

Safer Stronger Communities Select Committee			
Title	The impact of demographic change on the future delivery of council services: Scoping Paper	Item No	7
Contributors	Scrutiny Manager		
Class	Part 1	Date	28 November 2016

1 Purpose of paper

- 1.2 As part of its work programme the Committee has agreed to undertake a short review of the impact of demographic change on the future delivery of council services.
- 1.3 This paper sets out the rationale for the review, provides some background information on the demographics of Lewisham and sets out proposed Key Lines of Enquiry for discussion and agreement by the Committee.
- 1.4 The review process is outlined at Appendix A.

2 Recommendations

- 2.1 The Select Committee is asked to:
- note the contents of the report
 - consider and agree the proposed key lines of enquiry for the review outlined in section 6, and the timetable outlined in section 7.

3 Policy context

- 3.1 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.
- 3.2 Demographic change has an affect on all of the Council's corporate policies of: 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.

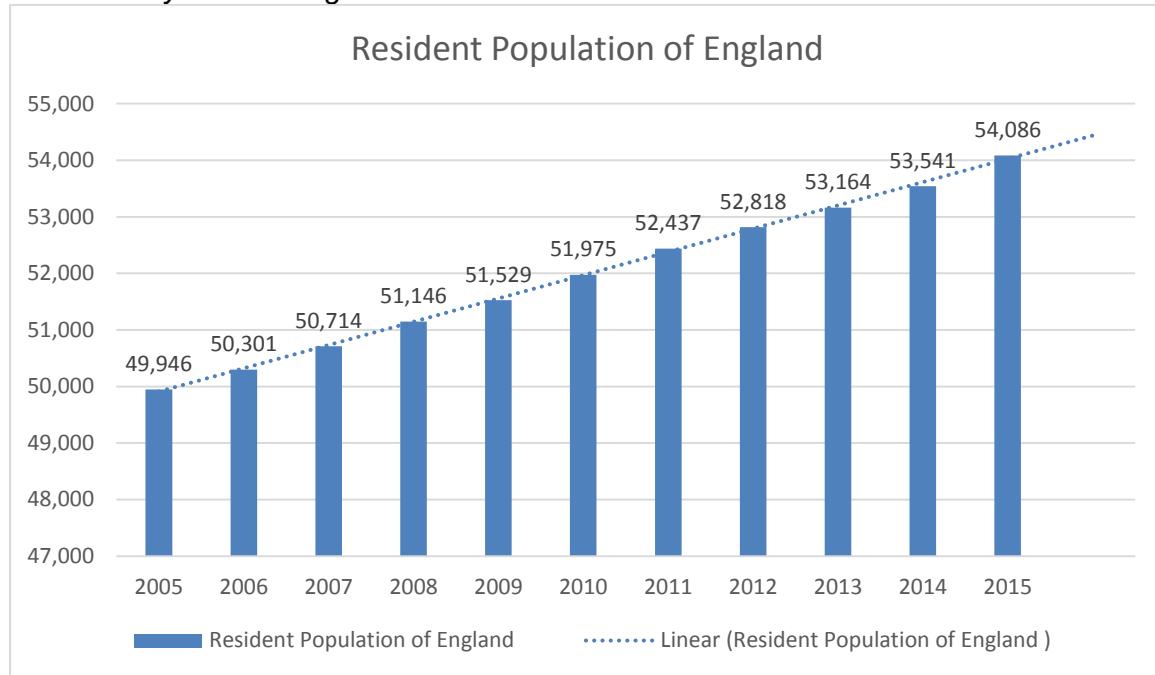
- 3.3 Demographic change has been a feature of London’s history for centuries. Understanding the changes is essential for the council to be able plan ahead and deliver services that are relevant, timely and sufficient. The population of London peaked in 1939 at 8.6 million, then post war it started to fall to a low of 6.7 million in 1988. Since then the population has grown each year. 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.

The Current Population - National

- 3.4 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
- 3.5 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.

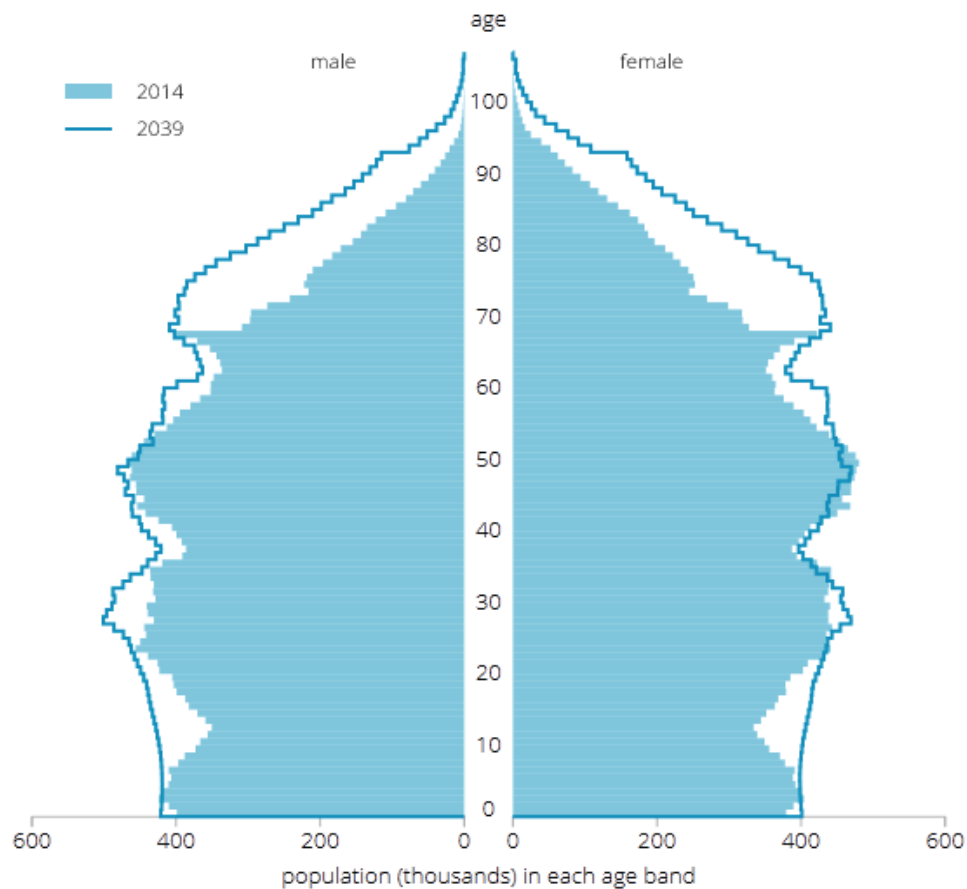
¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

Published by ONS in August 2016



3.6 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 the Council. As explored in subsequent paragraphs, Lewisham has a higher proportion of people under 15 than the national average.

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

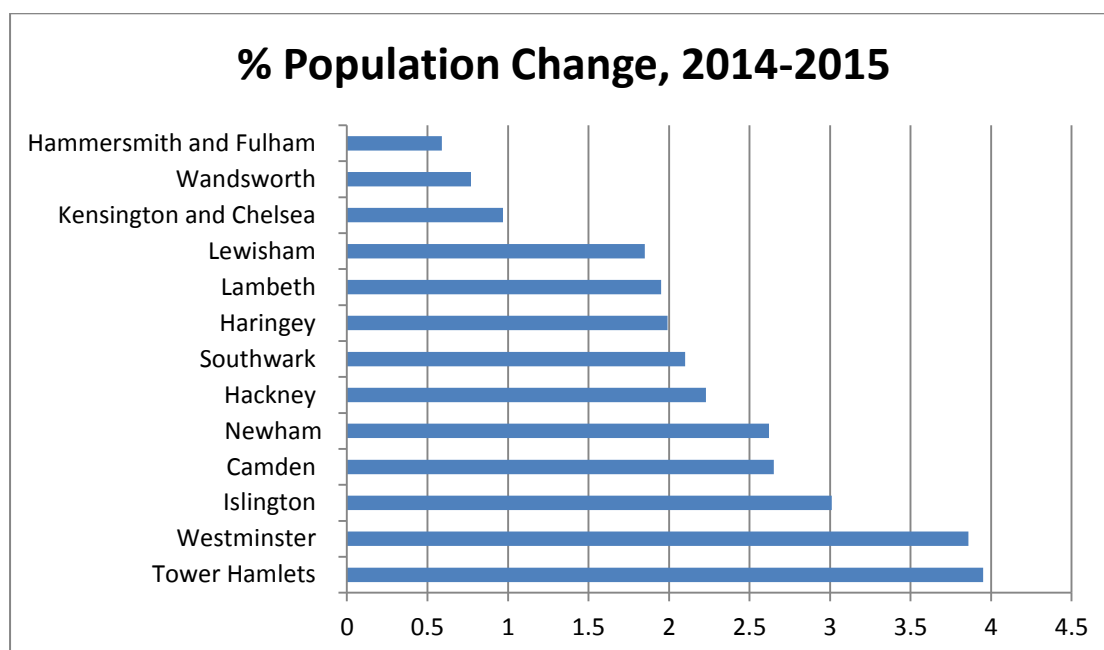


Source: Office for National Statistics

The Current Population – Lewisham

- 3.7 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.
- 3.8 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

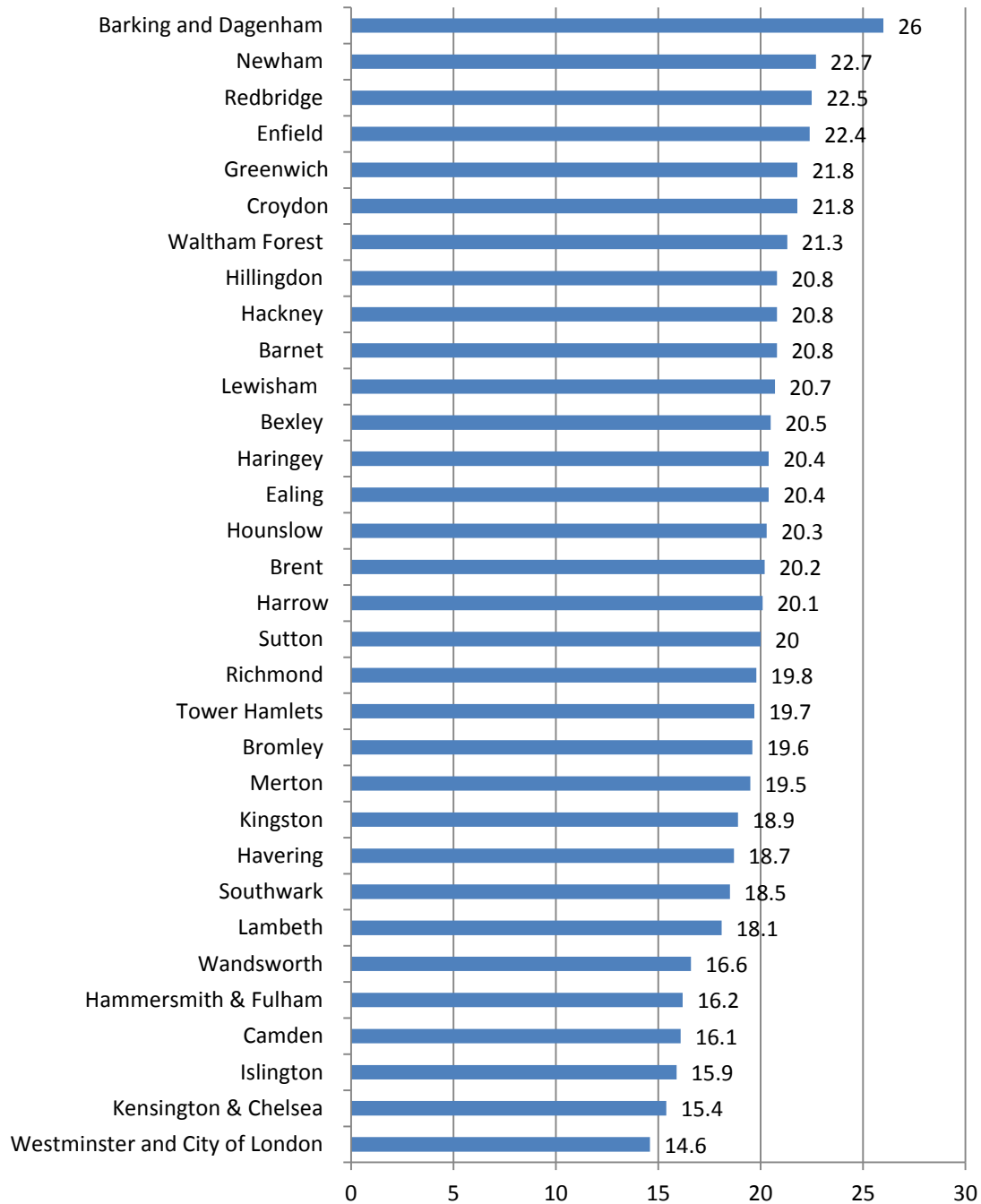


- 3.9 Within the resident population, occupational class is also changing. Across London the proportion of residents in “higher-skilled occupations is rising. In Lewisham, between 2004 and 2014, the percentage of the work force in higher-skilled occupations rose from 46% of those in employment who were 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%.² Other notable socio-economic shifts include an increase in the number of houses in the private rental sector and a decrease in number of home owners across London.
- 3.10 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.

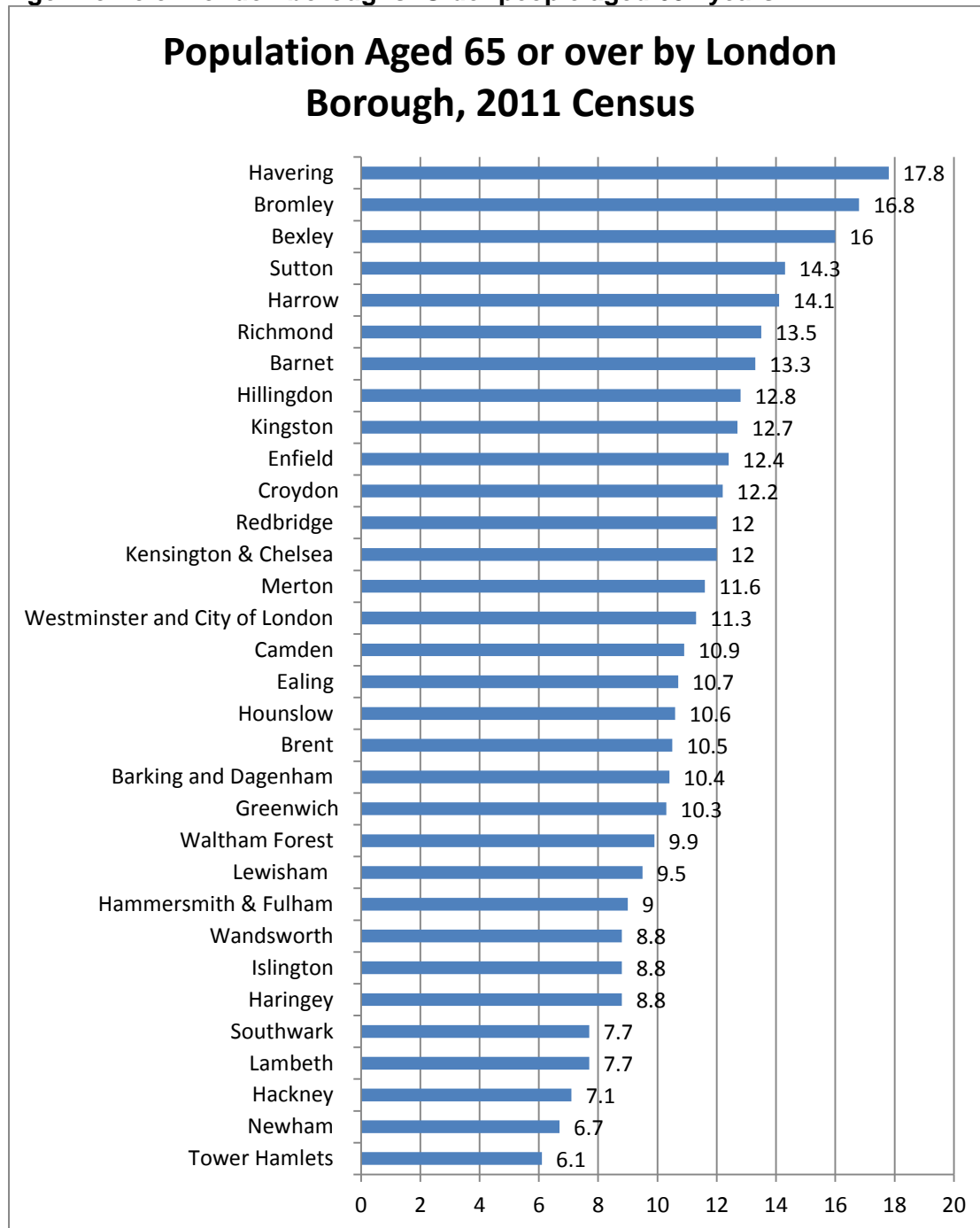
² ONS Annual Population Survey, 2004-2014

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.

3.12 Lewisham is an ethnically diverse borough with approximately 40% of Lewisham residents are from black and minority ethnic backgrounds. This rises to 77% within our school population, where over 170 different languages are spoken by our pupils. According to the London Plan 2016, London will continue to diversify as a result of natural growth and continued migration from overseas.

House prices

- 3.13 Pressure from house prices can affect demographics within an area. As noted in para 3.9, the rise in the private rental 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 therefore remains more affordable than many areas of London. Home ownership is still, however, unobtainable for many residents.
- 3.14 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. Reduction in home ownership and the rise in the private rental 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.

Deprivation

- 3.15 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)
- Income
 - Employment
 - Health Deprivation and Disability
 - Education, Skills and Training
 - Barriers to Housing and Services
 - Crime
 - Living Environment
- 3.16 In the overall Index of Multiple Deprivation, Lewisham ranked 48th (of 326) most deprived nationally (one being the most deprived), compared to a ranking of 31st for 2010, and 39th for 2007. This means that as a local authority Lewisham is within the 20% most deprived Local Authorities in the country.
- 3.17 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 (ie they have become comparatively less deprived), though notable ranking increases have occurred in Barking and Dagenham, Westminster, and Croydon.

Table 1: London Boroughs by IMD National Ranking

	2015 National Rank	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

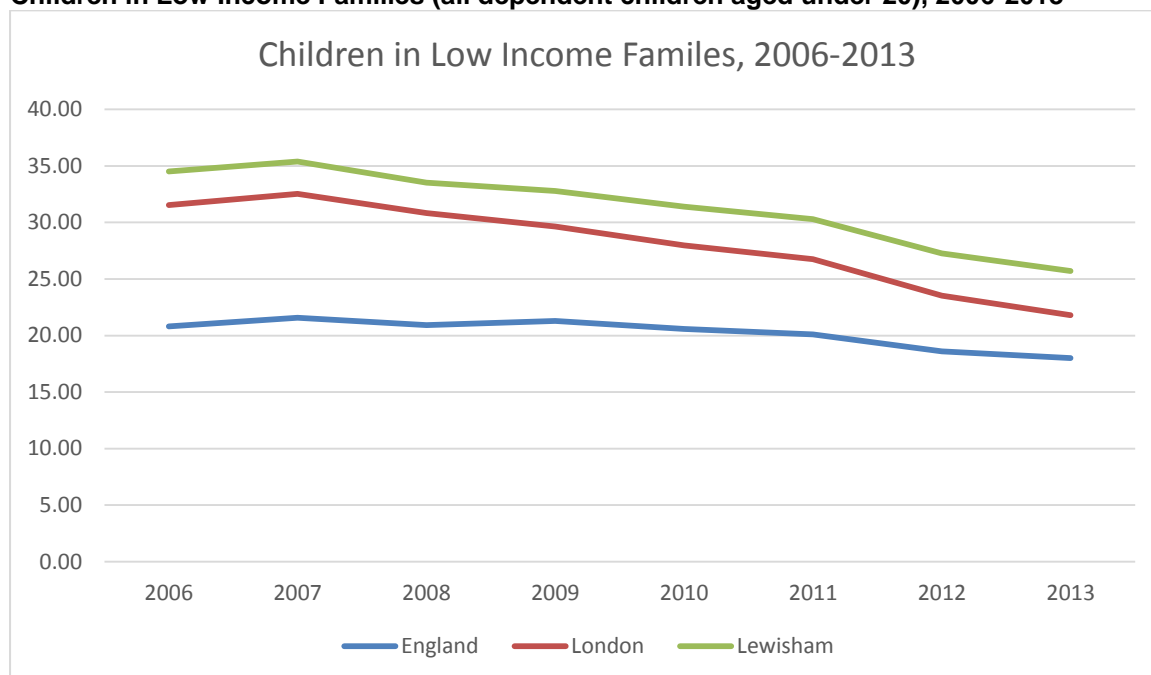
- 3.18 Statistically in terms of IMD rating, Lewisham has improved its ranking in percentage terms and now rates 48th most deprived as apace to 31st most deprived in the country. However, it is important to note the proportion of children and older people in income deprivation is very high and Lewisham ranks as the 19th most deprived in the country specifically for each of these categories.
- 3.19 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.
- 3.20 Levels of income deprivation affecting older people are relatively unchanged from 2010. Evelyn, New Cross, Brockley and Downham are the most affected wards.
- 3.21 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

- 3.22 The financial impact of the recent welfare reforms amounted to an estimated average loss of £470 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.
- 3.23 The reforms to Tax Credits have had the largest impact per head, followed by changes to the Local Housing Allowance for Housing Benefit claimants.
- 3.24 The Benefit Freeze planned for this current parliament is expected to have the largest impact, affecting 43,000 households with an average loss of £121 per year per working age adult.
- 3.25 Universal Credit tapers and thresholds are also expected to impact significantly, affecting 15,500 households in Lewisham, with an average loss of £81 per year. New tax credit reforms will also impact very significantly with £12 million losses in the borough.
- 3.26 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.

Child poverty

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



3.27 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%.

4 Areas of interest for the review

4.1 Following the meeting of Safer Stronger Communities Select Committee on Wednesday 19th October, the Committee resolved to focus the review on the Council's approach to forward planning. In particular the committee wanted to consider how policy formation adapts to changing demographics and the borough's readiness for medium/long term changes in the composition of the population. In addition the committee was keen to look at predictions for how the population would change and whether the socioeconomic make-up of the borough was likely to change further.

5 Meeting the criteria for a review

5.1 A review into demographic change meets the criteria for carrying out a scrutiny review, because:

- it is a strategic and significant issue
- scrutiny can add value in this area

6 Key lines of enquiry (KLOE)

6.1 It is proposed that the review considers both current medium-term and longer-term predictions and projections, and focuses on areas of most concern in terms of pressure on residents and the Council, looking at how the Council

forward plans for demographic change and how it manages risk. It is proposed that the review considers the equalities aspect of demographic change with a view to identifying any population groups that are especially likely to feel the impact of demographic change and the council's role in mitigating this.

- 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?

7 Timetable

7.1 The Committee is asked to consider the outline timetable for the review set out below. It is suggested that one evidence sessions is held focussing on the key lines of enquiry.

Evidence-taking session (17 January 2016)

7.2 To address the KLOE outlined in section 6 the following is proposed:

7.2.1 Receiving a written report and presentation from key officers providing information on the following:

- Population and demographic projections
- 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

7.2.2 Questioning officers on the report.

Recommendations and final report (8 March 2017)

7.3 A final report presenting all the evidence taken and agreeing recommendations for submission to Mayor and Cabinet will be presented to the Committee at the meeting on 8 March 2017.

8 Further implications

- 8.1 At this stage there are no specific financial, legal, environmental or equalities implications to consider. However, each will be addressed as part of the review.

9 Background Papers

Inside Out, Centre for London, December 2015

<http://www.centreforlondon.org/publication/inside-out/>

<https://files.datapress.com/london/dataset/indices-of-deprivation-2015/2016-05-24T18:16:14/indices-deprivation-2015.pdf>

<https://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/strategies/Documents/LewishamAnnualPublicHealthReport2015.pdf>

For further information please contact Katie Wood, Scrutiny Manager on 020 8314 9446

Appendix A

How to carry out an in-depth review

