

Population change in London during the COVID-19 pandemic

Executive summary

May 2021

Summary

This report is primarily intended to present an objective assessment of the available evidence concerning population change in London since the beginning of the COVID-19 pandemic.

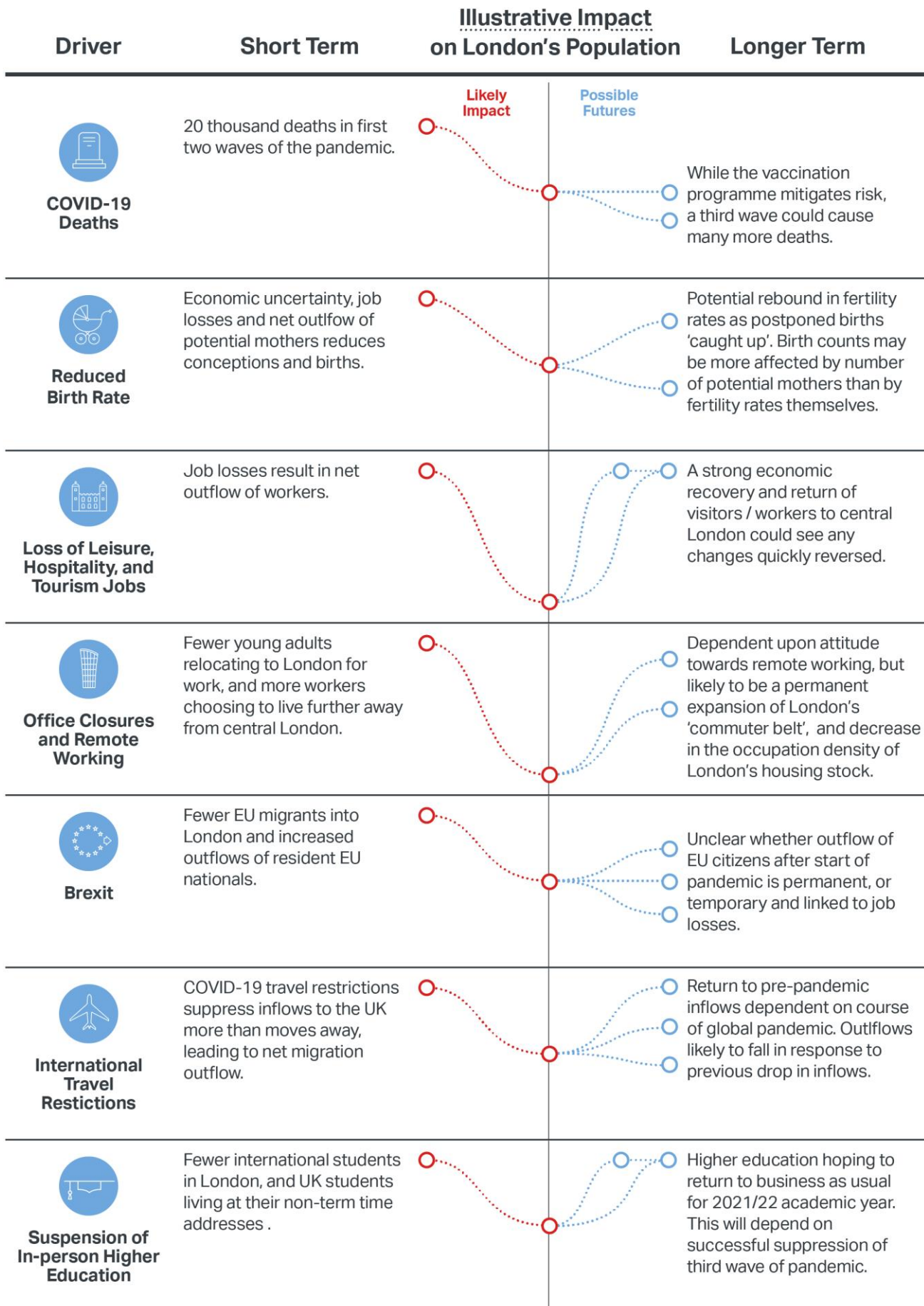
Though it remains too early to reliably quantify population change since the start of the pandemic, given the balance of evidence and our understanding of the dynamics and drivers of population change in London, it is hard not to conclude that the population of London is likely to have fallen. However, the scale of such a fall is likely to be far short of the more dramatic figures reported in the press in recent months.

There is good evidence that natural change (the excess of births over deaths) in London has been lower over the past year than at any point since the early 2000s, the result of a continued decline in the number of births and some 20 thousand deaths as a direct result of the pandemic.

Migration to London, from the rest of the UK and overseas, will have fallen substantially from its pre-pandemic level of some 450 thousand, as a result of jobs losses, office closures, and travel restrictions.

If migration flows out of London (over 460 thousand in the year to mid-2019), have also fallen, it will be to a lesser degree. The pandemic is unlikely to have curtailed flows of returning international migrants to the same extent as it would new immigrants; and any disruption of moves out of London to the rest of the UK resulting from COVID-19 restrictions will have been offset by the effects of both the partial suspension of stamp duty, and the increased adoption of remote working.

More important than the absolute size of any immediate drop in population will be the extent to which changes persist as restrictions are eased and the city begins to recover. Some impacts, notably net outflows of those that worked in the hospitality and tourism sectors, are likely to be readily reversed by economic recovery and a return of jobs to London. Others, such as the likely additional net loss of families to the wider region, are likely to take more time to undo.



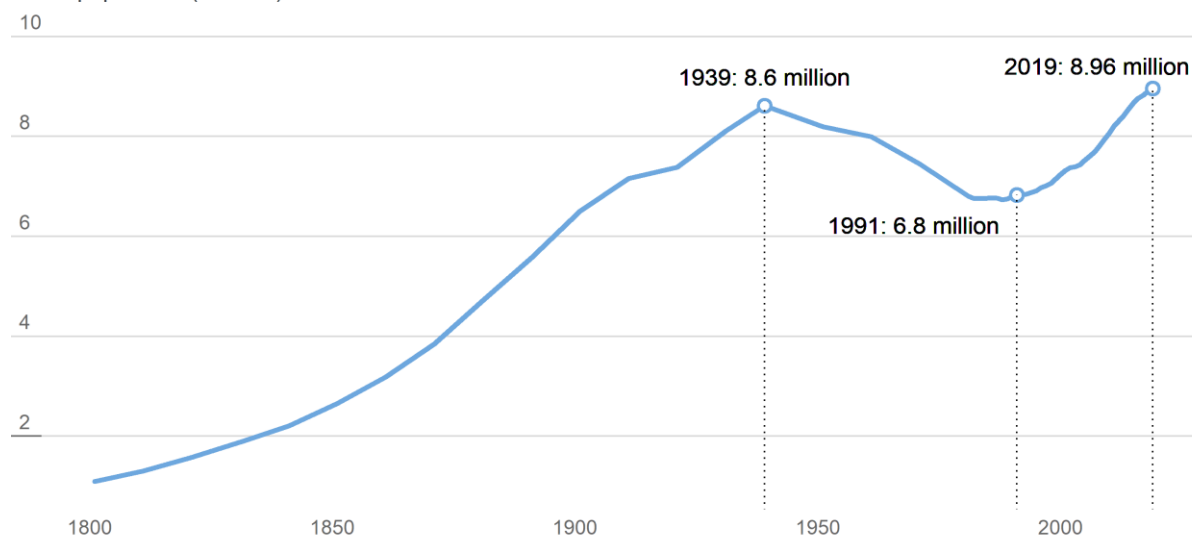
Background

Key population trends

In the two decades preceding the pandemic, London grew rapidly. At close to nine million, London's population in 2019 was higher than at any other point in its history and more than two million larger than it stood at the start of the nineties.

Greater London, 1801-2019

Total population (millions)



Source: UK Census, ONS mid-year estimates; Chart: GLA demography

London's population growth has been fundamentally driven by economic growth. The opportunities offered by its labour market attract large numbers of migrants from the rest of the UK and from around the world.

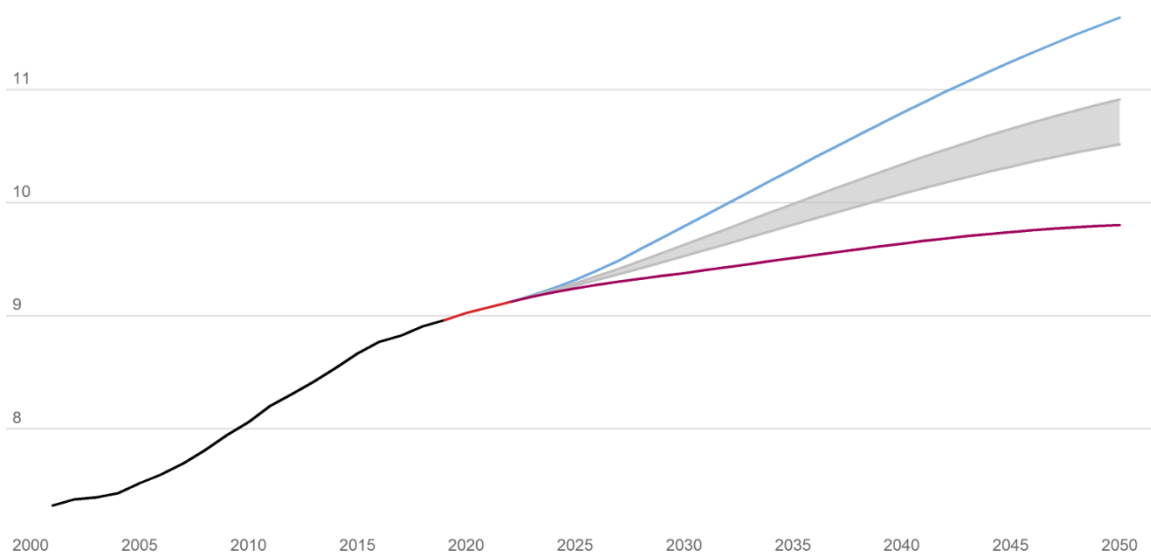
Inflows of young adults for work and study are balanced by similarly large outflows of, predominantly, returning international migrants and moves by families to commutable areas in neighbouring regions.

Though the net balance of these flows is small, migration plays a crucial role in London's growth. The pattern of young adults moving to London and older adults leaving, gives rise to a far younger population than the rest of the country and, consequently, to a large excess of births over deaths.

Projections of London's future population produced over the last 20 years have spanned a wide range, though all have projected continued growth. The GLA's most recent projections, released in November 2020, were the first to explicitly take account of the potential impacts of the pandemic. While the wide span of the results reflects the high level of uncertainty about future trends, each of the main variant projections shows continued population increases, albeit at lower levels than in previous projection rounds.

Variant population projections, London

Total population (millions)



Source: ONS Mid-year estimates, GLA 2019-based projections; Chart: GLA demography

Measuring population change

The pandemic has not only disrupted normal patterns and trends of population change, but also the processes and data collections used by ONS to monitor and measure those trends, including:

- Suspension of the International Passenger Survey (IPS)
- Delays to the registration of new births
- Suspension of in-person interviewing for the Labour Force Survey (LFS)

The suspension of the IPS is especially problematic, being the foundation of ONS's international migration estimates¹. In response, ONS has accelerated work to transform its population and migration statistics and to develop alternative approaches for monitoring change.

Even without these disruptions, the normal lag in availability of population statistics would have meant a long delay in understanding the consequences of the pandemic. This has led many to seek alternative sources and approaches to give more timely insights into how the population is changing.

However, developing robust measures of population change based on such approaches is rarely straightforward and the nature of the impacts of the pandemic, disrupting so many aspects of life, have created additional challenges and pitfalls for those attempting to do so.

Over the past year, there have been a number of bold claims made about population change based on questionable evidence. However, such speculation has found a ready audience in the media, with dramatic claims making the headlines, and caveats and possible issues barely warranting a footnote.

¹ The International Passenger Survey (IPS) collects information about passengers entering and leaving the UK, and has been running continuously since 1961. The IPS conducts between 700,000 and 800,000 interviews a year, of which over 250,000 are used to produce estimates of overseas travel and tourism.

<https://www.ons.gov.uk/surveys/informationforhouseholdsandindividuals/householdandindividualsurveys/internationalpassengersurvey>

Nonetheless, if used with appropriate care, alternative sources and proxy indicators can provide useful insights into population trends.

Potential impacts of the pandemic on population change

There are a number of impacts that the pandemic might be expected to have on population trends in London, based on prior knowledge of these trends and their drivers. Among the most significant of these are:

- Job losses and remote working leading to a fall in inflows of young adults to London and increased outflows to the rest of the UK and overseas. Much of this change may persist only until the economy recovers and jobs return.
- A large reduction in levels of international migration to London and the UK, but less immediate impact on the size of emigration flows.
- A fall in birth rates as a result of job losses, economic uncertainty and consequently lower inflows of young adults to London.
- Widespread adoption of remote working reshaping decisions about where to live, potentially leading to an expansion of the commuter belt and a lower proportion of office workers choosing to live in well-connected, but relatively expensive, areas of London.
- The partial suspension of stamp duty leading many to bring forward plans to move home, likely acting to increase the rate of outmigration from London into surrounding regions.
- The suspension of in-person teaching leading to UK domiciled students spending more time at their non-term time address. This may lead to fewer young adults being present in central London and areas with large amounts of student housing, but more being present in the suburbs.

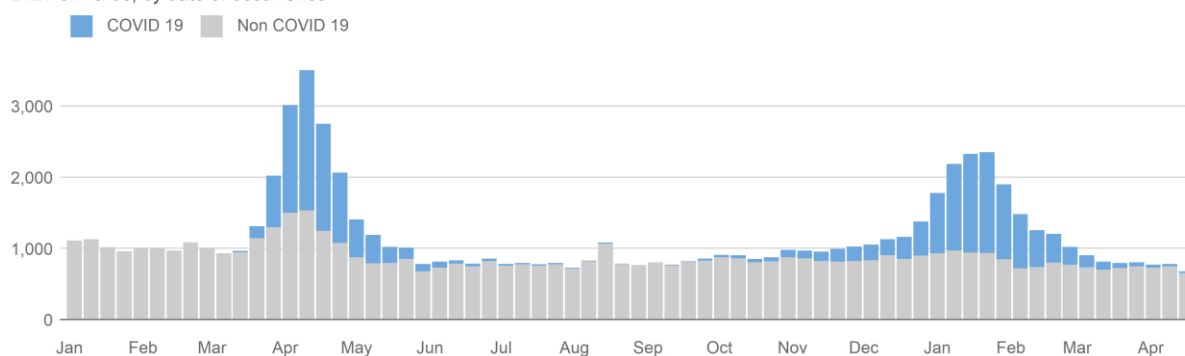
Summary of evidence

Deaths

The official count of deaths in London related to COVID-19 up to 23 April 2021 was 19,183. This figure is an underestimate of the true number as many Covid deaths in the early stages of the pandemic, especially those within care homes, were not correctly identified as such. Analysis of excess deaths in the first wave of the pandemic suggests that the real number of deaths could be some 1,750 higher than the reported figure, giving a likely total that is approaching 21 thousand.

London weekly deaths

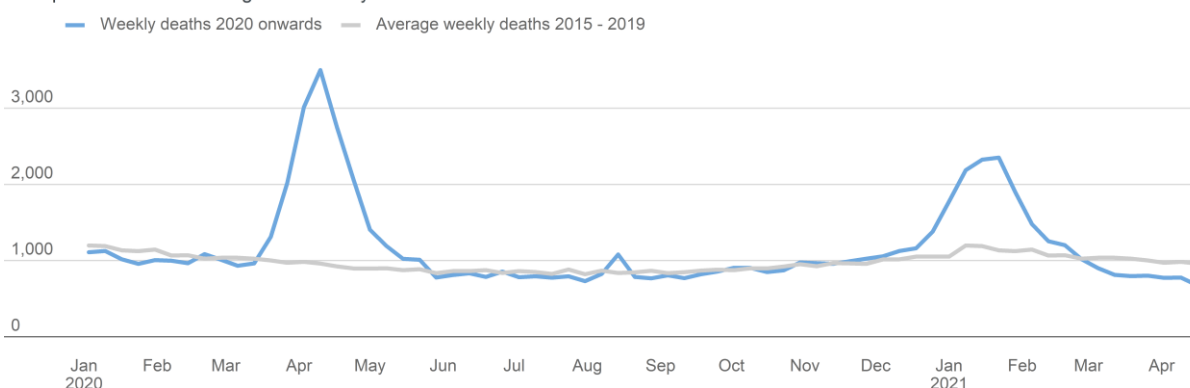
2020 onwards, by date of occurrence



Source: ONS weekly deaths by Local Authority
Chart: GLA City Intelligence

London weekly all-cause deaths by date of occurrence

Comparison with the average for time of year



Source: ONS weekly deaths
Graphic by GLA City Intelligence

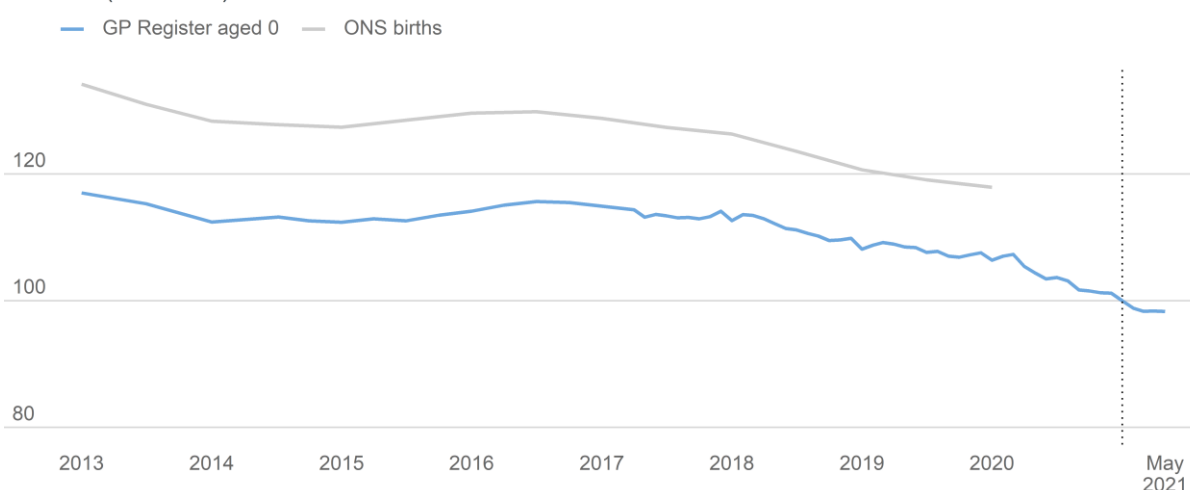
Births

Annual births in London have fallen over the last decade and by the start of the pandemic were already significantly below their 2012 peak. Provisional ONS estimates show that this decline continued to August 2020.

However, any impacts of the pandemic on conceptions will only show in birth numbers from January 2021 onwards. GP registration data can give a far timelier indication of birth trends than official estimates. These data suggest that the decline in births has continued since January, but it remains too early to draw further conclusions about how the pandemic has affected trends.

Annual births and the number aged 0 on the GP register

Persons (thousands)



Source: NHS Digital, ONS mid-year estimates, ONS calendar year. Chart: GLA demography.
Note: ONS births includes data points for mid-year and calendar year
Dotted line at 1 January 2021 (9 months after the start of the pandemic)

Jobs

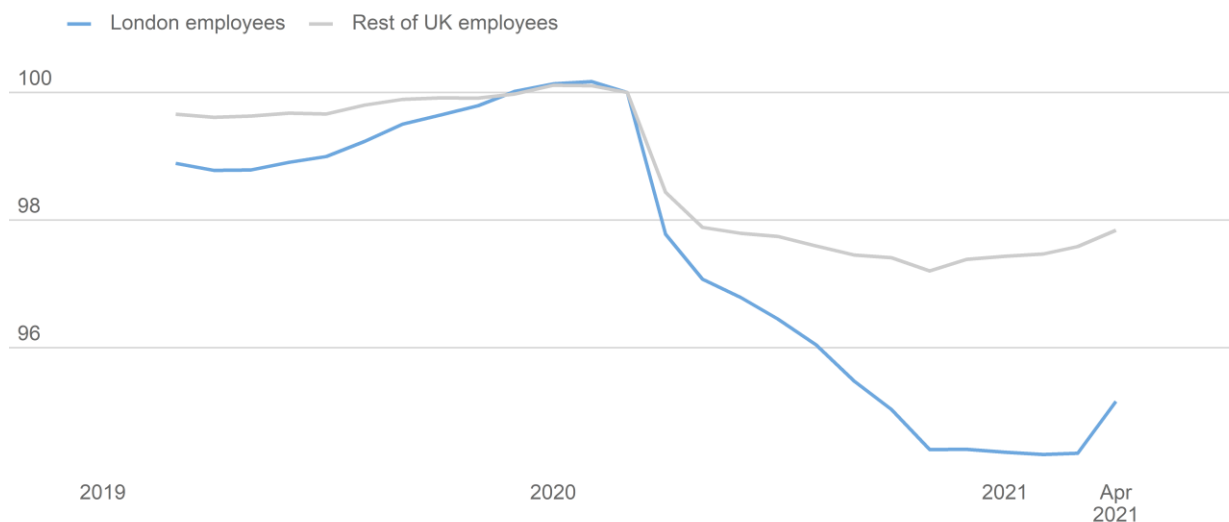
The evidence that the pandemic has had dramatic impacts on the economy and employment across the country is unambiguous. However, jobs losses have been very unevenly distributed across society, with disproportionately large falls seen in:

- London compared to other regions of the country
- Younger and lower income workers

- Accommodation, hospitality, tourism and entertainment industries, which employ relatively large numbers of foreign workers and recent migrants
- EU citizens

Change in number of payrolled employees

Indexed: March 2020 = 100



Source: ONS, Earnings & Employment PAYE Real Time Information. Chart: GLA demography.

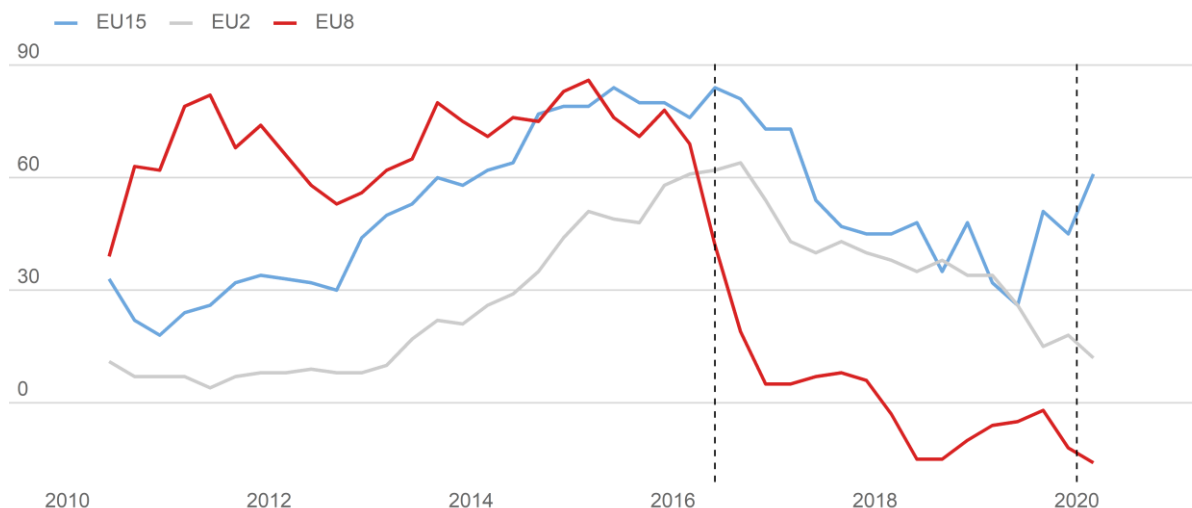
Notes: Data refers to region of residence of employee. Final data point is an early estimate liable to revision.

Impact of Brexit on international migration trends

Migration data prior to the pandemic indicates that the referendum triggered falls in net inflows of EU citizens, with the drop being especially pronounced from the EU8² nations. However, there is little evidence to suggest that there were large scale departures of EU citizens from the UK or London.

Net migration by citizenship (EU citizens)

thousands



Source: ONS International Passenger Survey. Chart: GLA demography.

Note: Dotted lines are EU referendum and EU exit

² EU8 nations: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia;

EU15 nations: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Republic of Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom (reported on separately in UK statistics);

EU2 nations: Bulgaria, Romania

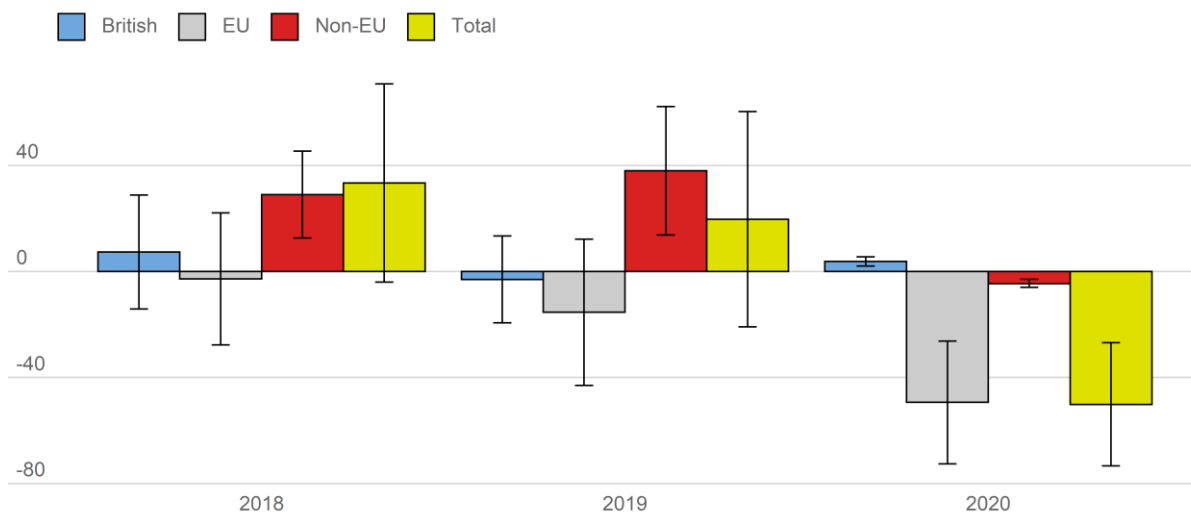
Impact of the pandemic on international migration

The suspension of the International Passenger Survey from March 2020 created a large gap in the evidence about changing international migration trends. However, new methods developed by ONS have recently yielded insights into how migration changed in the early months of the pandemic.

This data supports the view that the immediate impacts of the pandemic on flows to the UK were greater than they were on outflows. The data available to date suggests that the UK saw a net outflow for Q2 2020 of between 27 and 73 thousand people. This a turnaround from previous years, where the balance of migration has generally been positive.

UK Net flows by nationality

thousands



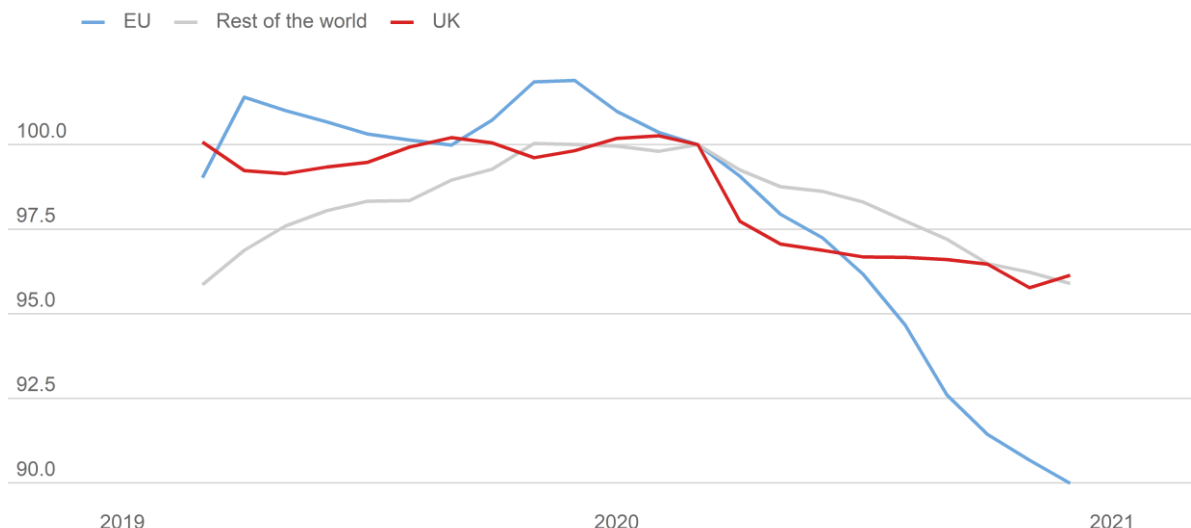
Source: ONS modelled migration estimates. Chart: GLA demography.

Note: Data for April-June of reference year

The data shows that almost all of this net outflow was composed of EU citizens, and this picture is supported by experimental data derived from HMRC's PAYE Real Time Information system, which showed disproportionately large falls in the number of EU citizens that were active payrolled employees.

London employees by nationality, seasonally adjusted

Indexed: March 2020 = 100



Source: ONS, Earnings & Employment PAYE Real Time Information. Chart: GLA demography.

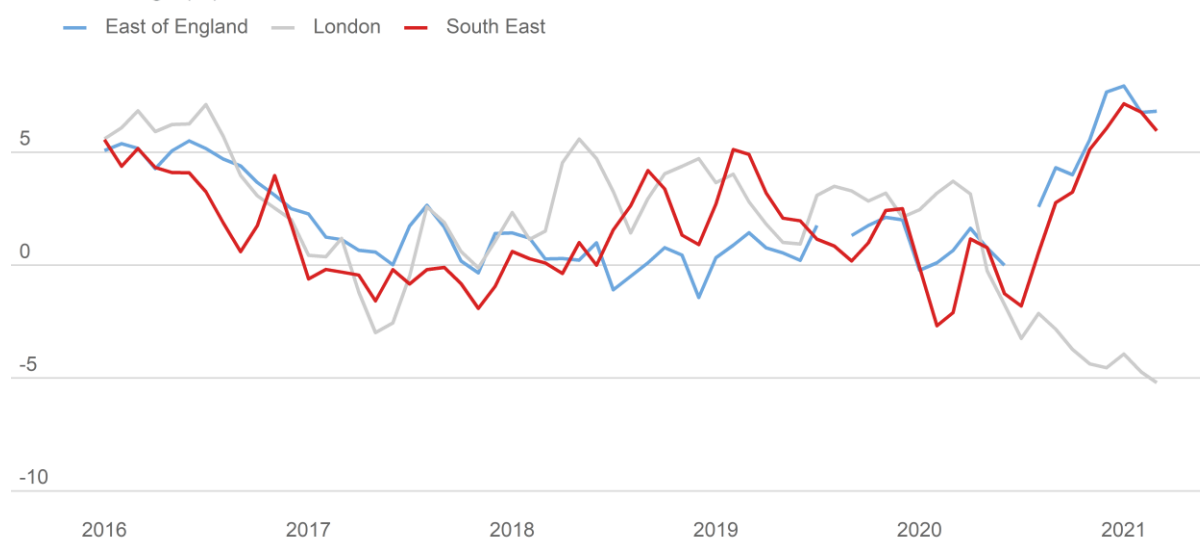
Domestic migration and overall change in the resident population

Pending the release of updated official estimates in June 2021, much of the available evidence about how domestic migration and the overall population of London has changed has been circumstantial.

Steep falls in rental prices in central London have coincided with large increases in other regions of the UK, a pattern that is suggestive of a change in residential preferences (reprioritising space/size of property over commuting distance) and an increased net outflow of population from London. However, this is far from definitive proof of substantial and long-lasting changes to long-established trends.

Annual change in rents for new tenancies, Wider South East

Annual change (%)



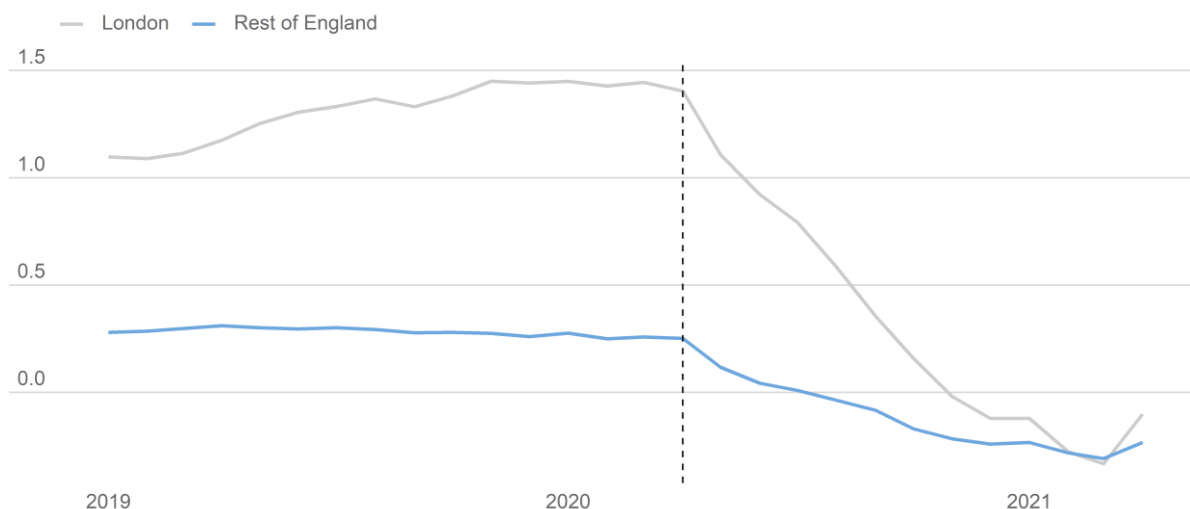
Source: Homelet. Chart: GLA demography.

More direct evidence of population change is available through analysis of changing numbers of patients registered at GP practices. This data shows the pandemic triggering a change in trends across all age groups, consistent with:

- a fall in net inflows of young adults to London
- an increase in net outflows of older adults and families
- substantial increases in mortality among the elderly population coincident with the two waves of the pandemic

Annual change in GP register count

% change from one year previous



Source: NHS Digital. Chart: GLA demography.
Note: Dotted line at 1 April 2020. England data excludes London.

Conclusions

A combination of falling births and increased deaths resulting from COVID-19 makes it likely that annual natural change in London fell to below 50 thousand in 2020 – far below the peak of almost 90 thousand that was reached in 2011 and close to the levels seen in the early 2000s.

Data on migration remains limited, with data available only at national level and for the first three months of the pandemic. However, any drop in international migration has the potential to substantially impact overall population change in London. Uncertainty remains over the degree to which emigrants will return as the economy recovers.

Analysis of GP registration data provides some more timely indication of possible trends in domestic migration and overall population change. While this supports the notion that inflows to London have fallen and outflows have increased, it is not straightforward to use this data to robustly quantify the impacts.

Though it remains too early to reliably quantify population change since the start of the pandemic, given the balance of evidence and our understanding of the dynamics and drivers of population change in London, it is hard not to conclude that the population of London is likely to have fallen since the start of the pandemic though the scale of such a fall is likely to be far short of the more dramatic figures that have been reported in the press.

More important than the absolute size of any immediate drop in population will be the extent to which changes persist as restrictions are eased and the city begins to recover. Some impacts, notably net outflows of those that worked in the hospitality and tourism sectors, are likely to be readily reversed by economic recovery and a return of jobs to London. Others, such as the likely additional net loss of families to the wider region, are likely to take more time to undo.

For more information please contact Demography, City Intelligence
Greater London Authority, City Hall, The Queen's Walk, More London, London SE1 2AA
Tel: 020 7983 4347 e-mail: demography@london.gov.uk