

ANGUS COUNCIL

ECONOMIC DEVELOPMENT COMMITTEE

21 AUGUST 1997

SUBJECT: REVIEW OF TRAVEL-TO-WORK AREAS AND SMALL AREA UNEMPLOYMENT STATISTICS

REPORT BY DIRECTOR OF PLANNING, TRANSPORT & ECONOMIC DEVELOPMENT

Abstract: This report comments on the draft 1991-based Travel-to-Work area boundaries proposed by the Office for National Statistics.

1 RECOMMENDATION

It is recommended that the Committee agree this report, as a basis for a response to the Office for National Statistics, drawing particular attention to the following preferences of Angus Council:-

- retention of the current Brechin/Montrose TTWA;
- retention of the current Arbroath TTWA;
- the merging of the current Forfar and Dundee TTWAs.

2 INTRODUCTION

2.1 The Office for National Statistics (ONS) has completed the first phase of a consultation exercise to review Travel-to-Work Areas (TTWA's). Progress on this exercise was noted by the Committee at its meetings of 27 February 1997 (Report No 276/97 refers) and 24 July (Report No 757/97 refers). The first of these reports formed the basis for the Council's response to ONS on areas for which unemployment statistics are required and the methodology to be used. ONS now seek comments on a draft scheme of revised TTWA boundaries.

3 BACKGROUND

- 3.1 TTWA's date, in unpublished form, from 1953 with publication dating from 1960. For reasons associated with the Local Employment Act 1960, there was a need for regular statistics on unemployment rates at below Regional levels.
- 3.2 The aim was to identify relatively self-contained labour market areas with at least 75% containment of commuting to work, a minimum working population of 3500 and boundaries which were contiguous. The data available for such areas allowed consistent and compatible unemployment rates to be calculated over the whole country.
- 3.3 The criteria outlined above continues to apply but the current TTWA boundaries relate to journey to work data established in the 1981 Census of Population. The changing patterns of commuting, working from home, transport and technology since 1981 suggest that, nationally, current TTWA's may not now represent perceived nor actual labour markets. The consequence of these changing commuting patterns, which ONS recognise, is that city regions tend to continually extend their labour market influence resulting in the potential loss of rural TTWA's.

4 MAIN CONCLUSIONS OF ONS CONSULTATION PROCESS

The main views of respondents to the first phase of the consultation exercise include:-

- an overall balance of support weighted in favour of TTWA's;
- current TTWA's may not reflect current labour market areas;
- requirement for unemployment statistics/rates down to very small area levels such as wards;
- requests for unemployment rates for a number of geographies;
- large TTWA's may mask areas of high unemployment.

Annex 1 provides a fuller list of responses.

5 MAIN RECOMMENDATIONS FROM ONS REVIEW

As a result of consultations, ONS propose:-

- draft updated TTWA map to be circulated to local authorities, Training and Enterprise Councils and other users for comment with responses by end August;
- final version of boundaries to be published in October;
- linkage of consideration in the provision of unemployment rates for small areas to wider consultation on the presentation of labour market statistics.

6 DRAFT 1991 BASED TTWA BOUNDARIES

6.1 One of the main findings from consultation was that there was significant demand for the publication of unemployment rates for a number of geographies, including TTWA's which are more representative of current labour market areas. For this reason ONS have decided to circulate these draft update TTWA boundaries for comment. The map is based on commuting patterns from the 1991 Census of Population (see Map 1).

6.2 The main proposals affecting Angus are:-

- current Arbroath TTWA to be included in the proposed enlarged greater Dundee TTWA;
- the Eastern Glens area of the current Brechin and Montrose TTWA to be included in the proposed Forfar TTWA;
- Forfar, Kirriemuir, the Eastern Glens, Blairgowrie, Alyth and Coupar Angus to be combined into one TTWA.

7 DISCUSSION ON PROPOSED TTWA'S

7.1 At the time of writing ONS has not supplied information to support the proposals. This has been requested. However from the 1991 Census of Population, it is possible to obtain journey to work statistics, by Planning Area. These relate to TTWA's as follows:-

- Forfar/Kirriemuir Planning Area = Forfar TTWA
- Brechin/Montrose Planning Area = Brechin/Montrose TTWA (within Angus)
- Arbroath/Carnoustie Planning Area = Arbroath TTWA + that part of Dundee TTWA within the former Angus District (including Carnoustie)
- Dundee Planning Area Dundee TTWA less part of NE Fife and the Carnoustie area

Dundee TTWA

- 7.2 From information currently available from the 1991 Census of Population, Journey to Work data, the current Arbroath TTWA displays 60% self-containment of labour, which is below the 75% threshold.
- 7.3 Official unemployment statistics for June 1997 show Arbroath TTWA with an unemployment rate of 11.5%, the second highest in Scotland. This information would be concealed within a wider Dundee statistic, and unless small area rates become available, little data would be available to adequately target initiatives.
- 7.4 Central government has recognised the particular problems of Arbroath TTWA, and on the basis of TTWA area definitions, awarded Development Area status. The ONS proposal demonstrates that larger TTWA's like the enlarged Dundee TTWA would absorb and suppress the high unemployment rates displayed by Arbroath TTWA and as a result may not attract aid from central government.
- 7.5 There are dangers of seeking perfection of labour market areas (ie 100% self-contained) at the expense of losing the essentially local character of the market, must be guarded against. Perfection would result in overly large, urban-based TTWA's which were irrelevant for describing local variations in unemployment and that these areas would be extremely unintegrated.

Brechin and Montrose TTWA

- 7.6 The only proposed change to this TTWA is the removal of former eastern Glens area to ward from Brechin/Montrose TTWA to the proposed Forfar/Blairgowrie TTWA. However the workforce in the Glens area is not large and would make little difference to the containment of either TTWA. Most communication links and affinity, however, are with Brechin.
- 7.7 The Planning Area of Brechin and Montrose displays internal containment of 64%, plus 6% working from home and 5% journeying to Kincardine District to work (75%). In addition movement from Kincardine to Brechin/Montrose to work will boost the self-contained factor well above the threshold.

Forfar TTWA

- 7.8 The ONS propose to unite the current Forfar TTWA with part of the existing Blairgowrie/Pitlochry TTWA i.e. the Blairgowrie, Coupar Angus, Alyth and Strathardle Valley and the eastern Glens ward dealt with above.
- 7.9 The 1991 Census of Population displays a 52% internal containment plus 10.5% working at home giving 62.5% for Forfar.

7.10 Eastern Planning Area demonstrates a 52% self-containment rate with 11% working at home giving a factor of 63%. In addition, with only a 2% flow between the two TTWA's a combined rate of about 65% is achieved; still below the 75% threshold. Almost 11% of Eastern Planning Area's workforce travel to the Perth TTWA for work.

7.11 On the other hand 16% of Forfar's working population travel to Dundee for work. In addition, following local government re-organisation it is likely that significant numbers travel from Dundee to Forfar for work. Forfar's relationship with Dundee provides a containment factor of 78% for Forfar and a factor of 88% for Dundee; clearly highly compatible.

8 ALTERNATIVE OPTION

8.1 The current Arbroath TTWA retains a sufficiently large workforce and a significantly high degree of self-containment of labour to justify its continued existence. Arbroath also demonstrates unique local characteristics within its labour market which should not be concealed by its being absorbed by Dundee TTWA.

8.2 The town of Carnoustie is within the current Dundee TTWA thus the vast bulk of commuting is already contained within the Dundee TTWA.

- **There is no real justification to change the Arbroath TTWA.**

8.3 A significant and continuing relationship has been identified between Brechin/Montrose Planning Area and that part of Kincardine District, comprising the current TTWA, which justifies the TTWA. There is no real reason to exclude the Glens area as this area has a natural affinity with Brechin.

- **The evidence supports the retention of the current Brechin/Montrose TTWA.**

8.4 The 1991 Census of Population displays no real relationship between Forfar TTWA and Eastern Planning Area. Greater statistical relationships exist between Forfar and Dundee and this is emphasised by the movement of workforce due to local government re-organisation. The Eastern Planning Area has greater linkages with Perth TTWA rather than Forfar TTWA.

- **There are significant statistical linkages between the current Forfar and Dundee TTWA's to suggest uniting these to form a single unit.**

9 FINANCIAL IMPLICATIONS

9.1 There are no financial implications arising from this report.

10 CONSULTATION

10.1 The Chief Executive, Director of Law and Administration and Director of Finance have been consulted in the preparation of this report.

11 CONCLUSION

- 11.1 The review of the present TTWA system has revealed substantial support for the retention of labour market areas, however the current and proposed ONS boundaries do not fully reflect labour market areas in Angus.
- 11.2 In relation to Angus, comments on the ONS proposals are:-
- retain the current Brechin/Montrose TTWA;
 - retain the current Arbroath TTWA;
 - merge the current Forfar and Dundee TTWA's.
- 11.3 Having made these suggestions for redrafting TTWA's primarily for the purpose of allowing the calculation of an unemployment rate:-
- it would be valuable for ONS to provide historic data for any new areas, to provide a comparable time-series framework;
 - ONS should aim for the provision of official unemployment rates for small areas, possibly wards, as a matter of priority;
 - ONS should set out a model for local authorities to produce consistent "unofficial" unemployment rates for ad hoc areas;
 - data should be released by ONS to allow such a model to work eg the release of claimant counts by unit post code to all local authorities.
 - As the 2001 Census of Population is only four years away perhaps ONS should consider using journey to work data from that source rather than 1991 data.

NOTE

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

AA/TM/SP/MR
15 August 1997

Alex Anderson
Director of Planning, Transport & Economic Development

ANNEX 1 : RESPONSES TO ONS CONSULTATION

TTWAs are used for a wide variety of reasons, the most commonly cited of which were:-

- for informing inward investment;
- monitoring the effectiveness of labour market programs;
- to help build an understanding of the labour market;
- important in local labour market analysis, particularly regarding the spatial mismatch between labour supply and demand;
- as the smallest area for which workforce-based rates can be compared;
- offering a statistically consistent geography for the whole country;
- to investigate the spatial dimensions of labour market change across the regional and urban system;
- for planning, economic and community studies in the sense that they link the workplace and the home;
- providing a comparable definition of each city's local economy.

Less than a fifth of respondents were of the opinion that TTWAs are not useful, including a few who felt that TTWAs are also conceptually flawed. The main criticisms of TTWAs were:-

- cut across administrative boundaries (limiting their use to local authorities);
- they are too big in some areas;
- they mask areas of high unemployment;
- based on Census date consequently always out of date;
- the self-containment criterion is too low to ensure that a standard unemployment denominator can be produced;
- the commuting patterns average across all workers - in the real world, there will be different TTWAs for different occupational groups;
- based on travel to work patterns of the employed;
- constrained by the Welsh and Scottish borders;
- some rural areas do not fit into the UK wide methodology (Eurostat guidelines say that geographies should perform well in all regions);
- the concept of TTWAs is becoming increasingly less relevant in the modern world;
- the self-containment criterion dominates over the need for internal cohesiveness.