

National Statistics

2001 Area Classifications

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What are the Area Classifications

- Summarise 2001 Census data on 2003 boundaries
- Group together similar areas according to key characteristics of individuals and households
- Produced at Local Authority (LA), Health Area (HA), Ward and Output Area (OA) level for the UK
- Ongoing product, first produced in 1971, (now UK, previously GB)

Examples where is it used

- ONS: Mortality (SMRs), Fertility Rates, ILO Unemployment Estimates
- Local Authorities - to compare “similar” LAs
- DoH: NHS Performance Indicators including Health Outcome measures
- Academic research: provides “type of area of residence”
- SARS: used for modelling multilevel area effects

Aim

- To describe the 2001 Area Classifications
 - Data used
 - Selection of variables
 - Standardisation methods
 - Clustering techniques
 - LA and HA methodology
 - Ward level methodology
 - OA level methodology

Dataset

- 70 variables, from Key Statistics, aggregated up to percentages for LA/HA/Ward
 - Dimensions of individual/household characteristics
 - Demographic
 - Household composition
 - Housing
 - Socio-economic
 - Employment
 - Industry
- Suggestions provided by advisory board

Selection of variables

- Construct a correlation matrix using Pearson's correlation coefficient
- Aim to remove one of a pair of strongly correlated (>0.85)/(<-0.85) variables by:
 - Looking at distributions
 - Using judgements based on experience, logic and dimensions
 - e.g. Students and 15-24 age group

Cluster analysis

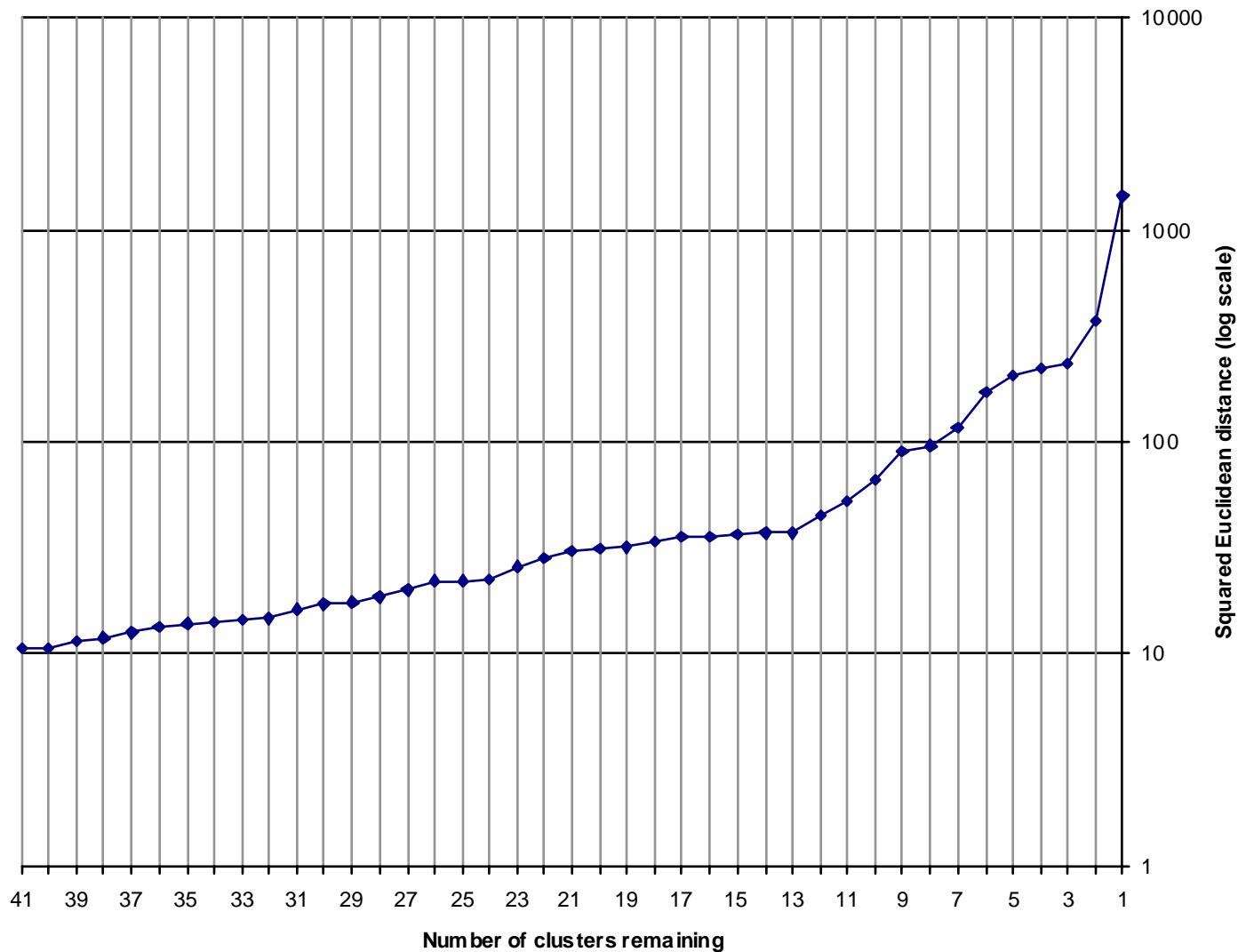
- Classification produced using cluster analysis
- Clustering based on the distances between cases to be clustered - constructed a between-area distance matrix based on all the variables in the data set
- Problems will occur if there are differing scales or magnitudes among the variables - variables with larger dispersion have more impact on similarity measure
- Standardising the data will represent each variable equally in the distance measure

Ward's method

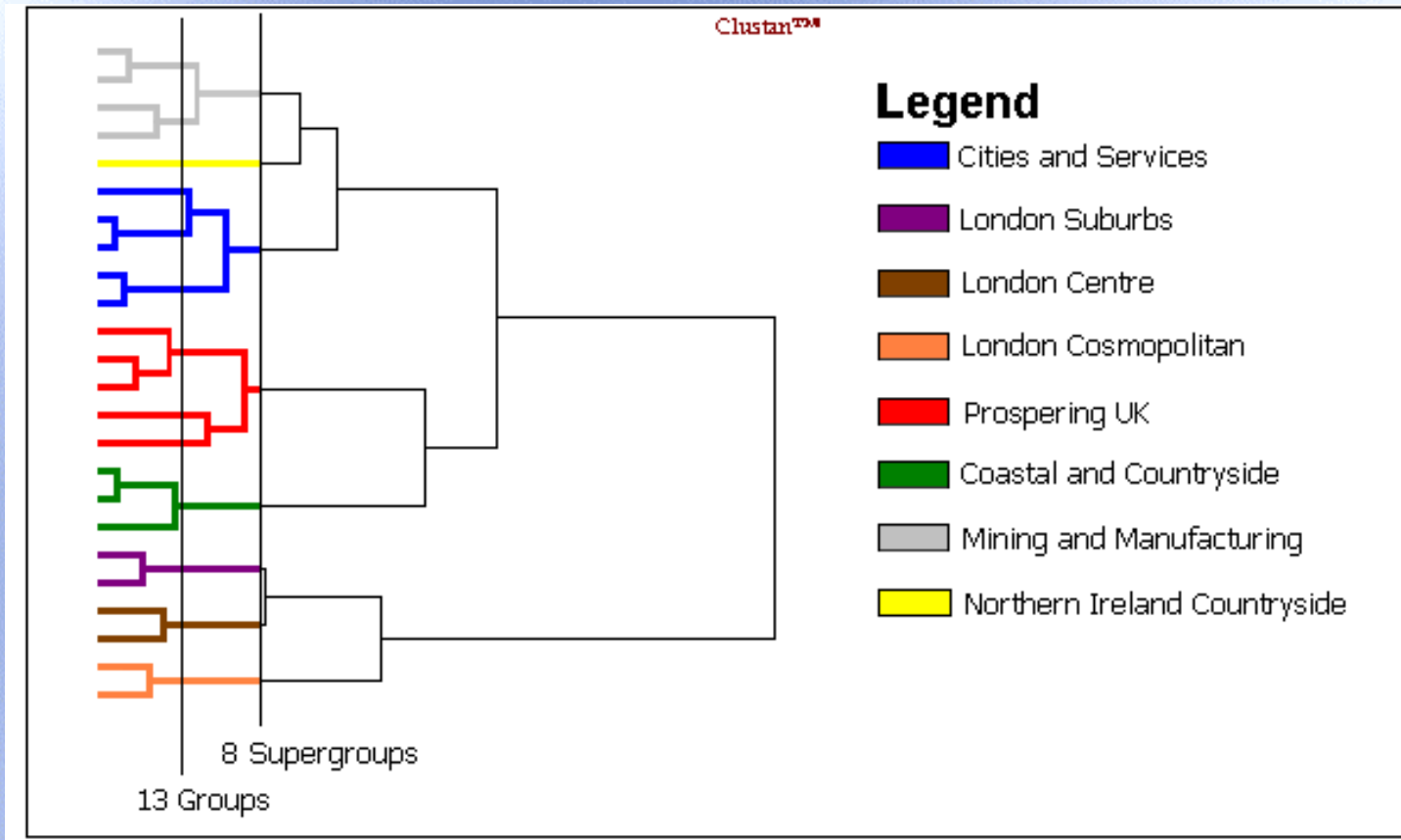
- Starts with all cases as separate clusters.
- Next forms one cluster containing 2 cases, then fuses another pair and so on, at each stage minimising within-cluster sum of squares, also known as 'Error Sum of Squares' (ESS).
- Essentially, for each case, distance to cluster means is calculated.
- ESS is calculated for all possible solutions to find solution with the least ESS, then process is repeated until there is just one cluster containing all cases.
- The cut-off points are chosen based on the agglomeration schedule.

An Agglomeration schedule

Increase in distance between most dissimilar local authority within merged clusters



Hierarchical structure (LADs)



K- means

- With Ward's method, cluster centroids will be changing at each step. K-means used to re-assign cases to cluster with smallest distance between case and cluster centroid over all variables
- Centroids obtained at the lowest level are used to begin the process
- Iterative method, continues until a stable result is achieved (until the difference between the case and other clusters is minimal)
- Higher levels can then be obtained using the hierarchy obtained from Ward's method

Methodology - Local Authority

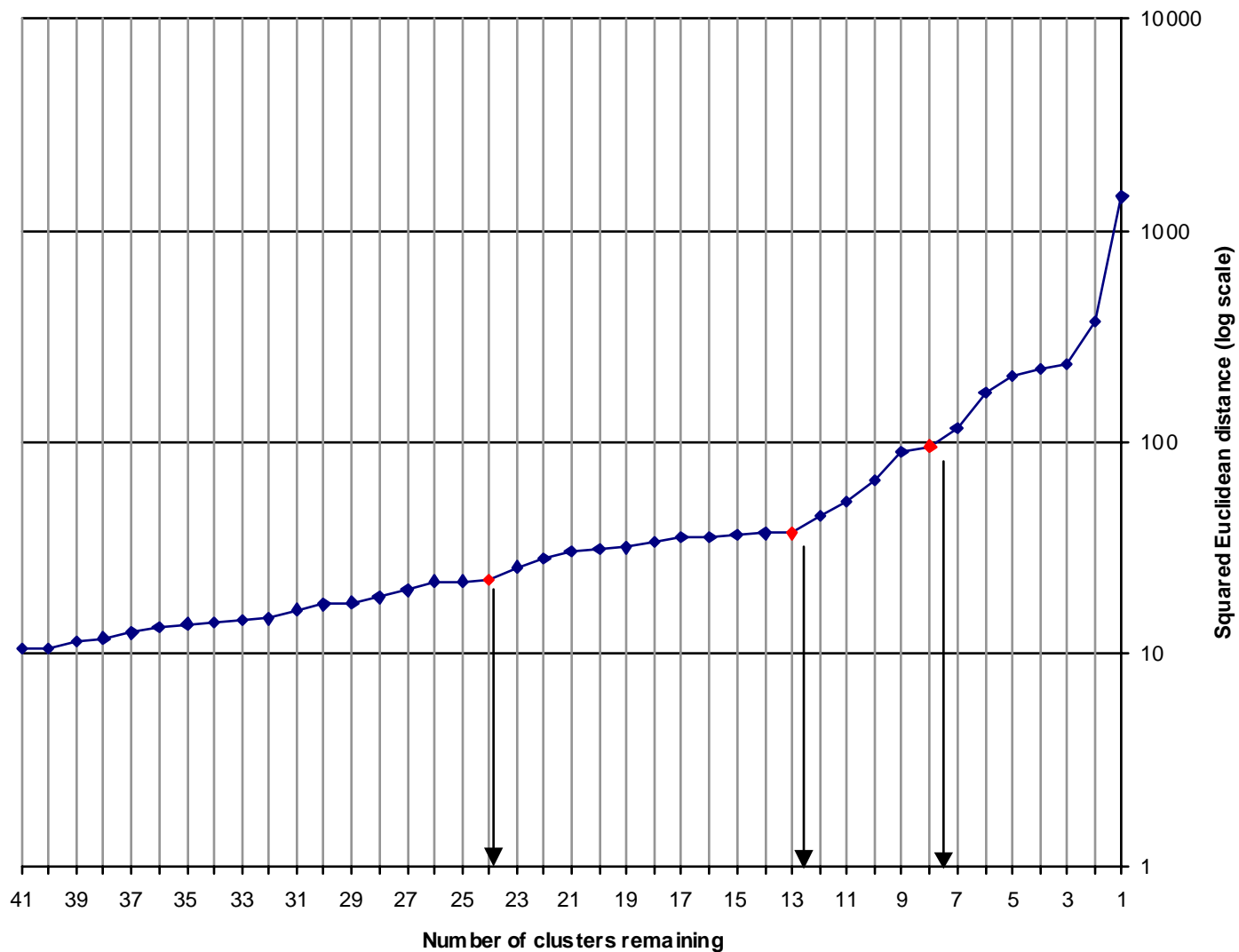
- Dataset consisted of 42 variables, 432 cases
- Used Inter-decile range-standardisation
- Constructed a distance matrix to determine how 'different' LAs were from each other (Squared Euclidean Distance)

Methodology - Local Authority

- Ward's method/K-means cluster Analysis used to produce hierarchical classification
- Agglomeration schedule determined the cut-off points (24 subgroups, 13 groups and 8 supergroups)

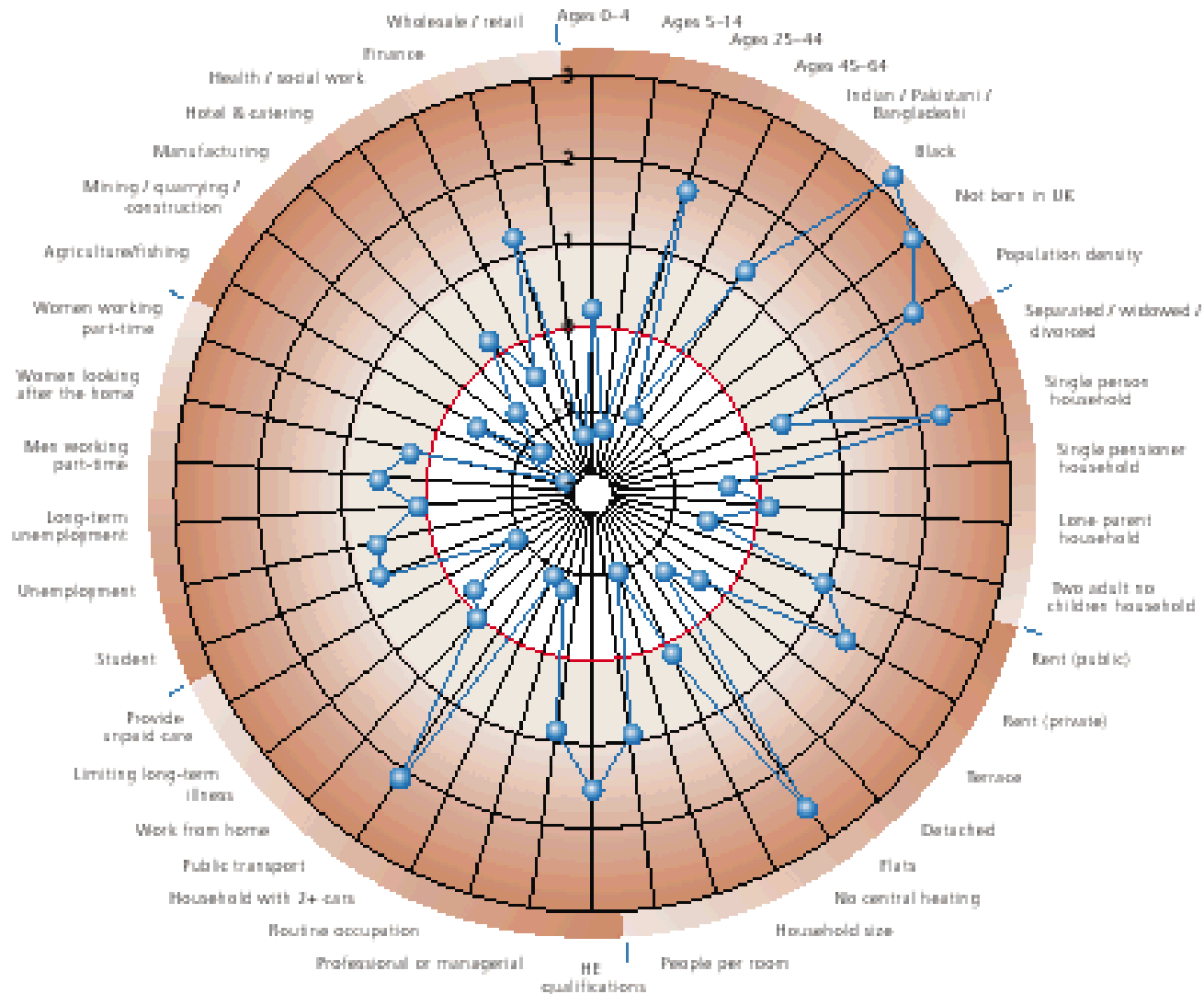
Agglomeration schedule - LADs

Increase in distance between most dissimilar local authority within merged clusters



London centre - radar chart

Range-standardised difference from the **UK mean**. Positive values show an above average level of the population and negative values show a below average level of the population



Methodology - Health Authority

- DoH asked us to map HAs to LA (24 level)
- HAs were assigned to those subgroups giving the smallest SED from the subgroup centroid
- Same 42 variables which were used as in LA
- HAs standardised to LA data
- Higher levels of the classification were created using the LA hierarchy

2001 Methodology - Ward level

- Dataset consisted of 43 variables
- Wards with a population <1000 people were merged with a neighbouring ward to obtain 10553 standard wards (as per Census statistical wards outputs)
- Data standardised using Range standardisation

2001 Methodology - Ward level

- 1991 ward classification had been based on first classifying a *sample* of wards
- 2001 classification - adopted a different approach (Charlton, Openshaw and Wymer, 1985)
- Generated a random classification of all wards into 1000 clusters using K-means
- The cluster centroids from this random classification were used as starting point to reach the optimum 1000 cluster solution (K-means)
- Ward's method then applied to the 1000 clusters

2001 Methodology - Ward level

- Agglomeration schedule determined the cut-off points:
 - 26 subgroups,
 - 17 groups
 - 9 supergroups
- Subgroups obtained from Ward's method were refined using k-means to ensure each ward was assigned to its correct subgroup

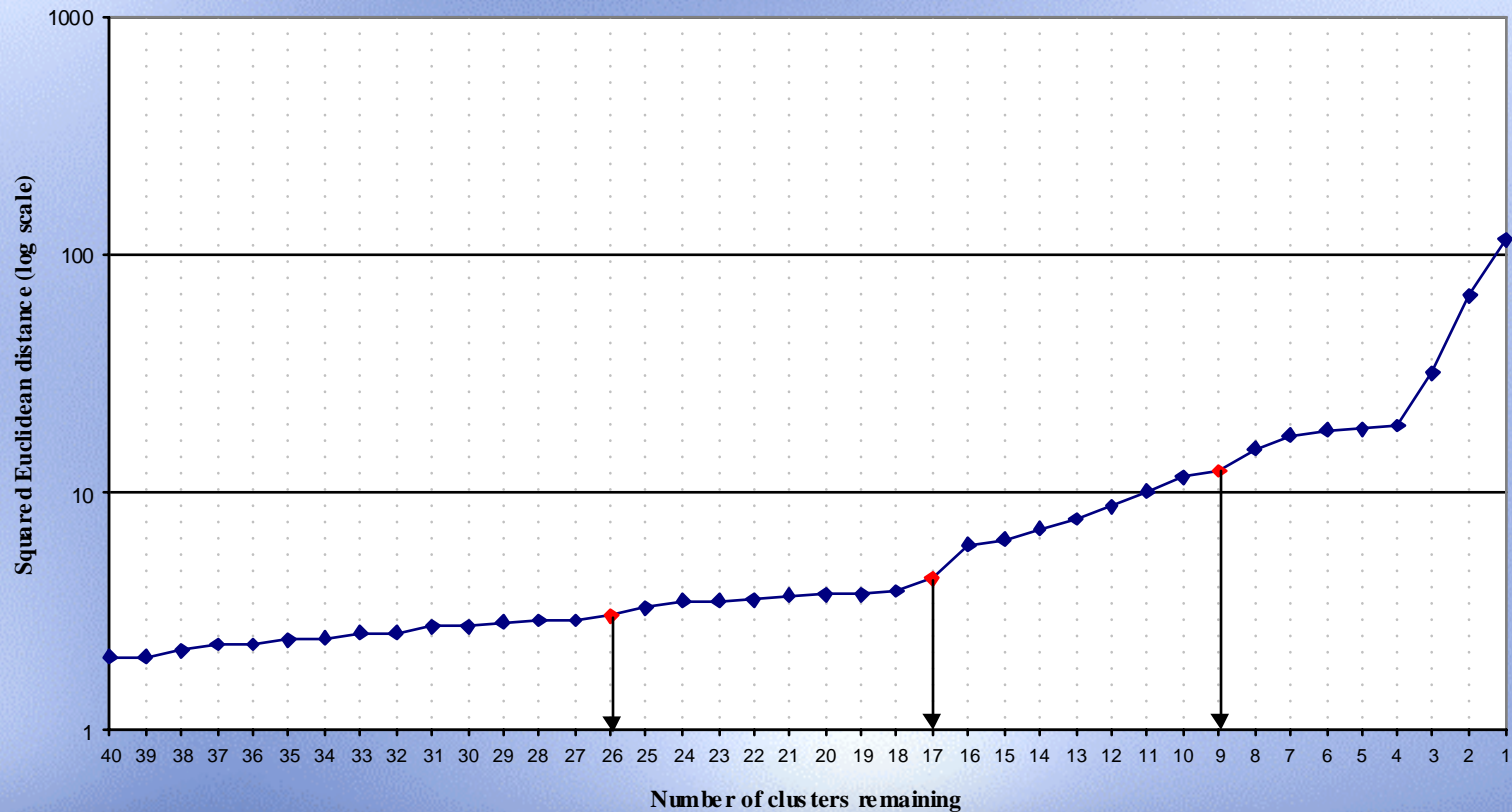
2001 Methodology - Ward level

Before reaching final solution, carried out experimental sensitivity analyses:

- varied standardisation method
- altered number of initial clusters
- tried additional variables suggested by Advisory Board

Range standardisation

Increase in distance between most dissimilar statistical wards within merged clusters



- All classifications available for free from the ONS neighbourhood statistics website
- Local Authority level already there, HAs, and wards available March, OAs afterwards
- Quick view of website, and some results for local authorities....



22 October 2003



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home | neighbourhood statistics

Neighbourhood Statistics**Welcome to Neighbourhood Statistics**

Use this site to view, compare or download statistics for local areas on a wide range of subjects including population, crime, health and housing.

Please choose one of the options below:

Summary statistics for your area

Please enter your full postcode or a city or town name (England and Wales only)

GO

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- ▶ Area Classification for local authorities released on the 31st of October.

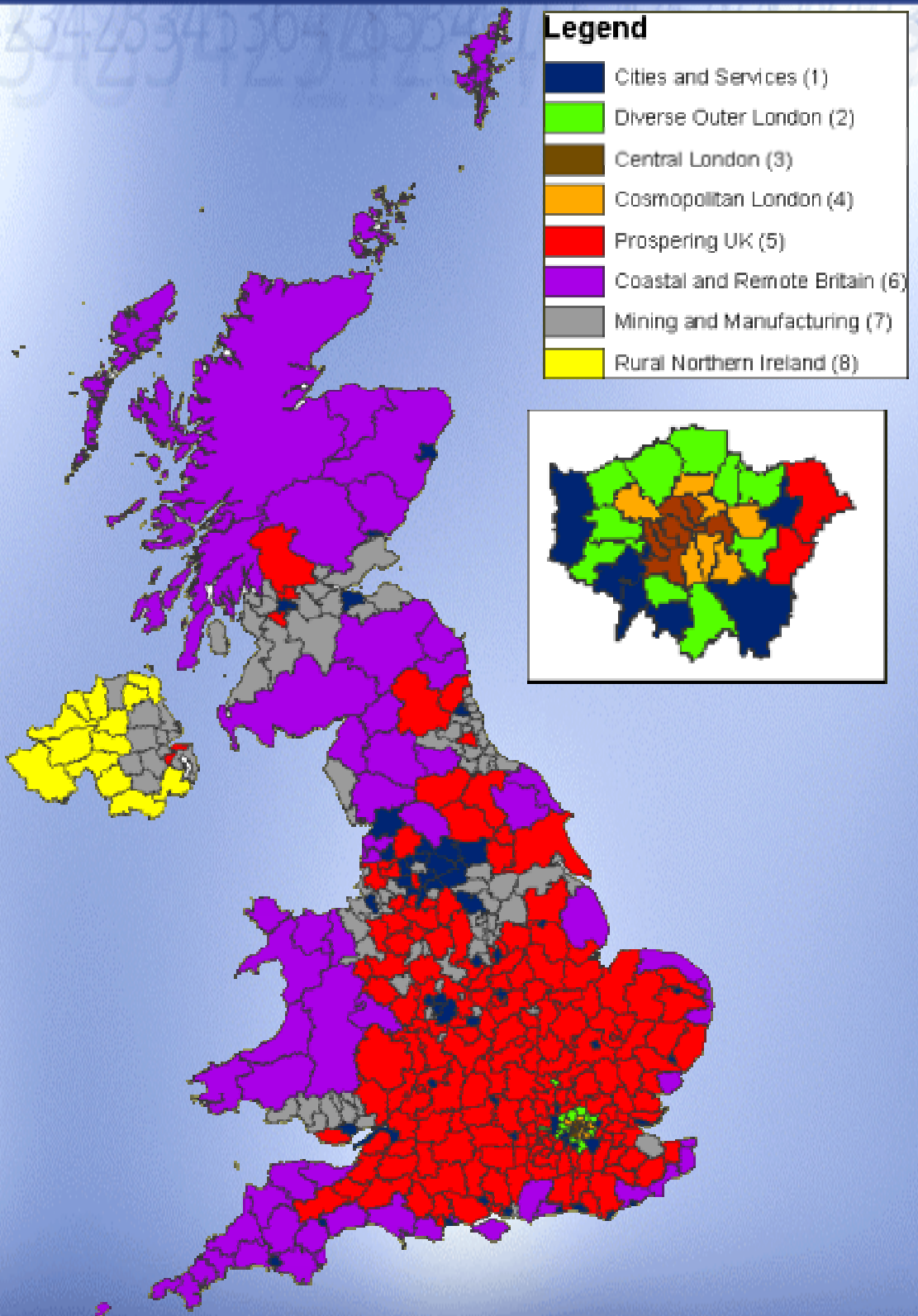
Related links

- ▶ Census 2001
- ▶ Small area population estimates project
- ▶ Nomis - online labour market statistics

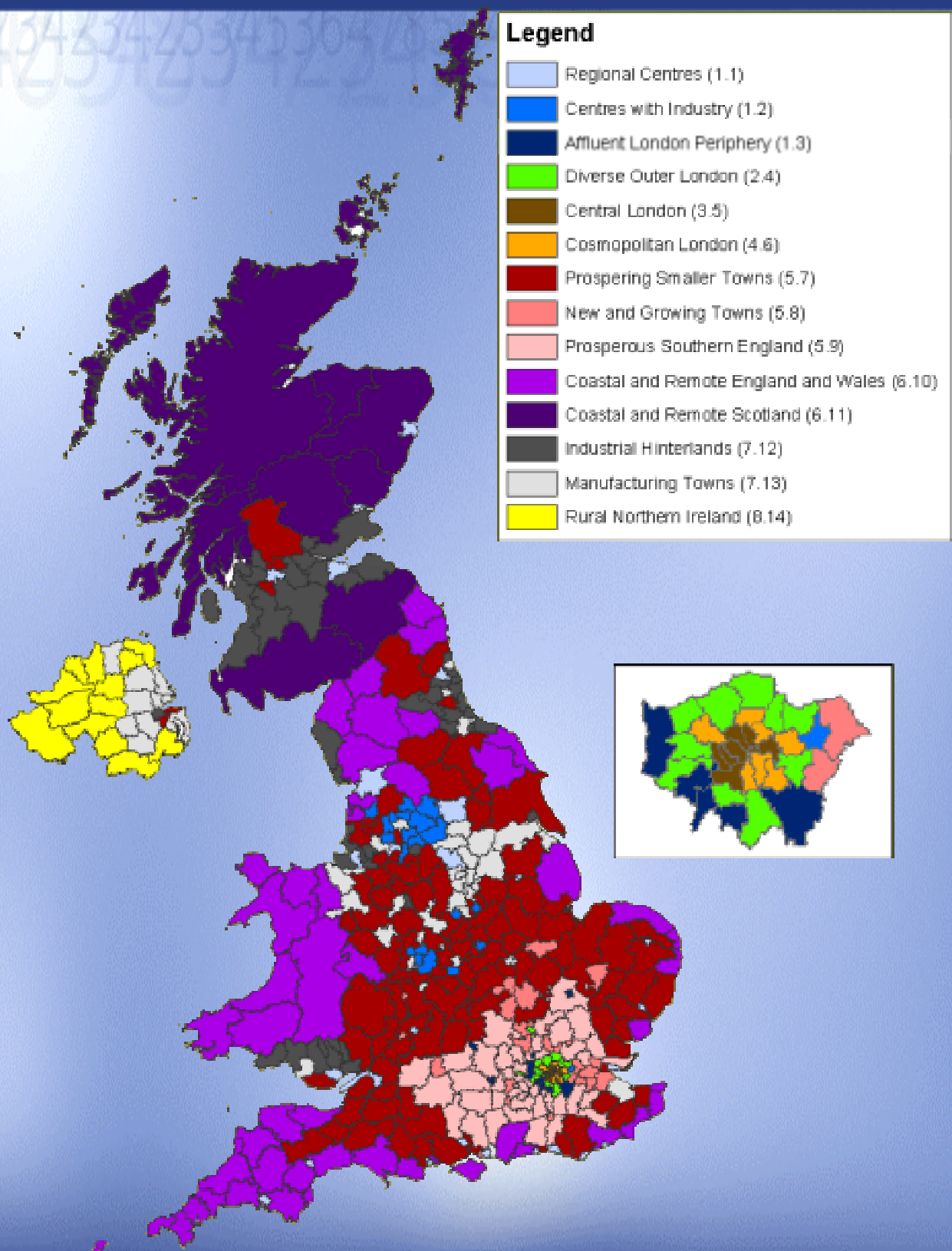
External links

- ▶ renewal.net
- ▶ Neighbourhood Renewal Unit
- ▶ Social Exclusion Unit
- ▶ CLIP

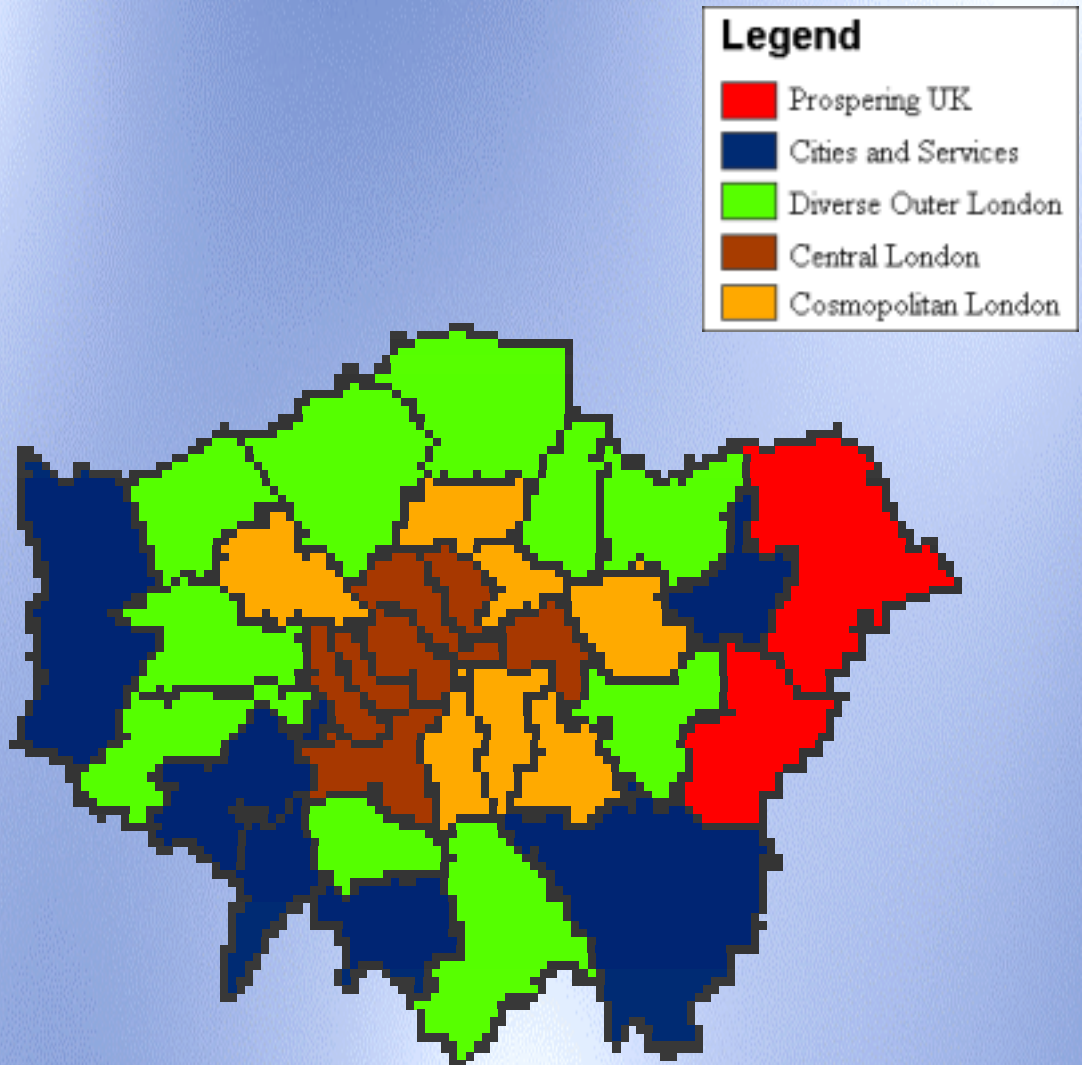
The 8 Families



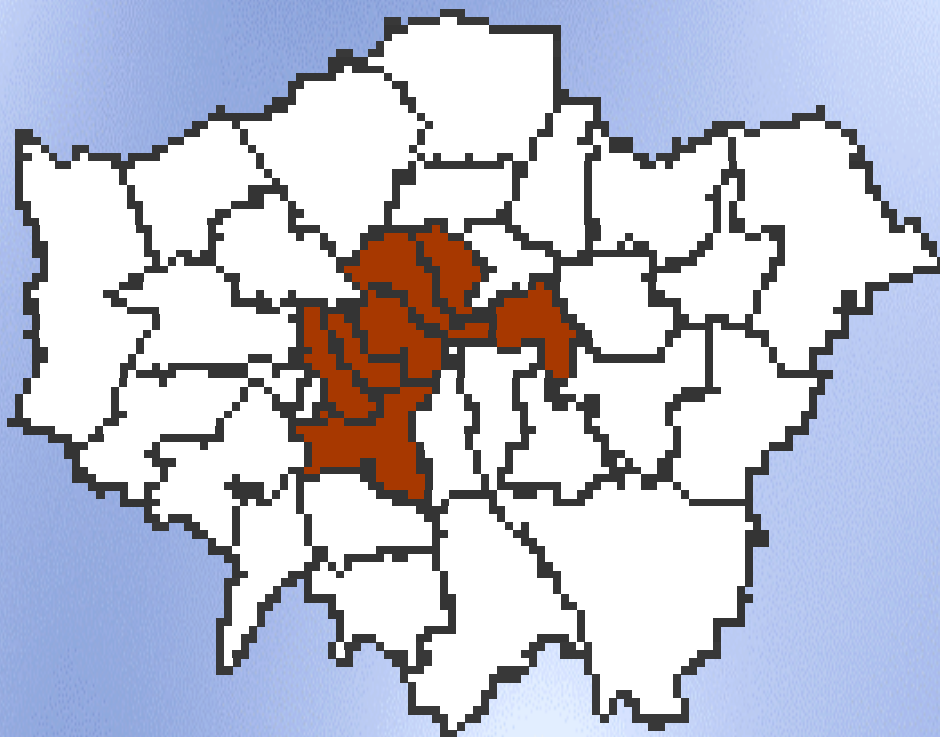
The 14 Groups



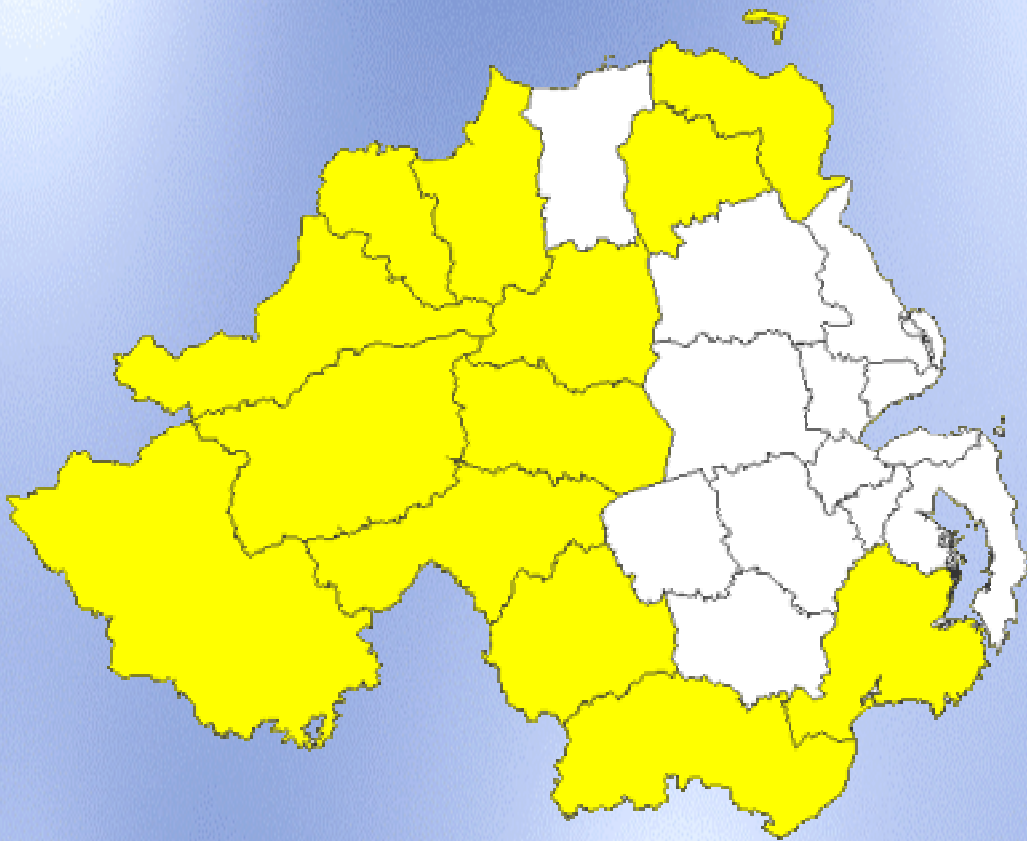
London



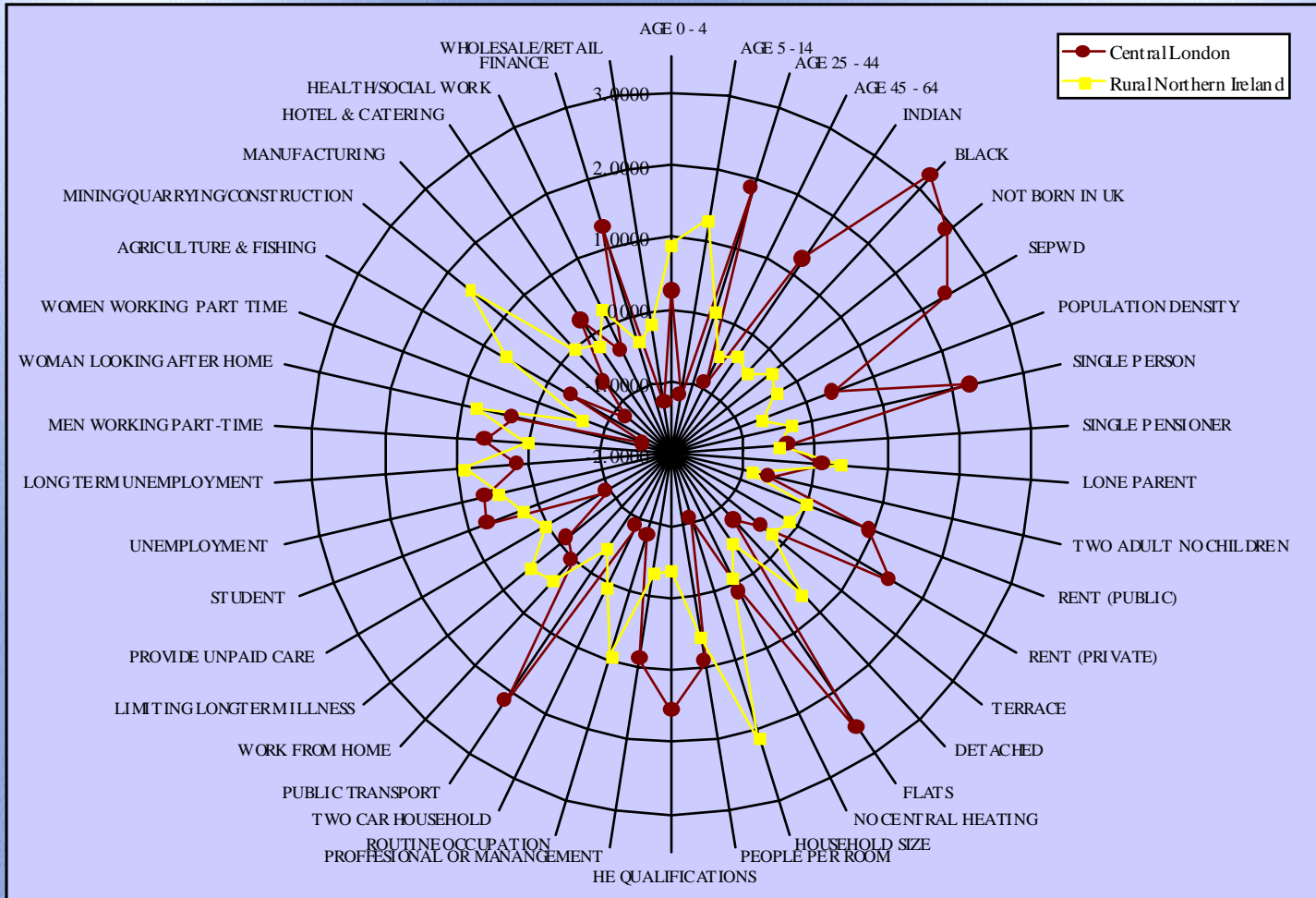
Central London



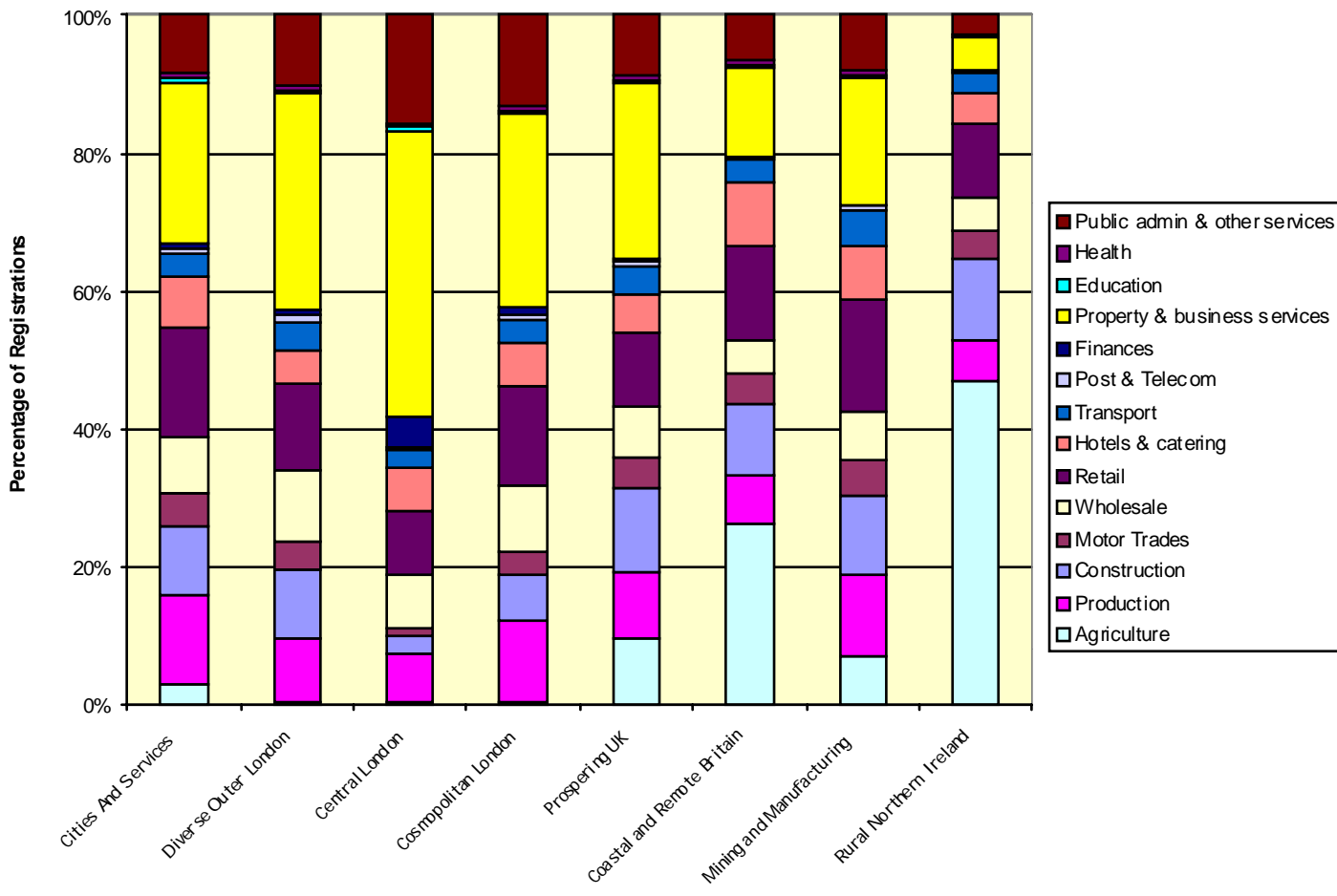
Rural Northern Ireland



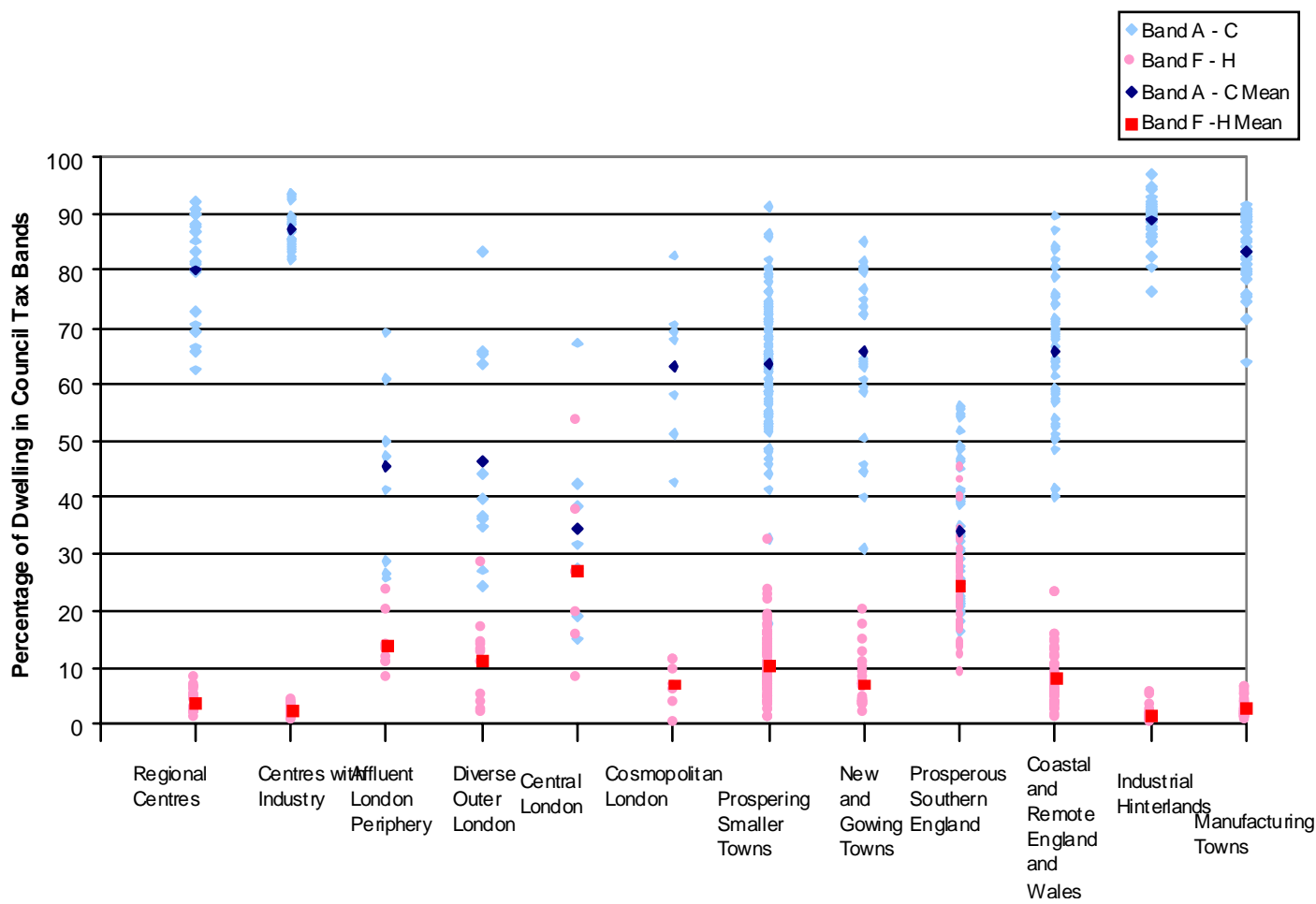
Radar Plots



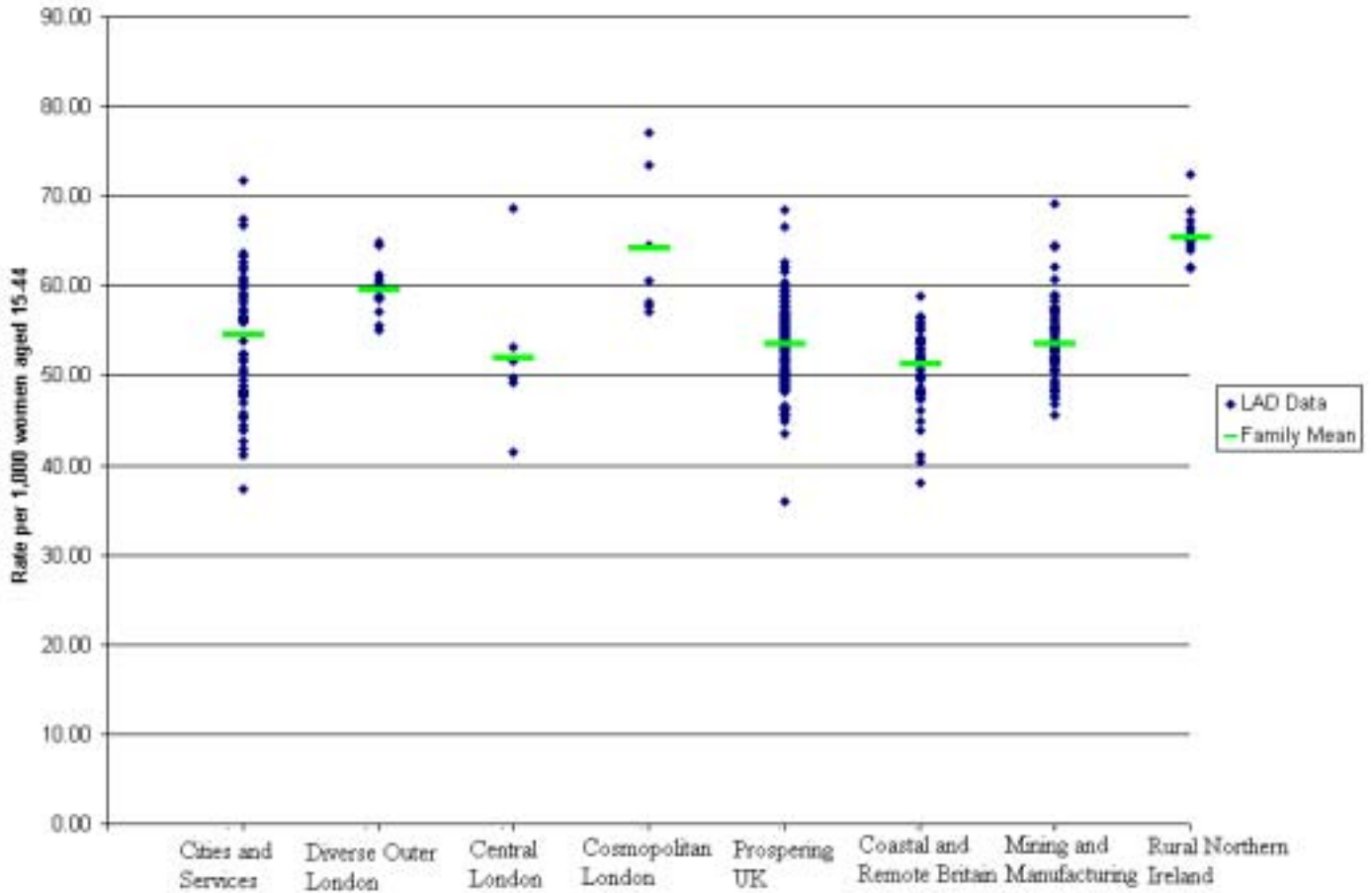
Percentage of VAT registrations, by industry



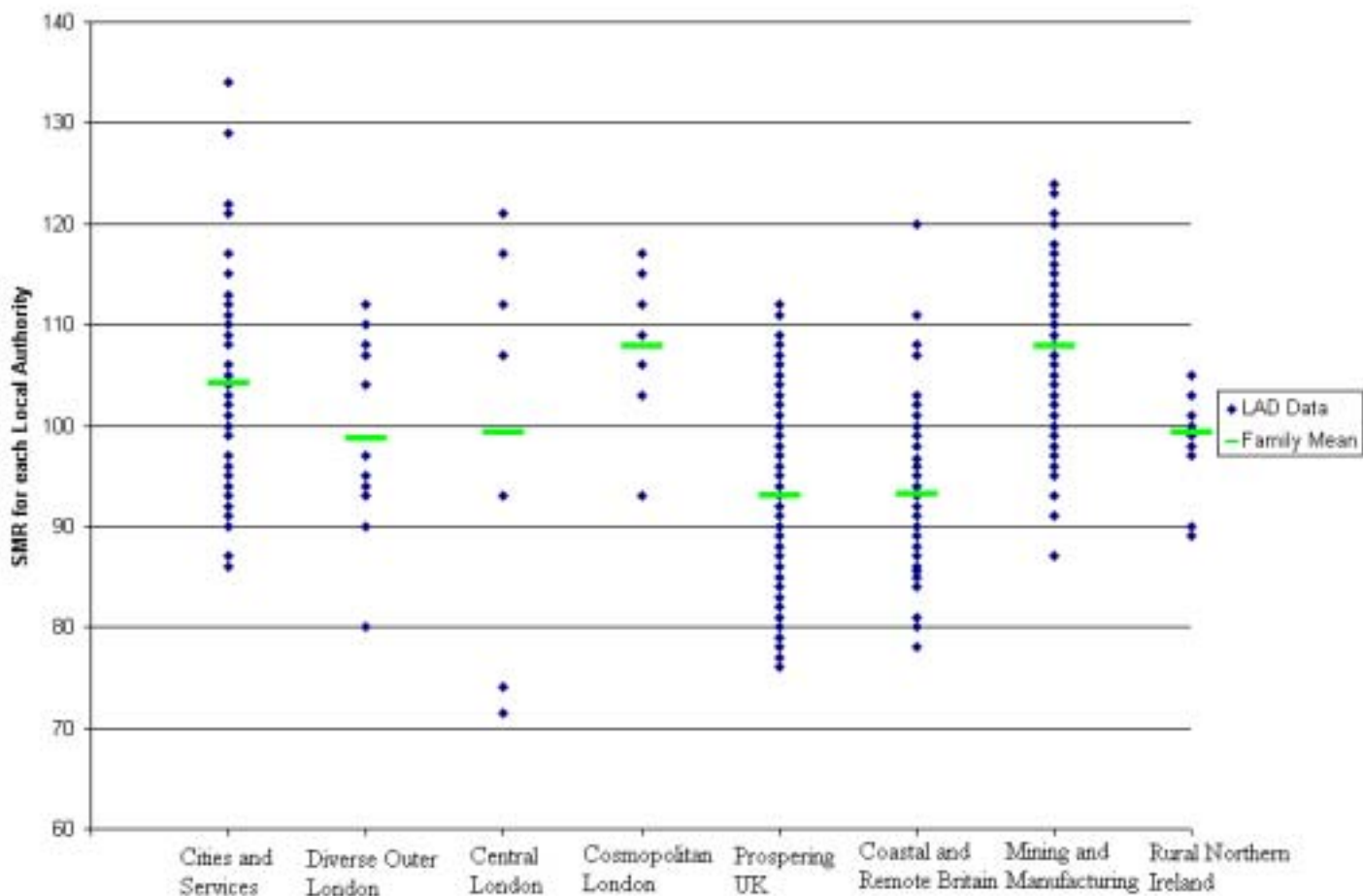
Percentage dwellings in council tax bands - England



General Fertility Rate by Family



Standardised Mortality Ratio by Family



Standardised Mortality Ratio by Group

