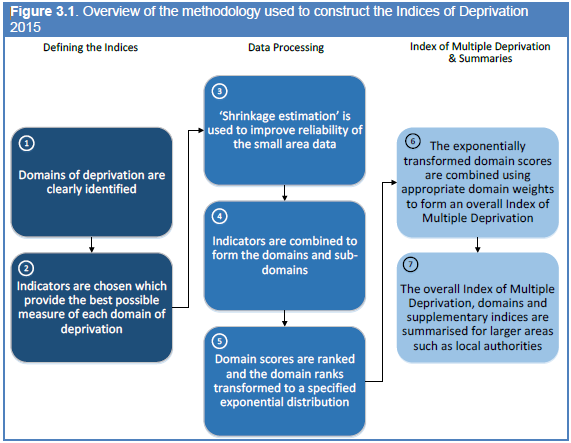
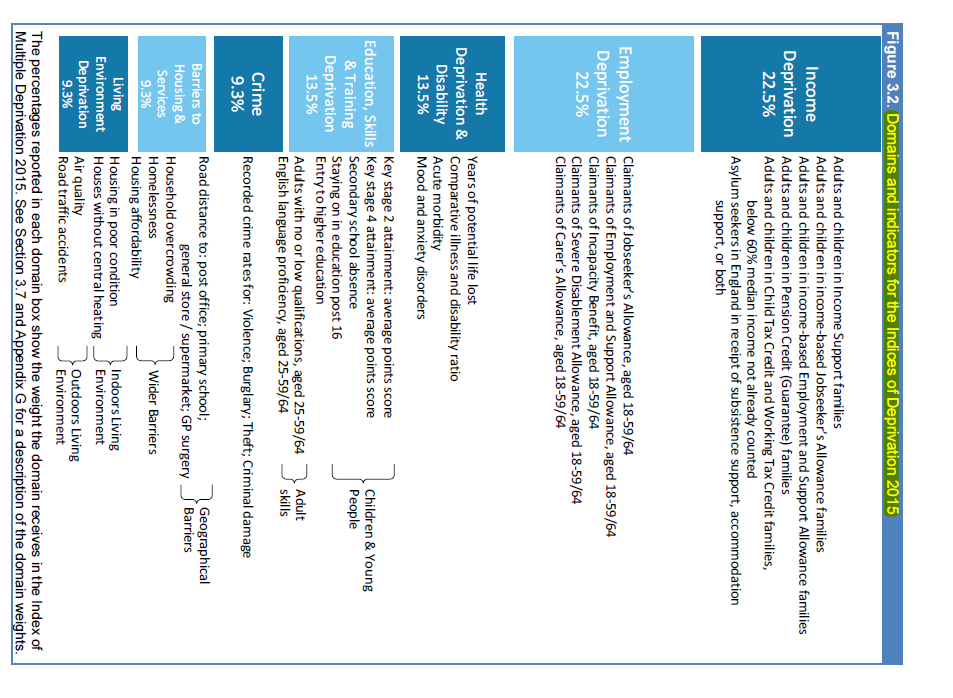
1. Dimensions (referred to as domains) of deprivation are clearly identified.
2. Indicators are chosen which provide the best possible measure of each domain of deprivation.
3. ‘Shrinkage estimation’ is used to improve reliability of the small area data.
   1. See Appendix D for how to perform shrinkage estimation.
4. Indicators are combined to form the domains, generating separate domain scores. These can be regarded as indices in their own right – the domain indices.
   1. See Appendix E for factor analysis (how to weight factors for combination) within a domain.
5. Domain scores are ranked and the domain ranks are transformed to a specified exponential distribution.
   1. See Appendix F for details of how to perform the exponential distribution step.
6. The exponentially transformed domain scores are combined using appropriate domain weights to form an overall Index of Multiple Deprivation at small area level17. This stage completes the construction of the Indices of Deprivation 2015 at Lower-layer Super Output Area level.
   1. See Appendix G for details of how the IMD combines scores from separate indicies.
7. The overall Index of Multiple Deprivation, the domains and the supplementary indices are summarised for higher level geographical areas such as local authority districts



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