
Overview and Scrutiny

Demographic Change Safer Stronger Communities Select Committee

June 2017



**Membership of the Safer Stronger Communities Select Committee
in 2017/18:**

Councillor Pauline Morrison (Chair)

Councillor James-J Walsh (Vice-Chair)

Councillor Brenda Dacres

Councillor Colin Elliott

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Councillor Joyce Jacca

Councillor Jim Mallory

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Councillor Paul Upex

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Contents

Chair's introduction	xx
1. Executive summary	xx
2. Recommendations	xx
3. Purpose and structure of review	xx
4. Policy Context	
The Findings	
5. Current Population, National and Lewisham	
6. House Prices and Tenure	
7. Deprivation	
8. Evidence from Barry Quirk	
9. Conclusion	xx
10. Monitoring and ongoing scrutiny	xx
Sources	xx

Chair's Introduction

To be inserted.

Photograph of Chair

Councillor XXX
Chair of the XXX Select Committee

Executive summary

[Insert text here]

[Exec Summary should include the key findings of the review]

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Recommendations

The Committee would like to make the following recommendations:

[Insert recommendations]

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3. Purpose and structure of review

3.1 As a result of the severe financial pressures facing the local authority, the Safer, Stronger Communities Select Committee decided that as part of their work programme they should look into changing demographics in the borough to ensure that the Council was able to adapt as quickly as possible to changing needs of residents.

3.2 At its meeting on 28 November 2017, the Committee agreed the scoping paper for a short review of Demographic Change in Lewisham. The scoping paper set out the background and key lines of enquiry for the review. It was agreed that the review should consider both current medium-term and longer-term predictions and projections, and focus on areas of most concern in terms of pressure on residents and the Council, looking at how the Council forward planned for demographic change and how it managed risk. It was also agreed that the review should consider the equalities aspect of demographic change with a view to identifying any population groups that were especially likely to feel the impact of demographic change and the council's role in mitigating this. Key lines of enquiry agreed for the short review were:

- What sources of information are used to inform future delivery of council services?
- Where are the predicted population trends in Lewisham?
- How does the council use demographic information to predict future demand for services?
- How could the council make better use of the available information?
- Where are the most severe pressure points on services predicted to be?
- How do national policy issues such as Brexit, devolution or boundary changes impact the Council's ability to plan for and predict demographic change?
- How can the council ensure the best outcomes for local people in the context of the current financial climate?

3.3 At its meeting on the 28 November 2017, the Committee also agreed to add:

- Changes in demographic participation and demographics of those who do not vote.
- Projections on the numbers of looked after children and how services will need to adapt to this.
- Changes in how the Council will manage services due to changing demographics.
- How will Lewisham change by 2030 and what does the Council need to do to be prepared.

3.4 The timeline for the review was as follows:

26 April 2017 Evidence session to receive a presentation from Barry Quirk, Chief Executive addressing the expanded key lines of enquiry referred to above and key challenges for the Council:

- How policy is developed and services are future-proofed
- Protecting the most vulnerable residents and those with protected characteristics
- Planning for and mitigating the impact of national policy changes such as Brexit, Devolution and Boundary Changes.

4 Policy Context

- 4.1 The Council's overarching vision is "Together we will make Lewisham the best place in London to live, work and learn". In addition to this, ten corporate priorities and the overarching Sustainable Community Strategy drive decision making in the Council. Lewisham's corporate priorities were agreed by full Council and they remain the principal mechanism through which the Council's performance is reported.
- 4.2 Demographic change has an affect on all of the Council's corporate policies: community leadership: young people's achievement and involvement; clean, green and liveable; safety, security and a visible presence; strengthening the local economy; decent homes for all; protection of children; caring for adults and older people; active healthy citizens; and inspiring efficiency, equity and effectiveness. Managing and planning for changing demographics in therefore vital to service delivery across the Council. The theme also crosses over all the priorities in the Sustainable Community Strategy. "Ambitious and Achieving" aims to create a borough where people are inspired and supported to achieve their potential. "Safer" where people feel safe and live free from crime, antisocial behaviour and abuse. "Empowered and Responsible" where people are actively involved in their local area and contribute to supportive communities. "Clean, green and liveable" where people live in high quality housing and can care for and enjoy their environment. "Healthy, active and enjoyable", where people can actively participate in maintaining and improving their health and well-being. "Dynamic and prosperous", where people are part of vibrant communities and town centres, well connected to London and beyond.
- 4.3 Demographic change has been a feature of London's history for centuries. Understanding the changes is essential for the council to be able plan ahead and deliver services that are relevant, timely and sufficient. The population of London peaked in 1939 at 8.6 million, then post war it started to fall to a low of 6.7 million in 1988. Since then the population has grown each year to approximately 8.6 million in 2016. With the current level of cuts to local government budgets of approximately 44% to 2019/20, the challenge becomes ever greater to ensure services are delivered to those most in need. Changing populations pose a challenge in terms of service prioritisation and predictions for need and usage. This affects all areas of the Council from school places planning, housing, care for the elderly, to leisure facilities and

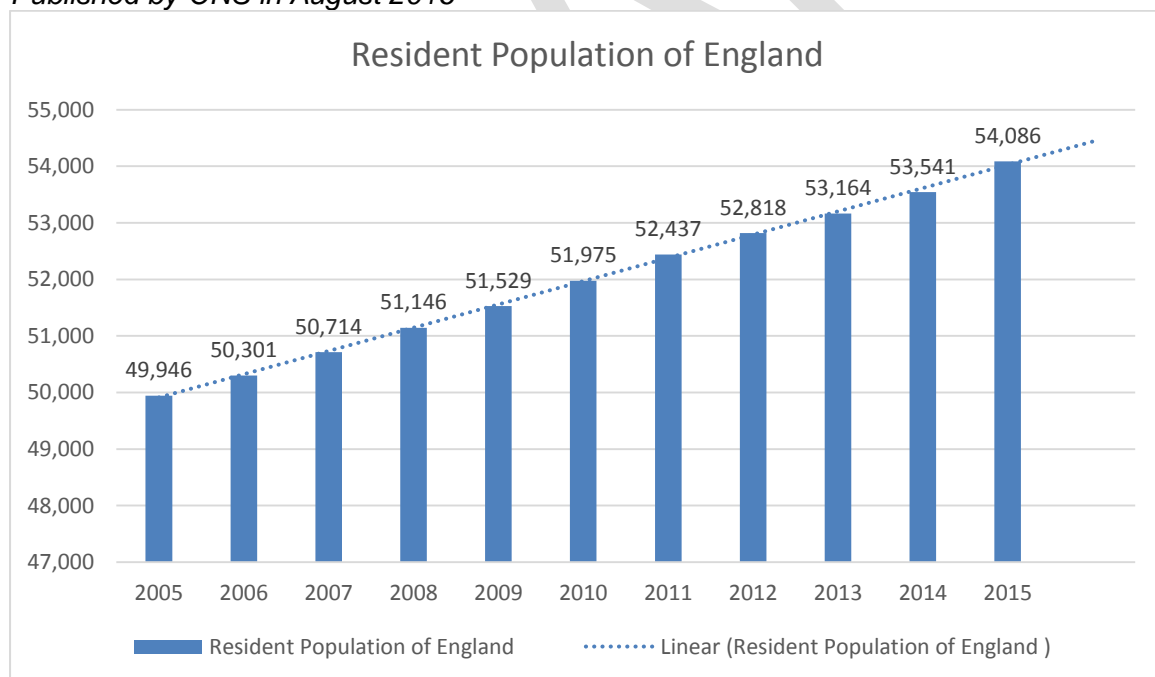
refuse collection etc. Demographic change has an effect on everything the Council does.

5 Current Population

The Current Population – National and London

- 5.1 The UK population is growing. The Office for National Statistics (ONS) projections forecast an increase in UK population of 6% to 2024 and 14% to 2039 from the 2014 figures. According to the ONS the UK population in June 2015 stood at just over 65 million representing an increase of 9.2% or just over 5 million people over the previous ten years.¹ The population of London in 2015 was estimated to be 8,663,300 an increase of 7% in the last 5 years.²
- 5.1 In the ten years from 2005 to 2015 the resident population of England has increased from 49.9 million to 54.1 million, a rise of 8.3%. During this period the non-UK born estimated population of England rose from 5.2 million to 7.9 million, a rise of 51.8%. In 2015, the non-UK born population of England amounted to 14.6% of the overall population.

Published by ONS in August 2016



- 5.2 The population of the UK is getting older. The graph below shows the age structure of the UK in 2014 and projections for 2039. The median average age rises from 40 years in 2014 to 42.8 by 2039. This has an implication on a wide variety of services provided by Councils and the cost of health and social care

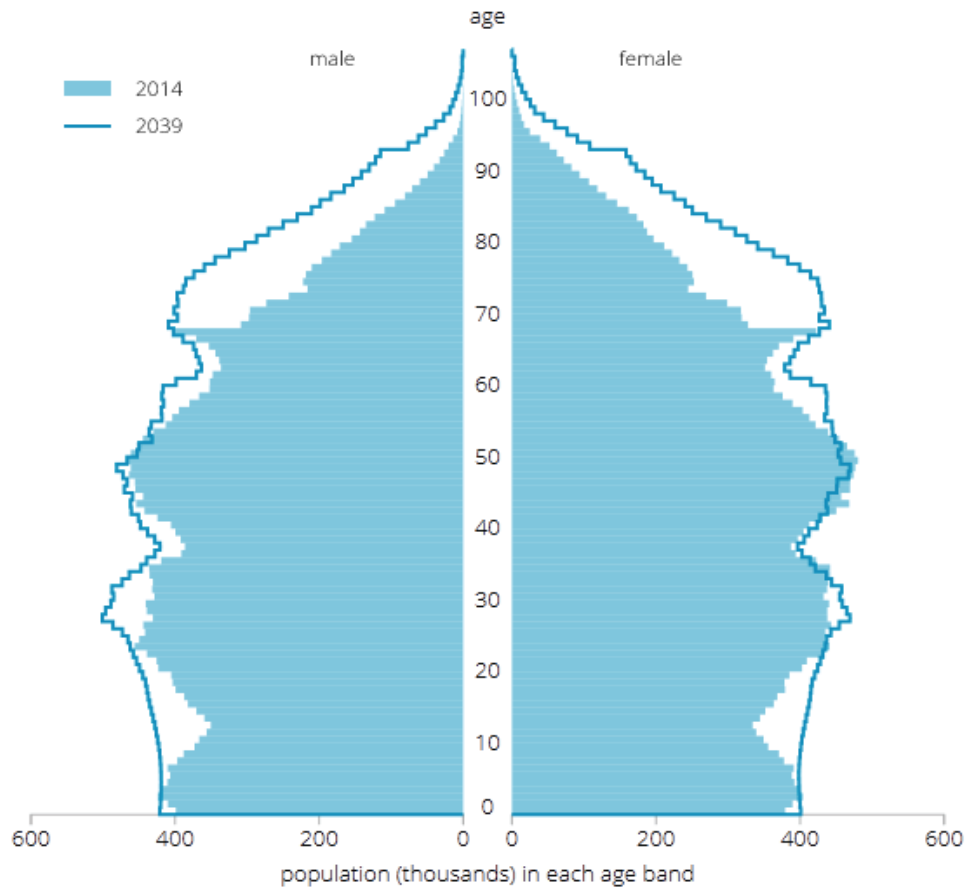
¹ONS

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

² GLA DataStore <https://data.london.gov.uk/>

provision. This trend is similar in London but the average age of residents remains younger than in the rest of the UK, being 34 in 2013 according to the ONS regional profile statistics. London also has a higher proportion of residents under 18 than the National average.

Age structure of UK population, mid-2014 and mid-2039



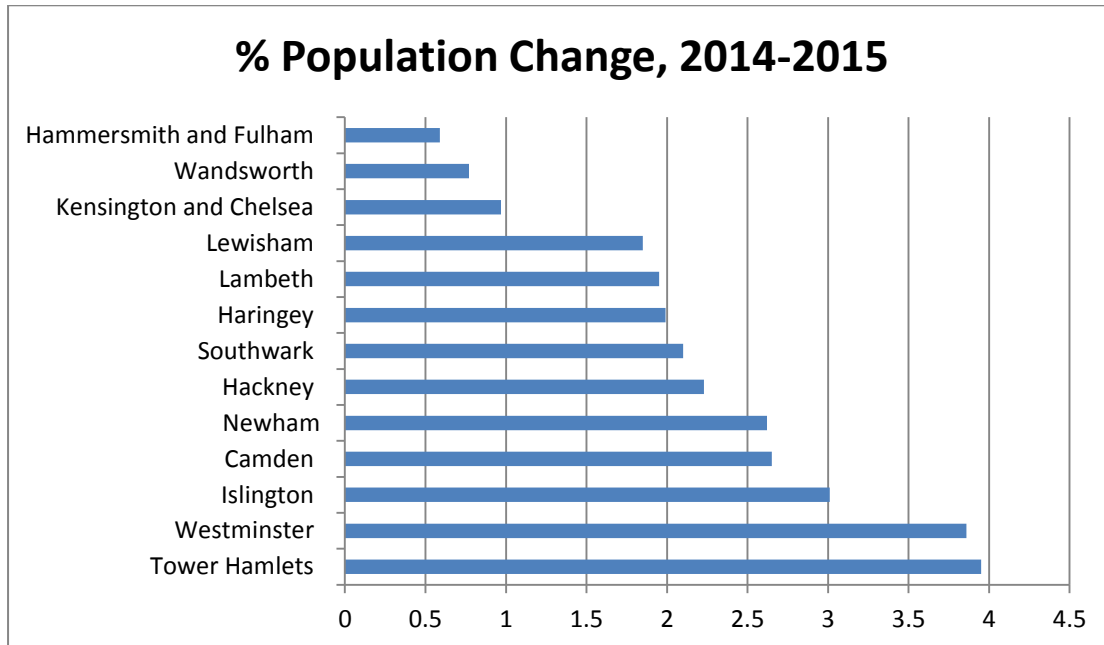
Source: Office for National Statistics

The Current Population – Lewisham

- 5.3 Lewisham is the fifth largest inner London borough and the thirteenth largest in London. According to the ONS Population estimates released on 23 June 2016, the 2015 mid-year estimates show the population of Lewisham has risen to 297,325 people, an increase of 1.8% (5392 people) from the same point in 2014. Within this figure the data shows that in the previous 12 months to June 2015, it is estimated that 22,879 people moved to Lewisham from other parts of the UK, whilst 24,415 left for other parts of the UK; a net effect of -1,536 people. Over the same period 5,649 were estimated to have moved to Lewisham from outside the UK whilst 1,966 left Lewisham for countries outside the UK; a net effect of +3,683 people. There were 4,763 births and 1,524; a natural change effect of +3,239 people.
- 5.4 The population of Lewisham rose steadily at an average of more than 5,000 per year between 2012 and 2015, amounting to an increase over this period

of 15,769. The population has increased at around 1.7% to 1.8% per year and this growth rate is accelerating very slightly each year. As can be seen from the graph below, population growth in Lewisham is less than that of the majority of inner London boroughs.

Percentage Change by Inner London borough, 2014-15 mid-year population estimates



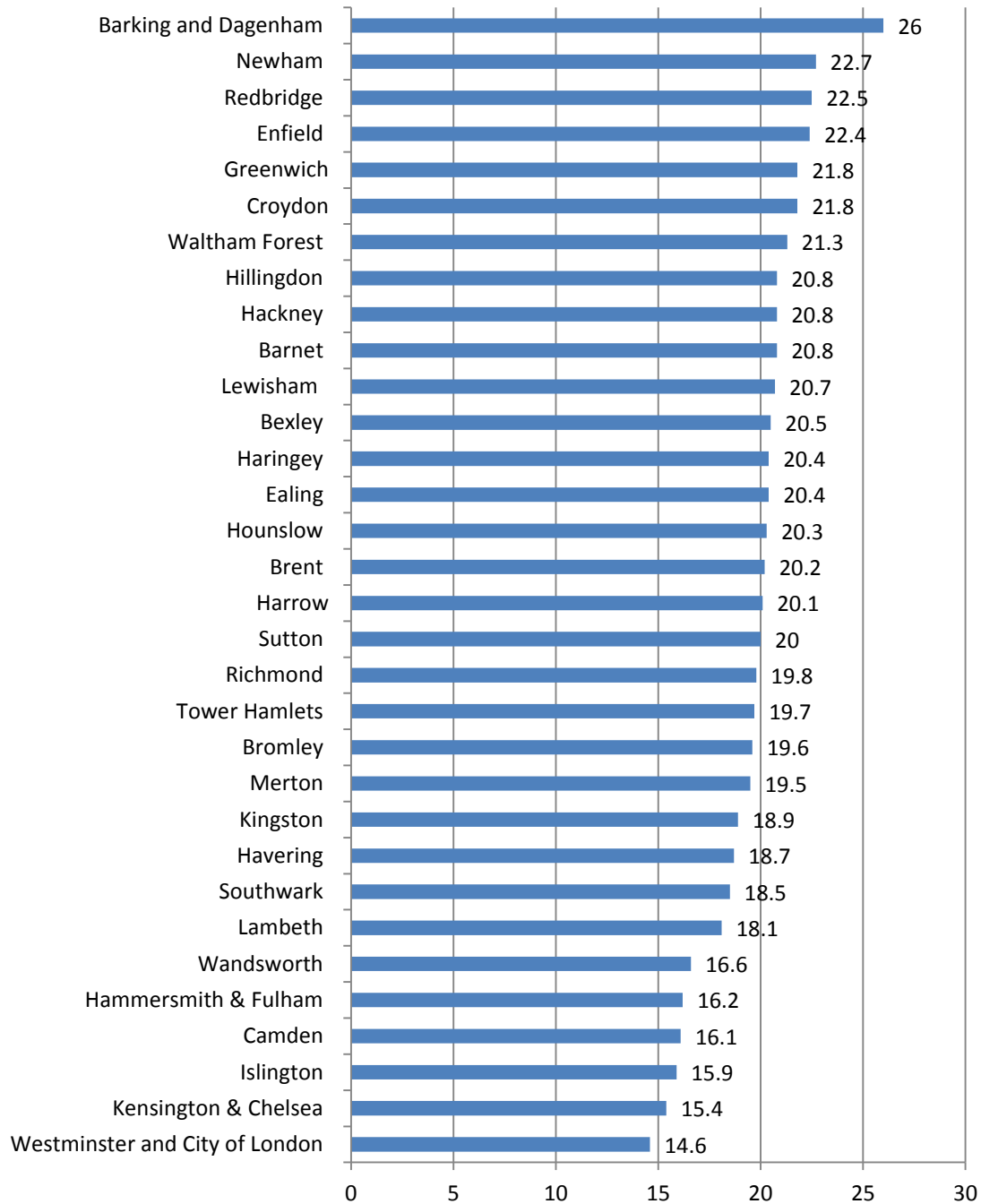
5.5 Within the resident population, occupational class is also changing. Across London the proportion of residents in “higher-skilled occupations is rising. In Lewisham, between 2004 and 2014, the percentage of the work force in higher-skilled occupations rose from 46% of those in employment who were in “higher- skilled occupations” to 57%, the third biggest percentage point rise across all London boroughs. At 57%, Lewisham has the 10th highest proportion of all London boroughs of residents in higher-skilled occupations, the highest is Islington at 73% and the lowest being Barking and Dagenham at 31%.³ Other notable socio-economic shifts include an increase in the number of houses in the private rented sector and a decrease in number of home owners across London. This is further explored in section 6.

5.6 Lewisham has a slightly younger age profile than the rest of the UK; children and young people aged 0-19 years make up 24.5% of our residents, compared to 22.4% for inner London and 23.8% nationally. Lewisham has approximately 39,000 pupils within its 90 schools. Statistically Lewisham also has a lower percentage of the population over 65 than the national average and also comparatively with other London boroughs. These trends are illustrated in the two graphs below. Page 21 of Appendix 1 also shows the estimated number of children at each age up to 18 years old in the borough.

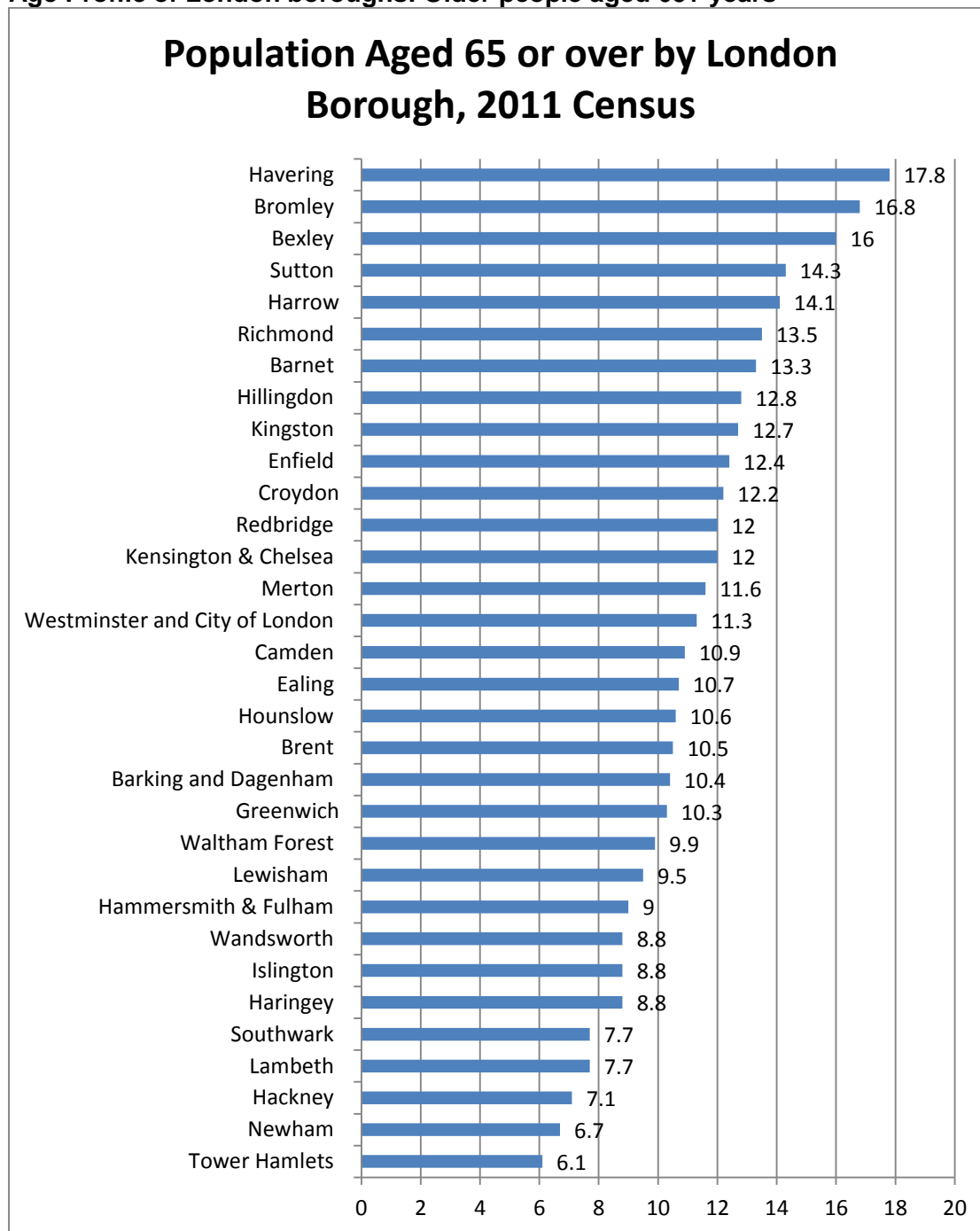
³ ONS Annual Population Survey, 2004-2014

Age Profile of London boroughs: Children and young people aged 0-15 years

Children and Young People, 0-15 yrs, by London Borough, 2011 Census



Age Profile of London boroughs: Older people aged 65+ years



This chart illustrates the large variation in the older age population across London.

5.8 Lewisham is an ethnically diverse borough with approximately 40% of Lewisham residents being from black and minority ethnic backgrounds. This rises to 77% within the school population, where over 170 different languages are spoken by pupils. According to the London Plan 2016, London will continue to diversify as a result of natural growth and continued migration from overseas. However, the evidence this review received from Barry Quirk highlighted in paragraph 8.3 and Appendix 1 page 26 shows that this trend is at different rates in different boroughs.

6 House prices and Tenure

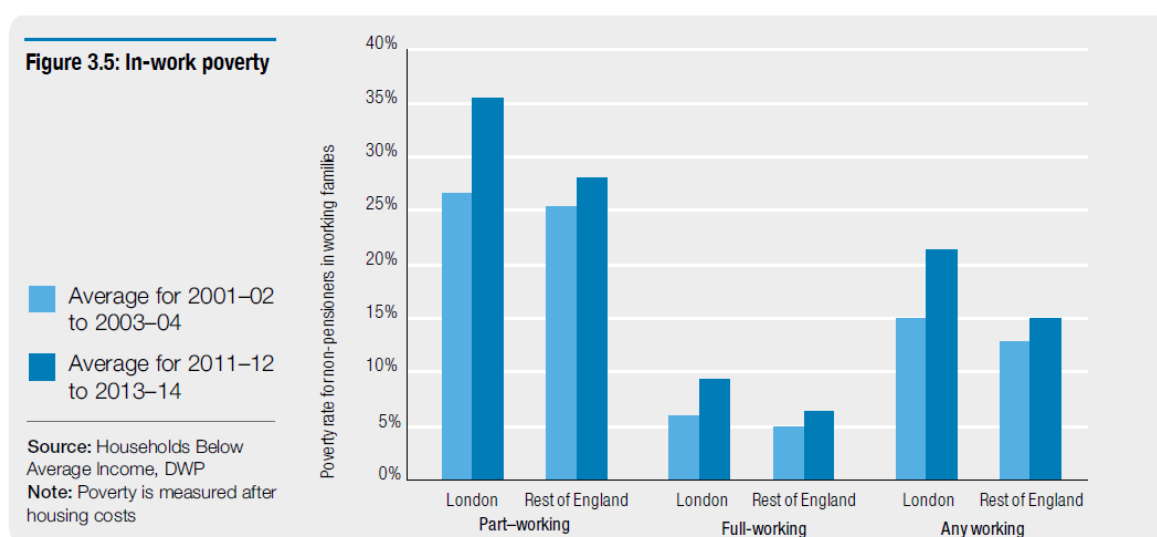
- 6.1 Pressure from house prices can affect demographics within an area. As noted in paragraph 6.3 below, the rise in the private rented sector (PRS) is occurring across London. In England average house prices have increased by 9.3% in the 12 months to June 2016 to £229,383. In Inner London prices have increased by 8.6% to £574,916 whilst in Outer London they have increased by 15.6% to £415,854. Average house prices have increased by 16.7% in Lewisham over this period, but this is still only the 12th largest increase of all 33 London boroughs, and the borough therefore remains more affordable than many areas of London. Home ownership is still, however, unobtainable for many residents.
- 6.2 Though 3.5 times annual salary has in the past been regarded as a guide to buying a house through a mortgage, average house prices in the cheapest London borough of Barking and Dagenham were 7 times average earnings in 2015, in Kensington and Chelsea they were 40 times the average earnings by resident in that borough. In Lewisham they were 11 times average earnings, having been 6.5 times annual earnings in 2003.
- 6.3 Reduction in home ownership and the rise in the private rented sector have implications for wealth accumulation of residents. It could result in the need to review policy assumptions and ensure those in the PRS are protected. It is also a notable difference between London and the rest of the UK and highlights that different approaches and policies may be needed in London to the rest of the UK.

7 Deprivation

- 7.1 In relative terms, Lewisham remains among the most deprived local authority areas in England. Deprivation is measured using the following Indices of Multiple Deprivation (IMD) 2015:
- Income
 - Employment
 - Health Deprivation and Disability
 - Education, Skills and Training
 - Barriers to Housing and Services
 - Crime
 - Living Environment
- 7.2 In the overall Index of Multiple Deprivation, Lewisham ranked 48th most deprived nationally of 326 local authority district. This compares to a ranking of 31st for 2010, and 39th for 2007.⁴ This is the “rank of average score” (see

⁴ Office of National Statistics, Indices of Multiple Deprivation 2015, File 10: local authority district summaries <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

footnote 8 for definition). This means that as a local authority Lewisham is within the 20% most deprived Local Authorities in the country. There have been large decreases in a number of London Boroughs in the proportions of their neighbourhoods that are highly deprived. In Hackney and Newham in particular, there were reductions of 24 percentage points: from 42 per cent of neighbourhoods in Hackney being highly deprived on the Index of Multiple Deprivation 2010 to 17 per cent following the 2015 update, and from 31 per cent of neighbourhoods being highly deprived in Newham on the 2010 Index to 8 per cent following the 2015 release. See Chart 7 below.⁵ Generally, London boroughs are more deprived comparatively in terms of income deprivation compared to employment deprivation. This in part helps to explain the higher rankings of London Boroughs in the Income deprivation affecting children and older people indices as shown paragraph 7.11. The graph below from the London Poverty Profile also demonstrates this and how this difference has grown since 2010.



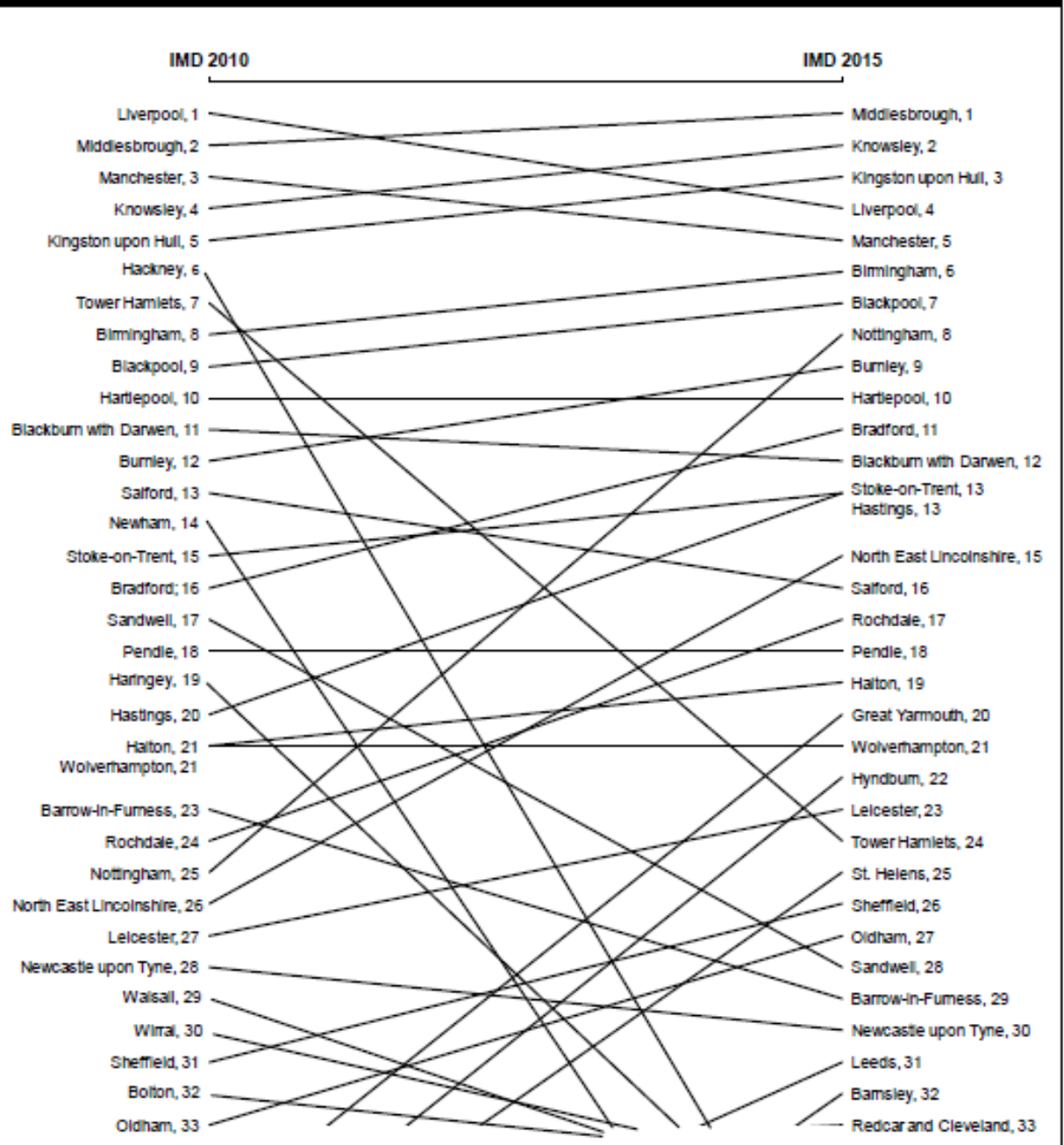
London Poverty Profile 2015⁶

7.3 In terms of overall deprivation, Lewisham is ranked 10th out of the 33 London boroughs (including the Corporation of London), unchanged from 2010. The IMD ranking of most London boroughs has improved (i.e. they have become comparatively less deprived), though notable ranking increases have occurred in Barking and Dagenham, Westminster, and Croydon. The chart below from the ONS shows the comparison between comparative ranking in the 2010 IMD to the 2015 IMD, and highlights the dramatic reductions in comparative deprivation in some London boroughs.

⁵https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/465791/English_Indices_of_Deprivation_2015_-_Statistical_Release.pdf

⁶ http://www.londonpovertyprofile.org.uk/2015_LPP_Document_01.7-web%202.pdf

Chart 7. The most deprived local authority districts according to the Index of Multiple Deprivation 2015 and the 2010 Index: local authorities are ranked on the proportion of neighbourhoods in the most deprived 10 per cent nationally



Note: Hastings and Stoke-on-Trent are equally ranked as 13th most deprived on this measure.

Any change in rank position represents relative change only. It is possible that a district may have become less deprived in real terms since the previous Index, but more deprived relative to all other districts, or vice versa. Furthermore, a change in rank, even of several places, may not represent a large increase or decrease in the levels of deprivation.

SOURCE: ONS⁷

⁷ONS
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/465791/English_Indices_of_Deprivation_2015_-_Statistical_Release.pdf

Table 1: London Boroughs by IMD National Ranking⁸

	2015 National Rank of average scores⁹	2010 National Rank	2010-2015 Ranking Change
Tower Hamlets	10	7	-3
Hackney	11	2	-9
Barking & Dagenham	12	22	10
Newham	23	3	-20
Islington	24	14	-10
Haringey	30	13	-17
Waltham Forest	35	15	-20
Southwark	40	41	1
Lambeth	44	29	-15
Lewisham	48	31	-17
Westminster	57	87	30
Enfield	64	64	0
Brent	68	35	-33
Greenwich	78	28	-50
Camden	84	74	-10
Hammersmith & Fulham	92	55	-37
Croydon	96	107	11
Ealing	99	80	-19
Kensington & Chelsea	104	103	-1
Hounslow	117	118	1
Redbridge	138	134	-4
Wandsworth	158	121	-37
Hillingdon	162	138	-24
Havering	167	177	10
Barnet	172	176	4
Bexley	191	174	-17
Bromley	208	203	-5
Merton	213	208	-5
Sutton	217	196	-21
Harrow	219	194	-25
City of London	231	262	31
Kingston upon Thames	278	255	-23
Richmond upon Thames	294	285	-9

⁸ File 10: Local Authority District Summaries, IMD rank of average scores

⁹ **LA Average Score of LSOA Scores**

Population weighted average of the combined scores for the LSOAs in a larger area.

This measure is calculated by averaging the LSOA scores in each larger area after they have been population weighted. This measure retains the fact that more deprived LSOAs may have more 'extreme' scores, which is not revealed to the same extent if the ranks are used. So highly deprived areas will not tend to average out to the same extent as when using ranks; highly polarised areas will therefore tend to appear more highly deprived on the average score measure than the average rank measure.

LA Average Rank of LSOA Ranks

Population weighted average of the combined ranks for the LSOAs in a larger area.

This measure is calculated by averaging all of the LSOA ranks in each larger area. For the purpose of this specific calculation, LSOAs are ranked such that the most deprived LSOA is given the rank of 32482 (2010) and 32844 (2015). This is opposite to the main IMD rankings where 1 is the most deprived. The LSOA ranks are population weighted within a local authority district to take account of the fact that LSOA size can vary. The nature of this measure (using ranks not scores) means that highly polarised larger areas tend not to score highly because extremely deprived and less deprived LSOAs will tend of 'average out'.

Conversely, a larger area that is more uniformly deprived will tend to score highly on this measure. Please note the rank indicator for this measure is a "rank of the average ranks".

- 7.4 Statistically in terms of IMD rating, Lewisham has improved its ranking in percentage terms and now rates 48th most deprived as opposed to 31st most deprived in the country. However, it is important to note the proportion of children and older people in income deprivation is very high and Lewisham ranks as the 19th most deprived in the country specifically for each of these categories. As mentioned previously, income deprivation is also higher comparatively than employment deprivation.¹⁰
- 7.5 In Lewisham, in terms of overall deprivation and the percentage of wards falling in the bottom 20% nationally, deprivation is concentrated in New Cross, Downham and Bellingham. Significant parts of these wards fall within the 20% most deprived in England. In New Cross relative deprivation has increased significantly, though in neighbouring Evelyn the situation has improved compared to 2010. Deprivation levels remain unchanged in Whitefoot. However, the most severe deprivation is concentrated in the Evelyn ward where approximately a third of the ward is categorised as being in the 10% most deprived in England.
- 7.6 Levels of income deprivation affecting older people are relatively unchanged from 2010. Evelyn, New Cross, Brockley and Downham are the most affected wards.
- 7.7 Overall levels of income deprivation affecting children have improved slightly since 2010. However, deprivation exists across many parts of the borough, with the highest levels in Evelyn, Bellingham, Downham, and New Cross.

Impact of Welfare Reform

- 7.8 The Centre for Regional Economic and Social Research at Sheffield Hallam University in partnership with Oxfam and the Joseph Rowntree Foundation¹¹, has produced information on the financial impact of the recent changes to welfare. Their data shows that the cumulative effect of welfare reforms from 2010 to 2016 has resulted in an estimated average loss of £470¹² per year for every working age adult in Lewisham up to March 2016. This loss is above the London (£410) and the national (£360) average. The reforms to Tax Credits have had the largest impact per head, followed by changes to the Local Housing Allowance for Housing Benefit claimants.

¹⁰ ONS Indices of Multiple Deprivation Definitions

- The **Income Deprivation** Domain measures the proportion of the population experiencing deprivation relating to low income. The definition of low income used includes both those people that are out-of-work, and those that are in work but who have low earnings (and who satisfy the respective means tests).
- The **Employment Deprivation** Domain measures the proportion of the working-age population in an area involuntarily excluded from the labour market. This includes people who would like to work but are unable to do so due to unemployment, sickness or disability, or caring responsibilities.

¹¹ The Uneven Impact of Welfare Reform, Centre for Regional Economic and Social Research, https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/welfare-reform-2016_1.pdf

¹² Welfare Reform 2016 Database, The Uneven Impact of Welfare Reform, Centre for Regional Economic and Social Research, <http://www4.shu.ac.uk/research/cresr/ouexpertise/the-uneven-impact-of-welfare-reform>

7.9 The table below shows a breakdown of the impact per working age person per year for each of the changes to benefits up to 2020/21. It also shows the number of households in Lewisham affected by each of the changes and the total impact per year. According to the 2011 census there are 116,000 households in Lewisham.

Welfare reforms: estimated impacts to 2020-21

<ul style="list-style-type: none"> - <i>Number of households impacted</i> - <i>Impact per working age person per year</i> - <i>Total impact in area per year</i> 	Lewisham	London	Great Britain
Universal Credit tapers and thresholds	<ul style="list-style-type: none"> - 15,500 households - £81 per year - £16m. 	<ul style="list-style-type: none"> - 400,000 households - £73 per year - £430m. 	<ul style="list-style-type: none"> - 3,000,000 households - £81 per year - £3,220m
Tax Credits (new reforms)	<ul style="list-style-type: none"> - 11,200 households - £57 per year - £12m per year 	<ul style="list-style-type: none"> - 300,000 households - £58 per year - £340m. 	<ul style="list-style-type: none"> - 2,000,000 households - £53 per year - £2,115m.
Mortgage interest support	<ul style="list-style-type: none"> - 700 households - £5 per year - £1m. 	<ul style="list-style-type: none"> - 17,000 households - £4 per year - £25m. 	<ul style="list-style-type: none"> - 170,000 households - £6 per year - £255m.
Pay to stay	<ul style="list-style-type: none"> - 1,000 households - £13 per year - £2.7m. 	<ul style="list-style-type: none"> - 26,000 households - £14 per year - £80m. 	<ul style="list-style-type: none"> - 130,000 households - £6 per year - £240m.
LHA Cap in social rented sector	<ul style="list-style-type: none"> - 2,100 households - £8 per year - £1.6m. 	<ul style="list-style-type: none"> - 47,000 households - £6 per year - £35m. 	<ul style="list-style-type: none"> - 300,000 households - £6 per year - £225m.
Employment and Support Allowance (new reforms)	<ul style="list-style-type: none"> - 2,300 households - £14 per year - £2.9m. 	<ul style="list-style-type: none"> - 51,000 households - £11 per year - £65m. 	<ul style="list-style-type: none"> - 500,000 households - £16 per year - £640m.
Benefit Cap (extension)	<ul style="list-style-type: none"> - 1,910 households - £15 per year - £3m. 	<ul style="list-style-type: none"> - 50,000 households - £14 per year - £85m. 	<ul style="list-style-type: none"> - 210,000 households - £12 per year - £495m.
Benefit Freeze	<ul style="list-style-type: none"> - 43,000 households - £121 per year - £25m. 	<ul style="list-style-type: none"> - 1,080,000 households - £108 per year - £630m. 	<ul style="list-style-type: none"> - 7,900,000 households - £101 per year - £4,010m.
Total anticipated loss by 2020/21 from post-2015 welfare reforms	<ul style="list-style-type: none"> - £350 per year - £72m. 	<ul style="list-style-type: none"> - £320 per year - £1,870m. 	<ul style="list-style-type: none"> - £320 per year - £12,920m.
Total anticipated loss by 2020/21 from pre and post-2015 welfare reforms	<ul style="list-style-type: none"> - £820 per year - £168m. 	<ul style="list-style-type: none"> - £730 per year - £4,250m. 	<ul style="list-style-type: none"> - £690 per year - £27,400m.

Source: The Uneven Impact of Welfare Reform¹³

¹³ Ibid

- 7.10 The freeze on working age benefits from April 2016 is expected to have had the largest impact, affecting 43,000 households by 2020 with an average loss of £121 per year per working age adult. The analysis from the policy hub also indicates that the total estimated financial impacts over the 2010-2020/21 period amount to £820 per working age adult per year in Lewisham, which is the eighth highest level out of thirty-two London boroughs. A further definition of each of the benefit reforms included in this analysis is included in the footnote below.¹⁴

¹⁴ **Tax Credits**

Reductions in payments and thresholds, notably the removal for new claims of the ‘family’ element and a limit on the ‘child’ element to two children for children born after March 2017

Mortgage interest support

Change from welfare payment to a loan

‘Pay to stay’

New requirement for higher-income tenants in the social rented sector in England to pay market rents, mandatory in local authority housing and voluntary for housing associations

LHA cap in the social rented sector

Housing Benefit in the social sector limited to the equivalent local private sector rate

Housing Benefit: 18-21 year olds

End of automatic entitlement for out-of-work 18-21 year olds

Employment and Support Allowance

Reduction in payment to JSA rate for new claimants in the Work-Related Activity Group

Benefit cap

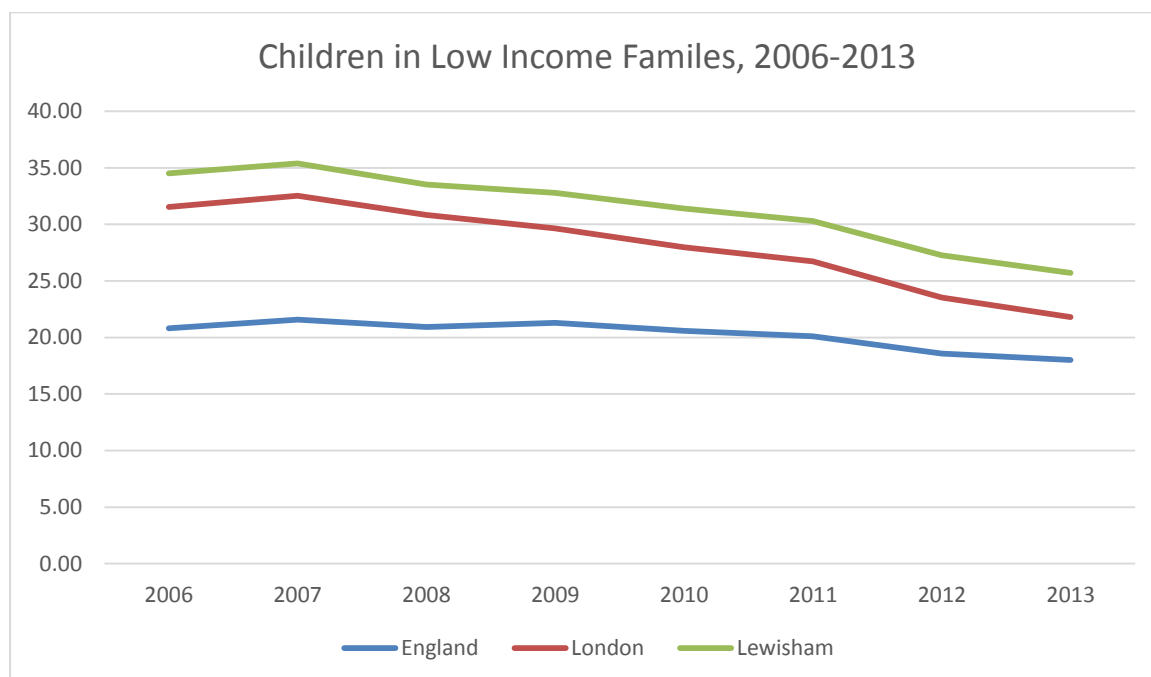
Lower ceiling per household - £23,000 a year in London, £20,000 elsewhere – applying to total of wide range of working age benefits

Benefit freeze

Four-year freeze in the value of most working-age benefits

Child poverty

Children in Low Income Families (all dependent children aged under 20), 2006-2013



7.11 In England the proportion of Children in Low Income Families has fallen from 20.8% in 2006 to 18.0% in 2013. In 2006 this measure of child poverty was much higher in London at 31.5%, but the gap has narrowed significantly to 21.8%. Lewisham was at 35.4% in 2006 but has since dropped sharply to 25.7%. According to the IDACI (Income Deprivation Affecting Children Index), LB Lewisham is the 19th highest Local Authority in England in terms of income deprivation affecting children.

8 Evidence from Barry Quirk, Chief Executive, LB Lewisham

8.1 The Committee heard evidence from Barry Quirk, Chief Executive. There had been dramatic changes in the demographic make-up of London in the last 10 years. The population of London was hugely significant in terms of numbers: More people lived in North London than in Scotland; more people lived in South London than Wales. The size of London comparatively to the second largest city of Birmingham was also very large with the population of Birmingham being around 1.1 million people compared to 8.7 million in London. Appendix 1, page 4 show's London's population change 1801 to 2011 and page 5 show's Lewisham's population change over the same period and the forecast to 2030 based on the current trajectory.

8.2 There were major differences in London compared to national averages, for example – 62% of the population of inner London were in rented accommodation compared to 30% nationally. This meant that housing policies that worked for outside London were different from what was most suitable for London.

- 8.3 The population of Lewisham was predicted to be 300,000 currently with a projected increase to between 314,000 and 360,000 by 2040. The main predictions were from GLA and ONS with the GLA having higher predictions than the ONS. Appendix 1, Page 6 highlights some of the reasons for these differences in predictions and forecasting techniques for population growth.
- 8.4 Birth rates, long and short-term migration trends and the number of available homes could all be used to predict demographic changes. Migration trends and birth rates were challenging to predict which accounted for the range in the forecast population increase.
- 8.5 The Committee heard that the GLA figures were not capped based on the maximum number of properties whereas some experts felt this was a likely natural cap to population rises.
- 8.6 In Lewisham, the movement between those moving in and out of the borough was much more significant in terms of numbers and effect on overall population than changes in the birth rate which accounted for only a small part of predicted changes.
- 8.7 When asked whether there was a trend for families with young children to move out of the borough, the committee heard that there was no evidence of this currently and the changes were more likely to be from people without children moving in and out of the borough.
- 8.8 The rate of international migration had a bigger net effect on the Lewisham population than domestic (within UK) migration but the numbers involved in domestic migration were much higher as the London Borough of Lewisham had a low proportion of international migration compared to domestic. Paragraph 5.3 of this report expands on this using migration figures for 2015.
- 8.9 Currently there was not enough evidence to understand comprehensively the changes in terms of socio-economic groups of those moving in to Lewisham versus those moving out. Other influences on changes to demographic make-up included older home-owners “cashing in” on higher property values and moving out of London, and currency changes. The fall in the value of the pound by 15% since June 2016 was also believed to be likely to affect the population. In particular those who sent a proportion of their wages to their home country may have less incentive to stay in the UK. In 2017, there had been an unexpected fall in primary schools admissions across London of 4% compared to 2016. The figure for Lewisham was a 5.8% reduction between 2017 and 2016. The reasons for this were still unknown but it did appear to mirror the fall in the birth rate between 2011/12 and 2012/13.
- 8.10 Demographic change was dynamic and causation was inter-related and complex. Historically policies tended to be created based on simple linear dependencies and not taking into account the current complex interdependent system.

- 8.11 Budgetary pressures from changing demographics included a predicted 33% increase in the numbers of people aged over 80 years old in Lewisham over the next 13 years. This figure was lower than the predicted increases across the whole of London and the UK. The implications from the increase in numbers of people over 80 and 90 years old for the NHS and Social Services were huge. Page 18, Appendix 1 shows that whilst London overall has a predicted 44% increase in people aged over 80 between 2017 and 2030; the rest of England has a 59% predicted increase over the same period.
- 8.12 The percentage of working age adults was forecast to increase by 11.6% in London by 2030 compared to 3.5% across England as a whole. The difference between London and the rest of England would therefore be likely to be exaggerated unless an external factor drove change such as house prices, pollution/congestion or Brexit. Page 19 of Appendix 1 shows the correlation between healthcare costs and age, demonstrating why this is so important.
- 8.13 The percentage of BAME residents in Lewisham was not predicted to change dramatically between now and 2030 with a predicted increase of just 2 percentage points and in many other inner London boroughs such as Lambeth the percentage of BAME residents as a proportion of total residents looked likely to fall. This was in contrast to some outer London boroughs such as Newham where there has been a large increase in the number of BAME residents between the 2001 and 2011 census and a trend that looks likely to continue.
- 8.14 According to the PWC report “Facing Facts”, London’s workforce was educated with 43% holding a degree or equivalent. The report also stated that UK and EU-15 migrants tended to work in managerial and professional roles across the full range of industry sectors, whereas non-EU and Post-2004 Accession Country migrants tended to undertake semi-routine and routine work, work in small businesses or are self-employed – often in the construction, tourism or wholesale & retail sectors.
- 8.15 In Lewisham there was one household in 70 that was in temporary accommodation. Further increases would have an impact on the Council’s budget. Lewisham faced significant challenges but would be less hard hit by the costs of care for the elderly than many areas.
- 8.16 There were significant concerns about the implications of Brexit. 20% of the London economy was finance based which could be badly hit if Britain were to leave the Single Market area. There was a limited understanding of the full supply chain and the knock-on effect this could have across sectors.
- 8.17 In Lewisham, there were currently 70,000 children aged 0-18 of which 450 are currently “looked after”. There are currently an additional 1500 others which the Council has concerns about. Therefore the current range is between 0.6% to 3% of children in the borough. If the population projections up to 2030 in terms of numbers and age make-up are accurate there would be an additional 20,000 children in the borough. If the risk profile of these children was the

same as the current risk profile of Lewisham children, this would mean that the corresponding “safeguarding” and “concern” figures would rise to 540 and 2700 respectively.

- 8.18 A lot of uncertainty around future predictions still existed. Lewisham was in a strong position in terms of the value of land still being significantly lower than many other inner London boroughs making it comparatively more affordable. It was still unclear as to whether a fall in house prices or a fall in net migration would reduce housing problems or not.
- 8.19 Lewisham’s demographics linked to different geographies for different services. For example; the health economy was linked to Lambeth, Greenwich, Bromley and Southwark; employment was linked to central London and Docklands; Education was linked to Bromley and Greenwich.
- 8.20 The changes to local government funding from the introduction of Business Rate Retention would be very challenging for many local authorities. Property tax would be rising at less than inflation at a time when social care costs will be rising dramatically.

9 Conclusion

- 9.1 Demographics and Demographic change is complex and dynamic. It is important for the Council to have a thorough understanding of the demographics of Lewisham, London and the UK and an understanding of predictions and projections for demographic change. There will always be differences in predictions between practitioners and understanding this and the implications for the Council in ensuring service delivery and robust policy development is important.
- 9.2 The report summarises the evidence the Committee has received around demographic change in Lewisham, London and the UK. It draws on evidence from sources such as the Office of National Statistics, the GLA, the Indices of Multiple Deprivation and from the evidence the Committee heard from Barry Quirk, Chief Executive of the London Borough of Lewisham.

10 Monitoring and ongoing scrutiny

- 10.1 The recommendations from the review will be referred for consideration by the Mayor and Cabinet at their meeting on 19 July 2017 and their response reported back to the Safer Stronger Communities Select Committee within two months of the meeting. The Committee will receive a progress update in six months’ time in order to monitor the implementation of the review’s recommendations.

Sources and Background Papers

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<http://www4.shu.ac.uk/research/cresr/ouexpertise/the-uneven-impact-of-welfare-reform>

Websites and datasets

GLA DataStore <https://data.london.gov.uk/>

ONS, Population Estimates

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>