

Item 6



Westminster Scrutiny Commission

Date:	3 rd September 2012
Classification:	Information Update
Title:	Census 2011 Outputs
Report of:	Barbara Moorhouse, Chief Financial Officer
Cabinet Member Portfolio:	Finance & Customer Services
Wards Involved:	All
Policy Context:	Population – Impacts on Finance, Service Planning, Community Insight, Lobbying.
Financial Summary:	Census 2011 results are likely to impact negatively on the Baseline for Local Government Finance Settlement from 2013 onwards
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1 Executive Summary

- 1.1 This paper provides a brief update on the first results published from the 2011 Census and the potential impacts.

2 Key Matters for the Committee's Consideration

- The Committee are asked to note the results of the 2011 Census.
- The Committee are asked to note the potential impact that the result may have for the Council's funding baseline within the Business Rate Retention model, effective from 2013 onwards.
- The Committee are asked to endorse the proposed lobbying strategy.

3 Background

- 3.1 The Scrutiny Commission were informed in March of the various population issues concerning Westminster, including the Census 2011, migration methodology changes, short-term migrations estimates and the impact on the baseline for the funding settlement from 2013 onwards.

- 3.2 This paper concentrates on the Census 2011 results, the financial impacts of those results and options going forward.

4 Financial Implications

- 4.1 There will be negative implications for Westminster baseline funding for the financial settlement 2013 as a result of the Census 2011 results. The size of this impact is impossible to forecast accurately because of the other significant changes to funding under the new Business Rate Retention approach - currently under consultation until September 24th 2012. The range of the potential impacts is therefore considerable, and the population element difficult to isolate.
- 4.2 Officers have modelled figures in order to provide Members with an idea of scale, but Members are asked to consider them in that context only. Further details are provided alongside the census outputs.

5 Legal Implications

- 5.1 None

6 First Census Results.

- 6.1 The first wave of Census data was released on 16th July – it is limited to City Wide resident population by 5 year age-sex groups, a count of short-term migrants, and households occupied by full-time residents.

Highlights

- Westminster's resident 2011 Census population is **219.4k**
- This represents a reduction of **21.8k** (9%) from the previous revised 2010 MYE of **241.1k**
- The Census has also estimated that a further 6.9k short-term migrants¹ live in the City.
- The number of children and young people (0-19's) is **41k**, similar to the previous MYE of **42k**.
- The number of working age residents (20-64's) is **153.9k**, an **11% drop**.
- The number of older people (65+) is 10% lower than previously estimated and now stands at **24.5k**.
- Of the 21.8k fewer residents estimated between the 2010 Mid-Year Estimate and the Census, some 19k (86%) were from the working age group.

- 6.2 A fuller brief of results is provided in Appendix 1, narrative on issues with the data in Appendix 2, and a wider national and regional perspective is provided in Appendix 3.

¹ These are individuals who intend to live in the UK for less than a year – they DO NOT Appear in any other population totals.

7 Financial Impacts.

7.1 Estimating the financial implications of the Census result is complicated. The key issues are these:

- Population data will likely remain a significant component in the remodelled Business Rate driven Revenue Support Grant for 2013 onwards (for perhaps the next 7 years).
- The population data used in the RSG however is not the census data itself, but instead a population projection (to be made by ONS in the autumn) which will be based on the census.
- The details of the RSG model are not yet published, and the decision on how to apply damping, floors and ceiling will in effect decide how much of the modelled loss is notional and how much actual.
- A population reduction impacts on the “needs” component of funding. The lower population base actually increases the deprivation indicator per resident, (for example the lower population base of older people, now highlights that a higher proportion of older population require social service support).
- Overall the new population estimate which is lower by some 47,600 (Census 2011 estimate of 219,400 compared to the 267,000 population figure predicted in the 2008-based model), causes a notional annual funding drop of up to £15m.

7.2 Damping, as currently formulated, would mitigate most of the loss in the first year, but over time would see full effect. It is important to note that the damping model would be likely to change as we enter a new and re-based system.

7.3 Westminster is already at the RSG floor, receiving £2m more in RSG than the un-damped formula strictly determines. As such, the Council ought to not concern ourselves solely with the calculated reduction caused by the population decline, but consider to what extent any floors and ceilings mechanism may be applied to the new localised business rates funding regime. CLG have suggested a maximum of a 10% reduction to the localised business rates would be allowed before damping protection applied. This reflects a real 5% overall reduction (as the 10% only applies to the 50% of income that will be localised and not remain centralised). Each 1% cut to RSG equates to £1.7m. The unknown is to what extent any damping mechanism will apply. If we assume a maximum reduction in funding of 5% then grant/retained share of business rates would fall by £8.6m. Our assumptions in the budget set in February for 2013/14 allowed for a £3m fall in RSG.

7.4 To further complicate matters, the reduction of general population actually increases the proportion of the population left who are considered to be deprived, (size not affected because they are counted via independent data such as benefits), and as a result Westminster’s “needs” factor increases. This may attract more funding and partially offset some of the loss described above.

8 Lobbying Strategy

8.1 The Leader had already briefed Damian Green, Minister of State for Immigration and Rt Hon Francis Maude, Minister for Cabinet Office, on our concerns over migration measurement in the last three months.

- 8.2 Based on administrative data, previous Mid Year Estimates and local fieldwork² Westminster officers had anticipated a census result of between 245,000 and 255,000 – the census result therefore, represents a 25k shortfall on where we had expected to be. However disproving the 2011 Census results will be a more difficult challenge than in 2001 - as the methodology is less obviously flawed and most independent sources of data have been incorporated into the estimates by ONS.
- 8.3 The lobbying approach being adopted therefore is as follows;
- Further information and explanation of the results are sought in order for the Council to understand our results better and the decisions that ONS have made to get to them. The Council will also request disclosure of further breakdowns to enable robust Quality Assurance at a more detailed level.
 - A clear resolution process will also be sought, to mitigate against a protracted disagreement.
 - To start this process, a meeting has been arranged between Jil Matheson, National Statistician, Glen Watson, Director of Census from the ONS with Mike More and Barbara Moorhouse for 31st August. This will likely lead to further technical meetings between ONS and Council officers.
 - Next steps will depend substantially on the approach that the ONS take, in meeting Westminster's concerns but they could include –
 - Involving the UKSA (United Kingdom Statistics Authority) to help arbitrate any challenge.
 - Applying political and FOI pressure to ONS if information is not forthcoming
 - Migration Observatory review of migration measurement commissioned with allied authorities
 - Continuing to raise concerns publicly about the validity of the 2011 Census in Westminster and the estimates of migration
 - In the meantime Westminster will respond to the CLG's financial settlement consultation, requesting that Census population figures are not used, and that either the previous sub-National Population Projections are utilised instead or Westminster's concerns are considered within the formula
 - We will work with other similarly impacted Local Authorities in Central London.
- 8.4 Mark Field MP and Karen Buck MP have been briefed during the census and on the publication of results and Mark Field has secured a Westminster Hall debate on 4th September on the census.

9 Future Census Releases

- 9.1 Wave 2 is scheduled for November 2012 to February 2013. Data will be released at output area level, then ward, and will cover single dimensions such as detailed age, living arrangements, ethnicity, nationality (new), language (new), economic activity, and length of residency in the UK. The third and fourth waves will cover increasingly complex cross-tabulations of the above,

² There is of course uncertainty around this – the next wave of data released in November will help us determine to some degree whether this anticipated result or the census result was a reasonable estimate.

released in March to June 2013 and then July-October 2013. It will also include travel to work data and theme data.

The full census prospectus is available at <http://www.ons.gov.uk/ons/guide-method/census/2011/census-data/2011-census-prospectus/index.html>

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Damian Highwood 0207 641 3283 / dhighwood@westminster.gov.uk

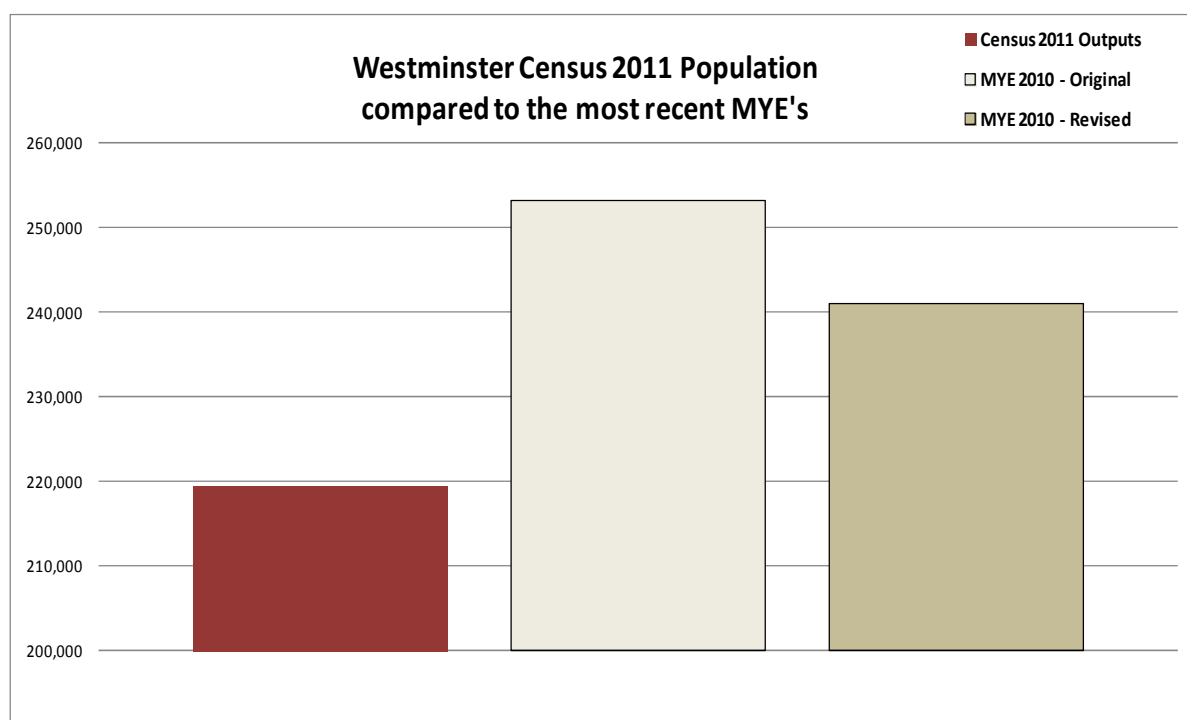
Appendix 1 – Westminster Census 2011 Key Census Outputs

1 Westminster Population - Overall

The resident population census results are **9%** lower, than the most recent population estimates – MYE 2010 Revised.

At the granularity available in this first wave of data there is little insight into how the population data is comprised, beyond an age-sex analysis.

Figure 1 – Westminster Census Results compared to previous Mid Year Estimates



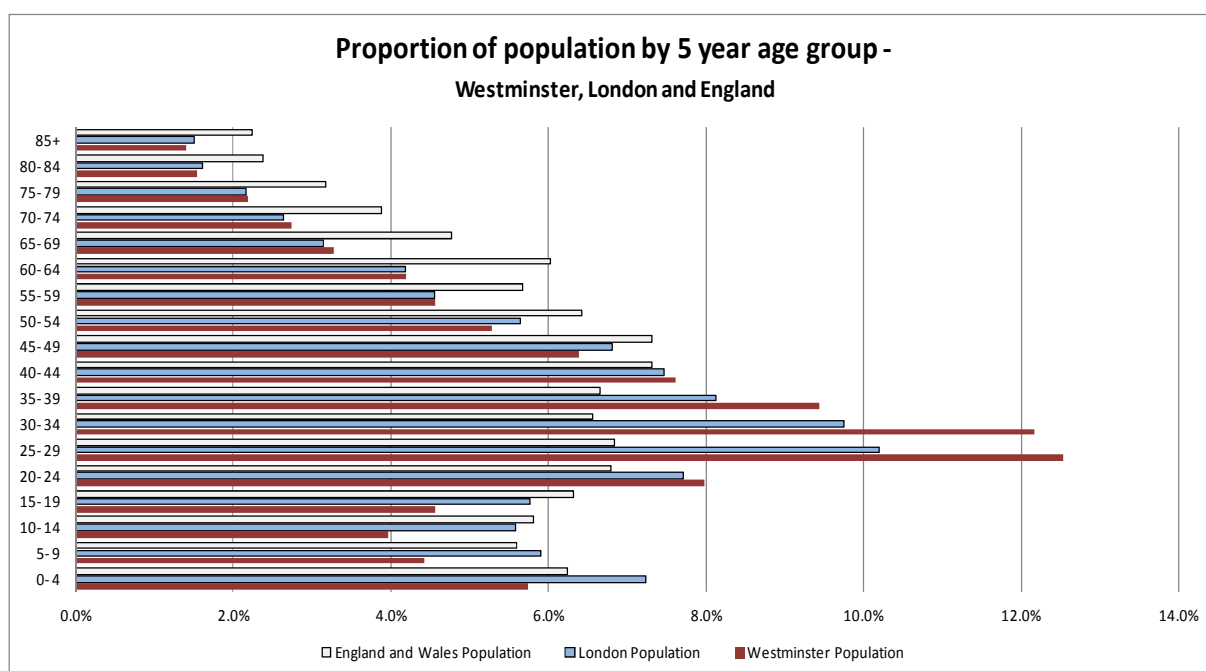
2.1 Age-Sex Breakdown

The population profile in Westminster has always been skewed significantly towards younger adults due to a combination of factors – migration, employment opportunities, limited opportunities for families due to size and cost of housing etc. The Census 2011 results (Figure 2 – Westminster Population by 5-year age and sex breakdown) suggests that the City retains this profile. Compared to the MYE 2010 -

- The total number of children and young people (0-19's) at **41k**, is similar to previous estimates,
- The number of working age residents (20-64's) at **153.9k**, is **11%** lower than previously estimated..
- The number of older people (65+) is **10%** lower than previously estimated and now stands at **24.5k**.

The table below provides a comparison between Westminster, London, and England and Wales age-breakdowns, and shows the disproportionately high % of 20-44's in Westminster.

Figure 2 – Westminster Population by 5-year age and sex breakdown



2.1.1 Change in age/sex breakdown since 2001 Census

It is difficult to be certain how the age / gender demographic has truly changed, given the problems regarding the total population count in the Census 2001 data, but assuming that broadly the % of individuals in each age-group were correct in 2001 then the latest figures suggest that:

- A greater proportion of Westminster's population are under 19's in 2011 – 18.2% compared to 17.3% in 2001.
- Working-age people still constitute 70% of the population.
- Older people comprise a smaller population of the population than previously estimated.

Gender ratios for the City have also **changed considerably** since 2001– and Westminster is particularly unusual in now being home to more males than females. This reflects the limited impact of the aging population driver which usually creates more females than males - Westminster drivers of population appear to more driven by movement than aging.

Gender Ratios - Census 2011		Males : Females
2001		0.96
2011		1.03

2 Households

The number of household spaces usually occupied, have also been published. This is a measure of the number of properties where there is at least one long-term resident – it will therefore

exclude houses exclusively occupied by short-term migrants, second homes / holiday lets (unless reported in the Census as the main dwelling), communal establishments and vacant properties. Students are counted at their term-time address, so all student households will be included.

- The result of **105,800** is much lower than estimations from our Council Tax list of 110,100. This may be due to short-term residents occupying whole properties, or properties paid as full Council Tax but used as second homes / holiday homes.
- The household count in 2001 was so poor in Westminster, because of flawed address lists that change over time calculations are largely meaningless.

Household Measure	Total
Household Spaces occupied by at least one usual resident	105,800
WCC Council Tax	110,084

Note that the number of properties which are unoccupied according to the Westminster Council Tax list, (frozen on census day) that were vacant amounted to **4,600**, whilst a further **11,600** were used as second homes – the equivalent data from the Census has yet to be released.

3 Short Term Residents

Short-term resident estimates have been produced in the 2011 Census for the first time. Westminster's total is **3.5% of the total number of short-term migrants in England and Wales** and the highest number of any Local Authority in England.

Persons	6,900
Males	3,300
Females	3,600

These residents do not count towards resident population totals or included in funding formulae.

Appendix 2 – Quality Assurance of the Census in Westminster

Comparisons with GP lists

ONS have provided quality assurance data to accompany the published outputs. The data used to quality assure the census figures has been sourced by the ONS and deployed at Quality Assurance panels to check whether Census results are plausible.

- From the table below the ONS have suggested that the patient register is inflated by 19,400 people.
- For age groups (20-49) – the main rump of our population - where we would expect residents to be particularly unlikely to register with GP's the Census outputs – the GP list is still higher than the Census output.
- 15,000 of the "list inflation" are due to Males, particularly surprising given the tendency of males in particular not to register.

Age	2011 Census Estimates ¹	Patient Register 2011 ²	% that census is higher than GP Register
0-4	12,600	12,700	-1%
5-9	9,700	10,000	-3%
10-14	8,700	9,000	-3%
15-19	10,000	10,900	-8%
20-24	17,500	20,900	-16%
25-29	27,500	26,500	4%
30-34	26,700	29,500	-9%
35-39	20,700	25,300	-18%
40-44	16,700	20,500	-19%
45-49	14,000	16,900	-17%
50-54	11,600	13,000	-11%
55-59	10,000	10,600	-6%
60-64	9,200	9,600	-4%
65-69	7,200	7,100	1%
70-74	6,000	5,400	11%
75-79	4,800	4,500	7%
80-84	3,400	3,300	3%
85+	3,100	3,000	3%
Total	219,400	238,800	-8%

Quality Assurance – Lower and Higher QA Bands

- Westminster's Census Estimates compared to the Lower and Upper Boundaries for each age group clearly show that the ONS have judged population estimates to be plausible across the majority of age ranges, even when they fell outside their own lower comparator boundaries.

- Westminster's population totals are below the lowest comparator for all age groups bar one for people aged 15-54 – (the City population's main component).
- As a result Westminster overall total is lower than the lower comparator.

Age	2011 Census Estimates	Comparator Lower Bound	Comparator Upper Bound	WCC Census Results compared to QA comparator figures
0-4	12,600	9,500	12,600	On upper
5-9	9,700	7,300	10,200	Near to upper
10-14	8,700	6,000	9,400	Near to upper
15-19	10,000	10,300	11,200	Below Lower
20-24	17,500	20,700	21,600	Below Lower
25-29	27,500	24,800	31,700	Near to Lower
30-34	26,700	28,700	31,000	Below Lower
35-39	20,700	24,400	25,600	Below Lower
40-44	16,700	17,900	21,400	Below Lower
45-49	14,000	15,300	17,400	Below Lower
50-54	11,600	12,100	13,300	Below Lower
55-59	10,000	9,400	11,000	Near to Lower
60-64	9,200	9,400	10,900	Below Lower
65-69	7,200	7,100	8,100	Near to Lower
70-74	6,000	5,500	6,100	Near to upper
75-79	4,800	4,600	5,100	Near to Lower
80-84	3,400	3,500	3,800	Below Lower
85+	3,100	3,100	3,900	On Lower
Total	219,400	219,600	254,300	Below Lower

Response Rates

The response rates³ for Westminster residents are shown below. In certain age-groups, particularly amongst males there are responses far lower than the 80% thresholds set by ONS for geographic areas. This is particularly critical in Westminster because the very groups with the lowest response rates (males aged 25-44) are those who are i) most prevalent in the population and ii) most unlikely to register with comparator data sets such as GP lists.

	ALL	Males	Females
Age	Response Rates	Response Rates	Response Rates
0-4	86%	86%	86%
5-9	88%	87%	88%
10-14	90%	88%	93%
15-19	89%	88%	90%
20-24	84%	81%	86%
25-29	76%	68%	84%
30-34	77%	70%	85%
35-39	81%	76%	86%
40-44	86%	82%	90%
45-49	91%	91%	92%
50-54	92%	94%	90%
55-59	88%	88%	88%
60-64	93%	93%	92%
65-69	96%	95%	96%
70-74	87%	88%	87%
75-79	92%	89%	94%
80-84	93%	89%	97%
85+	94%	90%	96%
Total	85%	82%	88%

A fuller breakdown of all the Quality Assurance data used in Westminster has been produced to inform debate with the ONS and is available on request

³ The number of usual residents who responded to the census divided by the census estimate of usual residents

Adjustment, imputation and within household bias

The ONS employ a series of adjustment techniques to get to a total census population from the number of forms that they count directly through census form returns. The ONS believe that this modelling fully mitigates against the natural response bias in Westminster and re-creates an accurate population. Clearly, the ONS have faith that the population formed from the base population count plus the adjustment techniques. is more plausible than some of the administrative data-sets and QA boundaries.

The adjustments made by the ONS to Westminster's usual resident count represented a 17% increase (32,600 people) and is proportionately the second highest adjustment in the 348 local authorities (after Kensington and Chelsea which was adjusted by 22%). The national average adjustment was 6%. However, adjustment methodology for the 2011 Census is similar to 2001 and there may not recognise our complex, hyperdiverse and hypermobile population – this will require further exploration.

The narrative below follows one example of where undercounting may have occurred.

ONS try to correct for 'within household bias'. This happens when to census returns report a lower number of residents than are actually present in a household, ultimately resulting in an undercount. This may be deliberate in areas with high numbers of migrants and over-crowded households where residents may not wish to reveal their true household size.

To correct this bias, the ONS matches social survey data (such as the Labour Force Survey) to the Census data and imputes people based on the characteristics of respondents. However it is not clear whether the data will sufficiently correct this for an area like Westminster with a high number of visitors, migrants and large households who are equally unlikely to be accurately represented in a voluntary social survey.

We know that surveys of this nature are likely not to reflect an accurate ethnic profile. Compared to white residents, black and ethnic minority residents are 15% less likely to state that they would take part in the census, almost twice as many BME residents said it was unlikely, and five times as many were unsure⁴.

It is difficult even to get people to open their door in Westminster. It is estimated that 89% of the properties in Westminster have multiple door entry systems. Our researchers have found that these cause significant problems in soliciting response to surveys.

Our residents are reluctant to fill in surveys. Westminster received the second lowest response rate in the country to the Place Survey (similar to Census: posted out with concerted follow up), just below Oldham, at 23%, against an average response rate of 41%. The profile of respondents was overwhelmingly white when compared to ONS Mid-Year Estimates for Westminster in 2007, with under-representation for almost every other ethnic group. 20-34 year olds were also largely under-represented in the survey.

⁴ Westminster Residents Tracker 500 residents surveyed

Westminster City Council conducted its own mini-CCS (census coverage survey) in four Output Areas in 2010. 54% of the Edgware Road respondents (from over 420 addresses) were white and only 35% identified themselves as Asian. This is surprising since the OA in question is in the heart of London's Arab community and Arabs run the vast majority of the local shops and businesses. In Soho especially, the enumerator said that she encountered many doorbells with Chinese names but that very few of them ever answered the door.

One consequence of the over-representation of white respondents may be the reduction in average household size. Difficult to count migrant groups tend to live in higher average household sizes. If our population has been imputed back with the wrong characteristics and lower household sizes it would obviously skew our overall population count.

The table below shows the average household size from the Westminster's mini-CCS exercise (it should be noted this is still probably an underestimate) compared to the overall average household size in Westminster at the 2001 census of just 1.8. We need to work with the ONS to look at average household sizes in areas of low response to the 2011 census.

	White	Asian	Black	Other
Average household size	2.4	3.2	3	2.7

Table 7. Average household size by ethnicity

Appendix 3 –National and Regional Highlights

Key Highlights

- Across England and Wales there was a 7.8% increase in population between the 2001 Census and 2011 Census.
- Regionally the biggest increase in population between census 2001 and 2011 was seen in London at 14%.
- However, when comparisons are made between the 2011 rolled forward estimates⁵ and the Census 2011 figures the picture of change is very different.
- Fourteen of the 33 London boroughs saw their population figures drop between the 2011 rolled forward estimates and the Census 2011 figures.

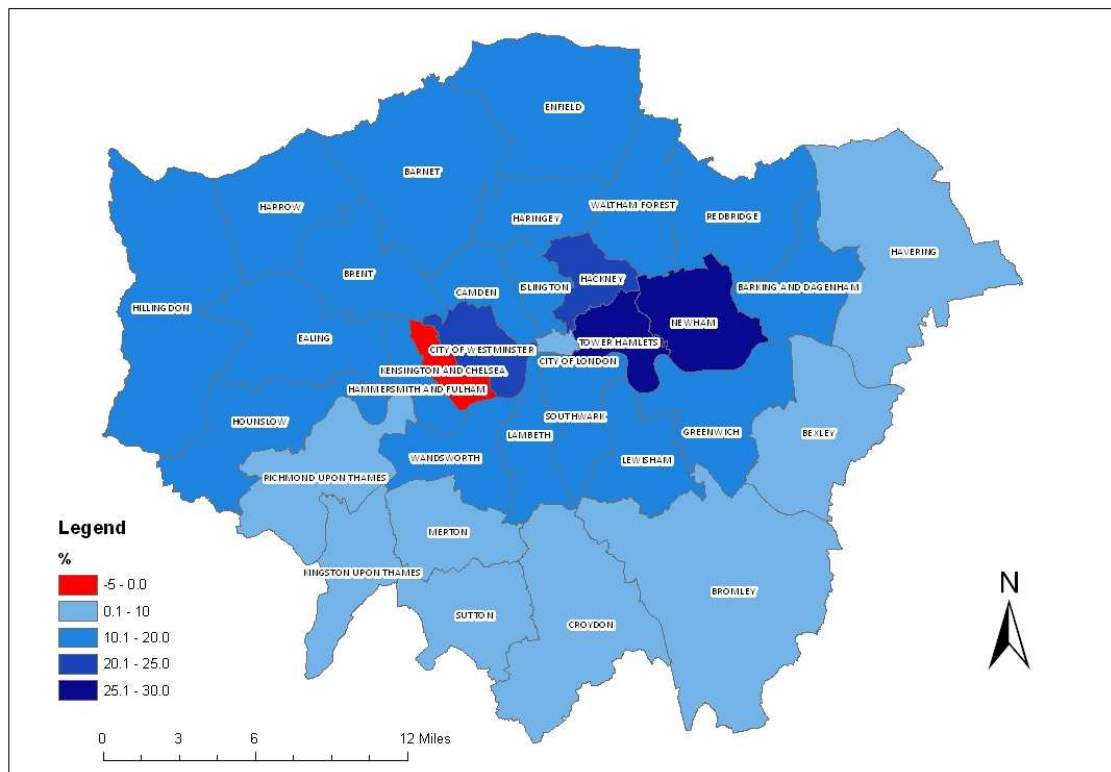
Table 1 – Population Census 2001 and Census 2011 with changes

	Census Population 2011	Census Population 2001	Change 2001-2011	% Change 2001- 2011
ENGLAND & WALES	56,075,900	52,041,916	4,033,984	7.8
ENGLAND	53,012,500	49,138,831	3,873,669	7.9
LONDON	8,173,900	7,172,091	1,001,809	14
EAST MIDLANDS	4,533,200	4,172,174	361,026	8.7
EAST	5,847,000	5,388,140	458,860	8.5
SOUTH EAST	8,634,800	8,000,645	634,155	7.9
SOUTH WEST	5,288,900	4,928,434	360,466	7.3
YORKSHIRE & THE HUMBER	5,283,700	4,964,833	318,867	6.4
WEST MIDLANDS	5,601,800	5,267,308	334,492	6.4
WALES	3,063,500	2,903,085	160,415	5.5
NORTH WEST	7,052,200	6,729,764	322,436	4.8
NORTH EAST	2,596,900	2,515,442	81,458	3.2

Thirty two of the thirty three London boroughs saw their populations increase between 2001 and 2011; Kensington and Chelsea had a decrease of 2.2%. Across all of England and Wales only 17 local authorities saw a decrease in population.

⁵ Rolled forward estimates are made by ONS - and refer to what they would have estimated for MYE 2011 had there been no Census

Map 1 - % Population change between 2001 Census and 2011 Census



Nine of the 20 local authorities with the fastest population growth in England and Wales were in London, and Tower Hamlets and Newham were the only authorities in England and Wales to show growth of more than 20%, with the fastest growth of all being 26.4% in Tower Hamlets. The largest local authority by population in London was Croydon with 363,400 people, an increase of 28,300 (8.5%) between 2001 and 2011; the smallest was the City of London, with 7,400.

The local authority in London with the largest proportion of people aged 65 and over was Havering with 18%; by contrast, only 6% of the population in Tower Hamlets were in this age group, the lowest figure in not only London but all of England and Wales. The largest proportion of people aged 19 and under in London (and England and Wales) is in Barking and Dagenham with 31%; by contrast, 11% of the population of the City of London is in this age group, the smallest proportion in England and Wales.