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Covid-19: Local Government Finance Centre for Longitudinal Study Information and User Support (CeLSIUS), University College London

Stronger Towns Index for English Local Authorities

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Summary

We developed a Stronger Towns Index for English local authorities (LAs) based on productivity, income, skills, deprivation measures and proportion of people living in towns. We compared this to the towns that were invited to bid for a Town Deal. We identified 29 LAs containing towns which were invited to apply for funding but which were not in the top 100 ranking LAs. We also identified 44 LAs in our which were high ranked but not invited were in the East and West Midlands and many were near larger conurbations. One local authority we identified as highly ranked (10th) whose towns were not invited is Swale, in Kent, which suffered extremely high rates of Covid-19 in Autumn 2020.

East Midlands	West Lindsey	15
North West	Wigan	24
East Midlands	Bolsover	26
West Midlands	Cannock Chase	29
South East	Swale	33

The Ministry of Housing, Communities and Local Government's (MHCLG) announcement on the Stronger Towns Fund in 2018 suggested allocation of funding 'based on a combination of productivity, income, skills, deprivation measures and the proportion of people living in towns.' MHCLG did not originally publish its methodology for calculating prioritisation of towns for funding. The Department initially selected 541 of 1,082 towns in England above the median value income deprivation and assessed these towns further against seven criteria: income deprivation; skills deprivation (qualifications); productivity; EU Exit exposure; exposure to economic shocks; investment opportunity; alignment to wider government intervention. Ministers selected all 40 high priority towns, 49 medium-priority and 12 low-priority.¹

Members of the CeLSIUS team developed a draft index to look at the geography of a

Background

Table 5 The ten highest ranked local authorities (LAs) that do not contain a flagged town for Towns Funds

Region	LA name	Rank
West Midlands	Stoke-on-Trent	4
East Midlands	Bassetlaw	5
East Midlands	South Holland	11
Yorkshire & The Humber	City of Kingston upon Hull	12
East of England	Tendring	13

¹ <https://www.nao.org.uk/wp-content/uploads/2020/07/Review-of-the-Town-Deals-selection-process-appendix.pdf>

synthesis of the original parameters. These metrics provided a ranked index of 'town strength' such that towns within those local authorities ranked least strong should be eligible to apply for funding. This index can be reused for other analyses in a similar way to deprivation indices, but does not focus on larger communities. We used the index when looking at longitudinal change in health and migration.

Since the publication by MHCLG in 2020 of the 101 towns invited to apply for funding, there has been criticism of the allocations from the House of Commons Public Accounts Committee.²

Findings

We identified 29 local authorities whose towns were invited to apply for funding but which were not in our top 100 ranking local authorities. We also identified 44 LAs that were in the highest 100 ranked in our index, but whose towns were not invited. The 10 highest ranking of these not invited are shown in Table 5 with our rank. The majority of these were in the East and West Midlands. Many also sit in local authorities with larger conurbations and, given their rankings in our index, this may mean they are overlooked, with funding nearby allocated through the Transforming Cities Fund (Bassetlaw and Stoke).³ The one local authority in the South East which we identify as very highly ranked but whose towns were not invited is Swale in Kent, which suffered extremely high rates of Covid-19 in Autumn 2020⁴, indicative of economic deprivation with an urgent need for investment⁵.

These metrics provide a ranked index of 'town strength' such that towns within those local authorities ranked least strong would potentially have had towns that were eligible to apply for funding. As of March 2021, only 52 of

101 towns have been allocated funding and these have been dominated by areas we ranked as less in need.

Conclusions

The MHLG choice of towns does not capture the same areas as our index. Notably our index identifies the Midlands as potentially missing out on funds: hopefully the Midlands will be targeted in other future funding.

Appendix: Methods

We grouped local authorities into deciles and examined their aggregate characteristics. This paper presents a particular focus on the highest-ranking of the 10 categories, i.e. on our calculations of the places most likely to qualify for the funds. The full index is also [available online](#).

To construct an index for England's local authorities we have gathered data on these five dimensions, specifically:

1. Productivity: sub-regional estimates. Small area data on productivity were taken from experimental ONS data on regional and sub-regional productivity in the UK. Data were taken from Table J4: Nominal GVA (B) (excluding rental income) per hour worked. (NUTS3 re-cast as Local Authority level) [1]
Lower productivity = higher rank
2. Income: estimates of gross disposable household income [2]
Lower household income = higher rank
3. Skills: aggregate 2011 Census counts - Proportion of persons with no qualifications or level 1 qualifications as highest qualification, table QS01EW [3]
Higher proportion of these persons = higher rank
4. Deprivation: IMD 2015 Proportion of Lower Super Output Areas (LSOAs) in lowest decile within a local authority, then proportion in second decile etc. [4]
Higher proportion of LSOAs in lowest decile = higher rank
5. Proportion living in towns: Local authorities were ranked on the proportion of persons in LA identified as living in small, medium or large towns. Equal ranked LAs were ordered by population. [5].

²

<https://committees.parliament.uk/publications/3373/documents/32489/default/>

³ <https://www.transportxtra.com/publications/local-transport-today/news/64863/transforming-cities-fund-grant-awards-announced/>

⁴ <https://www.kent.gov.uk/social-care-and-health/health/protect-kent-and-medway/cases-in-kent>

⁵ <https://www.bmj.com/content/369/bmj.m2389>

Local authorities without any population in towns were all given the lowest rank and those that were the population was entirely in towns were given the highest rank.

Higher proportion in towns = higher rank

The rank scores for each dimension were summed to give an (equally weighted) overall score. Then the overall score was converted to a rank value, from which rank deciles were derived. A high rank represents a high level of eligibility.

The process was repeated within regions as the funding was to be distributed within regions so high ranking LAs within a region might also be justified to apply for funds despite their being lower ranking LAs nationally.

We then matched up the 100 towns asked to apply for funds to the local authority in which they sit and assigned their rank using our index.

References

1. Table CT0800:
<https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/internationalmigration/adhoc/008406ct08002011censuscobukcaribbeancontinentsbyyrarrivalbypassportnattoregion/ct08002011censuscobukcaribbeancontinentsbyyrarrivalbypassportnattoregion.xls>; (Shortened URL: <http://bit.ly/onsct0800>)
2. <https://www.ons.gov.uk/file?uri=/aboutus/whatwedo/paidservices/longitudinalstudy/longitudinalstudy20012011completenessofcensuslinkage.pdf>
3. <http://www.migrationobservatory.ox.ac.uk/resources/commentaries/commonwealth-citizens-arriving-before-1971/>
4. English Indices of Deprivation 2015 - LSOA Level <https://data.gov.uk/dataset/8f601edb-6974-417e-9c9d-85832dd2bbf2/english-indices-of-deprivation-2015-lsoa-level> 2018 (accessed 23 June 2020).
5. Data on population living in towns was taken from analysis by ONS in the report "Understanding towns in England and Wales: an introduction"
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/understandingtownsinenglandandwales/anintroduction/previous/v1> (accessed 9 July 2020).

Contact

Further project information from the [CeLSIUS](#) website

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