

Consultation on ONS 2004-based Subnational Population Projections

Background

On 26 May the Office for National Statistics (ONS) opened a period of consultation on the local authority migration assumptions that are intended to be used for the 2004-based subnational population projections for England (SNPP). The consultation period ends on 13 July. The projections are due to be released in October 2006.

Subnational projections are now used by the Department for Communities and Local Government to calculate the revenue support grant for local authorities. The 2004-based projections will be available in time to be used for settlements for 2008-9, 2009-10 and 2010-11. It is therefore important that the migration inputs to the projections fairly reflect recent changes in each local authority.

The ONS SNPP model uses gross migration flows in four ways:

- **Migration between areas within England**
- **Migration with Wales, Scotland and Northern Ireland**
- **International flows based upon the International Passenger Survey (IPS)**
- **International flows of asylum seekers and visitor switchers.**

The first two streams are based upon the Patient Register Data System (PRDS) of persons changing their registration with NHS general practitioners or registering a change of address with their GP. The final stream is based upon administrative data held by the Home Office.

Migration between areas within England is zero sum at the level of England - as each modelled move has an origin and a destination. All other flows - both inflows and outflows - are constrained across all authorities in England to the levels used in each year in the Government Actuary's 2004-based population projection for England.

Consultation

The projection migration database for each local authority has data for each stream based upon annual averages for the five years preceding the projections base year: ie for 2000 to 2004. The consultation focuses on the gross and net migration levels used in the first projection year - 2004-05 - and has a strict set of criteria for requesting ONS to alter their initial set of figures:

- **The assumptions must be based on recent demographic trends**
- **Departures from the database are the exception**
- **Zero sum (within England) and national sums (other flows) must be retained (ie an adjustment in one area will impact other areas)**

In this particular consultation GLA does not intend to request ONS to make any alterations to:

- Migration between areas within England
- Migration with Wales, Scotland and Northern Ireland
- International outflows based upon the IPS

- International flows of asylum seekers and visitor switchers.

However, that leaves one stream – **international inflows based upon the IPS** – that it is felt should be handled differently within London.

It is proposed that the level of the IPS inflow to London should be maintained but that its distribution should be based on a separate dataset, the PRDS Flag 4 data for the three years to the ends of June 2002, June 2003 and June 2004.

This amendment should meet the criteria of being based upon recent demographic trends and also of maintaining national sums. However, it is recognised that the Flag 4 data are not yet fully researched for their applicability to population estimation. It is, though, strongly felt that these data provide a more reasonable allocation within London than the present system of using the IPS data.

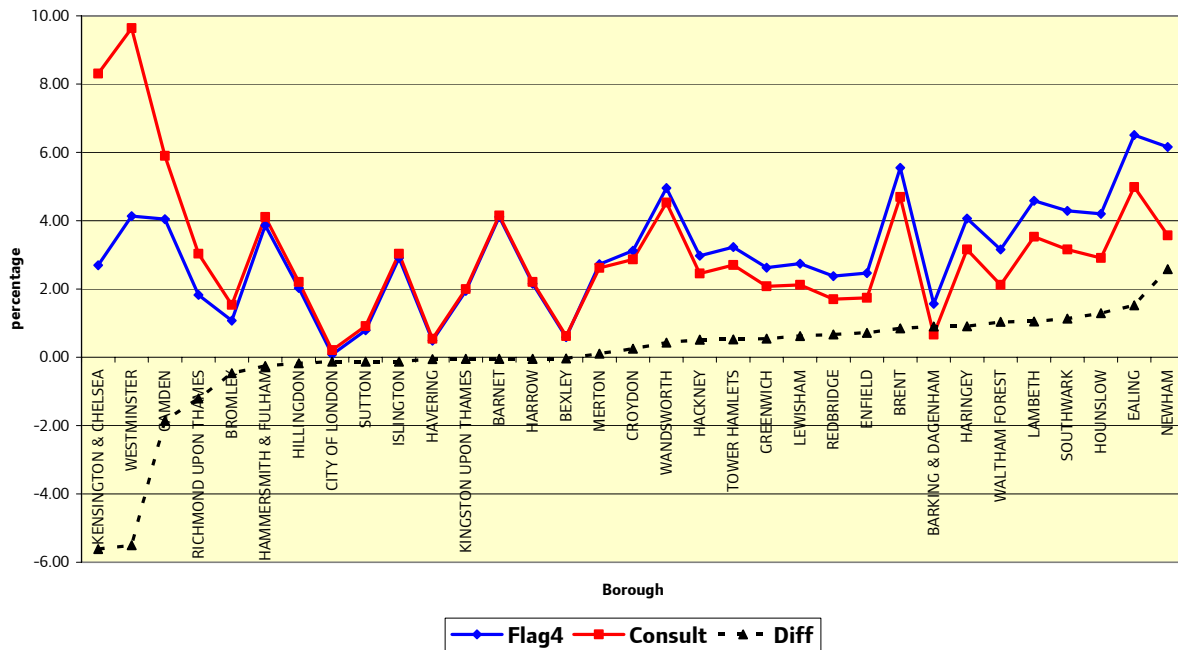
The Greater London Authority, the Association of London Government and individual London boroughs have long put the case to ONS that the mid-year estimates have been misallocating London's population between the boroughs. This was highlighted with the radical downward revisions of the estimates of a few boroughs after the 2001 Census and the uplifting of the population of a larger set of boroughs. As ONS has yet to satisfactorily explain the reasons for the variance from the 1991-based series of estimates and has as yet not radically amended the migration estimation and allocation procedures, the incorrect original annual trends of migration change as seen between 1991 and 2000 have been extended into the future from 2001 to 2004 without recognition of the level of the errors already identified. The data at the root of the problems is the IPS international migration, particularly the inflows.

ONS is at present working on alternative ways of allocating the inflows, both across the country as well as within London. It is known that there are hot-spot initial stated destinations in London of international immigrants but these are not the medium or long-term destinations. Critically, many international immigrants appear to move on from an initial stated destination before they have registered with the NHS. Hence their first onward moves are not recorded by either the IPS or the PRDS. The 2001 Census showed that one-year migrants from overseas to London were dispersed in a very different pattern to that shown by the IPS. Most notably there were many fewer in central boroughs – particularly Kensington & Chelsea and Westminster – and many more in the rest of inner London boroughs plus some outer boroughs.

The PRDS Flag 4 data take some account of this movement by recording those newcomers to the NHS whose previous address was overseas. The Flag 4 status is lost following a further move, but data have been made available by ONS that shows the number of Flag 4 holders at mid-year each year who were not on the database a year earlier. This is a good proxy for the real impact of all international immigration, including inflows from Ireland and of asylum seekers.

Chart 1 shows the different percentage distributions between the London boroughs of international migrants to London comparing the Flag 4 data for the three years 2001-04 with the total international immigration as given in the SNPP Consultation for 2004-05. This is not a perfect comparison, but is all that is available from the consultation documentation. There is much similarity between the two distributions, but there is clearly a shift of migrants away from four boroughs: Kensington & Chelsea (-5.6%), Westminster (-5.5%), Camden (-1.9%) and Richmond upon Thames (-1.2%). For fourteen boroughs the difference is less than 0.5% (plus or minus) and a further nine gain between 0.5% and 1.0%. There are just six boroughs showing gains of at least 1.0%: Waltham Forest and Lambeth (each 1.0%), Southwark (1.1%), Hounslow (1.3%), Ealing (1.5%) and Newham (2.6%). A difference in the distribution of 1% is equivalent to about 1,400 IPS immigrants per year. Therefore Kensington & Chelsea would receive about 7,800 fewer immigrants while Newham would receive about 3,600 more. The differences for more than half of the boroughs would be gains or losses of less than 1 thousand persons a year.

Chart 1: Distribution of International Immigrants to London (%)



Supporting Evidence

The Flag 4 distribution in each year from mid-2002 has been used to recalculate the total population of each borough as at mid-2004. The total IPS inflow to London in each year was redistributed among the boroughs using the Flag 4 distribution as at the end of each year. This maintains the original ONS mid-2004 estimate for London. The impacts of these adjustments on the ten boroughs mentioned above are seen in Table 1.

Table 1: Original and amended mid-year estimates for selected boroughs

(thousands)	Mid-2001 ONS	Mid-2004 ONS	Mid-2004 (amended)	Difference
Kensington & Chelsea	162.2	184.1	157.7	-26.4
Westminster	203.3	230.0	206.0	-24.0
Camden	202.6	217.1	207.2	-9.8
Richmond upon Thames	174.3	182.7	175.8	-6.9
Southwark	256.7	254.7	258.9	+4.2
Hounslow	216.0	212.3	217.3	+5.0
Waltham Forest	222.0	221.8	227.0	+5.2
Lambeth	273.4	268.1	275.5	+7.3
Ealing	307.3	303.2	311.0	+7.8
Newham	249.4	247.7	260.1	+12.4

Initially, only the implied decline in the population of Kensington & Chelsea looks unlikely. To examine these amended 2004 figures it was decided to calculate the implied average household sizes in 2004 using the DCLG 2003-based household projections (for the number of households and the average household size in 2001 together with the implied number of residents in communal establishments) and the London Development Database (for the net increase in homes between April 2001 and March 2004). It was assumed that there was no change in vacancy or in sharing households.

Table 2: Average household size comparisons at 2004

	2001 H'holds	2001 AHS	2001-04 Net Homes	2004 H'holds	2004 AHS	Ratio (AHS)
Kensington & Chelsea	79305	2.00	1032	80337	1.92	0.959
Westminster	100007	1.97	3207	103214	1.93	0.982
Camden	91736	2.11	1548	93284	2.12	1.007
Richmond upon Thames	76341	2.25	954	77295	2.24	0.997
Southwark	109200	2.30	3327	112527	2.25	0.979
Hounslow	84138	2.55	2070	86208	2.50	0.982
Waltham Forest	89911	2.45	1104	91015	2.48	1.011
Lambeth	118741	2.28	1938	120679	2.26	0.992
Ealing	118121	2.58	1737	119858	2.57	0.998
Newham	91637	2.70	4878	96515	2.68	0.991
Greater London	3036123	2.38	69156	3105279	2.36	0.992

Table 2 confirms that the adjusted estimate for Kensington & Chelsea may be too low as the implied average household size in 2004 would be more 4% less than in 2001, compared to a reduction in London overall of less than 1%. The reductions in average household size in most boroughs fall between 2% and zero, ie closely clustered around the London average. Camden and Waltham Forest are the other exceptions where the implied 2004 average household sizes would have risen since 2001.

This simple exercise therefore broadly supports the use of Flag 4 to amend the IPS distribution although more work needs to be done in the case of the three outlier boroughs. The Flag 4 amendments appear to have led to an understatement over the three years 2001-04 in Kensington & Chelsea of about 5 thousand persons and to overstatements in Camden (3 thousand) and Waltham Forest (4 thousand).

Conclusions

While the Flag 4 data are new and less than fully understood it appears that they offer a temporary improved way of distributing international (IPS) inflows to London amongst the boroughs. The presence of non-IPS migrants in the Flag 4 data is a potential bias and little is known about the relative propensities of newly arrived overseas immigrants to register with the NHS in different parts of London. Table 3 shows that the three years Flag 4 data contains about 21% more immigrants than the original IPS assignments. This is about 30 thousand a year. The difference is particularly marked in 2002-03 when the international migration to London used in the mid-year estimates was the lowest since the early 1990s.

However, in terms of the two boroughs that have for long appeared to have too many overseas immigrants assigned to them, Kensington & Chelsea and Westminster, the Flag 4 distribution between 2001 and 2004 produces a better 2004 population outcome than the original estimates.

While work may be needed to improve the Flag 4 distribution in a few boroughs it is still strongly recommended that the 2004-based subnational projections base the distribution of international inflows to London on these data.

The migration data used in this *Update* are shown in Table 3.

Table 3: Mid-year estimate IPS inflows, PRDS Flag 4 data and adjusted IPDS inflows: 2001-04

	MYE IPS Inflow			Flag4			Adjusted IPS Inflow			Adjusted less Original
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04	2001-04
CITY OF LONDON	326	365	477	120	134	158	98	103	139	-828
BARKING & DAGENHAM	861	909	948	2409	2686	2919	1972	2072	2566	3892
BARNET	6315	5709	5605	6413	7190	7423	5251	5547	6524	-307
BEXLEY	895	976	1127	826	1061	1134	676	818	997	-507
BRENT	5864	5364	7341	9744	8745	9885	7978	6746	8688	4843
BROMLEY	2450	2268	1764	1860	1818	1809	1523	1402	1590	-1967
CAMDEN	8468	8416	9974	6761	7056	6882	5536	5443	6049	-9830
CROYDON	3730	3677	5614	5003	5480	5481	4096	4227	4817	120
EALING	6801	6365	6456	11007	10992	11308	9012	8480	9939	7809
ENFIELD	2026	1868	1953	4169	4480	3949	3413	3456	3471	4493
GREENWICH	3005	3276	3841	4155	4513	4753	3402	3481	4177	939
HACKNEY	2528	2827	3683	5042	5254	4903	4128	4053	4309	3453
HAMMERSMITH & FULHAM	6496	6079	6176	6528	6731	6483	5345	5193	5698	-2515
HARINGEY	3557	3278	3458	7140	6845	6806	5846	5280	5982	6815
HARROW	2784	2547	3425	3487	3493	4064	2855	2695	3572	366
HAVERING	784	827	839	735	854	918	602	659	807	-383
HILLINGDON	2582	2743	3757	3345	3021	4007	2739	2331	3522	-491
HOUNSLOW	4397	4115	4187	7309	7226	6958	5984	5574	6116	4975
ISLINGTON	4170	4145	4910	4614	5083	5176	3778	3921	4549	-977
KENSINGTON & CHELSEA	12276	11370	14084	3906	5047	4826	3198	3893	4242	-26397
KINGSTON UPON THAMES	3472	3313	2957	3182	3281	3496	2605	2531	3073	-1533
LAMBETH	3574	3818	4559	7509	7976	7952	6148	6153	6989	7339
LEWISHAM	2331	2490	2981	4687	4580	4752	3838	3533	4177	3745
MERTON	3437	3244	3971	4237	4710	5004	3469	3633	4398	849
NEWHAM	3809	4261	5550	9775	10020	11710	8004	7730	10292	12405
REDBRIDGE	1617	2188	2961	3690	3888	4562	3021	2999	4010	3264
RICHMOND UPON THAMES	5191	4953	4434	3178	3262	2900	2602	2516	2549	-6911
SOUTHWARK	4141	4424	5338	6726	7267	7955	5507	5606	6992	4202
SUTTON	1059	999	1216	1261	1384	1384	1032	1068	1216	43
TOWER HAMLETS	4003	4478	5809	5275	5632	5600	4319	4345	4922	-704
WALTHAM FOREST	1934	2618	3552	4845	5451	5842	3967	4205	5135	5203
WANDSWORTH	5900	5569	6777	8133	8520	8694	6659	6573	7641	2627
WESTMINSTER	13491	12495	15433	6923	7396	6839	5668	5706	6011	-24034
GREATER LONDON	134274	131974	155157	163994	171076	176532	134274	131974	155157	0

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