

Thinking Strategically and Collaboratively about London's Position in Relation to the Demography of an Integrated South East

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The LSE logo consists of the letters 'LSE' in a white, bold, sans-serif font, centered within a solid red square. A thin black horizontal line is positioned below the logo.

LSE

Motivation

- Ducking half the set topic (the London economy):
 - to focus centrally on the linked *demographics* of the WSE
 - as an issue:
 - effectively dodged in previous Plans for the island of London
 - where the absence of a SERPLAN-type knowledge base/exchange infrastructure obstructs collaboration/trust;
 - with some current sensitivity outside London, relating to Mayor's indication that London may only accommodate part of its growth; and GLA demographers lower projected growth; but
 - with an (EELGA-led) move to (re-)build a shared knowledge base about the dynamics of population change across the WSE – preparing for informed response to imminent draft LonPlan
- And (full disclosure) rehearse early issues from LSE work on this (with Champion and Whitehead) for EELGA

Aims of the Project for EELGA

- To meet needs of authorities across the Wider South East – to understand the *dynamics of migration* affecting the region
- Particularly in relation to *the future growth of the capital*
 - both in employment and population terms
- Enabling possible collaboration on strategic issues of common concern, during the London Plan review
 - expected to deal more explicitly than previous Plans with interactions across the London border
- Via a review of existing/ongoing research + readily available data sources

The Roles of Domestic and International Migration within Total Population Change

Table 0.1 Components of Change by Region and Ring :
annual rates relative to population

	Births	Deaths	Net UK Migration	Net Overseas Migration	Total Change
LONDON	1.7%	0.7%	-1.0%	1.3%	1.3%
OMA	2.3%	1.5%	0.1%	0.5%	1.4%
<u>RoWSE</u>	1.2%	1.0%	0.4%	0.3%	0.9%
Tight Fringe	1.2%	1.0%	0.3%	0.3%	0.8%
WSE	1.6%	1.0%	-0.2%	0.7%	1.2%
Still Wider SE	1.5%	1.0%	0.0%	0.6%	1.1%
RUK	1.2%	1.0%	0.0%	0.3%	0.5%
UK	1.3%	1.0%	0.0%	0.4%	0.8%

Source: ONS. Note: the definition of areas other than London, the WSE and UK is explained in section 0.3 (below)

Simplifying a Complex Picture

- The role of migration flows in this part of the UK is complex – because of its scale, dynamism and connectedness
- Many overlapping housing and labour sub-market areas across the WSE (and its external ‘fringe’)
 - interact via a mass of residence and/or workplace moves
- Where opportunities are constrained, in-moves lead to displacement effects, & longer-distance population shifts
- But basics involve 3 main migrational currents:
 - net international migration – spatially concentrated and with strong external influences
 - a continuing drift of labour migrants from peripheral UK regions with weaker labour demand (offset by retirement moves)
 - Population deconcentration across/beyond WSE driven by rising demands for space + displacement effects from migration into the centre

Relating these Currents to Movement between London-centred Rings

- Five Rings: 1. Greater London (8.3mn);
 2. Outer Metropolitan area (6.6mn);
 3. Outer WSE (8.0mn);
 4. A Fringe beyond the WSE (8.8mn);
 5. Periphery/Rest of UK (33.1mn)
- The Currents:
 - **International** – all net movement into the WSE (rings 1-3) – *labour market*
 - **North-South** – all net movement into the WSE (rings 1-3) – *labour market*
 - **Deconcentration** – all net outward movement within rings 1-4 – i.e. 1 into 2; 1 and 2 into 3; and 1, 2 and 3 into 4 – *housing market*
 - With first and last as strongest elements – but volatility in all 3
 - **and** important links from concentrated immigration to domestic deconcentration

A Working Map of 5 Migrational Rings In and Beyond the W.S.F

1. Greater London
2. Outer Metropolitan area
3. Outer WSE
4. Fringe/Rest of the South
5. Periphery/Rest of UK



Migration Flows (in 000s) Between the 'Rings'

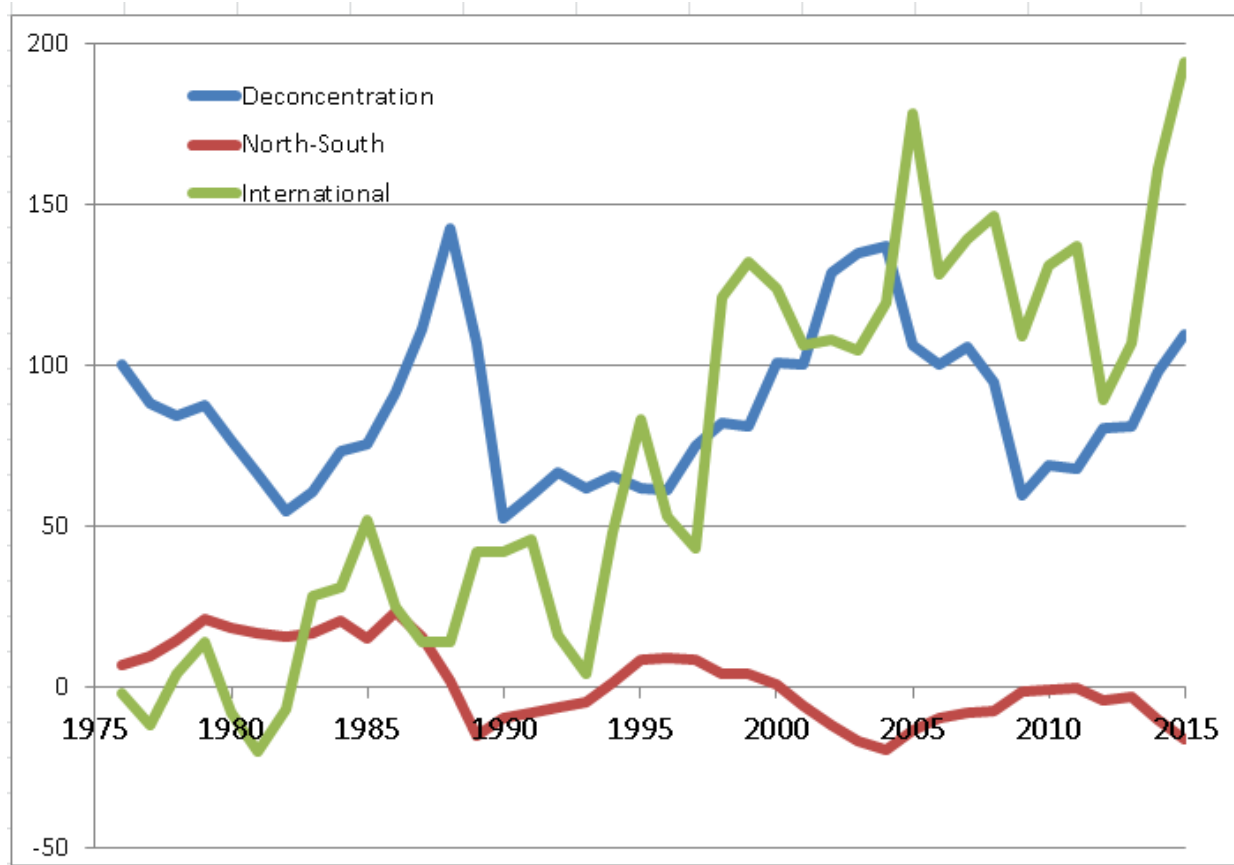
2001-15 (annual average)

To From	LONDON	OUTER MET AREA	REST of WSE	FRINGE (Outside WSE]	PERIPHERY (Rest-of-UK]
LONDON	..	101	63	26	71
OUTER MET AREA	52	..	80	24	55
REST of WSE	45	55	..	43	77
FRINGE Outside WSE	23	17	37	..	103
PERIPHERY (Rest of UK)	72	43	70	107	..
NET Domestic migration	-69	+5	+30	+20	+14
International	94	16	22	22	82

Source: ONS Mid-Year Estimates

How these Currents have Fluctuated over the Past 40 years

all in net terms (in 000s)



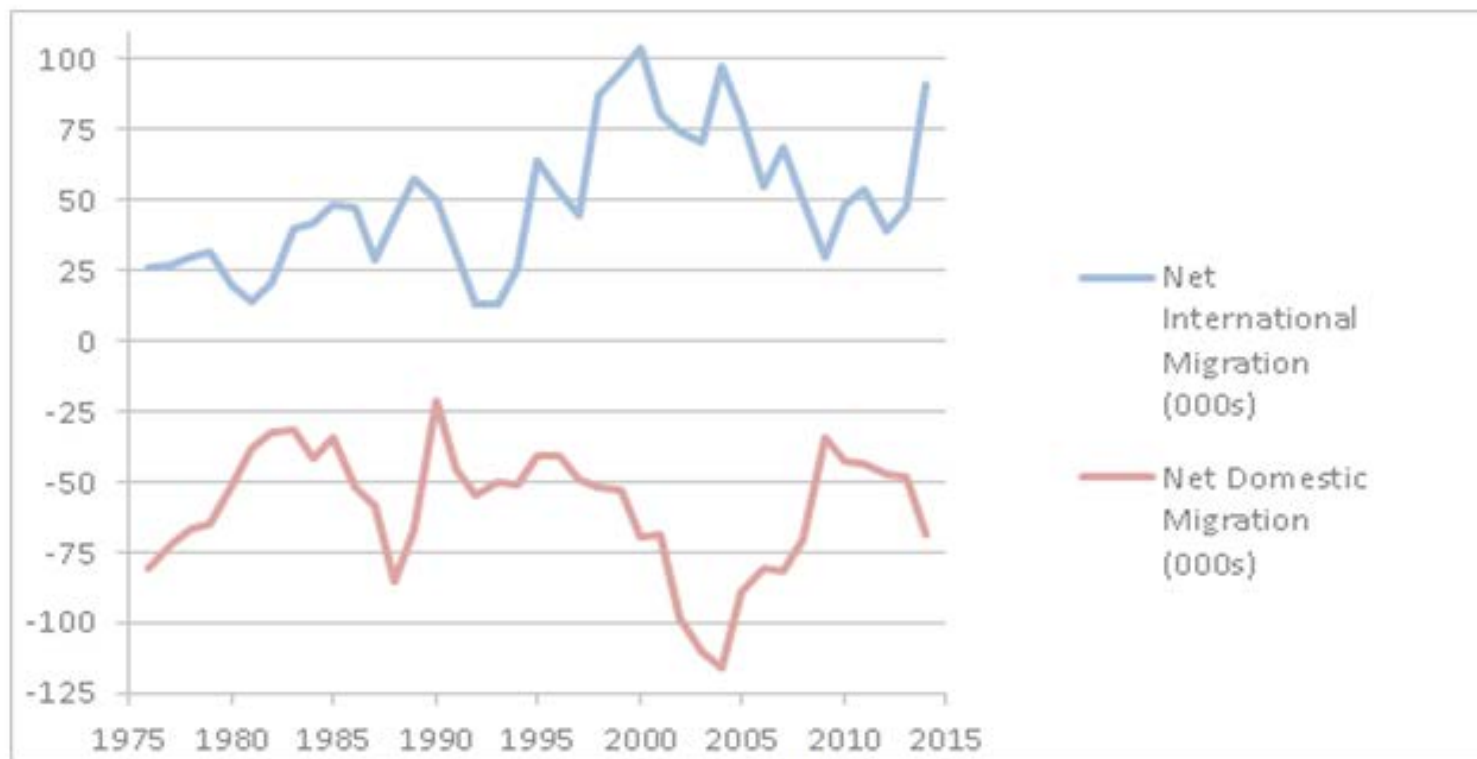
The Significance of these Currents

- Three quite distinct elements reflected in migrational fluctuations across the WSE – past, recent and future?
- **International:** biggest element of change in past 30 years
 -
 - partic. affected by refugee crises and two EU enlargements
- **North-South:** more limited but variable impact,
 - fluctuating in response to macro-cycles and relative performance of WSE employment – with a downward trend
- **Deconcentration:** largest scale and no evident trend
 - but great fluctuations – affecting London and Outer WSE + external Fringe (hardly OMA though)
 - Reflecting macro- demand cycles plus strong displacement effects of international inflows (to London particularly)

The Mirror Image Relation between London's Domestic and International Migration Balances 1976-2015

Figure 3.2

Net Domestic and International Migration Balances for Greater London (in 000s) 1976-2014



Source: ONS: Annual estimates. Notes: 1. The international data splice together comprehensive LTIM estimates for years from ... and earlier IPS series based solely on the International Passenger Survey (excluding asylum seekers, visitor switchers etc.); 2. The domestic series are mid-year based, while the international series relate to calendar years.

And How These Might be Explained / Modelled

- **International Migration:** globalising culture/communications; conflicts and refugee crises; UK immigration policies and EU enlargement – with no clear relation to London/WSE economic fluctuations
- **North-South Flows** (for working age movers): the shifting gap between GSE and RUK unemployment rates ?
- **Population Deconcentration** (plus older movers to the periphery):
 - strength of effective demand for more residential space – linked to real incomes?; and
 - displacement effects from volume of recent international arrivals (particularly into London)

How these Seem to Have Impacted on Recent London Migration Trends

- Strong (Central) London employment boom over the past decade seems to have had some positive impact on **N-S inflow** to WSE, if not especially London
- Displacement effects (after c. 2 yrs) from continued/revived international inflows will have at least sustained the deconcentrating outflow from London
- Despite generally weak real income growth, reviving demand for residential space would also be expected to have produced a substantial revival in these **deconcentrating outflows** – but still with a way to go to match previous peaks (even after 2016 increase)
- Though some suspicion, as with those previous peaks, of an unsustainable/ speculative component

Fluctuating patterns of net domestic migration in each Ring 2001-15

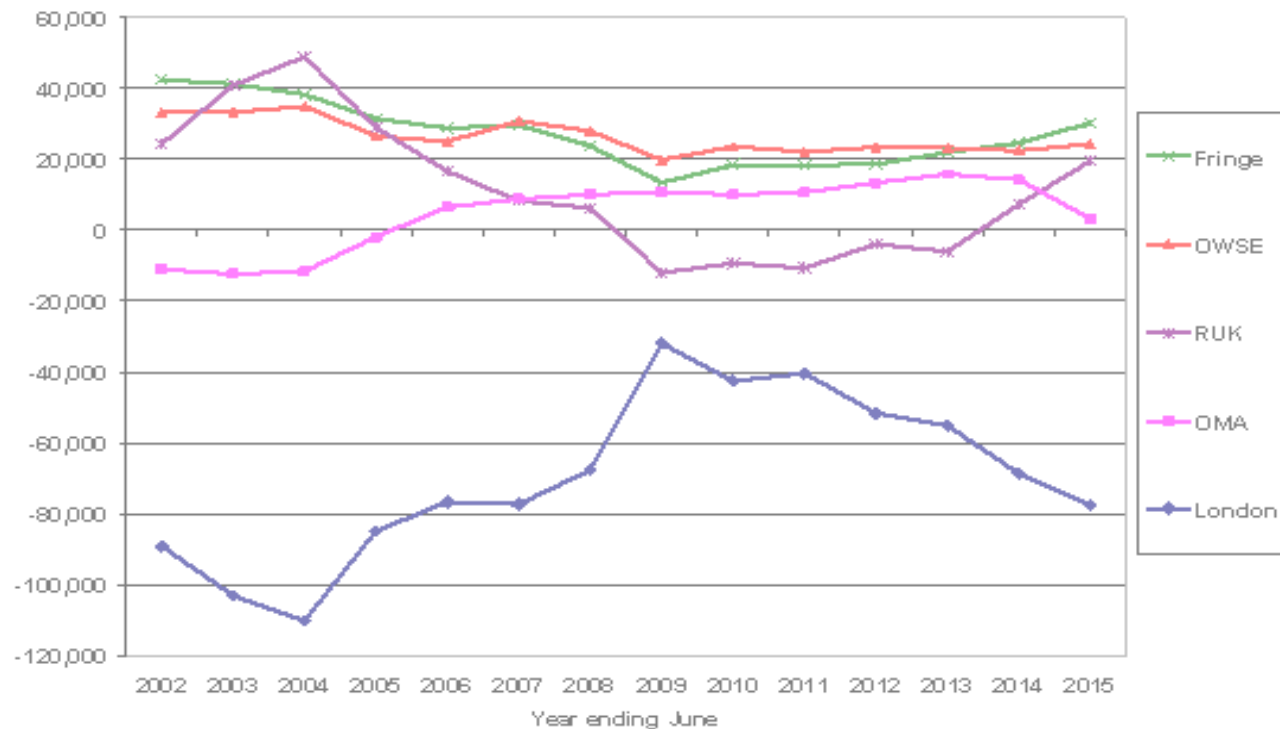


Figure 4.1 Net within-UK migration, 2001-2015, for the five zones of the UK

Age Group Differences in the Annual Patterns of London Net Domestic Migration between 2001 and 2015

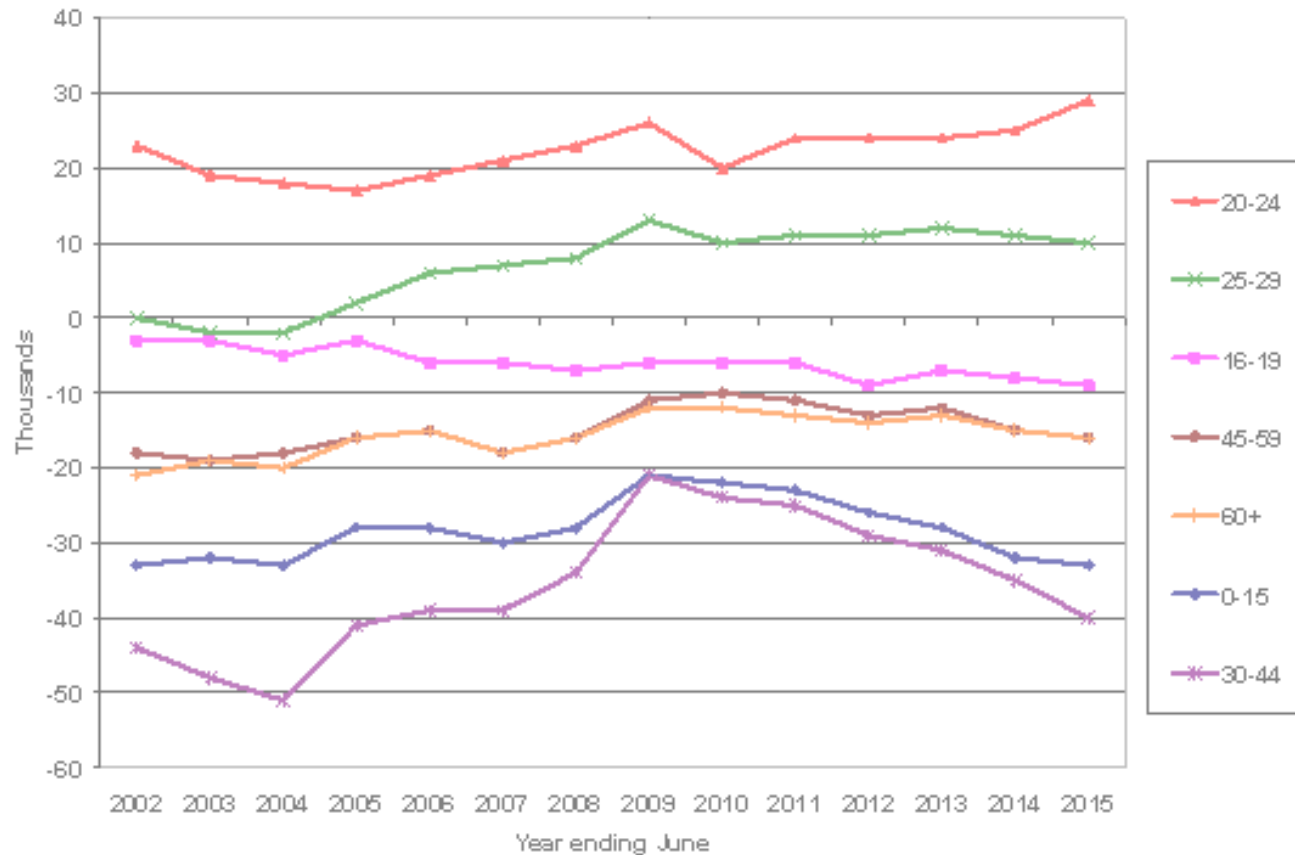


Figure 4.6 Net within-UK inflow to London, by age group

Source: analyses of ONS data by Tony Champion

Some Key Uncertainties about How These will Develop

- Impacts of Brexit on International inflows
 - and thus on scale of displacement from the core
- The speed with which housing expectations among (past waves of) poor country migrants (esp. in London) will lead to increased displacement (and more household formation)
- Impacts of Brexit on the strength of the WSE economy, absolutely and relative to the rest of the UK
 - compounded by uncertainty about why London employment trends have been so strong over the past decade
 - and significance of political ambitions to rebalance UK economy
- Whether/where policy can reduce constraints on housing supply in WSE