

Demography and Levelling Up

Purpose of report

For discussion.

Summary

This paper provides an update on the findings of LGA officer research into demographic changes resulting from the Covid-19 pandemic and sets out the implications of these findings for the levelling up agenda.

Is this report confidential? Yes ☐ No ☒

Recommendation/s

That Members:

1. **Comment** on the findings presented by officers and **discuss** whether they resonate with their personal experiences of demographic change within their local areas and subsequent service pressures.

Action/s

1. Officers to use these findings and the comments arising from the wider discussion with Board Members to inform the Levelling Up Locally Inquiry.

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Demography and Levelling Up

Background

1. Following the agreement of the People and Places and City Regions Boards, we have initiated a [Levelling Up Locally Inquiry](#). This inquiry will look at how the Government's levelling up agenda might better strengthen local communities and look beyond the Levelling Up White Paper to investigate the role of local leadership in shaping a recovery that works for all.
2. To complement the work of the inquiry, LGA officers have been looking at demographic changes that may have arisen from the pandemic, and whether these changes represent a continuation or departure from pre-pandemic trends.
3. In the early stages of the pandemic, a number of narratives emerged in the media around the potential impact of Covid-19 on demographic changes. These included an assumption that the rise in home working would lead to people leaving urban areas, as people prioritised home offices and gardens over short commutes, and that there would be a 'baby boom' as more people stayed at home during lockdown.
4. To do this, we have carried out a literature review, drawing on the [International Public Policy Observatory's](#) global policy scans and topic snapshots and a range of other sources to look at different aspects of demographic changes. This included looking at rural-urban changes, trends in migration in and out of the UK, and natural demographic changes.
5. We have also carried out a review of data. We mapped metrics to six principal services including cultural services, adult services and housing and identified the relevant datasets for each of the metrics using LG Inform, the LGA's online tool bringing together a range of key performance contextual and financial data for authorities.
6. The following metrics and datasets were used:
 - a. [Total resident population](#)
 - b. [Average time to get to 8 key services by car](#)
 - c. [Proportion of gigabit availability](#)
 - d. [Proportion of working age population with no qualifications](#)
 - e. [Proportion of population worried about food security](#)
 - f. [Proportion of population on universal credit](#)
 - g. [Average house price](#)
 - h. [Spend on culture and heritage](#)
 - i. [Number of recorded offences](#)
 - j. [Life satisfaction ratings](#)

7. The percentage change was calculated for each of the metrics for the years prior to and including the coronavirus pandemic. Following this, the data was analysed by authority type, region and area classification¹ so conclusions around demographic changes could be drawn.
8. While lags in the data collection mean data is not always available for the most recent months, all data used in this research was the most up to date at the time of analysis. Officers will cross-check assumptions against the 2021 Census findings when the data is made publicly available in late May 2022.

Issues

Findings from literature review

9. Throughout the pandemic, there was reduced internal migration within the UK. Based on our initial findings we believe this is likely to have primarily affected people between ages 16 to 30, who made up over half of internal migrants in England from 2009 to 2015.
10. As a result of pandemic restrictions, only two fifths of buyers visited their property in person before choosing to buy it. This may be linked to higher levels of 'post-purchase regret,' with half of UK home buyers who bought during the pandemic regretting how much they paid. Other potential buyers may have been put off by the lack of opportunity to visit their potential new home in person before purchasing.
11. Although much of the headline media attention around demographic changes has focused on people moving from urban to rural areas, research from Demos showed that the bigger relocation has been among low-paid, younger workers moving within densely built-up areas. This was particularly true of those with incomes below £20,000. 9.5 per cent of people from an ethnic minority background moved due to the pandemic against 4.2 per cent that stated their ethnicity as white.
12. Similarly, although the London Assembly Housing Committee found that 43 per cent of Londoners surveyed wanted to move to a new home, 34 per cent of those wanted to move out of London and 54 per cent wanted to remain in the city. The survey also found that having private outdoor space (such as a garden or balcony), a more spacious home, and living near public green space have become important factors for Londoners thinking about their living situation as a result of the pandemic.
13. Overall, there is little evidence that the pandemic has driven those in urban areas to move to rural areas. This may be partly because despite the percentage of people

¹ All classifications e.g. 'thriving rural' and 'ethnically diverse metropolitan' are the ONS' residential-based area classifications which, using socio-economic and demographic data, aim to identify areas of the country with similar characteristics

working from home doubling, this accounted for less than half of all UK workers and was distributed unevenly across the country. 70 per cent of residents in the London Borough of Richmond upon Thames stated they had worked from home at some point during the pandemic, compared to 13 per cent in Burnley. Disparities in home working were also reflected across ethnicity and education, with Black, Asian and ethnic minority workers being more likely to work in London's key worker roles. Roles requiring higher qualifications provided greater home working opportunities than manual roles.

14. The pandemic has exacerbated some pressures particularly found in rural areas, with the pandemic having a more detrimental effect on hospital waiting times in rural and remote trusts than in for trusts in urban areas. Rural areas generally have poorer superfast broadband and mobile internet coverage, impacting on effective home working possibilities, and potentially acting as a deterrent to those considering a move from urban to rural areas.
15. Although there is evidence that demand for homes in some rural areas grew during the pandemic, some of this was driven by the purchase of second homes rather than permanent relocation. In 2020, the number of London-based buyers who purchased a second home outside the capital increased by 309 per cent from 2019.
16. The pandemic also had an impact on natural demographic changes. As a result of the high level of excess deaths caused by the Covid-19 pandemic, there was a reduction in life expectancy England of 1.3 years for men and 0.9 years for women, the lowest life expectancy in England since 2011. Similarly, declines in fertility rates were seen, with a decrease to 1.58 children per woman in 2020 and drop of 4.1 per cent in the number of live births compared to 2019.
17. These findings suggest the Covid-19 pandemic has resulted in a lower birth rate, and although evidence from previous epidemics and pandemics have shown a later baby boom, there may be less of a bounce back in this case. This is likely to be for several reasons, including lower child mortality in comparison to previous pandemics. The economic impact of the pandemic on women is also likely to have an impact, as the post 2008 banking crisis recession showed that female unemployment significantly reduced fertility rates.
18. Women had a greater likelihood of being furloughed through the Coronavirus Job Retention Scheme and employed in shut-down sectors from the first lockdown, as well as being disproportionately likely to work in less secure, part time employment, both before and during the pandemic. People working in insecure roles saw greater falls in earnings during the pandemic, suggesting we could see a repeat of the reduced birth rates because of female unemployment seen in the recession. Long term, this reduced birth rate could result in profound implications for health, tax revenues and wider government spending. An ageing population will require increased spending on pensions, health and social care, but with a smaller workforce to pay income tax and into

pension funds. Although fewer workers could result in higher wages, this positive impact could be offset by the larger tax burden required to maintain public services.

19. In conclusion, many of the common assumptions made about demographic changes during the pandemic are not reflected in the literature.
20. First, the assumption that there would be a large-scale shift of people moving from urban to rural areas overestimates the number of people who are able to shift to homeworking, with less than half of workers in the UK working from home during the pandemic.
21. Second, desire for homes with more space and a garden is a trend that pre-dates the pandemic, and house price increases for detached and semi-detached houses were much stronger close to the centre of London.
22. Third, the growth in house prices in rural properties is at least partly due to an explosion in the number of second home purchases, rather than people relocating permanently out of cities. There had also been speculation that the pandemic would result in a higher birth rate, but early data combined with evidence from previous epidemics and pandemics suggests this is not the case.

Findings from the data analysis

23. The findings from the quantitative research are broadly consistent with those in the literature review.

Overall population change

24. The population change in all areas saw trends continued, rather than reversed as a result of the pandemic. Overall, between 2018 and 2020 the percentage resident population change remained consistent in urban areas. Ethnically diverse metropolitan areas across the country saw almost no change in population with only a small increase in Greater London at 0.6 per cent. Similarly, urban communities with services, manufacturing and mining legacies saw small almost no change in population size (between -0.5 per cent and 0.8 per cent) between 2018 and 2020.

Connectivity

25. The literature review suggests there is little evidence that the pandemic has driven those in urban areas to move to rural areas. Mobile and internet connectivity might play an important part. The percentage of addresses with gigabit availability is consistently higher in Greater London compared with any other region (except for ethnically diverse metropolitan boroughs where the West Midlands is 8.4 per cent higher compared with London). By comparison less than 25 per cent of all remoter coastal and country living addresses had gigabit availability in 2021.

Financial hardship

26. While the analysis does not include a breakdown by gender, if, as the literature review suggests areas where people experience insecure work and falling incomes might experience lower birth-rates, the quantitative analysis helps understand where these changes might occur.
27. The percentage change of the working age population with no qualifications between 2019 and 2021 varies dramatically between region and area classification. The proportion of the working age population with no qualifications decreased across all ethnically diverse metropolitan regions and London cosmopolitan boroughs. By contrast, the largest increase in the proportion of the working age population with no qualifications in urban areas was seen in large towns and cities in the East at 50 per cent.
28. The percentage number of households worried about food security in 2021 was higher in urban compared with rural areas, with people most worried about food security (17 per cent) living in university towns and cities in the East Midlands and in areas with manufacturing traits in the North East. By contrast 7 per cent of the population living in thriving rural parts of the East Midlands were worried about food security.
29. Between 2019 and 2021 the number of people on universal credit living in rural-urban fringes in the South East increased by 230 per cent, and those living in ethnically diverse metropolitan areas in the East of England saw an increase of 242 per cent - the highest of all areas. Across the country the number of people on universal credit increased at a greater rate at the time of coronavirus pandemic compared with previous years.

Policy implications for levelling up

30. Our interim findings suggest that many of the headline assumptions made about demographic shifts because of the pandemic have not been found to be correct. There has not been a widespread urban-rural change, with younger people moving more within urban areas than leaving them, and birth rates have fallen rather than increased.
31. These findings have implications for the delivery of the Government's levelling up agenda as set out in the recent White Paper.
32. The Covid-19 pandemic and the resulting restrictions have led to some of the most rapid and drastic changes to the way people live and work. Despite the scale of these changes, the underlying trends have remained similar to those pre-pandemic, with the UK having an ageing population, and urban areas continuing to exert a considerable pull on young people.
33. Some trends have increased at a faster rate during the pandemic, particularly around indicators such as unemployment rate, people on universal credit, and life satisfaction.

34. In summary, this research suggests that the Levelling Up White Paper is in the right territory, but that many of the challenges it seeks to address are even more entrenched than previously thought, and the pandemic may have made these harder to reverse or resolve.

Implications for Wales

35. The literature we have drawn these conclusions from covers different geographical areas. Some literature looked at the picture across the UK, and therefore included Wales, whereas other literature was focussed on one country, region or type of area (such as urban or rural). The data analysis at present is based on English data only.

Financial Implications

36. Any financial commitments made as part of the actions identified in this report will be met from the Board's existing policy budget.

Next steps

37. Officers to use these findings and the comments arising from the wider discussion with Board Members to inform the Levelling Up Locally Inquiry.