akin to parts of southern England.

Teesdale, in the south west, is an overwhelmingly rural area centred on the market town of Barnard Castle.

Statistics for County Durham as a whole inevitably hide this diversity.

Table 13: Diversity within a unitary county: Durham's former districts

	Overall IMD ranking*
Easington	8
Sedgefield	37
Wear Valley	44
Derwentside	110
Chester le Street	123
Durham City	158
Teesdale	189

*based on the percentage of LSOAs in each district falling within the most deprived 20% in England on the overall Index of Deprivation 2010, including all pre-2009 districts in the rankings.

Source: Authors' calculations based on the IMD 2010.

Northumberland provides a further example of internal diversity – in this instance between the two former districts in the south east of the county – Wansbeck and Blyth Valley, which cover most of the former Northumberland coalfield – and the other four mainly rural districts.

The other reason why the physical size of an authority matters is that in very small authorities, such as the London boroughs and several metropolitan boroughs, the level of deprivation tends to be more a reflection of residential segregation rather than, say, the strength of the local economy. London illustrates this best of all: the consistently high deprivation recorded in Newham, Hackney and Tower Hamlets, for example, does not reflect underlying weakness in the London economy. Indeed, Tower Hamlets is home to the massive job growth in Canary Wharf. Rather, the concentration of deprivation in these three east London boroughs largely reflects the distribution of housing that poor people are able to afford or access.

The point here is that the immense differences in the physical size of authorities run the risk of unfairly disadvantaging the new unitary counties:

- Within the unitary counties, major concentrations of disadvantage are **hidden** by the statistical averaging process across former districts
- Conversely in places like London, made up of numerous small authorities, the level of disadvantage is **highlighted** by local residential segregation.

Special case: an assessment

In essence, the case for continuing to compile and publish statistics for the former districts is based on *parity*, not on preferential treatment.

Whilst the new unitary counties are not uniquely large in terms of population, they cover far, far larger areas than just about all other single-tier authorities in England and, as a result, statistics for the unitary county as a whole can hide substantial internal diversity.

Meanwhile, statistics for the districts within the surviving two-tier counties continue to be published and used. Restoring the publication of district-level statistics within the new unitary counties would restore parity of treatment.

5. CONCLUSIONS AND RECOMMENDATIONS

An unintended by-product of reorganisation

When central government first proposed the merger of district councils into new unitary county councils the intention was not to engage in a statistical sleight of hand that would hide local deprivation, though in fairness the councils in Durham and Northumberland did warn that this was likely to be the result. The evidence presented in this report confirms that those authorities' fears were entirely justified.

What is happening in the wake of reorganisation is that the statistics for former districts are now disappearing. The most important data series have already been discontinued. The effect is to obscure substantial areas of deprivation in some of the new unitary counties. Problems that were once highly visible in district-level data are becoming hidden.

Concern at the loss of district-level statistics isn't about the loss of data for its own sake. Statistics for districts are a resource-allocation tool. They help steer decision making on funding and on specific projects. They help guide neighbourhood planning and assist in delivering the government's localism agenda.

This disappearance of statistics for the former districts does not matter much to local authority funding over the next couple of years because the 'area-based grants' that used district-level statistics as a resource allocation tool are being wound down. But it is inconceivable that, in the long-run, measures of local deprivation or disadvantage will never again be used for resource allocation. The disappearance of highly deprived districts into the blander statistical averages for unitary counties is therefore storing up a major and on-going problem for the future.

In fairness, this is not an important problem for all the new unitary counties. Where the level of deprivation is lower, and where there is less internal diversity within the county, the disappearance of district-level data is unlikely to have repercussions for funding. But in a handful of places it matters a great deal and this unintended by-product of reorganisation is set to deliver profound injustices:

- In County Durham, three former districts – Easington, Sedgefield and Wear Valley – are perilously exposed to the loss of funding that might have expected in the absence of re-organisation

- County Durham as a whole might just qualify, but this would be touch-and-go, depending on detailed criteria
- In Northumberland, two former districts – Wansbeck and Blyth Valley – are also perilously exposed to the loss of funding as a result of reorganisation and there is no realistic hope that the county as a whole would qualify
- In Cheshire, the former district of Ellesmere Port and Neston is similarly exposed

All these former districts have high levels of deprivation and to exclude them from possible future funding because of a statistical by-product of local government reorganisation would be entirely wrong.

The injustice would be compounded because the local government reorganisation that happened in 2009 only affected a few parts of England. Elsewhere, statistics continue to be compiled and published for 201 districts that remain part of two-tier counties. In any future allocation of funding based on deprivation, some of these surviving districts would be likely to receive funding that would be denied to former districts with similar or worse problems.

This problem, and the potential injustice, can however be averted with only modest effort on the part of central government and at little if any cost. No new data collection is required.

Recommendations

1. Central government should immediately resume the production and publication of statistics for the former districts of the post-2009 English unitary counties.
2. For those datasets that already include figures for LSOAs or other sub-district units this should be achieved by the inclusion of simple procedures to routinely add up these figures to the level of former districts alongside the statistics for the new unitary counties.
3. The Indices of Deprivation should be amended to include a full range of figures for former districts, calculated on the same basis as the published figures for on-going districts. This amendment should apply to the IMD 2010 as well as to future IMD statistics.
4. The resumption of the production and publication of statistics for the former districts should be implemented across the full range of government, except where the abolition of the district councils has automatically brought an end the collection of administrative data.
5. Any future decisions to allocate resources, or to prioritise areas, on the basis of district-level data should utilise data for the former districts on the same basis as for surviving shire districts.

The proposal here to resume the publication of statistics for *districts*, rather than for other possible sub-county units, is purely pragmatic: districts are geographical building blocks for which recognised, off-the-peg definitions are readily available. In the longer term, the new unitary counties may themselves wish to define new sub-county units that would fulfil the same statistical role as the former districts. However, until new sub-county units have been defined in a reasonably consistent way across all the new unitaries, and have the trappings of official status, a move away from the use of former districts would probably be premature.

Likewise, whilst there may be attractions in moving away entirely from district data in making statistical comparisons, including in two-tier counties, towards standardised statistical units rather than ones that reflect electoral boundaries, the reality is that the district's continuing role as an administrative unit in large parts of England will require that statistics continue to be published for them.

For the new unitary counties, the publication of statistics for their former districts would place them on a *level playing field*.