

Scrutiny sub-committee C – Population and migration review – DRAFT

During spring 2009, Scrutiny sub-committee C undertook a review of population and migration in Southwark. This addressed the following three key elements of this issue:

1. The financial impact of incorrect population figures on the Council's resources
2. The preparations for the 2011 Census
3. The greater than normal degree to which Southwark is affected by population churn

The sub-committee looked at these issues in depth at their meetings on 23 March and 12 May 2009, hearing evidence both from officers from within Southwark Council and from experts from external bodies. The committee also examined a number of documents on this subject, ranging from government guidance to academic papers.

Following this review, the sub-committee would now like to make a series of recommendations to the Executive based on their findings, which are set out below.

1. The financial impact of incorrect population figures on the Council's resources

- 1.1 ONS population data is the primary driver of Central Government funding allocations to local authorities each year. It is the main component within the local government funding formulae. As such, under-estimated population figures have a direct and detrimental impact on an individual local authority's level of funding. It is therefore crucial that ONS population data is robust.
- 1.2 Since the 2001 Census, it has generally been accepted that there were significant flaws in the methodology used to estimate population at a local level. Many local authorities, including Southwark Council, have since been lobbying Government regarding the inaccuracies in the population projections and estimates resulting from this data and the impact that this had on funding allocations.
- 1.3 Neil Wilcox, Director of Funding and Research at Local Government Futures Ltd, attended the sub-committee meeting on 23 March. He gave a presentation to the sub-committee on population issues in Southwark and the way in which ONS population figures have impacted on the borough.
- 1.4 The presentation showed how a range of different estimates and projections have been applied to Southwark since 2001 and highlighted the impact that this has had on the Council's funding.
- 1.5 The Office for National Statistics's latest population estimates (2007 MYE) show that Southwark's population has been growing steadily since 2004. The 2007 Mid Year Estimates say the borough's population is 274,400, an annual growth rate of 2.3% since the last census in 2001. However, the government's Revenue Support Grant for the three year period 2007-10 use estimates based on figures from 2004 that are then projected forward which estimate that Southwark's population is 265,100.
- 1.6 The difference between the two sets of population figures is 9,300 people. The council estimates that the population undercount has reduced its actual funding

allocation for non-schools services, before transitional arrangements, by approximately £18m, over the three years period of the funding settlement.

- 1.7 Particular issues have also been raised with the way that migration is currently measured. The international passenger survey and the labour force survey do not provide sufficiently accurate measures of new migrants arriving in or leaving Southwark. The council believes that its population is undercounted due largely to the inability of population estimates to account for migration.
- 1.8 In 2005 the council, in partnership with Lambeth and Lewisham, asked the Greater London Authority's Data Management and Analysis Group (DMAG) to estimate Southwark's population. The average population within the borough, based on the five DMAG methodologies, was 267,900 - 9,500 higher than the official ONS estimates in 2005.
- 1.9 The Office for National Statistics and the government has recognised the need to urgently improve estimates of migration in time for the next three year local government finance settlement, commencing in 2011-12.
- 1.10 An inter-departmental government Task Force was set up in December 2006 to supplement the work being undertaken by the ONS Improvement to Migration Population Statistics (IMPS) programme and bring forward improvements to migration estimates.
- 1.11 The ONS will publish new revisions to how it estimates migration in June 2009 which are expected to include new migration modelling techniques based on local administrative data such as National Insurance Numbers and GP registrations. Improvements to the International Passenger Survey, experimental estimates for short term migrants (less than 12 months stay) and the Labour Force Survey have also been made.
- 1.12 London Councils has recently expressed concern that the revisions will not look at the Capital's share of migration. Previous ONS revisions in 2007 reduced London's population growth by 60,000 people.

RECOMMENDATIONS

i) Lobby DCLG to use updated population data in the final year of the current financial settlement. The council considers the under-estimate to be an exceptional circumstance that would warrant the change to the three year settlement.

ii) Quality assure the work being undertaken by the ONS into improvements to population estimates to make sure that it reflects the nature of migration to the borough. Work with London Councils and other councils adversely affected by inaccurate population counts to lobby for appropriate changes to migration estimates. Lobby for inclusion of short term migrants (less than 12 months) in the next three year settlement.

iii) Use evidence base to help attain specific grants such as the Migration Impact Fund to help access funding to replace that lost through inaccurate population estimates.

2 The preparations for the 2011 Census

- 2.1 For the past two hundred years, a ten-yearly census has counted the population of the UK. The importance of the Census to local government has increased as it has been used to derive the level of funding received by local public services, particularly as their financing has become more centralised. The 2001 Census is generally accepted to have had a number of significant flaws in its accuracy, the impacts of which have been felt by local authorities ever since. The process for preparing for the 2011 Census is now well underway.
- 2.2 Glen Watson and Ian Cope [insert their titles] from the Office of National Statistics attended the sub-committee meeting on 12 May. They gave an overview of the preparations for the 2011 Census, talked about the specific measures in place to deal with hard-to-count areas and answered questions posed by the committee.
- 2.3 The presentation set out how the ONS are responding to the lessons learned from the 2001 Census. The major operational changes will include address checking before Census Day, post-out and post-back of questionnaires, online completion, questionnaire tracking, and intensive, targeted and flexible follow-up of non-responses.
- 2.4 It was accepted by the ONS that Southwark is a hard-to-count area because of its 76.8% response rate in 2001 and the fact that it had the highest number of unprocessed forms in the country. Following the 2001 Census, the coverage adjustment process saw 66,808 people added to Southwark's populations figures, with an additional 6,522 added in 2004 after a further review.
- 2.5 The 2011 census will see a more targeted approach to the placement of field staff in order to increase the consistency of response rates across the country, although it has yet to be decided how many enumerators there will be in Southwark. Overall there will be fewer enumerators than last year, so it is important that Southwark presents the strongest possible case for the challenges it faces so that it receives a high number of enumerators.
- 2.6 The ONS expect Southwark Council to assist with the Census by:
- Providing an accurate address register by ensuring that our Local Land and Property Gazetteer is up to date.
 - Contributing to the LA Communications Advisory Group and publicising key Census messages
 - Providing knowledge of our communities
 - Providing data from Council Tax and Electoral Registers where required
 - Providing logistical support e.g. access to council staff to be enumerators, storage space etc.
- 2.7 Clarification was sought from the ONS representatives on a number of issues. In particular, questions were asked about the use of postal delivery, the overall reduction in the number of enumerators, the additional resources that will be targeted at hard to reach areas, and the use of new technology.
- 2.8 Members expressed considerable concern that Southwark's figures from the last Census were not a true representation of the population and highlighted the

impact that this has had on the Council's funding allocations. The ONS representatives explained that the key objective for this Census was to maximise returns across the country and provide a more consistent spread of response rates nationally. In order to achieve this they want to see no local authority with a response rate of less than 80%. Members were unhappy that this only represented a 3% increase in response rates for Southwark and wanted to aspire to a much higher rate, given the likely future impact on funding.

RECOMMENDATIONS

i) Review the 2011 census methodology and raise specific concerns with ONS and government. Make a strong case for Southwark to receive extra enumeration resource as an area unique in its mobile and hyper-diverse population.

ii) Continue internal preparations for the 2011 census including; address matching exercise; formation of Local Area Profiles; recruitment of local enumerators; liaison with ONS census team.

iii) Ensure sufficient resources (including prioritisation and monitoring by Executive and Corporate Management team) are provided by Southwark Council to the Census 2011 preparation, both for its coordination and for work required within departments to improve data quality

3 The greater than normal degree to which Southwark is affected by population churn

- 3.1 The term 'population churn' is used to describe the level of movement within a local population over a period of time.
- 3.2 A paper written by officers in Corporate Strategy was provided to the committee setting out the current level of understanding of the impact of population churn on Southwark and the Council's services.
- 3.3 Given its position as a global economic centre, London has long been a powerful magnet for people from across the UK and the world, giving it a vibrant, diverse and continually changing population. This movement of people has strengthened London's standing as a global city and brought significant economic and social benefits.
- 3.4 There is also a substantial amount of movement within London, encouraged by London's active housing market, the large numbers of the population with no settled homes and the scale of the private rented sector. At least three kinds of mobility can be observed in London – to and from overseas; to and from the rest of the UK; and within London itself. London's position as the nation's capital and financial centre means that much of the inward migration into London is from elsewhere in the UK and not solely from overseas.
- 3.5 This rapid transformation of Southwark's community profile presents public services with additional costs. The London School of Economics has estimated that London Councils in aggregate are spending in excess of £100 million a year in dealing with the pressures resulting from high population mobility.

- 3.6 However, while population mobility is recognised as a significant issue for Southwark, and London as a whole, much of the recent attention in this policy area has been focused on absolute population numbers in order to influence funding allocation from government. Further work is also needed to better understand the impacts and costs of population mobility on public service delivery, as well as the impact it can have on community cohesion.
- 3.7 The arrival of new communities into Southwark does have a recognised and significant impact on the services the Council delivers, although further work is needed to fully understand and quantify this. The Council has relied on existing budgets to manage these pressures and meet the needs of local communities and maintain community cohesion, but improved understanding would allow more to be done to predict and mitigate against likely future impacts.
- 3.8 Understanding Southwark's population both in quantitative and more qualitative respects is of great importance, not only in securing more sufficient funding allocations from Government, but also in ensuring that we design and deliver appropriate services to our communities.
- 3.9 A number of assumptions about churn remain untested and need further consideration. For example, the impact of regeneration on the level of churn could be explored, or the impact that it has on educational attainment or health outcomes might need further examination. More generally, evidence-based policy making, service design and commissioning will all benefit from a more nuanced and comprehensive understanding of Southwark's population and its movements.
- 3.10 In order to further enhance the Council's understanding of population churn in Southwark, the following recommendations are made to the Executive for future work on this subject:

RECOMMENDATIONS

- i) Commission a research project to gather the best available intelligence about shifting patterns of migration and movement within Southwark, bringing together existing knowledge within the Council and drawing on external support where required. This information could then be used to inform the preparations for the Census and for service design and commissioning.**
- ii) Given the impact that churn has across a range of public services in Southwark, lead a discussion with the Southwark Alliance to build cross-partner awareness of population churn and consider a coordinated and jointly-resourced response.**
- iii) Work closely with other local authorities in London to better understand the movement of people in and around London and explore opportunities for sharing information and resources on this issue.**