
Report To:	Policy & Resources Committee	Date:	20 May 2014
Report By:	Acting Corporate Director Environment, Regeneration & Resources	Report No:	2014/P&R/06/AP
Contact Officer:	Alan Puckrin	Contact No:	712764
Subject:	NRS Population Estimates and Migration Assumptions – Implications for Inverclyde		

1.0 PURPOSE

- 1.1 The purpose of this report is to inform Committee of recent correspondence with National Registers of Scotland (NRS) on the publication of mid-year population estimates and migration assumptions for Inverclyde, post 2011 Census, and outline some implications for the Council's Grant settlement and the current review of the Glasgow and the Clyde Valley Housing Need and Demand Assessment

2.0 SUMMARY

- 2.1 The census and associated population measures have a significant bearing on a number of strategic issues for the Council most notably Government Funding and Housing / Planning Policy Development.
- 2.2 Following publication of the 2011 Census information and the latest 2012 mid-year estimates it is clear that Inverclyde's population has been understated for a considerable period and that the annual net migration assumptions made by NRS are unduly pessimistic.
- 2.3 Appendix 3 shows the extent of the movement in population figures used.
- 2.4 The implications of this are outlined in the body of the report, as are the actions being taken with the support of the GCV SDPA Core Team and Glasgow City Council.
- 2.5 The Council, in line with many other smaller authorities, has not had a dedicated demographer / statistician for at least 15 years and is therefore reliant on others to keep abreast of developments and scrutinise NRS decisions.
- 2.6 The CMT have agreed that a reporting and senior officer oversight structure is needed to raise awareness and monitor developments and this will be taken forward via the Performance CIG chaired by the Corporate Director Education, Communities & Organisational Development. The clear links with the SOA outcomes would make the SOA Board a logical body for strategic oversight.

3.0 RECOMMENDATIONS

- 3.1 That Committee:
- a) note the revised, re-based NRS 2011 and 2012 mid-year estimates for Inverclyde, which better reflect the 2011 Census result, and the implications this has had specifically in relation to the 2015/16 Needs Based Grant settlement.

- b) note that Officers will report back on the NRS response to the over-pessimistic view of the 2012-based net migration assumptions.
- c) note and welcome the assistance of the GCV SDPA Core Team and Glasgow City Council on the population and household evidence base for Inverclyde, and joint-working currently being undertaken by the GCV Housing Market Partnership on the GCV Housing Need and Demand Assessment (GCV HNDA2).
- d) note that these matters will be monitored via the Performance CIG and be reported to the SOA Programme Board, and where appropriate, the Policy & Resources Committee.

Alan Puckrin

Acting Corporate Director Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 National Registers of Scotland (NRS) is the responsible agency of the Scottish Government that handle all matters relating to population and household statistics, including the Census, mid year estimates and all the background methodology and assumptions that lie behind these demographic statistics.
- 4.2 NRS are responsible for producing annual mid-year estimates of population and households and biennial population and household projections. As migration plays such a large part in population change, an established procedure of consultation is undertaken every 2 years on among other statistics, the assumptions around sub-national (local authority) migration assumptions for input to these projections. NRS migration assumptions are therefore of extreme importance.
- 4.3 Once migration assumptions are established, the population projections can be generated, and thereafter, through further established methodologies, Grant settlements and household projections, disaggregated to council-area level.
- 4.4 It should be noted that for some time Inverclyde Council has not had a dedicated demographer/statistician to deal with these matters. In terms of having an officer to scrutinise NRS outputs, the Council relies heavily on the decisions of NRS and in some cases, other local authorities to keep abreast of developments and publications in this field. Inverclyde is fortunate in being one of eight member authorities of the Glasgow and the Clyde Valley Strategic Development Planning Authority (GCV SDPA), who together with officer support from Glasgow City Council, have this resource and so can benefit from this partnership working on population and household matters.
- 4.5 Since 2008 through the work of the GCV Housing Market Partnership's *Housing Need and Demand Assessment* (HNDA), Inverclyde Council has direct access and influence over these joint matters: indeed, the Planning Policy & Property Manager of the Council is the chair of the GCV HMP. Currently the Council are involved with the GCV HMP in the review of the first GCV HNDA (published in 2011), a particularly significant piece of work as it will form the main evidence base to support the forthcoming GCV Strategic Development Plan: Main Issues Report (due early 2015) and the next round of Local Authority Local Housing Strategies (LHSs) and Local Development Plans (LDPs).
- 4.6 It is essential that this joint working is maintained and supported since the basis of good planning rests on a sound evidence base. For Inverclyde this rests on the GCV strategic partnerships of the SDPA and HMP and in particular, for the rapidly changing housing environment, the building blocks of population and household estimates and projections across the City Region. These are a vital input to an understanding of the changes the Council can expect over the next resource settlement period and development plan / local housing strategy cycle, and beyond.

5.0 CURRENT POSITION

- 5.1 Current concerns relate to the 2001 and 2011 censuses and the mid-year estimates published each year between these dates, and the latest 2012 mid-year estimate. Population counts are considered in terms of *components of change*, which comprise natural change (births and deaths) and net migration (international and internal (national)), the latter clearly being less accurate than the former as migration is based mainly on estimates rather than actual counts for births and deaths.
- 5.2 The main conclusions reached and the concerns and issues they give rise to in Inverclyde, are:
 - The difference between the 2011 Census (81,460) and the previous NRS 2011 mid year estimate (79,220), has been revised (nationally), bringing the mid year estimate more into line with the more favourable, improved position indicated by

the Census (i.e. 81,220).

- The recent 2012 mid year estimate of 80,680 is aligned better with this *revised* 2011 mid year estimate, with a decline of 540 persons being more consistent with recent trends in natural change and net migration, i.e. an improvement on previous concerns.
- While the 2011-12 estimated change is more understandable, i.e. a similar net out-migration as 2010-11 (over 300 persons) and a continuing 200 (+) decline through natural change, NRS is still estimating higher net out-migration than trend data shows for last 5 and 10 years.
- This has been confirmed since with the publication of 2012-based sub-national migration assumptions for consultation which show the NRS view of net migration for Inverclyde being above the annual trend rate (- 350 compared to - 300 for the short term to 2017/18; and – 300 compared to our expectation for the longer term, beyond 2018/19, of – 250).
- Officers' response to the consultation requests that the above adjustments are made for both the short and longer term projection periods, this response having been backed by the joint response made on behalf of the Glasgow and the Clyde Valley SDPA and HMP by the SDPA team, with support from Glasgow City Council (Appendix 1).
- Despite the undercounting of the base population that has been revealed through this communication with NRS, which has affected all Councils from the 2001 Census to the present day, NRS continues with its over-pessimistic view of net migration for Inverclyde. This is of vital importance because these assumptions feed into the forthcoming 2012-based population projections (due Spring 2014).

5.3 Appendix 2 provides more commentary and analysis on the concerns summarised in 5.2.

6.0 PROPOSALS

- 6.1 The Council, in line with many other smaller authorities, has not had a dedicated demographer / statistician for at least 15 years and is therefore reliant on others to keep abreast of developments and scrutinise NRS decisions.
- 6.2 In addition, it should be noted that the officer who has co-ordinated the issues raised in this report on behalf of the Council is due to retire in March 2015 and the CMT recognise the need for appropriate succession planning arrangements to ensure that this work can be continued and enhanced.
- 6.3 There is a need to raise the profile of this and associated demographic issues within the Council and to develop a work programme of key tasks and outputs. The CMT have agreed that a senior officer oversight structure is needed to raise awareness and monitor developments.
- 6.4 It is proposed therefore that progress in this area is monitored by the Performance CIG chaired by the Corporate Director Education, Communities & Organisational Development and reports on this matter go to the SOA Programme Board and where appropriate, this Committee.

7.0 IMPLICATIONS

Finance

- 7.1 The debate over the 2015/16 Grant settlement and the fact that Inverclyde's Needs Based grant showed a significant increase after many years of consistent decline is closely related to

the issues highlighted above.

- 7.2 Had it not been for the “Floor Adjustments” the Council would have received an approximate £1.6million increase in Grant between 2014/15 and 2015/16 rather than the previously expected £1.1million reduction.
- 7.3 Appendix 3 shows the movements of the Council’s population and the various sources to which they relate. The key figures for the Council’s Grant are the 2014/15 Green Book population of 78,922 and the GROS 2012 Mid-Year Estimate of 80,680 which was used for the 2015/16 Grant settlement. Had the 2015/16 Green Book simply reflected the last few years trend then a population of approximately 78,500 would have been used in the 2015/16 Grant Settlement (2180 less than actually used). The appendix also shows the revised retrospective mid-year figures produced by the Government which show how the gap has developed.
- 7.4 Given the scale of the funding reductions anticipated by the Council over 2015/19 it should be noted that the improved population figures / grant settlement are extremely welcome, however, the Council will still require to implement an unprecedented level of budget cuts from 2016 onwards.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

- 7.5 There are no direct legal implications.

Human Resources

- 7.6 There are no direct HR implications.

Equalities

- 7.7 There are no direct equalities implications.

Repopulation

- 7.8 The above report highlights the vital importance of the Council and its partners arresting and reversing its population decline and also the need to have the impact of the Council’s positive action reflected in Government figures.

8.0 CONSULTATIONS

- 8.1 The report has been prepared in consultation with CMT who are concerned at the implication

for strategic and service planning if the Council's population is understated especially in the areas of Development Planning, Housing, School and CHCP Planning.

9.0 LIST OF BACKGROUND PAPERS

9.1 None.

GCV SDPA RESPONSE TO NRS

From: Angela Adams
Sent: 20 January 2014 17:39
To: Ronan.O'Kelly@gro-scotland.gsi.gov.uk

Subject: Response to consultation 2012-BASED SUB-NATIONAL POPULATION PROJECTIONS:
MIGRATION ASSUMPTIONS

Dear Ronan,

Thank you for the opportunity to comment on the proposed migration assumptions of the NRS 2012-base sub-national population projections.

As you will know, the NRS projections of population and households are a major input to the Housing Need and Demand Assessment that we are currently carrying out for the eight councils in the Glasgow and the Clyde Valley area (GCV area).

Three councils in the GCV area have serious concerns about the proposed migration assumptions, i.e. Inverclyde, North Lanarkshire and West Dunbartonshire. For all three Councils the proposed migration assumptions are seen to be too pessimistic. An important consideration is also that Inverclyde and North Lanarkshire have seen a substantial positive adjustment to their population estimates, as a result of the 2011 Census. We accept that this population adjustment may not all be due to migration estimates that were too low in the last 10 years. At the same time it is hard to understand, and to explain to politicians!!!, how a sizable upward adjustment to the population estimates can be reconciled with no improvement in the migration assumptions for Inverclyde (continuing with a long term migration assumption of -300 per year) and a worsening of the migration assumptions for North Lanarkshire (a change in the long term migration assumption from -100 to -200 per year).

We recognise that NRS has to work with an agreed migration assumption for Scotland as a whole. An upward adjustment in the migration for one council area must therefore result in a downward adjustment in the migration for another council area. We have also noted that NRS plan to do further work on within UK migration flows. That may result in adjustments to the migration estimates in the future.

However, given the serious concerns of the three councils mentioned, we would ask you to have another look at the migration assumptions for these council areas with a view to a possible upward adjustment to these assumptions.

On another matter the email address you had for me on the PAMS consultation list was an old one. I would be grateful if you could update it. Thank you.

Kind regards

Angela

Angela Adams
Strategic Planner

t: 0141 229 7737
e: Angela.Adams@gcvsdpa.gov.uk
w: www.gcvsdpa.gov.uk

a: Glasgow and the Clyde Valley Strategic Development Planning Authority (GCVSDPA), Lower Ground Floor, 125 West Regent Street, Glasgow G2 2SA

The GCVSPDA is a Local Government Joint Committee comprising eight separate Local Authorities (East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire) (each incorporated under The Local Government etc. (Scotland) Act 1994) in the Glasgow metropolitan area working together on strategic development planning matters as required by the Planning etc. (Scotland) Act 2006.

POPULATION ESTIMATES – CURRENT CONCERNS

(1) Prior to the 2011 Census, the base year for successive mid-year estimates of population (and households) was the 2001 Census. These mid year estimates included a 2011 mid year estimate released prior to the publication of the 2011 Census. The mid year estimate for 2011 (based on a 2001 Census figure, 84,203) was **79,570**, adjusted subsequently to **79,220**. [*Note: detailed technical background work is available on request*].

(2) The 2011 Census count is **81,459** (therefore, a mid year estimate 'undercount' of between 1,890 and 2,240), demonstrating that the mid year estimates had been unduly over-pessimistic, something we had been informing NRS for some years.

(3) In August, the NRS published 2012 mid year estimates, with an Inverclyde figure of **80,680**. This surprising result prompted an enquiry to NRS. They responded by informing us that they had not taken into account the 2011 Census, but based this estimate on (1) stock-based Council Tax returns with little apparent adjustment made for vacancies in the stock (*source: NRS email 18 Oct. 2013*). This was followed by (2) a revised trend-based estimate, going back to 2001 (*source: NRS email 22 Nov. 2013*). The latter appears to include a revision to the 2001 base year figure: the one highlighted by NRS being the mid-year estimate, not the Census.

(4) As a result, this latter re-based estimate (taking into account both the 2001 – 2011 Census interval and the 2011 Census itself), has led to a revised 2011 mid year estimate of **81,220**. This estimate is now not that different to the 2011 Census figure of 81,459 noted above.

(5) It is on this basis that the 2012 mid year estimate of 80,680 has been calculated, with further information provided which claims it is based on 'an accurate natural change 2011-12 of 221' (10 year average, 207) and estimated net migration of 315 (10 year and 5 year average, 290).

(6) What is still unclear is why the net migration estimate is still above 300. The additional information provided by NRS appears to relate to what they accept are the particular circumstances around student migration at the time of year between the Census and mid year, which one would expect would be adjusted accordingly.

(7) The sequence of mid year estimates, 2001 – 2011, on NRS's revised view, were based apparently on an Inverclyde figure that was too low from the start (i.e. an undercount in the 2001 Census figure).

(8) Overall therefore, from what was published by NRS in August 2013 and our alarm then at a c. 2,000 population 'undercount' is now reduced to only 240, if one takes the Census as a more accurate population record. But note the caveat around the Census being *uncertain* as well and only an *estimate*, subject to review with in 'statistician-speak', confidence intervals to be taken into account.

2012-based Migration Assumptions for Inverclyde

(9) Looking forward, NRS has concluded consultation on the 2012-based sub-national migration assumptions that will inform the 2012-based population and household projections, with responses requested by 20th January 2014. These household projections will form the base year for the GCV HND A2, supporting the next round of GCV SDP and Inverclyde's LHS and LDP.

(10) Despite the improved mid-year estimate for 2012 and continuing improvement in net migration in Inverclyde (average annual net migration of – 278 for past five years), the 2012-based assumption continues the NRSs more pessimistic view of Inverclyde. The short term assumption (to 2017/18), remains at a higher rate of – 350 per annum and the longer term assumption (2018/19 and beyond), is - 300 per annum.'

(11) This set of assumptions is similar to previous years when we consistently responded to what we considered to be over-pessimistic NRS migration assumptions. On the evidence of the past 5 and 10-year trend information and the 'correction' provided by the 2011 Census, it appears from the latest NRS explanation provided to us on these assumptions that they have other information that has informed their methodology to justify their view of likely net migration from Inverclyde.

(12) Despite this provisional response we have submitted a formal response through the auspices of the GCV SDPA/HMP, requesting that our case be presented in the context of the GCV as a whole, and that the

justification for our recommended change be made in this wider City Region context. The changes we have recommended are: **a reduction in the migration assumption for the short term to – 300 per annum, and for the longer term, - 250 per annum.** This GCV SDPA response was sent on 20th January and is attached as **Appendix 1.**

Potential Future Implications for Household Estimates/Projections

(13) In addition to the GCV SDPA response, Jan Freeke of Glasgow City Council, also under the auspices of the GCV SDPA and GCV HMP, has undertaken additional analysis in support of the GCV HNDA2, outlining some implications for future household changes implied by these assumptions, and anticipating the impact upon the next round of household projections. The potential implications for Inverclyde do not make comfortable reading, suggesting that a combination of an increasingly elderly population and younger age profile of negative net out migration will combine to depress household formation rate even more, resulting in a decline in households beyond 2020. As a result of this potential outcome, this paper will be made available to the R&I Sub Group of the Performance CIG for its consideration.

(14) Clearly, the position of the NRS continues to be unhelpful, but to counter their view, work on the GCV HNDA2 and the above paper suggests that the GCV HMP should take a view on incorporating a choice of assumptions to build into the HNDA Tool methodology. The NRS / Scottish Government projections will include a *variant high migration assumption*, which will enable a *trend-based* and a *growth-based* projection to be run. This however will be constrained to work within a GCV control total if the NRS do not make beneficial changes to the 2012-based migration assumptions, and therefore would require a corresponding reduction to be made in the other local authorities that comprise the GCV SDP city region.

(15) It is important that officers maintain a ‘watching brief’ alongside our colleagues in the GCV HMP working on the review of the GCV HNDA (HNDA2), since if NRS continue with their more pessimistic view on net out-migration from Inverclyde, there are implications too for our GAE and the provision of services at local government level. This could in turn lead to further downgrading of services within Inverclyde with implications for the Council and our citizens.

Conclusions and Next Steps

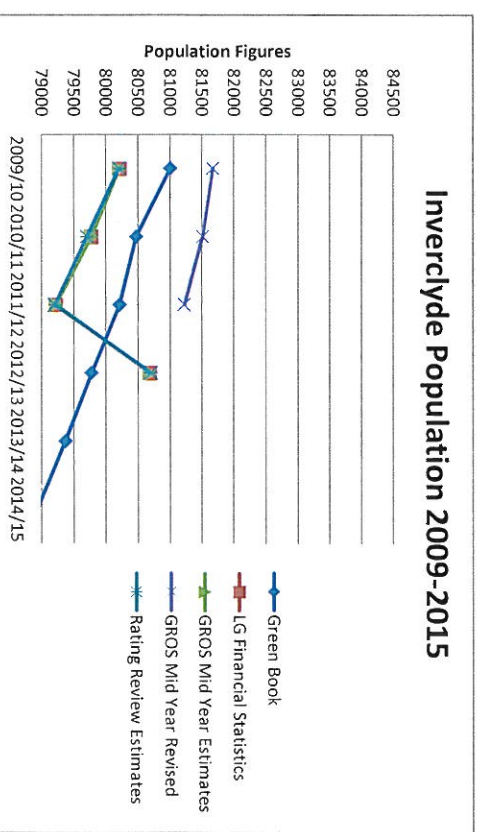
(16) As indicated above, the initial analysis undertaken in September drew attention to the prospect of the new mid year estimates indicating a decline in households, contrary to the evidence from our own housing stock-based estimates. This prospect is however still a possibility given the work that has been done since for the GCV HMP on the review of the HNDA by Jan Freeke. Jan’s paper clearly expresses the difficulties we may have in operating the HNDA Tool, with a projected decrease in households, and not least the serious implications this would raise for the GCV Housing Market Partnership justifying a different position for the GCV HNDA2.

(17) The above revisions relating to population and the analysis undertaken by Planning Policy to supplement the earlier analysis by the Housing Team, to support this briefing report in relation to population estimates for Inverclyde, appeared at the outset to make this adverse outcome for future household change less likely, but that may not be the case.

(18) It will be important for an appropriate Group of officers to maintain an oversight of future publications of NRS estimates and projections, in addition to the support we can expect through our joint membership of the GCV SDPA and GCV HMP. The GCV HMP will be looking at all of these matters very closely over the coming months and hopefully their request to NRS in Appendix 1 will have an influence on the forthcoming round of net migration assumptions that feed-into the next set of 2012 based population and household projections, the latter expected in July 2014.

Population Information - 2009-2015

Source	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Green Book	81002	80469	80210	79770	79367	78922
LG Financial Statistics	80210	79770	79220	80680	N/A	N/A
GROS Mid Year Estimates	80210	79770	79220	80680	N/A	N/A
GROS Mid Year Revised	81670	81510	81220	N/A	N/A	N/A
Rating Review Estimates	80200	79700	79200	80700	N/A	N/A

**Notes:**

Green Book 2012/15

per NRS mid year estimate 2010
 2013/14 rebased = 2010 mid year estimate + (2008 based projection for 2011 - 2008 based projection for 2010)
 2014/15 rebased = 2010 mid year estimate + (2008 based projection for 2012 - 2008 based projection for 2010)
 Population figures used in GAE calculations

Green Book 2011/12

2009 per GROS mid year estimate 2009

Green Book 2008/11

2008 per GROS mid year estimate 2006
 2009/10 rebased = 2006 mid year estimate + (2004 based projection for 2007 - 2004 based projections for 2006)
 2010/11 rebased = 2006 mid year estimate + (2004 based projection for 2008 - 2004 based projections for 2006)
 Population figures used in GAE calculations.

GROS Mid Year Estimates
 GROS Mid Year Revised

2002 to 2010 original figures (prior to 2011 census adjustments)
 Revised figures after 2011 Census.

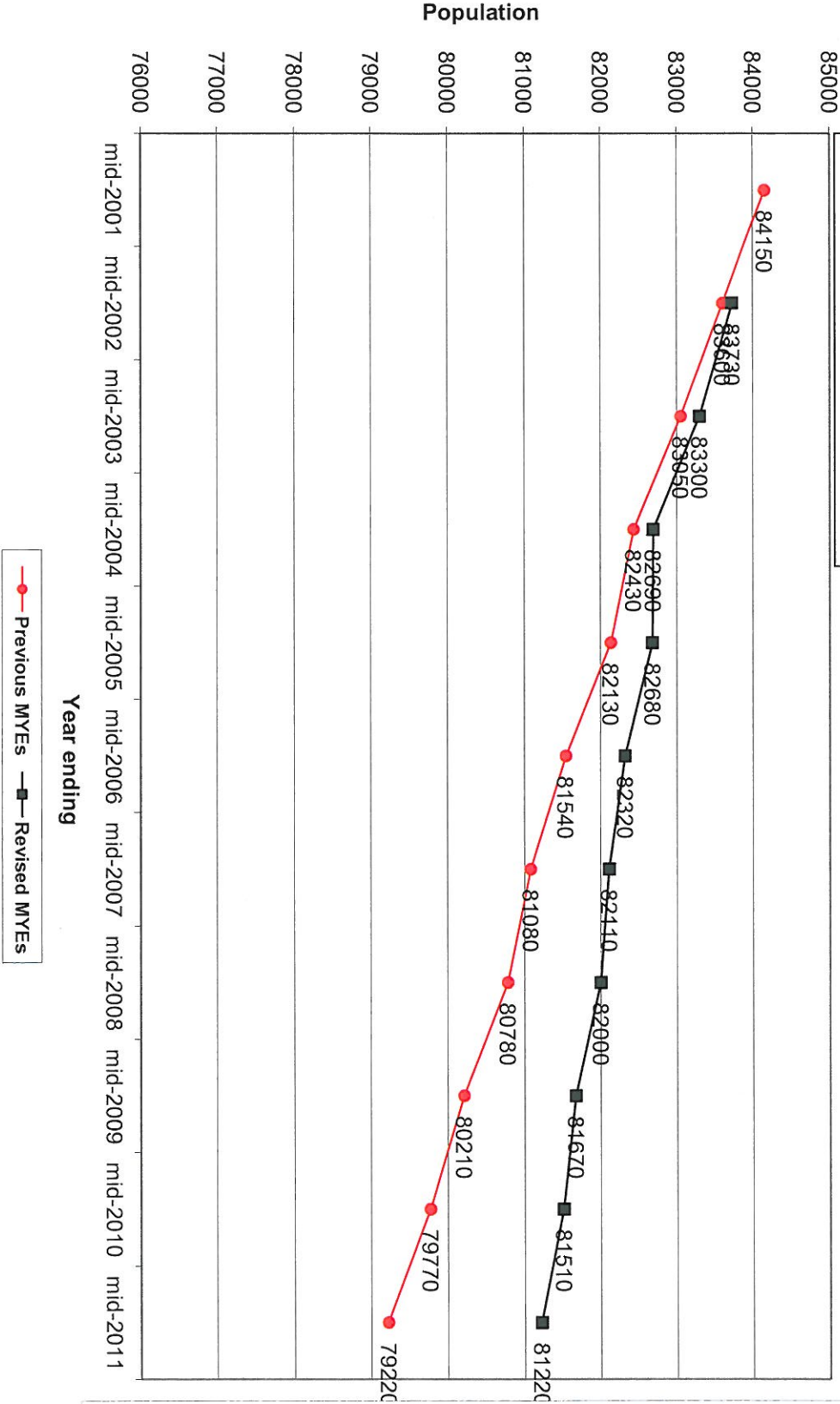
Census 2011

Figures is 81,485 compared to 84,203 in 2001

Population time series for Scotland and its Council areas, mid-2001 to mid-2011

Council area: Inverclyde

Warning: the vertical scale is not the same for all Council areas.



Click on the Council area of interest below to switch between Council areas.