

Use of non-official data to measure locational attractiveness

Welsh Assembly Government

Use of non-official data to measure locational attractiveness

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Introduction

This project looks at the extent to which information sources such as Mosaic UK can be used to assess the attractiveness of places for potential residents and businesses. The valleys of South Wales have been chosen to act as a case study for the work, though the principles should have wider applications.

MEASURING LOCATIONAL ATTRACTIVENESS

The research proceeds from the common-sense proposition that people will be attracted towards places that display characteristics that they find appealing. By identifying what people like, and comparing it with what places offer, we therefore ought to be able to identify why some locations attract new arrivals more easily than other places with apparently similar economic circumstances.

However, identifying attractiveness is not in practice so simple. Judgements will, for example, vary from person to person, and certainly the relative importance attached to different factors will vary. Furthermore, information on preferences that people provide via surveys and similar methods may not always be reliable. People may, for example, say that they highly value access to cultural facilities but in practice place little importance on them when making their location decisions.

Accordingly, we have tried to assess the Welsh Valleys by looking at profiles of the neighbourhoods that they contain, to see if we can paint a portrait of how they are likely to look to outsiders. Our portraits are structured around the following elements:

- Deprivation
- Income and indebtedness
- Employment
- Health
- Housing and services
- Living environment
- Crime
- Transport
- Local shops and businesses

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MOSAIC

Mosaic classifies every household and postcode in the UK into one of 11 groups and 61 types.

To create our neighbourhood profiles we have made much use of our Mosaic socio-demographic information, together with other associated and relevant information. Mosaic is a way of describing very local neighbourhoods in terms of the people who live in them and the characteristics of those people and their lives. It classifies every household and postcode in the UK into 61 distinct types, which are summarised into 11 broader groups. These are based on demographics, behaviours, lifestyles and attitudes. Each classification has been designed to maximise the homogeneity within the type and to maximise the differences between types.³

Each Mosaic type is given a description that serves as a short hand way of encapsulating certain distinguishing aspects of people who have been placed in that category.

Our proposition is that if Mosaic generates significant advances in understanding, over and above what conventional official data can offer, then it provides a means to assess the attractiveness of different places and a potentially valuable guide to policy.

COMPARISON AREAS

To offer further understanding of the Upper Valleys area, we also look in detail at how they compare with the following districts:

- The urban areas of the South Wales coast.
- Gwynedd, a Welsh-speaking area of North Wales.
- Easington in County Durham, an area viewed by the project sponsors as having similar features to the Upper Valleys.
- High Peak in Derbyshire and Calderdale in West Yorkshire, which are mixed areas with a major commercial draw within commutable distance.

The Upper Valleys' Mosaic profile is similar to the South Yorkshire and Nottinghamshire coalfields.

Comparison of the defined Upper Valleys, in terms of its Mosaic profile, with other local authorities in England and Wales shows that the area is similar to the South Yorkshire and Nottinghamshire coalfields, the north-east coalfield, the steel areas of the north-east and Lincolnshire, and the industrial areas of the north-west.

³ The technical report contains detailed descriptions of the standard Mosaic classifications for the UK and also gives explanation of their respective labels.

Executive summary

INTRODUCTION

The Economic Advice Division of the Welsh Assembly Government commissioned Experian Business Strategies to look at the extent to which non-official information sources can be used to assess the attractiveness of places for potential residents and businesses.

The research proceeds from the common-sense proposition that people will be attracted to places that display characteristics that they find appealing. The Valleys of South Wales have been chosen to act as a case study for this work, though the principles have wider applications.

To create our profiles of the local population and business base we have made much use of our Mosaic socio-demographic information, together with other associated and relevant information. Mosaic is a way of describing very local neighbourhoods in terms of the people who live in them and the characteristics of those people and their lives.

A technical report accompanies the main report and provides detailed information on how the data sets are constructed.

COMMUNITIES IN THE UPPER VALLEYS

The Upper Valleys has a homogenous population – an unusually high concentration of three Mosaic groups dominates the area. Furthermore, not only is there evidence of very prevalent groups, these groups are also over-represented in the Upper Valleys when compared with Wales and the UK.

The Mosaic patterns suggest several conclusions about the kinds of communities that exist in the Upper Valleys:

- The young as well as the old value strong family links and live as part of long-established communities.
- There is little movement of people, even within the Upper Valleys.
- Although the population is quite old, people of different ages live closely together.
- People of Welsh origin dominate the local population.
- The population is declining.

To offer further understanding of the Upper Valleys area, we also look in detail at how it compares with other districts. Neath Port Talbot closely matches the Upper Valleys, but the population of Cardiff could not be more different, certainly in Mosaic terms. Newport and Gwynedd are also different to the Upper Valleys. In contrast, Easington (County Durham) has the most similar Mosaic profile to the Upper Valleys – the most common types in the Upper Valleys are also the most common in Easington.

Experian Business Strategies was commissioned to look at the extent to which non-official information sources can be used to assess the attractiveness of places for potential residents and businesses.

The population is quite old, but people of different ages live closely together.

Easington (County Durham) has the most similar Mosaic profile to the Upper Valleys.

As in the Upper Valleys, stability of the population is a key factor in Cardiff and Neath Port Talbot, but the population is more transient in Newport and Gwynedd. In the latter this is largely indicative of the tourist trade, and of the student population in Bangor.

MEASURES OF LOCATIONAL ATTRACTIVENESS

Deprivation

Multiple deprivation is widespread in the Upper Valleys but, in contrast to many popular perceptions, the primary contributor is education rather than income, employment, health, access, crime or the environment.

The overall high level of multiple deprivation is generally widespread, although with some notable exceptions. For example, there are some significant areas of low multiple deprivation, particularly around Aberdare and, to a lesser extent, parts of Merthyr and the area south of Ebbw Vale.

Income and indebtedness

Although the Upper Valleys demonstrates widespread low incomes, concentrations of extreme poverty appear to be rare. However, it is also the case that there is very little in the area that can be classed as more affluent than the UK average. The distribution of household income is similar across the Upper Valleys, with the exception of the furthest west, to the north of Maesteg, where incomes are significantly lower.

Income may be limited, but evidence suggests that residents are careful to live within their means. Information concerning financial stress confirms this picture – the local population has more than twice the UK average of very low levels of financial stress.

Incomes are lower in the Upper Valleys than in Cardiff. Whilst many people in Cardiff are still on low incomes, there is evidence of some very high earners and a significant number of households on middle incomes. There are also more people on middle incomes in Neath Port Talbot and Gwynedd.

Employment

Manual work in the manufacturing sector and below lower supervisory level dominates employment in the Upper Valleys. Across the UK as a whole, the areas most likely to have a similar employment profile are ex-mining and steel areas, and agricultural areas.

Although the Upper Valleys demonstrates widespread low incomes, residents are careful to live within their means.

During the working day there is significant out-commuting. However, in-commuting is evident amongst the more affluent, who are likely to be working as managers and senior personnel.

The daytime population of the Upper Valleys is almost 10 per cent lower than the resident population, indicating that those who are mobile leave the area to work. That said, there is a noticeable influx of people from rural areas and the more affluent Mosaic types and groups, suggesting that managers and senior personnel flow into the area when locally employed in professional occupations.

Health

There is evidence from official and non-official sources of high rates of ill health in the Upper Valleys, the causes of which extend beyond what can be directly attributed to illnesses acquired as a consequence of employment in mining and certain manufacturing activities.

Housing and services

There is significantly less privately rented housing in the Upper Valleys than in the UK as a whole.

There is significantly less privately rented housing in the Upper Valleys, and indeed in the Valleys themselves, than in the UK as a whole. The result is a slight over-representation of both privately owned housing and public sector rented housing.

Gwynedd has a much smaller proportion of public sector housing than can be found in the Upper Valleys. The opposite is true of Easington – 41 per cent of the properties in Easington are public housing, compared with 26 per cent in the Upper Valleys.

Living environment

Individuals living in the upper valleys tend to invest their time and energy into their homes and the local community. There is an air of pride in the local community.

Crime

Despite the continuing economic hardship of the Upper Valleys, these are not generally neighbourhoods that suffer from particularly serious crime blight. Nevertheless, areas of large council estates, such as those around Merthyr Tydfil, do experience some problems, such as drug use, vandalism and fear of violence.

Transport

Accessibility is a general problem in the areas outside the Cynon, Taff, Sirhowy and Ebbw valleys.

In terms of car ownership, the average number of cars per household in the Upper Valleys is 1.06, compared with a UK average of 1.21. Local cars are relatively old, and saloon cars of modest engine sizes and low insurance groups predominate. Accessibility, measured in terms of population density and distance to major shopping centres is a general problem in the areas furthest from Aberdare, Merthyr, Tredegar and Ebbw Vale.

MEASURES OF LOCATIONAL ATTRACTIVENESS – LOCAL SHOPS AND BUSINESSES

Commercial mix

Two-thirds of the 7,630 commercial enterprises in the Upper Valleys belong to just two of the 13 Commercial Mosaic groups. This suggests that businesses in the Upper Valleys tend to be small, operating either from home or from single premises, often on industrial sites. Small or home offices are also over-represented when compared with wider areas.

Small or home offices are over-represented when compared with wider areas.

The commercial mix is much more varied in Cardiff than in the Upper Valleys, with evidence of head offices and subsidiaries of larger companies in the former. There are also significant numbers of relatively new businesses, as is the case in Newport. That said, in general the commercial mix in Newport and Neath Port Talbot is remarkably similar to that found in the Upper Valleys. In contrast, the commercial mix in Gwynedd reflects the nature of the area, with many small businesses supporting agriculture and tourism.

Retailing

Retail vitality is low compared with the whole of the UK, based on the mix of stores and a significant vacancy rate. Vacancies are particularly high in Abertillery and Bargoed. The Upper Valleys also has low levels of retail spend, which is more likely to take place in convenience outlets than is typical across Wales and the UK.

Retail vitality is low compared with the whole of the UK.

Merthyr Tydfil is the centre with the greatest pulling power in the Upper Valleys. However, the Upper Valleys do not account for a particularly large proportion of total shopper visits to the four coastal centres of Cardiff, Newport, Neath Port Talbot and Bridgend.

1 Communities in the Upper Valleys

KEY MESSAGES

The young and old have strong **family ties** within the local community. Young people tend to marry young, have at least one child and are unlikely to co-habit, divorce or head single-parent families.

The population of the Upper Valleys is **ageing**, with few older people moving out of the area. The young are the children of previous generations of residents, with little evidence of movement in or out of the area.

Surnames of Welsh origin predominate in the Upper Valleys, and there is a marked absence of people from **ethnic** minorities.

The **population** in the Upper Valleys has declined over the past decade, though it is becoming more socially diverse.

Although there has been an increase in the representation of the more **affluent**, there is also evidence of a small but significant rise among the most **deprived**. Such trends in polarisation are evident across the UK.

1.1 GENERAL PROFILE OF THE UPPER VALLEYS

For potential arrivals, a key element of local attractiveness is the type of people who already live in an area, and hence the type of communities that are there. This includes such questions as whether the population is young or old, whether it contains a lot of recent arrivals or is mostly long established, and whether there are strong social ties or a tendency for people to ‘keep themselves to themselves’.

Much of the raw material to describe an area comes from the Census. It shows, for example:

- Ethnic diversity in the Upper Valleys is minimal.
- The vast majority of those resident in the Upper Valleys were born in Wales.
- The Upper Valleys have an over-representation of older residents, particularly those of retirement age.

The population of the Upper Valleys is ageing, with little evidence of movement in or out of the area.

This information and other raw data from the Census is helpful, but it does not give us much ‘feel’ for what the communities in the Upper Valleys are really like. To get a richer picture, we have used Mosaic, which tells us that some socio-demographic types are particularly prevalent in the Valleys, and others significantly under-represented (Table 1.1 summarises this). The descriptions that are applied to the Mosaic groups and types are a summary of their common characteristics.

Table 1.1
Mosaic profile of the Upper Valleys

	% of residents in the Upper Valleys	Index ¹ Upper Valleys compared to:		
		The Valleys	Wales	UK
Mosaic Groups²				
D - Close-knit, inner city and manufacturing town communities	34%	109	177	214
H - Upwardly mobile families living in homes bought from social landlords	32%	110	190	190
G - Low income families living in estate based social housing	18%	143	217	272
Other	16%	-	-	-
Mosaic Types³				
H44: Manual workers, many close to retirement, in low rise houses in ex-manufacturing towns	21%	124	311	693
D23: Owners of affordable terraces built to house 19th century heavy industrial workers	19%	112	242	485
H45: Older couples, mostly in small towns, who now own houses once rented from the council	10%	105	189	368
G42: Older people living in very large social housing estates on the outskirts of provincial cities	9%	155	255	355
D22: Comfortably off manual workers living in spacious but inexpensive private houses	8%	90	150	265
G43: Older people, many in poor health from work in heavy industry, in low rise social housing	8%	144	247	285
Other	25%	-	-	-

¹ The Index identifies the groups that are under-represented and over-represented in the Upper Valleys compared with the UK. An Index of 100 is average, anything below is under-represented, anything above is over-represented.

² Detailed descriptions of the characteristics of individuals in these groups is provided in the Technical Report, Appendix B.

It is clear from the table that three Mosaic Groups, **D**, **H** and **G**, dominate the Upper Valleys, accounting for the large majority of households.⁴ This is an unusually high concentration, indicating a very homogenous population. The picture is even more marked when Mosaic types are considered. Although there are 61 of these, 75 per cent of the Upper Valleys' population can be found in just six:

- Type **H44**: workers reliant on manufacturing employment, living in low-value terraced houses.
- Type **D23**: self-sufficient families traditionally reliant on industrial employment, living in older terraces.
- Type **H45**: low-income older workers in manufacturing jobs, some may have bought their council terraces.
- Type **G42**: appear in large groupings on the edge of large population centres, and where tenants are reliant on public sector support for housing and transport and few neighbours have bought their homes.
- Type **D22**: older manual workers with a good standard of living in comfortable semis where traditional working-class values are held.
- Type **G43**: settled but poor older people in low-rise social housing, often found in industrial areas suffering from decline, primarily caused by the loss of manufacturing employment and associated unemployment and economic inactivity.

It is therefore clear that a number of low-income Mosaic types dominate the social structure of the Upper Valleys. In contrast, more affluent groups such as **A**⁵ and **B**⁶ are significantly under-represented in the Upper Valleys compared to Wales and the UK.

⁴ See also Technical Report, Section 1.1.

⁵ Mosaic summary description: 'Career professionals living in sought after locations.'

⁶ Mosaic summary description: 'Younger families living in newer homes.'

Seventy-five per cent of the Upper Valleys' population can be found in just six Mosaic types.

Table 1.2
Mosaic profile of the Upper Valleys and comparator areas

	% of residents							
	Upper Valleys	Cardiff	Newport	Neath Port Talbot	Gwynedd	Easington	Calderdale	High Peak
Mosaic Groups¹								
D - Close-knit, inner city and manufacturing town communities	34%	12%	22%	29%	13%	19%	35%	29%
H - Upwardly mobile families living in homes bought from social landlords	32%	14%	15%	28%	12%	32%	7%	9%
G - Low income families living in estate based social housing	18%	7%	12%	13%	7%	28%	7%	6%
E - Educated, young, single people living in areas of transient populations	0%	17%	1%	0%	4%	0%	2%	0%
Other	15%	50%	50%	30%	64%	21%	49%	56%
Mosaic Types								
H44 : Manual workers, many close to retirement, in low rise houses in ex-manufacturing towns	21%	1%	5%	12%	1%	15%	2%	3%
D23 : Owners of affordable terraces built to house 19th century heavy industrial workers	19%	1%	8%	11%	3%	10%	8%	9%
H45 : Older couples, mostly in small towns, who now own houses once rented from the council	10%	1%	3%	14%	2%	15%	2%	3%
G42 : Older people living in very large social housing estates on the outskirts of provincial cities	9%	3%	4%	6%	4%	11%	3%	2%
D22 : Comfortably off manual workers living in spacious but inexpensive private houses	8%	1%	3%	13%	1%	4%	4%	4%
G43 : Older people, many in poor health from work in heavy industry, in low rise social housing	8%	1%	4%	6%	2%	16%	2%	3%
A5 : Senior professionals and managers living in the suburbs of major regional centres	0%	6%	3%	0%	1%	0%	1%	1%
A3 : Successful managers living in very large houses in outer suburban locations	0%	2%	1%	0%	0%	0%	0%	0%
Other	25%	84%	69%	38%	86%	29%	78%	75%

¹ Detailed descriptions of the characteristics of individuals in these groups is provided in the Technical Report, Appendix B.

Comparison areas

Cardiff

The population of the Upper Valleys could not be more different to that of Cardiff, certainly in Mosaic terms. Cardiff is dominated by **Group E**,⁷ a result of the large student population and the professionals who choose to remain in the heart of the city. There is also evidence of many of the better-off Mosaic types, in particular **Type A5** and **Type A3**, many of whom will hold senior management positions in the area.

Newport

The Upper Valleys is also different to Newport, although the latter has a more downmarket profile than Cardiff. There are significant areas of households relying heavily on the state, particularly to the east of Newport, south of the M4 motorway.

However, this is predominantly a population with moderate incomes and comfortable existences. The better-off tend to live to the west of Newport, around Rogerstone.

Perhaps the biggest similarity between the Upper Valleys and Newport – and the biggest contrast with Cardiff – is the almost total absence of **Group E**.

Neath Port Talbot

Neath Port Talbot was excluded from the Upper Valleys definition due to its coastal nature and the steel legacy of Port Talbot. But the Upper Valleys' Mosaic profile closely matches that of Port Talbot, with a large central concentration of **Group D**.

Gwynedd

Stark differences exist between the Mosaic profiles of the Upper Valleys and Gwynedd. Indeed, a comparison of all local authorities in England and Wales shows that only a third of authorities are more different than the Upper Valleys and Gwynedd.

This is not surprising given the rural nature of the area, in which the predominant Mosaic types relate to farming and tourism.

One small pocket does display very similar characteristics to the Upper Valleys, with a significant proportion of **Type H45**, **Type G43** and **H44**. At first glance this is a very rural area, but on closer inspection it is the area of slate quarrying in and around the Nantlle valley.

⁷ Mosaic summary description: 'Educated, young, single people living in areas of transient populations.'

The population of the Upper Valleys is different to that of both Cardiff and Newport in Mosaic terms.

Easington

Easington (County Durham) has the most similar Mosaic profile to the Upper Valleys – the most common Mosaic types in the Upper Valleys are also the most common in Easington, although the ordering is slightly different. In particular, the most common type in Easington is **Type H45**, which accounts for almost 15 per cent of the population (compared with 10 per cent in the Upper Valleys).

Calderdale

Calderdale centres on Halifax but covers a wide area across the Pennines. It is a traditional mill area, an industry in decline, but it has not suffered the significant collapse that the former mining areas have. Therefore, whilst Calderdale has some similar characteristics in terms of Mosaic types to the Upper Valleys, there are distinct differences.

With easy access to the M62, Manchester and Leeds are both accessible. The area's population therefore includes commuters, resulting in significant areas of much wealthier households living in villages away from central Halifax.

High Peak

High Peak covers an area of north Derbyshire, to the east of Manchester. Its major population centres are Buxton and Glossop. Like the Upper Valleys, it has suffered a major decline in traditional industries, but it is ideally situated for the commute into Manchester and Sheffield.

The Upper Valleys does not compare closely with High Peak in terms of Mosaic profile, with lower representation of groups that are dominant in the Upper Valleys.

1.3 COMMUNITIES IN THE UPPER VALLEYS – SOME CONCLUSIONS

The Mosaic patterns suggest several conclusions about the kinds of communities that exist in the Upper Valleys

Conclusion 1: The young as well as the old value strong family links and live as part of long-established communities

Group D people generally live in established communities. This is apparent across the UK and it almost certainly applies in the Upper Valleys.

Traditionally people in this group married young and today the group has a younger than average population; many are married or co-habiting and bringing up young children. Social support networks are strong, with friends and relations nearby.

An early marriage, an industrial apprenticeship and a mortgage on an older but nevertheless spacious house typically set the framework for the **Type D23**, where most households will have at least one child. This type is prevalent across the Valleys as a whole; size of house may, however, differ from the UK average because of local circumstances and tradition.

Most **Type G43** people are in older working age groups, often with grown-up children, who were born and bred in the area. Relatively few co-habit, are divorced or head single-parent families.

Social support networks are strong, with friends and relations nearby.

Although not necessarily communities of acute social deprivation and still having the benefit of active family and community support networks, **Type G42** appear in larger groupings, generally on the edge of the more important population centres. The size of these groupings indicates the presence of estates of public housing.

Type H44 are areas of families rather than singles, where most people have at least two children, though many of these children have grown up and flown the nest. People of older working age dominate the **Type H45** group, which is characterised by a stable and well-established population; few of the older people move out of the area and few families with young children move in.

Conclusion 2: There is little geographical movement, even within the Upper Valleys

The Upper Valleys is a stable community, with little means or motive to move. Two-thirds of the population have remained at the same address for over 10 years, almost twice the average for both Wales and the UK as a whole.

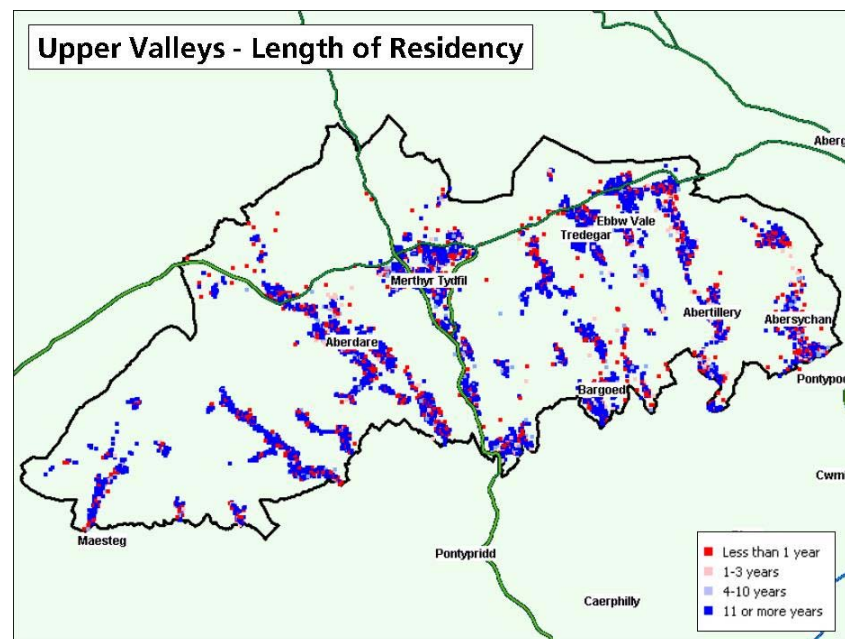


Figure 1.2: Length of residency. The majority of the population of the Upper Valleys has been at the same address for more than 10 years.

The Mosaic types are well spread across the area.

Two-thirds of the population have remained at the same address for over 10 years.

The stability of Cardiff's population is similar to the Upper Valleys.

Gwynedd's population is much more transient than that of the Upper Valleys.

Comparison areas

Cardiff

The stability of the Upper Valleys' population is remarkably similar to that of Cardiff, where 60 per cent of the population have been resident for 10 or more years.

Newport

The population of Newport is more transient than that of either the Upper Valleys or Cardiff.

Neath Port Talbot

The key factor of Neath Port Talbot's population is its stability. There is even less movement than in the Upper Valleys.

Gwynedd

This is a much more transient population than the Upper Valleys. This is largely indicative of the tourist trade and of the student population in Bangor.

Conclusion 3: People of Welsh origin dominate the local population

Based on a detailed analysis of surnames and their country of origin, surnames of Welsh origin predominate in the Upper Valleys – over three-quarters of the population of postcodes have Welsh surnames, compared with 6 per cent across the UK.

However, from the Rhondda Valley eastwards, the relative proportion of Welsh-origin surnames declines, whilst the proportion of English surnames increases. This is perhaps not surprising, but the uniformity of the change is interesting, particularly when we consider that 92 per cent of the Upper Valleys' population were born in Wales, and there is little variation in this between zones.⁸ It suggests a situation in which the easterly areas, having absorbed English arrivals more than a generation ago, are now less likely to do so.

The only exception to this trend is the Llynfi Valley in the far west. Whilst still dominated by Welsh names, there is a greater degree of diversity than in other areas.

⁸ We consider the surname analysis to be robust, and therefore the conclusion must be that the migration of English surnames occurred during previous generations and could be particularly linked to the successful mining era.

Over three-quarters of the population of postcodes have Welsh surnames.

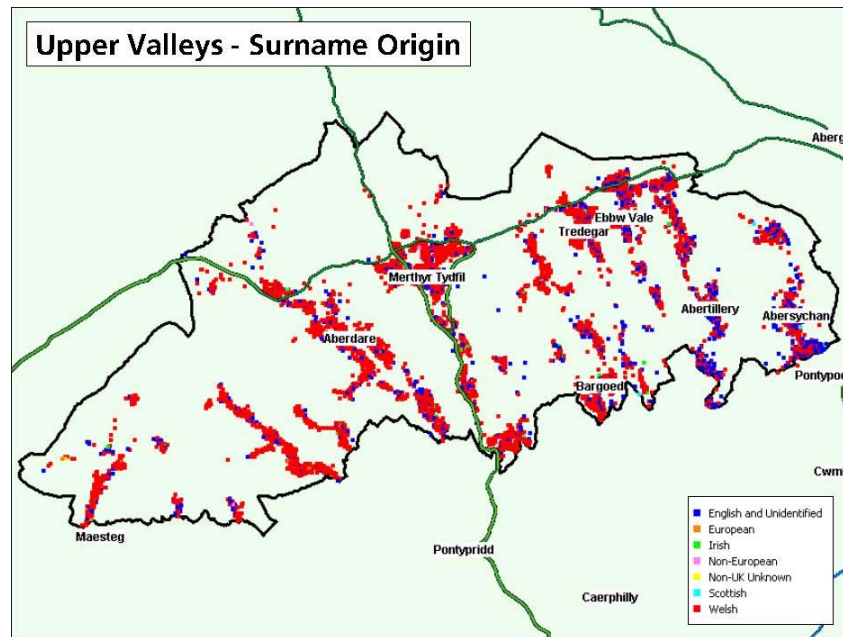


Figure 1.3: Surname origin. The proportion of English surnames increases as you move eastwards from the Rhondda Valley.

Comparison areas

Cardiff

Only 26 per cent of Cardiff residents have surnames of Welsh origin compared with 77 per cent in the Upper Valleys.

Newport

The relatively low number of surnames of Welsh origin is similar to that found in Cardiff.

Neath Port Talbot

Perhaps because the population is relatively stable, there is even more evidence of surnames of Welsh origin in Neath Port Talbot than there is in the Upper Valleys.

Calderdale

A significant difference exists between Calderdale and the Upper Valleys. It relates to the ethnic origin of the population: whilst there has been minimal non-UK immigration into the Upper Valleys, significant numbers of ethnic minorities live in Calderdale. These are predominantly in the Mosaic **Type D26**,⁹ which is one of the poorest Mosaic types.

⁹ Mosaic summary description: 'Communities of lowly paid factory workers, many of them of South Asian descent.'

Conclusion 4: Although the population is quite old, people of different ages live closely together

In general, the Upper Valleys has an ageing population. Young adults who have not married are unusually likely to live with their parents rather than move out. Equally, the elderly typically live among the families as part of the community, rather than in significant clusters, as happens, for example, in some south-coast resorts in England. A significant number of younger families also live in the local area, generally with young children.

The elderly typically live among the families as part of the community.

There is, however, significant variation across the Upper Valleys. For example, the age profile of the Llynfi Valley is much younger than the remainder of the area, whilst the neighbouring Rhondda Valley has the oldest age profile.

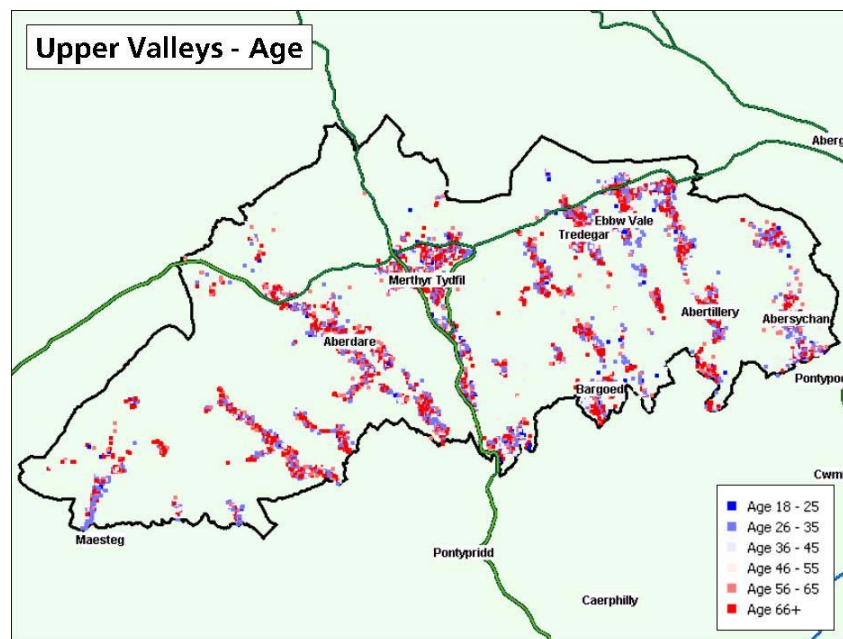


Figure 1.4: Age. The age profile varies significantly across the Upper Valleys.

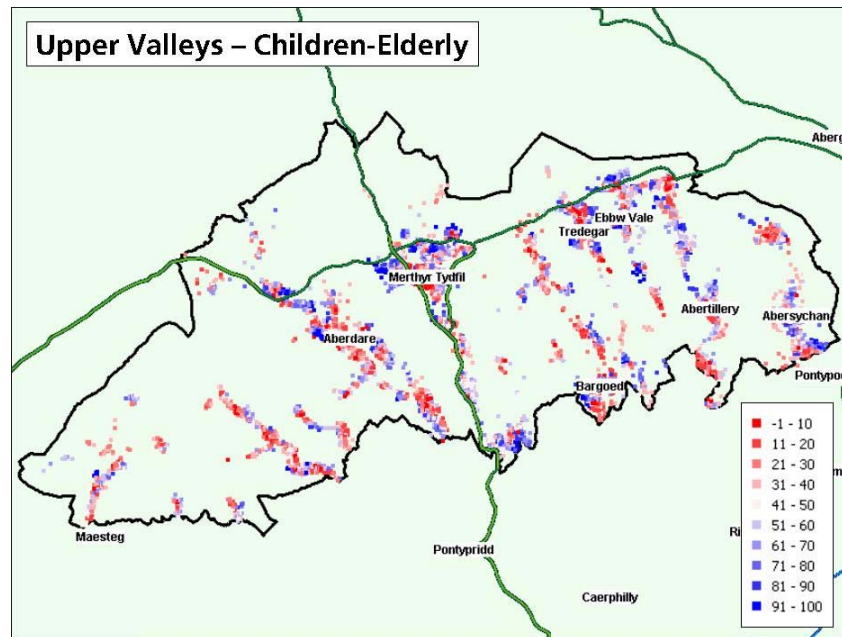


Figure 1.5: Children-Elderly. The elderly tend to live among families rather than in clusters.¹⁰

Conclusion 5: The population is becoming less homogenous

Overall the population of the Upper Valleys declined by just over 5,000 households, or 4 per cent, between 1993 and 2003.¹¹ At the same time, while remaining disadvantaged it became more diverse. In 1993 there were 33 different Mosaic types represented in the Upper Valleys; in 2003 there were 42.

- Those who were classed as **Type H45** declined sharply, in absolute number (by almost 60 per cent) and representation (in 1993 they made up over 22 per cent of the population, but in 2003 they accounted for less than 10 per cent).^{12, 13} Historic evidence suggests that almost all individuals in this group remain so over time, with a small minority becoming **Group D**.

¹⁰ For detailed explanations of the Mosaic Factors 'Children – Elderly', 'Wealth – Poverty' and 'Professional – Low Status', see the Technical report, section 1.4.

¹¹ Greater understanding may be gained by analysis at a lower level of geography but, given the nature of the calculations for backcasting Mosaic, it is not sensible to take this lower than local authority level. This reveals an anomaly, in that the population of that part of Caerphilly that lies within the Upper Valleys appears to have doubled its population from 6,500 to 13,000. The shift from the old local authority definitions to unitary authorities is thought to be the likely cause of this, although a separate research exercise would be required to verify this hypothesis fully.

¹² The methodology for backcasting Mosaic has been designed to minimise volatility, so the rapid decline in Older Right to Buy is surprising. The interpretation given above is a likely explanation, but should be viewed with some caution.

¹³ According to the backcasting of Mosaic, the dramatic fall in numbers of this type in the Upper Valleys has not been replicated in Easington, an area with a similar dominance of this group.

The proportion of the population classed as H45 has declined significantly.

- This trend is reflected across the whole of Wales and all local authorities in the area, with the exception of Blaenau Gwent where the decline was much slower.
- The representation of the population that are **Group D** increased by 13 per cent over this period, with particularly strong growth in **Type D22**.
- Significantly, however, much of the increases in representation came in the marginally better-off types, such as **Type C16**¹⁴ and **Type C17**,¹⁵ suggesting that some people have improved their personal circumstances. The small but significant increase in slightly better-off types also represents a greater number of younger families (for example **Type B13**¹⁶ and **B9**¹⁷).
- However, there was also a small but significant rise in **Type G43**, which is among the most deprived types.

¹⁴ Mosaic summary description: 'Low density private estates, now with self reliant couples approaching retirement.'

¹⁵ Mosaic summary description: 'Small business proprietors living in low density estates in smaller communities.'

¹⁶ Mosaic summary description: 'First generation owner occupiers, many with large amounts of consumer debt.'

¹⁷ Mosaic summary description: 'Well qualified couples typically starting a family on a recently built private estate.'

2 Measures of locational attractiveness

KEY MESSAGES

Deprivation is widespread in the Upper Valleys, linked mostly to education rather than income, employment, health access, crime or the environment.

Income levels are low, but the local population generally live within their means and are financially cautious.

There is a strong link between **financial stress** levels and age (financial stress is higher among the elderly) and housing tenure (highest among residents living in public sector housing).

Manual work in the manufacturing sector and below supervisory level dominates **employment**.

A net outflow of residents during the **working day** suggests that a large proportion of the local population leave the Upper Valleys to access employment. But there is also an influx of more affluent people, possibly managers and senior personnel for the area's companies.

There is evidence of poor **health** in the Upper Valleys, with possible links to traditional reliance on mining and other heavy industries. However, other generational factors may also apply.

Owner-occupation is the dominant **housing** tenure, although there are variations within the Upper Valleys area.

There is an air of pride in the local community and living **environment**. This community picture is also reflected in the pattern of **crime**.

Car ownership is slightly below the UK average, and many cars are relatively old and in low insurance groups.

Accessibility, measured in terms of population density and distance to major shopping centres, is an issue for the areas outside the Cynon, Taff, Sirhowy and Ebbw Valleys.

2.1 DEPRIVATION – OVERALL

Deprivation is widespread, particularly linked to education

Mapping the Indices of Deprivation for England to Wales¹⁸ tells us that almost 50 per cent of the Upper Valleys' population are categorised as being within the most deprived 20 per cent of the total UK population. Multiple deprivation levels are above average for a further 33 per cent of the population.

Looking at the individual indices, and in contrast to many popular perceptions, education is the primary contributor to the overall level of deprivation. This is measured through lack of attainment among children and young people, and lack of adult qualifications in terms of skills. Education deprivation is the case, for example, in the area around Ebbw Fach and A467 to Abertillery.

Mosaic types give us some understanding of why this is the case. **Type D22** neighbourhoods have relied on industrial apprenticeships, rather than university degrees, to develop their skills, and have been communities in which young people could earn good money at an early age. Many people within **Type D23** tend not to see relatively low levels of formal education as limiting their employment opportunities, while **Group H** people are practical and enterprising, though not necessarily highly educated.

In contrast, there are low levels of deprivation relating to access to housing and services, which represents low indices in the Upper Valleys for household overcrowding, difficulty of access to owner-occupation, homelessness, and road distance to GP premises, supermarket or convenience stores, primary schools and post offices.

The overall high degree of multiple deprivation is generally widespread in the Upper Valleys, although with some notable exceptions. For example, there are some significant areas of low deprivation, particularly around Aberdare and, to a lesser extent, parts of Merthyr and the area of **Group B** south of Ebbw Vale. There is little evidence of any lower levels of deprivation further west and around Abertillery to the east.

¹⁸ Experian is aware that Indices of Deprivation exist for Wales, but they are currently being re-developed. When completed these new Indices will be linked directly to Mosaic UK. In the meantime the relationship calculated between the Indices for England and Mosaic UK has been applied to the postcodes of the Upper Valleys.

Education Deprivation is the primary contributor to the general level of deprivation.

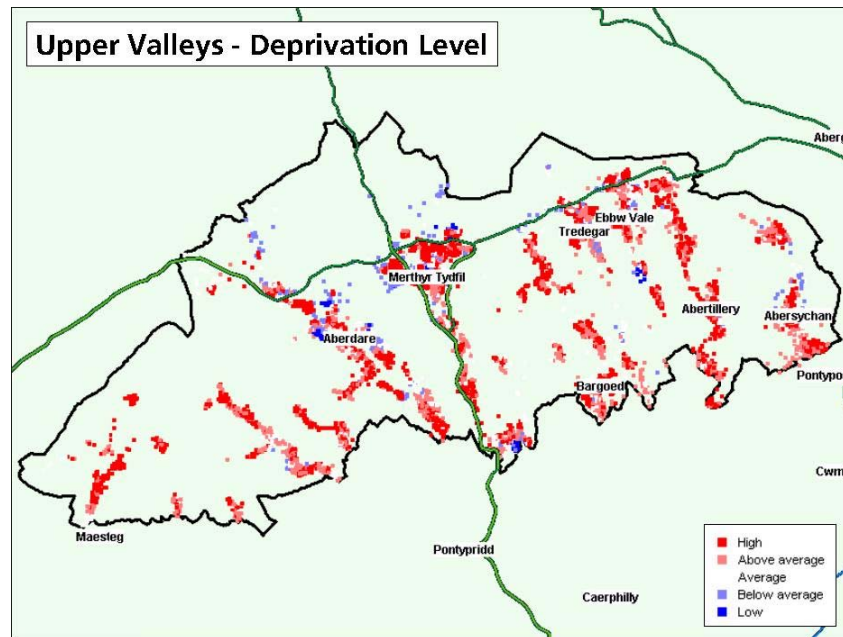


Figure 2.1: Deprivation level. Almost 50 per cent of the Upper Valleys' population are within the UK's most deprived 20 per cent.

2.2 INCOME AND INDEBTEDNESS

Very few areas of extreme poverty – or affluence

Although the Upper Valleys demonstrates widespread deprivation, broadly defined, concentrations of extreme financial poverty are similar to the UK average.

Thirteen per cent of the postcodes of the Upper Valleys fall within the poorest 10 per cent of postcodes in the UK. Out of 434 local authorities in the UK, 62 have a higher percentage than this (Manchester has the greatest representation of the population in the poorest decile).

Similarly 18 per cent of postcodes in the Upper Valleys are in the next 10 per cent of poorest postcodes in the UK. Forty-one local authorities have a higher proportion of postcodes in the poorest 20 per cent in the UK.

However, as we move into the next deciles the picture changes. The Upper Valleys rapidly catches up, so that by the time we reach the 50 per cent point (i.e. neutral between poor and wealthy), only three local authorities are worse off – Newham, Hackney and Belfast. In other words, these are the only three places where poverty is more widespread.

Concentrations of extreme financial poverty appear to be rare.

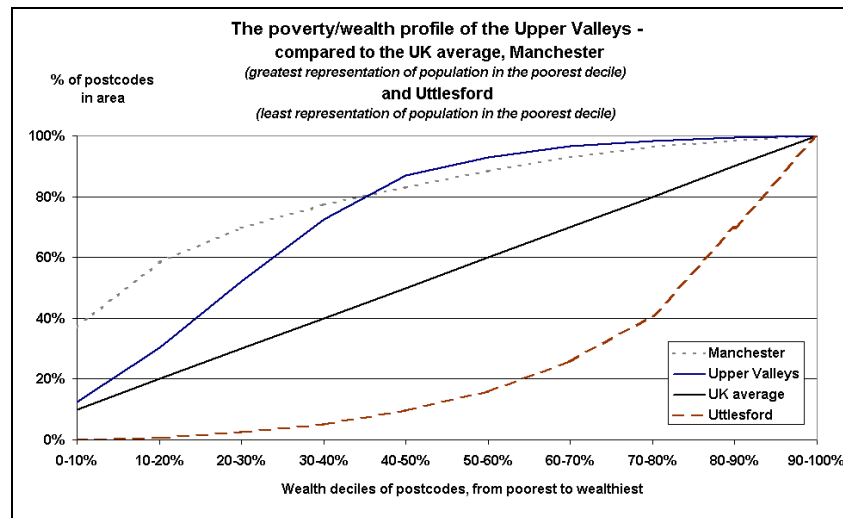


Figure 2.2: Poverty-wealth. The Upper Valleys are characterised by widespread, rather than extreme, deprivation.¹⁹

Few areas of affluence are to be found within the Upper Valleys.

Equally, there are few places within the area that can be classed as more affluent than the national (UK) average. Exceptions to this include small pockets of affluence near Cwmdare, Cwmbach, Pen-yr-Hoelgerid and Penderyn. In these areas there are notable concentrations of **Group C** households, a group typically working within well-paid, white-collar jobs, living in comfortable homes, normally in the suburbs.

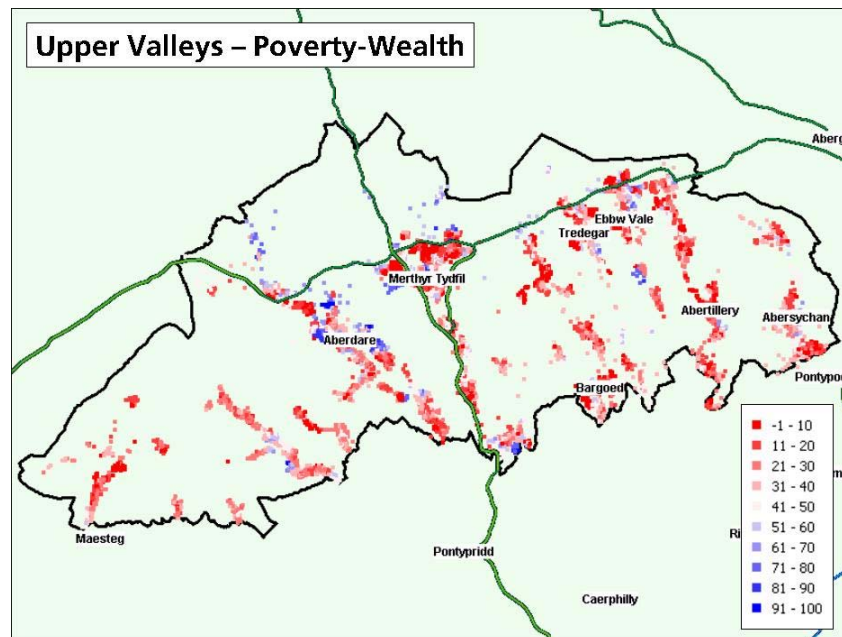


Figure 2.3: Poverty-wealth. Most postcodes within the area can be found towards the poverty end of a ranking of all UK postcodes.

¹⁹ The distribution of the population (by postcode) in the Upper Valleys, according to their level of wealth. The UK average provides a benchmark, against which we can consider how the Upper Valleys measures up, while Manchester and Uttlesford represent the extremes of the scale.

Thirty-five per cent of postcodes in the Upper Valleys have a household income of less than £10,000.

Overall, therefore, the image is of widespread low incomes and some associated deprivation, rather than any combination of extremes of high and low incomes. Thirty-five per cent of postcodes in the Upper Valleys have a gross household income (including state contributions) of less than £10,000, and over 75 per cent have an income lower than £20,000 (across the UK the proportions are 13 per cent and 40 per cent respectively). Just one postcode has a dominant income of over £40,000.

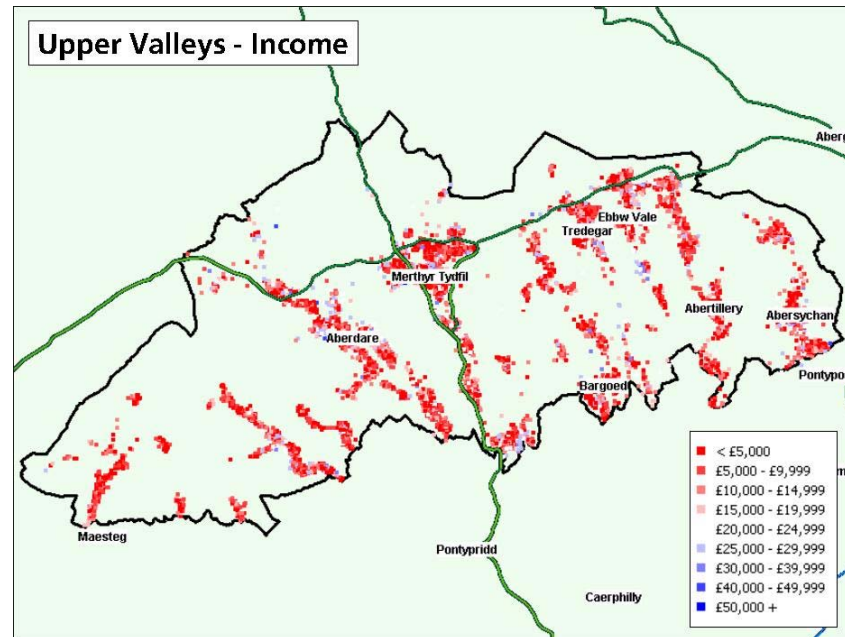


Figure 2.4: Income. Over three-quarters of postcodes have an income lower than £20,000.

Of the main social types, **Type H44** (for example, found in Treherbert, Cefnpennar and Penrhiwceiber) characteristically rely on low-paid routine assembly work. Many older workers also report that they suffer from sickness or disability, which results in lower income levels. **Type G42** households, which tend to be more prevalent in areas north of Merthyr Tydfil, also typically receive low incomes. Traditional reliance on mining and other heavy industries and associated low participation rates do result in economic hardship in **Type G43** communities, such as those south of Rhymney, around East and West Bank and Cwmtillery, and in Dowlais. Nevertheless, they retain the values of mutual collaboration and financial caution that have been necessary to survive generations of hardship, so these are not necessarily areas of social deprivation.

Group D areas such as Newchurch, south Merthyr Tydfil and a number of small villages around the A4058 between Treorchy and Ystrad are perhaps the best-off – money has traditionally been hard to come by but there is typically a culture of economy and thrift, and a reluctance to borrow beyond their means. Consequently, income and financial management are adequate and allow most homes to be privately owned, with residents enjoying a reasonably high quality of life in areas of highly affordable housing.

Financial caution is necessary throughout the Upper Valleys.

The **Type D22** population also consists of very well-paid manual workers who enjoy a high quality of life in small industrial regions and in areas of highly affordable housing. In addition, in the households of the ex-mining **Type D23** areas, both men and women and quite often grown-up children, too, will typically be working locally in adequately paid factory jobs, indicating higher levels of household income. This encourages, for example, car ownership.

The distribution of household income is similar across all zones of the Upper Valleys, with the exception of the furthest west, to the north of Maesteg. In this area levels of gross income (including state contributions) are significantly lower – 72 per cent earn less than £15,000 (compared with an average for the Upper Valleys of 58 per cent) while only 3 per cent earn over £25,000 (compared with 14 per cent overall).

Cash is limited, but small amounts are put aside for a rainy day

Almost three-quarters of the Upper Valleys' population have liquid assets of less than £500, 2.4 times the UK average. This confirms the general view of a community in which budgets are limited.

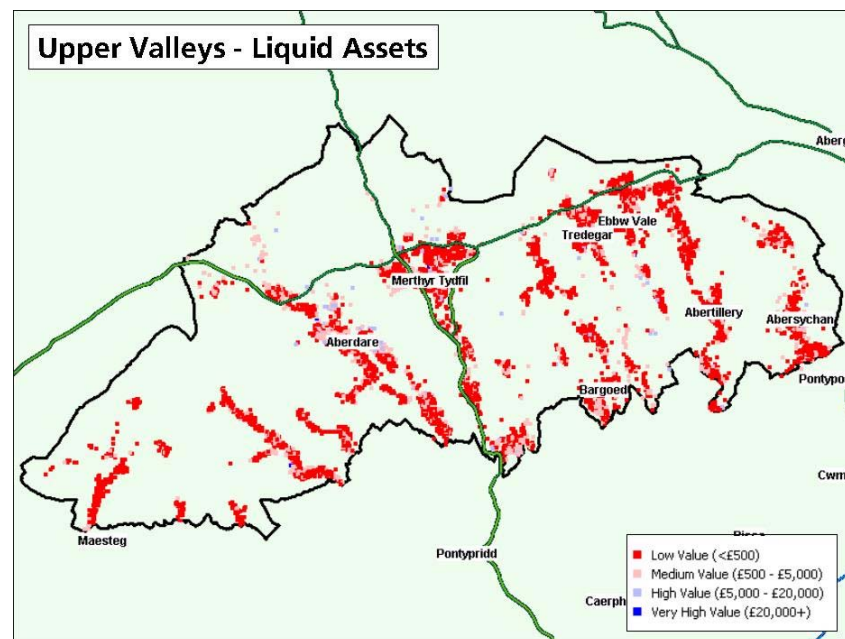


Figure 2.5: Liquid assets. The majority of the population has liquid assets of less than £500.

Only two-thirds of individuals in the Upper Valleys have between £500 and £5,000 held as non-liquid assets, which is significantly lower than across the UK as a whole.

Almost three-quarters of the Upper Valleys' population have liquid assets of less than £500.

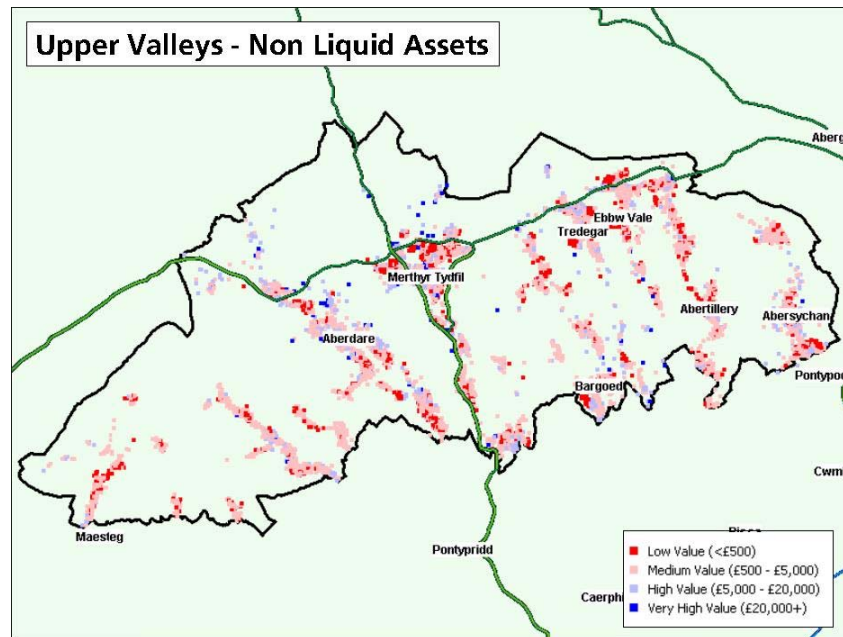


Figure 2.6: Non-liquid assets. Despite their restricted budgets, many people put small amounts aside for a rainy day.

Community largely lives within its means

The population of the Upper Valleys has more than twice the UK average of very low levels of financial stress.

An impression of thrift and a reluctance to borrow beyond their means is confirmed by data covering levels of Financial Stress. The population of the Upper Valleys has more than twice the UK average of very low levels of financial stress; a remarkable achievement for an area that also has such low levels of income and affluence.

That said, those who lose their way typically experience significant problems. For example, for the Mosaic **Group G**, balancing the budget is more important than any longer-term financial planning. Money management tends to be on a weekly basis, and income is often received as cash. Few people have any form of savings. At the UK level, many people in this group have credit cards, the poor management of which can lead to County Court Judgements.

Table 2.1
Financial Strategy Segment profile of the Upper Valleys

	% of households in the Upper Valleys	Index ¹ Upper Valleys compared to:		
		The Valleys	Wales	UK
Types²				
36 Pennywise economy	12	126	275	434
20 Downscale mortgages	10	130	319	478
43 Old fashioned prudence	7	105	132	154
38 Seasoned state reliance	8	144	271	282
21 Hocked to the hilt	6	100	136	185
10 Straining the budget	7	123	183	230

-
- ¹ The Index identified the groups that are under-represented and over-represented in the Upper Valleys. An Index of 100 is average, anything below is under-represented and anything above is over-represented.
- ² Detailed descriptions of the characteristics of individuals in these types is provided in the Technical Report, Appendix D.
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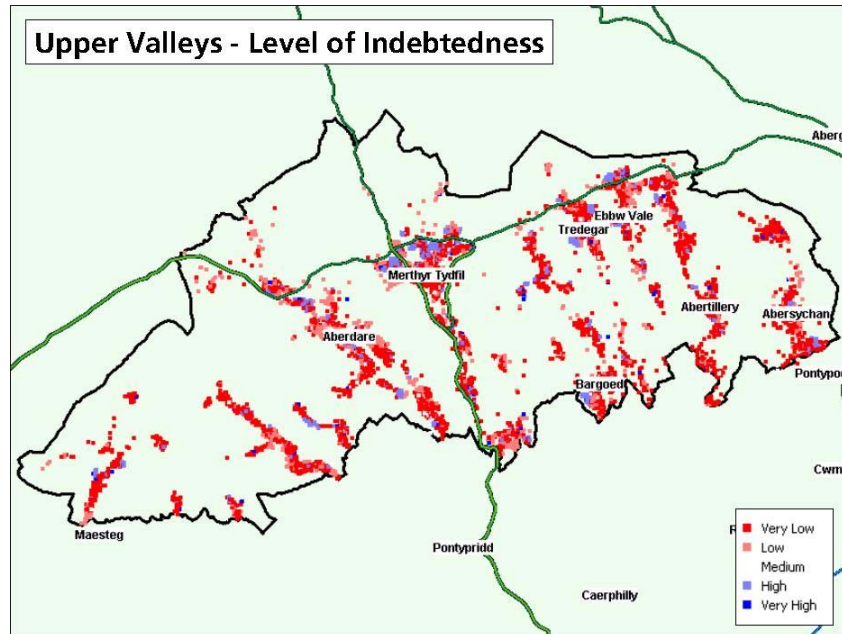


Figure 2.7: Level of indebtedness. Most people are responsible with their money and live within their means.

The elderly have the highest levels of financial stress.

Part of the reason for these patterns may be that there is a relationship between financial stress and age – while the very young have small levels of such stress, the most elderly experience more significant levels of financial difficulty. In the Upper Valleys, however, this may in practice be less acute, since the elderly are unusually well embedded in family and community.

The relationship between tenure and financial stress is also strong, and there is clear evidence that those with the highest levels of financial stress reside in areas of public sector housing. While the majority of the population are relatively poor, those that live in privately owned accommodation typically manage their finances frugally – 90 per cent of this group have low or very low levels of financial stress. But a significant minority rely much more upon the state and, either through choice or circumstance, run up significantly higher levels of debt – 30 per cent of those resident in public sector housing have high or very high levels of financial stress.

Comparison areas

Cardiff

Income levels overall are higher than in the Upper Valleys, allowing average retail spend per household to be significantly greater. Whilst many people are still on low incomes, there is evidence of some very high earners and a significant number of households on middle incomes. Large swathes of the area show a mix of working families, some more comfortably off than others but all benefiting from employment opportunities in the Cardiff area.

As in all big cities, Mosaic still identifies significant areas of poverty, but these areas are different to those found in the Upper Valleys. The strong community nature of the Upper Valleys, where people try to live within their means and rely on the state more for housing and services than for benefits, contrasts with pockets of **Type G41**, **Type F35** and **Type F37** in the south and the south east of the Cardiff area. These types tend to be younger families and singles that are heavily reliant on state benefits, where there is some presence of ethnic groups.

The relationship between housing tenure and financial stress is starker in Cardiff than in the Upper Valleys. Ninety-three per cent of private owners have low or very low levels of financial stress, but this falls to 63 per cent of those in public housing (34 per cent of those in public housing have high or very high levels of financial stress).

Neath Port Talbot

The principal differences between the Upper Valleys and Neath Port Talbot are found in the northern part of Neath. Here we find significant numbers of the more elderly, some of whom are wealthier than is typical of the area.

Income levels are generally low, as in the Upper Valleys, but there are more people on middle incomes. This perhaps explains the slightly higher retail spend per household.

Easington and the Upper Valleys share a similar income profile.

Gwynedd

This is not a rich area, but the profile shows a much larger proportion of the population compared with the Upper Valleys earning moderate rather than low incomes.

Easington

Given the similarity of Mosaic profile, it is not surprising that the income profile is also very similar. Similarly, in both cases there are concentrations of individuals with very low levels of financial stress and, to a lesser extent, high levels. That said, financial stress in Easington is slightly more prevalent in owner-occupied housing and slightly less prevalent in public sector housing.

High Peak

This area does not compare closely with the Upper Valleys. Although there is some poverty, particularly in the town centres, and the legacy of quarrying can be seen around Buxton, in general it is much more affluent. Whilst some households are on very low incomes, the majority are on comfortable incomes and there are some high earners.

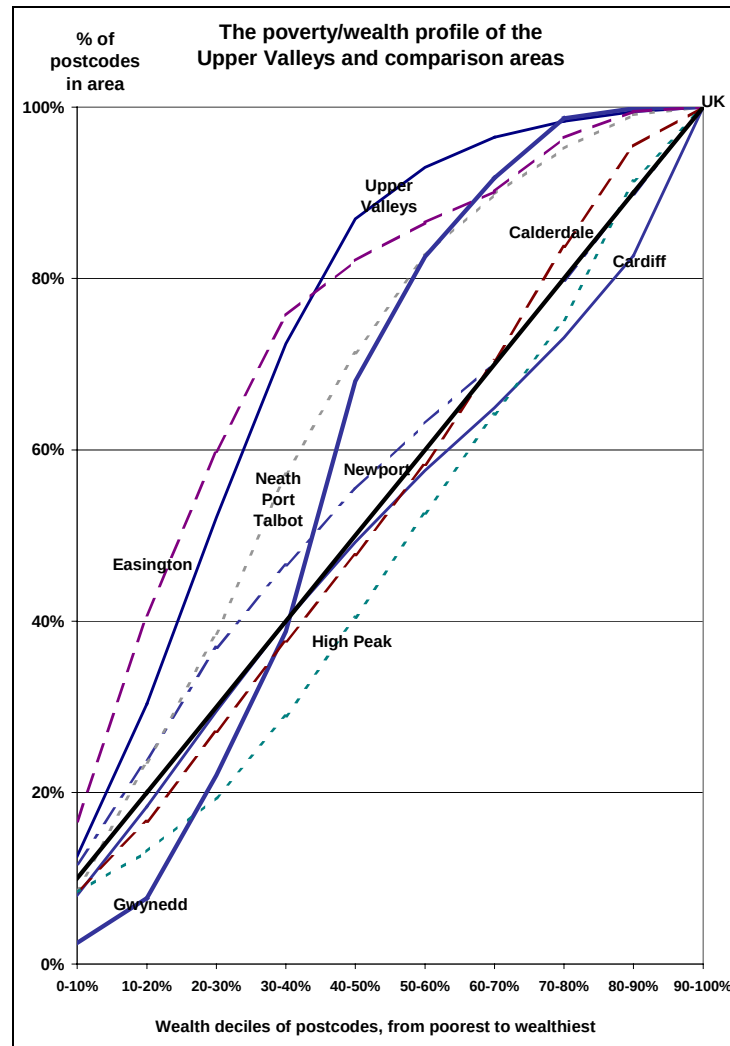


Figure 2.8: Poverty-wealth. Given the similarity of Mosaic profile, it is not surprising that the income profile in Easington is also very similar to the Upper Valleys.

High Peak does not compare closely with the Upper Valleys.

2.3 EMPLOYMENT

Low-status labour dominates employment

Manual work in the manufacturing sector and below lower supervisory level dominates employment in the Upper Valleys.

The 10 per cent of UK postcodes most likely to have this type of employment are concentrated in ex-mining and steel areas, or agricultural areas. Comparable local authority areas to the Upper Valleys are South Holland, East Lindsey and Boston (Lincolnshire), Torridge (Devon), Ashfield (Nottinghamshire), Bolsover (Derbyshire), Blaenau Gwent, Corby (Northamptonshire), Fenland (Cambridgeshire) and Staffordshire Moorlands (Staffordshire).

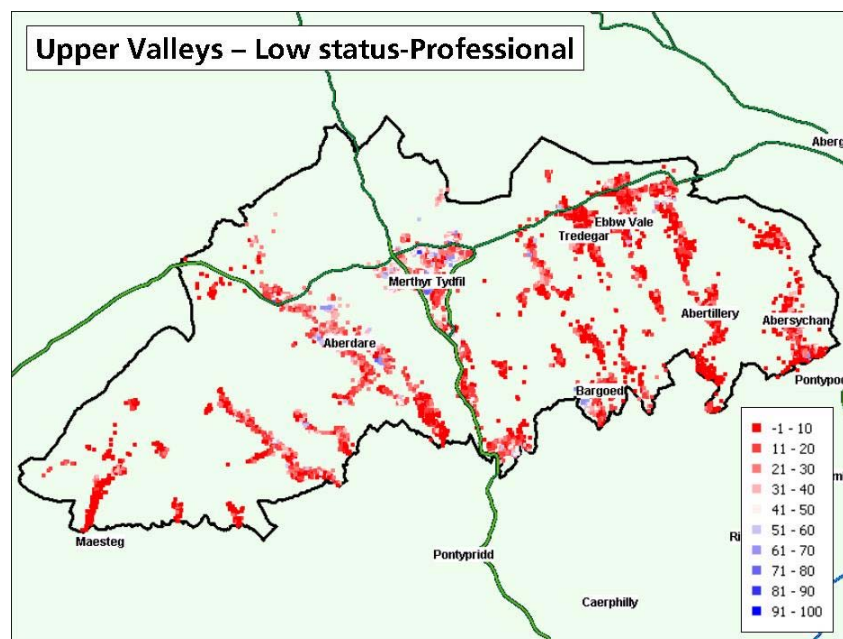


Figure 2.9: 'Low status'-professional. A far higher proportion of the Upper Valleys' population work in 'low-status' jobs than is average across the UK.

A major factor helping to determine the Mosaic social types is the occupation of those people within them. Traditionally, for example, **Group D** have – or more likely had – jobs in industries such as mining. On the other hand, a common characteristic of **Type D22** areas is their proximity to highly capital-intensive industrial complexes, such as steelworks and chemical plants, resulting in a population of well-paid manual workers, with low unemployment. People in **Type D23** live in communities that for generations have relied on mines and manufacturing plants for employment and on their own hard work to fund the purchase of their homes. At the national level, many in these ex-mining areas have shifted to work in manufacturing and assembly plants, whether as supervisors, skilled craftsmen or routine assembly operators. These are typically regarded as reliable, hard-working people.

The majority of the **Type G42** population work in semi-skilled, routine jobs that demand few qualifications and offer modest wages. Across the UK,

People in type D23 are typically regarded as reliable, hard-working people.

Type G43 is also traditionally reliant on employment in mining, shipbuilding and other heavy industries.

Type H44 is still intensely dependent on manufacturing employment, mostly in low-paid routine assembly work rather than in jobs requiring craft. Whereas in the past there would be few employment opportunities available to women, today large numbers of women work in light industrial factories and assembly plants in low-skill, routine occupations. Very few people in these communities are engaged in any kind of professional or managerial occupation. Neighbourhoods of **Type H45** are found in areas that have traditionally relied on a mixture of mining and large-scale industrial plants, such as power stations and steelworks, for their employment.

People travel out to work

The daytime population of the Upper Valleys is almost 10 per cent lower than the residential population, indicating that those who are mobile leave the area to work. Particularly significant outflows (in terms of numbers and proportion) occur among **Type D23** groups, although travel to work is evident for each of the most prevalent Upper Valleys Mosaic types.

That said, there is a noticeable influx of people from rural areas and the more affluent Mosaic types and groups – for example, the number of **Group A** almost doubles during the day. It is likely that this influx comprises managers or other senior personnel for the companies that provide work for some of the local population.

2.4 HEALTH

Health problems may be associated with particular groups

There is evidence from official and non-official sources of high rates of ill health in the Upper Valleys, the causes of which extend beyond what can be directly attributed to illnesses acquired as a consequence of employment in mining and certain manufacturing activities.

Differences in health are closely correlated at the UK level with differences in the Mosaic profiles of local communities. Typically, for example, **Type H44** and **Type G43** are places where not only do many older ex-workers suffer from sickness-related disabilities, resulting in a permanent inability to work, but where many others describe themselves as being in poor health. This is reflected in low levels of life expectancy, particularly among males – many of these neighbourhoods have among the lowest life expectancies in the UK. As a consequence of this, a high proportion of the population are widowed.

There is also evidence at the UK level of increased risk of conditions such as diabetes and diseases of the liver amongst **Group D**, while respiratory rather than liver diseases are more of a problem amongst **Group H**. Mental illness is also above average for **Group G** and **Group D**.

Those who are mobile leave the area to work.

Sickness-related disabilities are prevalent in Mosaic types H44 and G43.

2.5 HOUSING AND SERVICES

Mixture of privately owned and public sector rented housing

There is less privately rented housing in the Upper Valleys than in the UK as a whole.

Another central measure of the attractiveness of the Upper Valleys is the nature of the local housing stock. There is significantly less privately rented housing in the Upper Valleys, and indeed in the Valleys themselves, than in the UK as a whole. The result is a slight over-representation of both privately owned housing and public sector rented housing.

However, there is notable variation within the Upper Valleys area. In the former coal mining area of the Rhondda Valley, 89 per cent of properties are owner occupied compared with an area average of 72 per cent. In this valley only 9 per cent of properties are rented from the public sector.

The wealthiest are least likely to live in public sector housing.

Further analysis reveals that in the wealthiest decile of Upper Valley postcodes, only 3 per cent live in public sector housing; in the poorest 10 per cent the equivalent proportion is 82 per cent.²⁰

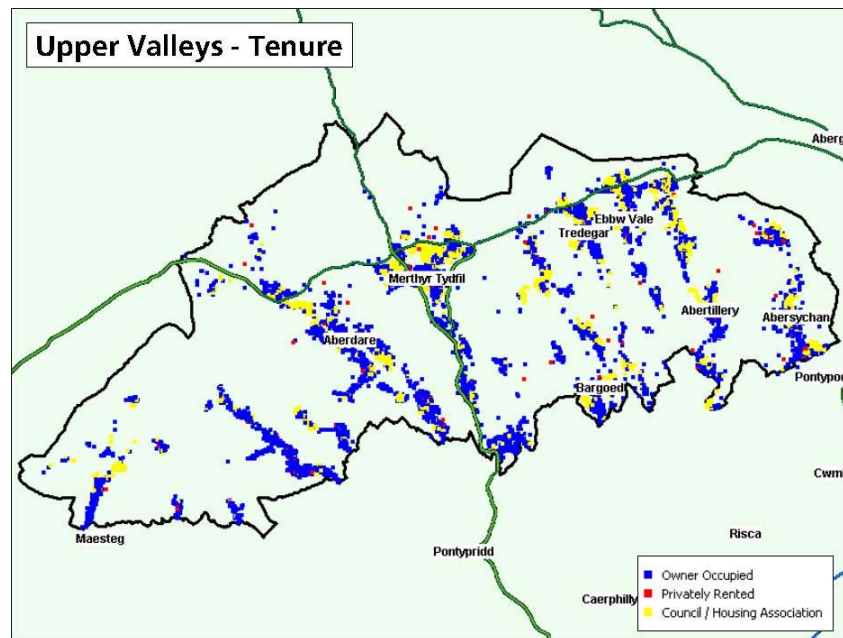


Figure 2.10: Tenure. Privately rented housing is much less common in the Upper Valleys than in the UK as a whole.

²⁰ Public sector housing is one of the primary factors in determining the level of wealth/poverty, so causality cannot be determined from this information.

In most parts of the UK, **Type D22** and **Type D23** neighbourhoods contain people mostly of later middle age, many of whom have grown-up children still living with them in the spacious if unpretentious semi-detached houses that they own. In particular, the post-war growth of big industrial processing plants in **Type D22** areas typically resulted in their workforces living in housing built during the 1950s and 1960s, to much higher standards than would have been the case for people working in nineteenth century mining communities such as the Upper Valleys.

Nationally, this housing typically takes the form of semi-detached houses, often with red shingled fronts, sometimes entirely brick faced, elsewhere with rendered upper floors. Unlike the older houses that had only small front gardens, many of these homes have spacious enough front gardens for off-road parking or even a garage. Almost all have at least three bedrooms and two receptions. Despite its size, this housing tends to be highly affordable and these people tend not to move – they have little reason to do so at their age. In the Upper Valleys the details of the housing type may vary, but the same forces tend to favour inertia.

Group G families lack the funds to buy their own homes and are reliant on local authority or social housing. In **Type G42** communities those who have exercised the right to buy their homes from the council are still in a minority, while the typically older population of **Type G43** live on large council estates, again where few people have exercised their right to buy.

In contrast, many **Group H** live on council estates where high proportions have exercised the right to buy. The estates on which these people live are generally low-density terraced or semi-detached housing, usually with a garden.

Although **H44** are mostly poor communities, it does not cost much to own the terraced houses in which most people live. **Type H45** are also typically neighbourhoods in which older working age groups tend to live either in small council estates, most of whose tenants have exercised their right to buy, or in areas of older private housing mixed in among inter-war or early post-war infill council housing.

There is a tendency for the **Type D23** households to be more prevalent in the Valleys themselves, and for **Type G42** to appear in larger groupings, generally on the edge of the more important population centres. The size of the groupings indicates the presence of estates of public housing, as in an area of **Group G** near Croeserw. Close to this area is the only significant clustering of **Group F** to be found within all of the Upper Valleys, indicating a greater reliance on the state than is typical in the area as a whole.

Comparison areas

Gwynedd

There are marked differences in the tenure of housing, with a much smaller proportion of public sector housing than can be found in the Upper Valleys.

Easington

The most significant difference between the two areas is found in housing tenure. As with the Upper Valleys, the amount of privately rented accommodation is low. However, 41 per cent of the properties in Easington are public housing, compared with 26 per cent in the Upper Valleys.

Calderdale

Housing is one of the key differences between the Upper Valleys and Calderdale. The primary Mosaic type is **Type D24**,²¹ typically areas of row upon row of terraced housing. The tenure is also different, with only 13 per cent in public sector housing, compared with 26 per cent in the Upper Valleys. There is also significantly more private rented accommodation.

Housing provides a distinct difference between Calderdale and the Upper Valleys.

2.6 LIVING ENVIRONMENT & COMMUNITY CHARACTERISTICS

An air of pride in the local community

A highly degraded living environment is a major deterrent to new arrivals. However, the sorts of communities that exist in the Upper Valleys are unlikely to demonstrate such problems; individuals tend to invest their time and energy into their homes and the local community.

Type G42, prevalent in areas north of Merthyr Tydfil, are not necessarily areas of especially acute social deprivation. Indeed they have the benefit of active family and community support networks.

Type H44 environments, found in some areas of Treherbert, Cefnpennar and Penrhiwceiber, combine elements of both economic decline and renewal. The lifestyles of **Group H** have changed in recent years, with increasing consumerism and mobility.

With few children and little antisocial behaviour, **Type H45** areas have much evidence of the industrial makeup of the economy in the form of pubs and clubs, cooperatives and small corner shops.

2.7 CRIME

Family and neighbours watch out for one another, and crime rates are quite low

The Upper Valleys do not for the most part suffer from particularly serious crime blight. This is what we would expect given their social structures. In

²¹ Mosaic summary description: 'Low income families living in cramped Victorian terraced housing in inner city locations.'

particular, Mosaic analysis suggests that in areas of **Group D** and **Type H45**, social capital, where friends, family and neighbours help and watch out for one another, is high and crime rates are quite low.

Nevertheless, areas of **Group G**, concentrated in large council estates such as those around Merthyr Tydfil, do experience some problems, such as drug use, vandalism and fear of violence.

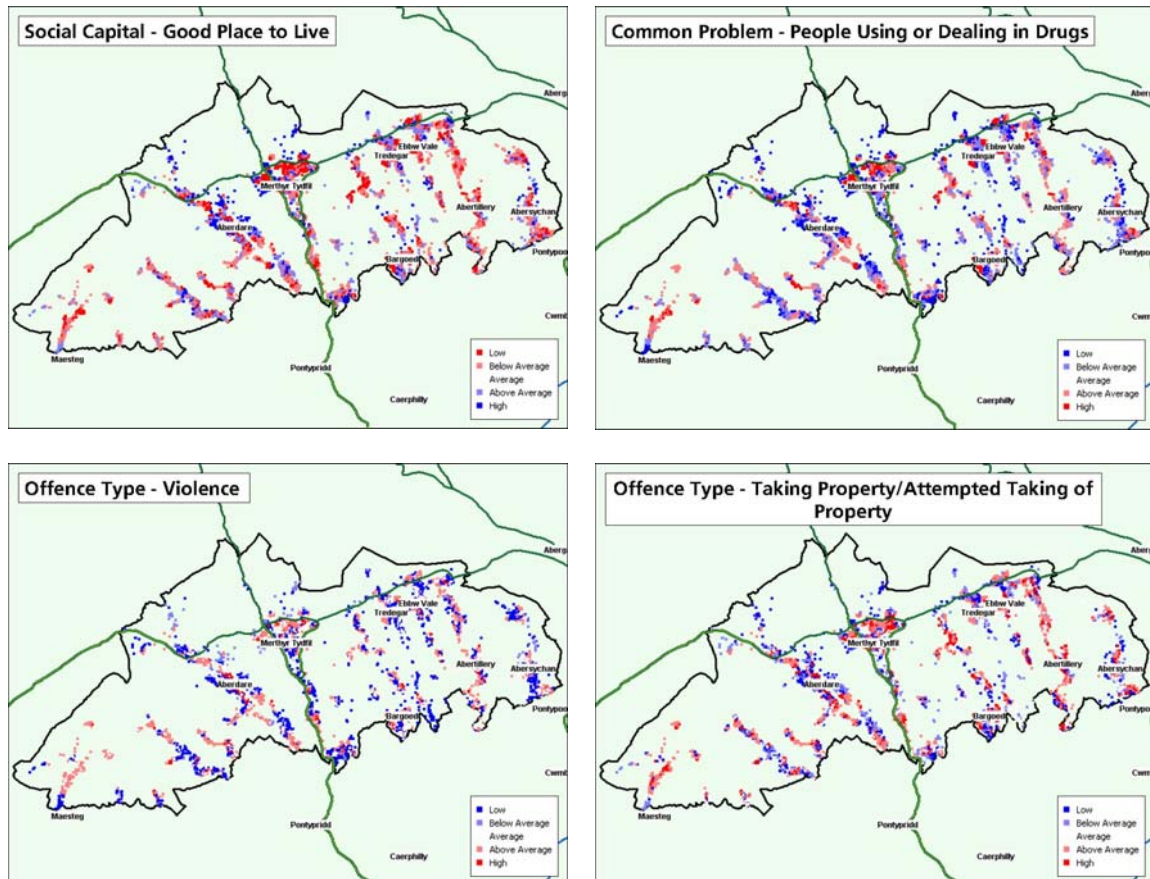


Figure 2.11: Crime. Friends, family and neighbours in the Upper Valleys watch out for one another and, generally, the area does not suffer from serious crime.

2.8 TRANSPORT

Saloon cars and low insurance groups predominate

In terms of car ownership, the Upper Valleys display characteristics of being deprived overall, but not to a significant extent. The average number of cars per household is 1.06, compared with a UK average of 1.21.

In the local area cars are relatively old – the proportion of older vehicles is generally higher than the UK as a whole. That said, almost 25 per cent of cars in the Upper Valleys are aged under three years. Saloon cars of modest engine size and low insurance groups predominate.



Figure 2.12: Road links. The upgrade to the A465 has recently been completed.

Further measures of accessibility were created as input variables to Mosaic. They were based on population density both in and around a small area, and distance to major shopping centres. Although the analysis reveals relatively little, accessibility is, not surprisingly, less of an issue in the Cynon, Taff, Sirhowy and Ebbw valleys, due to the presence of Aberdare, Merthyr, Tredegar and Ebbw Vale. The south eastern area, around Bargoed and Abertillery, is reasonably accessible. Beyond that the area generally has accessibility problems.

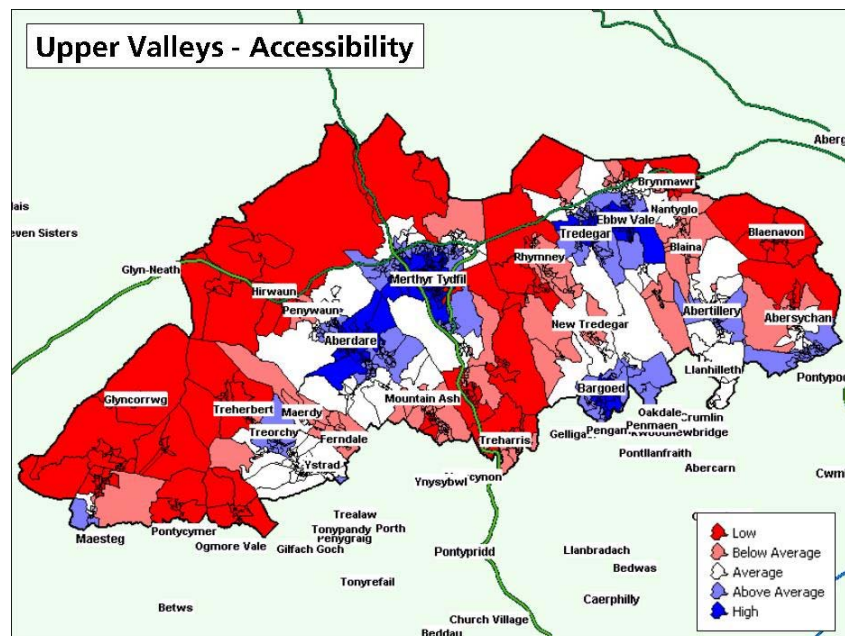


Figure 2.13: Accessibility. Combined measures of population density and distance to major shopping centres.

3 Measures of locational attractiveness – local shops and businesses

KEY MESSAGES

Businesses tend to be small, operating from home or from single premises. They also tend to have a relatively low propensity to fail.

Retail **vitality** is low compared with the whole of the UK, based on mix of stores and a significant vacancy rate. Vacancy rates are particularly high in Abertillery and Bargoed.

The Upper Valleys has low levels of **retail spend**, which is more likely to take place in convenience outlets than Wales and the UK.

There is very little evidence of significant **shopper travel** from within to outside of the Upper Valleys.

3.1 COMMERCIAL MIX

Businesses tend to be small

Businesses in the Upper Valleys are generally small, operating either from home or from single premises, often on industrial estates. Two-thirds of the 7,630 commercial enterprises in the area belong to just two of the 13 Commercial Mosaic groups:²²

- Group L: Energetic Enterprises
- Group M: Cottage Industry

Energetic Enterprises are generally small and show an even age range. They have a very low propensity to have County Court Judgements, and in sectoral terms are diverse, covering areas such as chemical processing, recreational activities, travel and transport, retail and wholesale. They are very unlikely to trade from more than one set of premises.

Cottage Industry consists of nearly a quarter of the entire UK business universe. The majority are sole traders and partnerships and they are the group least likely to have County Court Judgements, though they do have a

²² Groups L and M are over-represented when compared with the UK, and to some extent to Wales. Group K also accounts for a significant proportion of businesses, but is significantly under-represented when compared with the UK. The most over-represented group is E, Monumental Monoliths, but these large companies account for only 0.6 per cent of the businesses in the Upper Valleys.

The groups Energetic Enterprises and Cottage Industry account for two-thirds of businesses in the Upper Valleys.

slightly higher propensity to fail than the UK average business. Displaying a wide age range, nearly 50 per cent of these businesses trade from small or home office premises and they are unlikely to be multiple site businesses. Their activities range from farming through manufacture to retail, construction and business services. All these businesses have fewer than five employees and they are unlikely to trade on industrial estates.

Particularly low propensity to fail

An examination at type level indicates two types that are five times as likely to trade in the Upper Valleys as in the UK generally:

- Type D11: Motors and Mobiles
- Type G29: Small Town Stalwarts

A third type, L46, **Supply Chain Sophisticates**, is also significantly over-represented and represents 13 per cent of the total commercial enterprises in the area. In contrast, **Independent Entrepreneurs** such as **First Year Survivors** and **Fledgling High Fliers** are particularly under-represented.

Motors and Mobiles represents a small sector of the business population, employing at least six very productive employees. These businesses are often dealerships, are typically at least 4-years old, and show a high incidence of County Court Judgements. However, they are generally not prone to failure, although they show less stability than other types in their group. They are spread across a diverse range of industries, from agriculture, mining and manufacturing, to land transport and the utilities, but excluding business services. Their turnover, likewise, is spread across consumer and commercial business. These companies are found across the UK, particularly in East Anglia, the South West and Wales, and particularly in the centre and the east of the Upper Valleys.

Small Town Stalwarts is a small type relying on consumer as well as commercial turnover. These businesses are likely to be at least 4-years old, and will be independent rather than group companies. They display a lower propensity to fail than the average UK business and cover a wide range of activities, from manufacturing to recycling, the sale and repair of vehicles to construction. They are mainly small businesses, with unskilled employees.

Supply Chain Sophisticates gain an equal amount of revenue from consumer and commercial business. They are sole traders and partnerships engaged in a wide range of activities, from food manufacture to running membership organisations, from business services to the retail trade. They tend to be small businesses, mostly very productive, and reflecting the typical population of very high-risk businesses. There is a tendency to operate from industrial areas, but they are unlikely to occupy more than one site. If operating in a residential area, the local residents will operate on a cash basis and enjoy playing bingo and the lottery.

Three types of businesses are significantly over-represented.

Small or home offices are over-represented when compared with wider areas.

With particular consideration to the small offices or home offices (SoHo) that dominate the Upper Valleys business base, **Cottage Industry** (which is made up of almost 50 per cent of small or home offices) are over-represented compared with the Valleys, Wales and the UK.

In comparison with Wales, only two of the likely small office or home office types, **Bits and Bytes** and **New Kick-Offs**, are under-represented. **Bits and Bytes** are computer-based businesses and **New Kick-Offs** are businesses under 1-year old, which suggests that the Upper Valleys may be struggling to attract new businesses.

Comparison reveals much clearer differences between the Upper Valleys and the UK. Again, the likely SoHo-based businesses are over-represented with the exception of **Bits and Bytes** and **New Kick-Offs**. However, the types are now showing higher levels of over-representation – approximately 1.5 to two times.

Comparison areas

Cardiff

Not surprisingly, the commercial mix is much more varied than in the Upper Valleys, with evidence of either head offices or subsidiaries of larger companies. There are also significant numbers of relatively new businesses. The **Cottage Industry** businesses so prevalent in the Upper Valleys are under-represented in Cardiff.

Newport

The commercial mix is remarkably similar to that found in the Upper Valleys, although many businesses are larger and more of them are new.

Neath Port Talbot

Unsurprisingly, given the similar nature of the resident population, the commercial profile is similar to that found in the Upper Valleys once allowance is made for certain key, large operations.

Gwynedd

The commercial mix reflects the nature of the area, with many small business supporting agriculture and tourism. For example, the Commercial Mosaic Type **Inns and Eats**²³ is 2.5 times more common than in the UK as a whole.

Calderdale

The primary difference in the commercial mix is the existence of businesses engaged in agriculture and its support services.

High Peak

The commercial mix shows the presence of agricultural industry. There is also still an extraction industry, and an unexpectedly high number of organisations involved in chemical manufacture.

²³ These business are all sole traders and partnerships, none are limited companies. This type comprises 87 per cent of all hotels and restaurants in the UK.

The commercial mix in Newport is remarkably similar to that in the Upper Valleys.

3.2 RETAILING

High vacancy rate in retail centres

All retail centres within the Upper Valleys compare poorly to the UK as a whole in terms of retail vitality, measured using factors such as the proportion of comparison shops compared with convenience, or the proportion of vacant retail outlets. In aggregate, 33 per cent of retail outlets are comparison stores, compared with a national average of 38 per cent. The vacancy rate is 16 per cent, compared with a national average of just 9 per cent.

Merthyr Tydfil is the only centre where these figures more closely resemble the national picture (the respective figures are 36 per cent and 12 per cent), while over a quarter of retail outlets are vacant in Abertillery and Bargoed.

Retail spend is below average

Annual retail spend in the Upper Valleys is £959m, or £8,200 per household. This level of household expenditure is just 85 per cent of that across the UK as a whole, and 92 per cent of the whole of Wales.

Of this expenditure, 42 per cent is in convenience outlets. This compares with 38 per cent in the UK and 40 per cent across Wales, and is reflective of the above-average representation of local shops and low-cost supermarkets as convenience outlets and the population's community-driven profile.

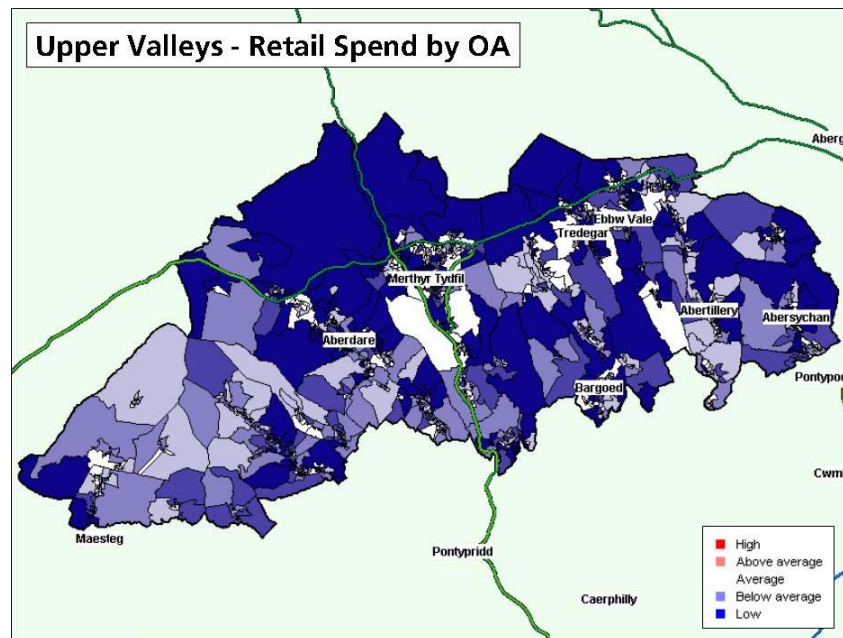


Figure 3.1: Retail spend. Household expenditure is just 85 per cent that of the UK as a whole.

All retail centres within the Upper Valleys compare poorly with the UK as a whole in terms of vitality.

Merthyr Tydfil the biggest retail draw

Merthyr Tydfil is the centre with the greatest pulling power in the Upper Valleys. Shoppers are prepared to travel to the town from throughout the Taff Valley and along almost the entire length of the northern part of the Upper Valleys. The Upper Valleys Road and the A470 simplify travel, and the retail mix attracts shoppers.

Aberdare in the west, Tredegar in the east and Bargoed in the south also have a degree of pulling power, while all other centres tend to be restricted to serving only the valley in which they lie.

However, the Upper Valleys do not account for a particularly large proportion of total shopper visits to the four coastal centres:²⁴

- Of the eight zones in the Upper Valleys, only the most westerly fall entirely within the primary or secondary²⁵ catchment areas of the four coastal centres of Cardiff, Newport, Neath Port Talbot and Bridgend.
 - Zone 1 (River Llynfi and A4063, north of Maesteg) falls within the primary catchment of Port Talbot and the secondary catchment of Bridgend. Zone 2 (Treorchy to Llwynypia) is in Bridgend's secondary catchment.
- The southern parts of most easterly zones (6, 7 and 8) fall within the secondary catchment of Newport.
- The Cardiff secondary catchment extends well in to the Valleys, but does not reach any of the defined areas of the Upper Valleys.

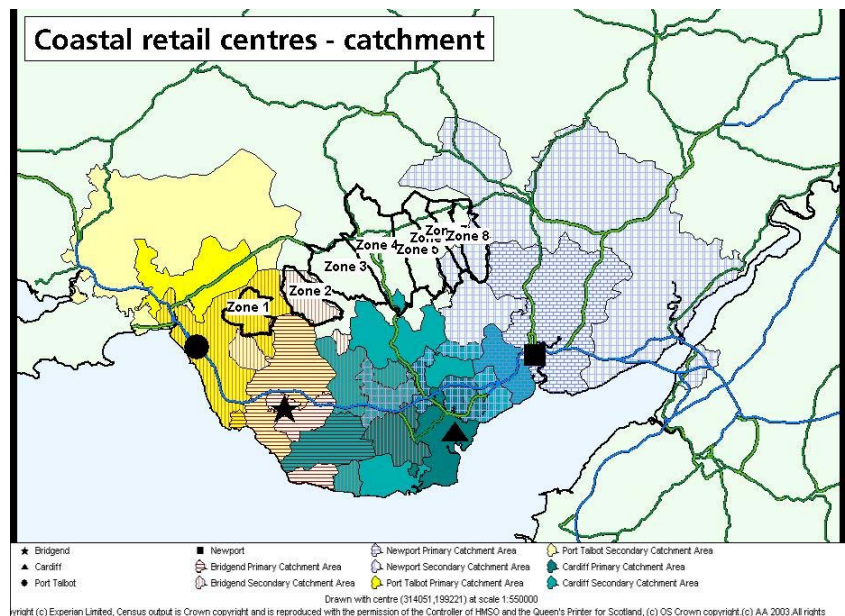


Figure 3.2: Retail catchment. The Upper Valleys do not account for a particularly large proportion of total shopper visits to the four coastal centres.

²⁴ Catchment maps are provided in Technical report, Section 3.2.

²⁵ The primary catchment equals the area that accounts for 50 per cent of total visits; secondary equals 75 per cent.

Merthyr Tydfil's retail mix attracts shoppers from throughout the Taff Valley.

Comparison areas

Newport

Retail spend is higher than in the Upper Valleys, but is actually lower than the Welsh average.

Gwynedd

Retail spend per household is higher than the Welsh average. This may be reflective of the influx of tourists, the transient nature of a proportion of the population (as expenditure is often higher immediately after a move), or the relative affluence of the large number of retired people. .

Easington

Retail spend per household is actually lower in Easington than in the Upper Valleys.

Calderdale

Retail spend is only marginally higher than in the Upper Valleys. The wealthy inhabitants are likely to boost this indicator, and for the majority of the population the average spend is very similar.

High Peak

Average retail spend per household is almost 20 per cent higher than in the Upper Valleys. For comparison shopping the difference is nearer 30 per cent. This is perhaps reflective of the relative ease of travelling to Manchester, given that many of the population will have cars, compared with the inaccessibility of Cardiff from the Upper Valleys.