

# **Newham, London**

## **Local Economic Assessment**

### **2010 to 2027**



Regeneration Planning and Property Directorate

October 2010



## 3. Demographics

### Summary

- The population in Newham is rising and is projected to continue to rise significantly.
- Newham has a very young and highly diverse population.
- Newham has high levels of population churn compared to London as a whole.
- Newham will benefit from a demographic dividend over the next decade, with high proportions of working age individuals and lower proportions of older and younger dependents.
- In the longer term Newham's working age population will become older to 2031, though the overall population profile should still be younger than the national average.
- Newham is a highly deprived borough with especially high rates of deprivation affecting children and older people.
- Poverty in Newham is high and life expectancy is lower than the London average.

3.1 This section examines the profile of Newham residents in greater detail to understand the demographic challenges and opportunities for delivering sustainable economic growth. It also considers issues of deprivation, health and well being. More specifically, it includes the following sections:

- **Population** - total population; density; ethnic diversity; churn; and projections
- **Deprivation** – poverty by ethnic group, age and intensity
- **Health** - life expectancy and illness

### Population

3.2 The Office of National Statistics (ONS) estimates Newham's population to be 241,200 as of 2009<sup>1</sup>. However LB Newham believes that this estimate significantly under counts the borough's population; given the significant levels of international migrants living in the borough (who are often in the area for less than 12 months). The LB Newham's preferred estimate is that published by the Greater London Authority (GLA) of **265,688** residents in 2010<sup>2</sup>. The GLA population projections are based on current population trends<sup>3</sup> and housing data.

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<sup>1</sup> ONS mid-year population estimates (2008)

<sup>2</sup> GLA Round Low Population Projections (2008)

<sup>3</sup> For example: births, deaths, migration and patterns of ageing.

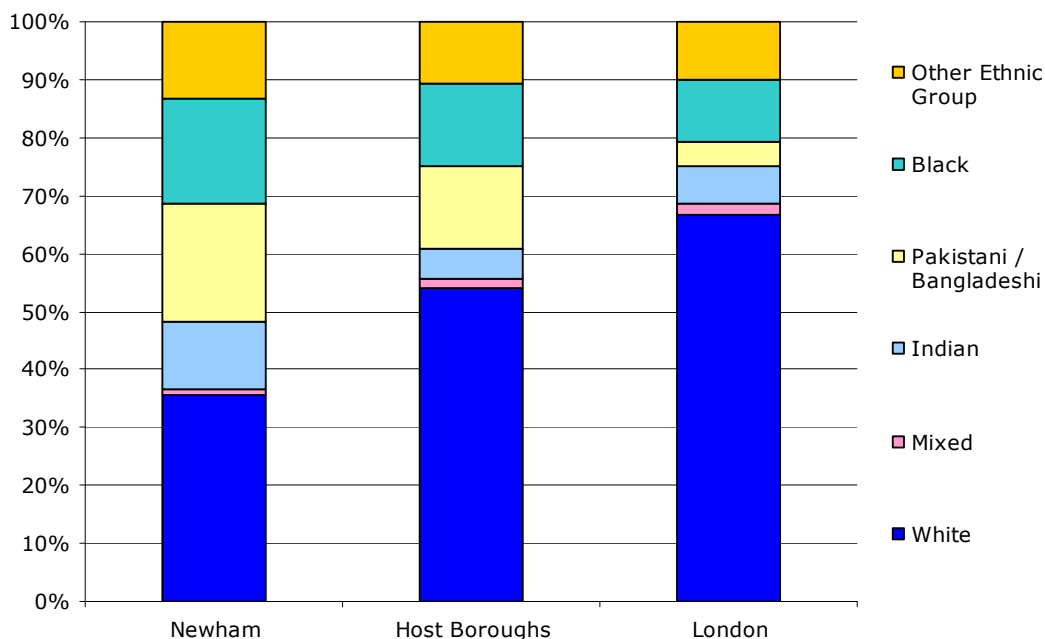
3.3 The undercount of Newham’s population in ONS and GLA estimates was demonstrated in the 2009 Mayhew Study<sup>4</sup>, which attempted to estimate residents not captured in official figures, including international migrants and people living in the Borough for less than 12 months. The Mayhew study estimated Newham’s population to be even higher than the GLA projections, at **270,100** (June 2007); 24,300 more than the ONS estimate and 12,500 more than the GLA estimate at that time (2007).

3.4 The Mayhew study also provided an estimate of Newham’s “unconfirmed” population - generally people living in unregistered addresses. In 2008 this was estimated at over 15,000 people, predominately thought to be young males recently arrived in the UK<sup>5</sup>.

## Ethnic Diversity

3.5 Newham’s population is one of the most ethnically diverse in London. In 2009, 64.6% of residents were recorded as being non-white. Of these 20.5% were Pakistani or Bangladeshi, 18.1% were Black, 11.5% were Indian and 14.4% were either of mixed ethnic origin or from another non-white ethnic group.

*Population Breakdown by Ethnicity (2009)*



Source: ONS, Annual Population Survey (2008)

Newham’s BAME residents are on average younger than white residents. In 2008 just 26% of white residents were under 25 years of age, compared to the Borough’s average of 38%<sup>6</sup>.

<sup>4</sup> Les Mayhew (2009) The London Borough of Newham: Counting the confirmed and unconfirmed population

<sup>5</sup> Les Mayhew (2009) The London Borough of Newham: Counting the confirmed and unconfirmed population

<sup>6</sup> GLA 2008 Round Ethnic Group Population Projection (EGPP)

## Population Churn

- 3.6 Population churn, the movement of residents in and out of the Borough, is a significant issue in all of the host boroughs, including Newham. Newham has one of the highest population turnover rates in London. In 2007/2008 19.5% of residents either left or entered the Borough, significantly higher than the London average of 13.6%. A large component of this is international migration which for the same period accounted for 4.6% of the total Newham population against 3.5% for London as a whole<sup>7</sup>.
- 3.7 This population churn is also evidenced by National Insurance registrations. In 2007/2008 more foreign nationals registered for National Insurance numbers in Newham than any other district in the UK. In that year there were 20,500 National Insurance registrations. Of these, 15% were Indian, 14% Polish, 11% Romanian, 9% Lithuanian, 7% Bangladeshi and 4% were Bulgarian<sup>8</sup>.
- 3.8 Further to the above, the Mayhew study of the Newham population<sup>9</sup> in 2007 estimated that 12,000 people from outside the UK arrive in the Borough annually, with an average length of stay of 14 months. This inflow is predominately young adults.
- 3.9 Anecdotal reports suggest that a key issue for Newham is retaining its skilled and entrepreneurial talent. Those who are able to leave Newham tend to do so, as the Borough does not currently offer the quality of housing (see Section 7) or quality of life to fulfil some people's lifestyle aspirations.

## Population Density and Age Distribution

- 3.10 According to the GLA estimates Newham was the eleventh largest London Borough in terms of population and ranked thirteenth in terms of the density of its population in 2008<sup>10</sup>. Newham has an average of 67 residents per hectare; 19 people more per hectare than the London average of 48.
- 3.11 As of 2008, Stratford and New Town ward was the most populated in the Borough with 16,074 residents whilst Royal Docks was the least populated ward in 2008 with 8,287 residents<sup>11</sup>. Newham's population is most concentrated at the centre of the Borough and is more dispersed towards the Borough boundaries, as shown by the map below.

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<sup>7</sup> Les Mayhew (2009) The London Borough of Newham: Counting the confirmed and unconfirmed population

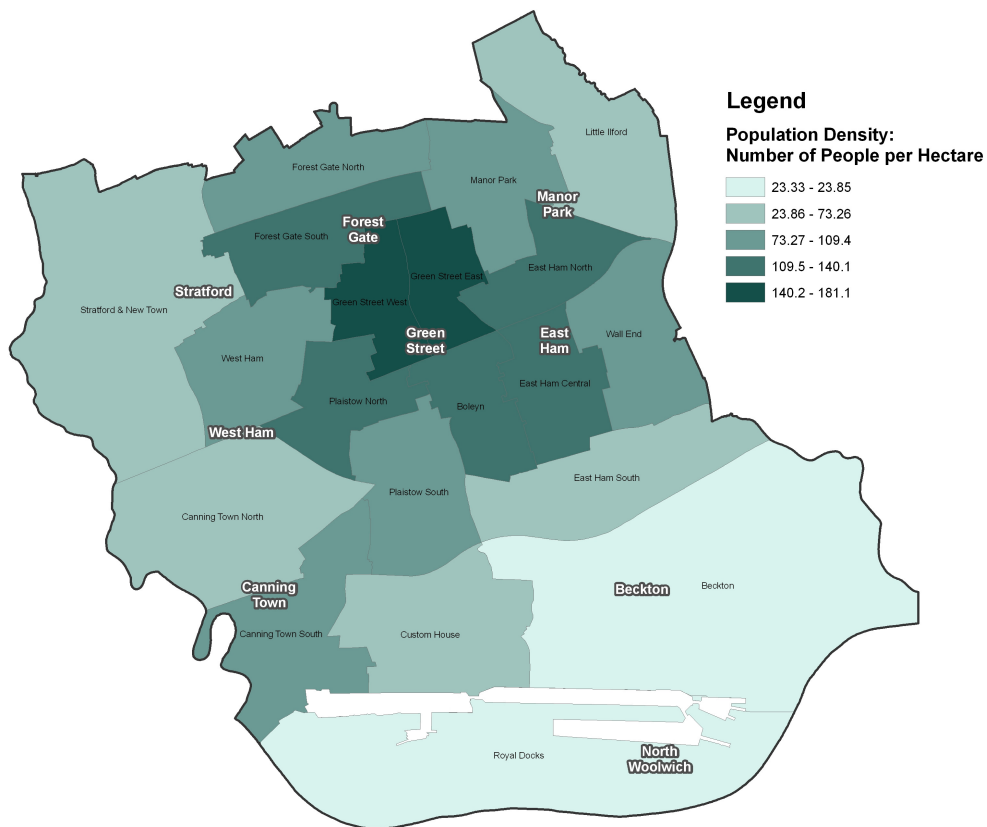
<sup>8</sup> Department for Work and Pensions (DWP) National Insurance Registrations (NINo) for Adult Overseas Nationals entering the UK. Allocation of a NINo includes all reasons i.e. the figures cover benefit/tax credit recipients as well as workers.

<sup>9</sup> Les Mayhew (2009) The London Borough of Newham: Counting the confirmed and unconfirmed population

<sup>10</sup> GLA Round Low Population Projections (2008)

<sup>11</sup> GLA Round Low Population Projections (2008)

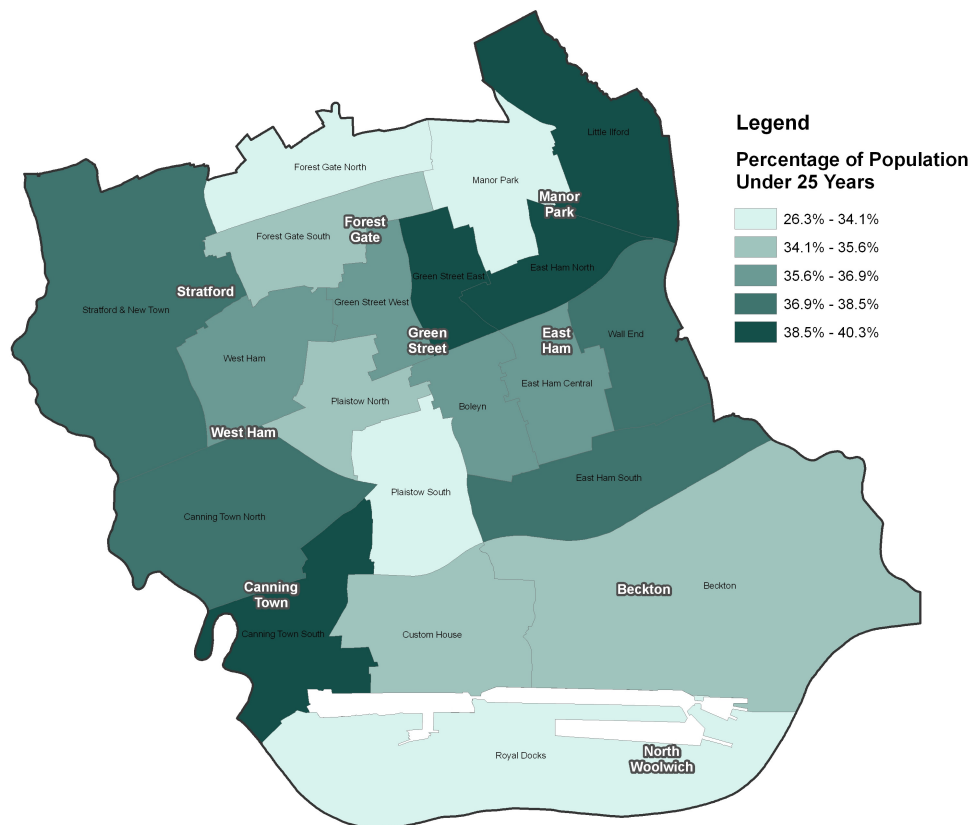
## Population Density by Ward (2010)



Source: GLA Round Low Population Projections (2008)

- 3.12 The GLA projections also show that, in common with London as a whole, Newham has more people of working age than the national average and fewer older people. In 2008, three quarters of Newham's population were under 45, compared to two-thirds for London as a whole. Over one-third of Newham's population was under 25 years of age, compared to the London average of 30.6%.
- 3.13 The distribution of those under 25 is shown in the map below. This demonstrates high concentrations of young people in the Canning Town area and in the east and north-east of the Borough around East Ham. The south and centre of the Borough has an older population on average.

## Proportion of Population Aged Under-25 (2010)



Source: GLA Round Low Population Projections (2008)

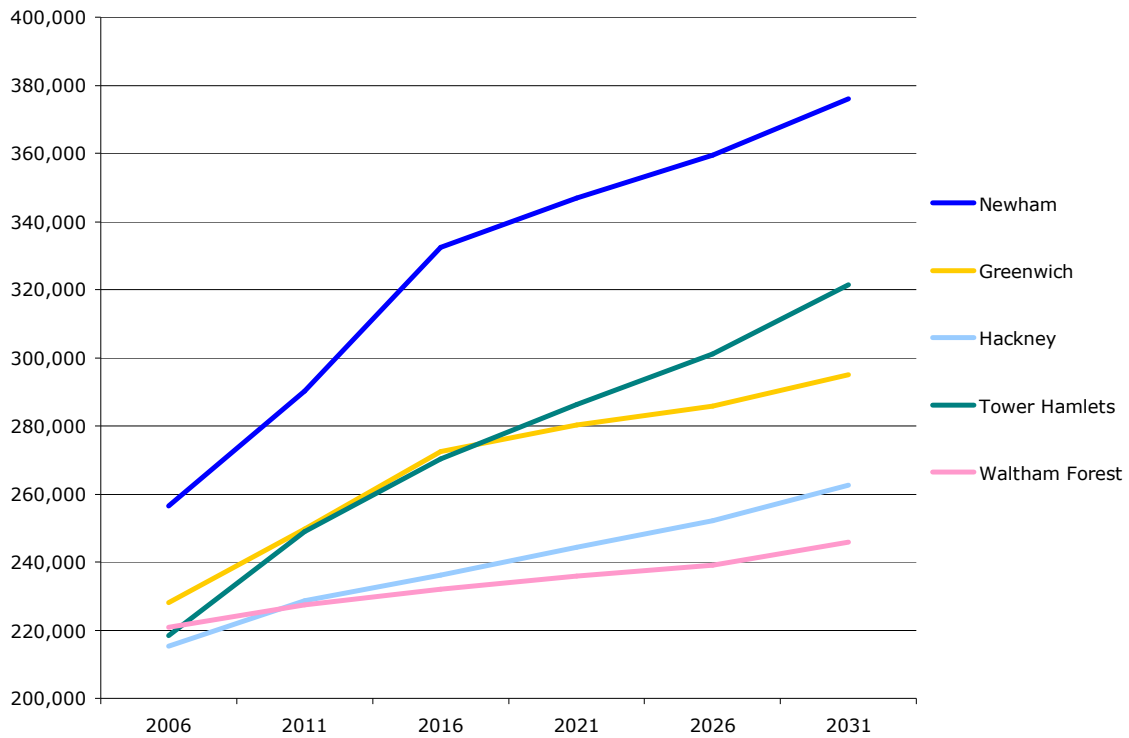
3.14 In Newham there are currently 47 dependent residents (defined as those residents who are not of working age) to every 100 working age residents. Newham's ratio is slightly higher than London's where there are 44 residents to every 100 working age residents. This is due to the high proportion of young people (under 16 years) in the Borough.

## Population Projections

3.15 Newham is forecast to see a population increase of 46.6% between 2006 and 2031, according to GLA projections, reaching 375,500 people in 2031<sup>12</sup>. This increase is two and a half times greater than the London average and the third fastest of all London Boroughs, behind only Barking and Dagenham and Tower Hamlets with 51.1% and 47.2% respectively. These projections assume significant population growth due to the extensive level of housing development planned for the Borough, over and above the effects of natural population growth and migration.

<sup>12</sup> GLA Round Low Population Projections (2008)

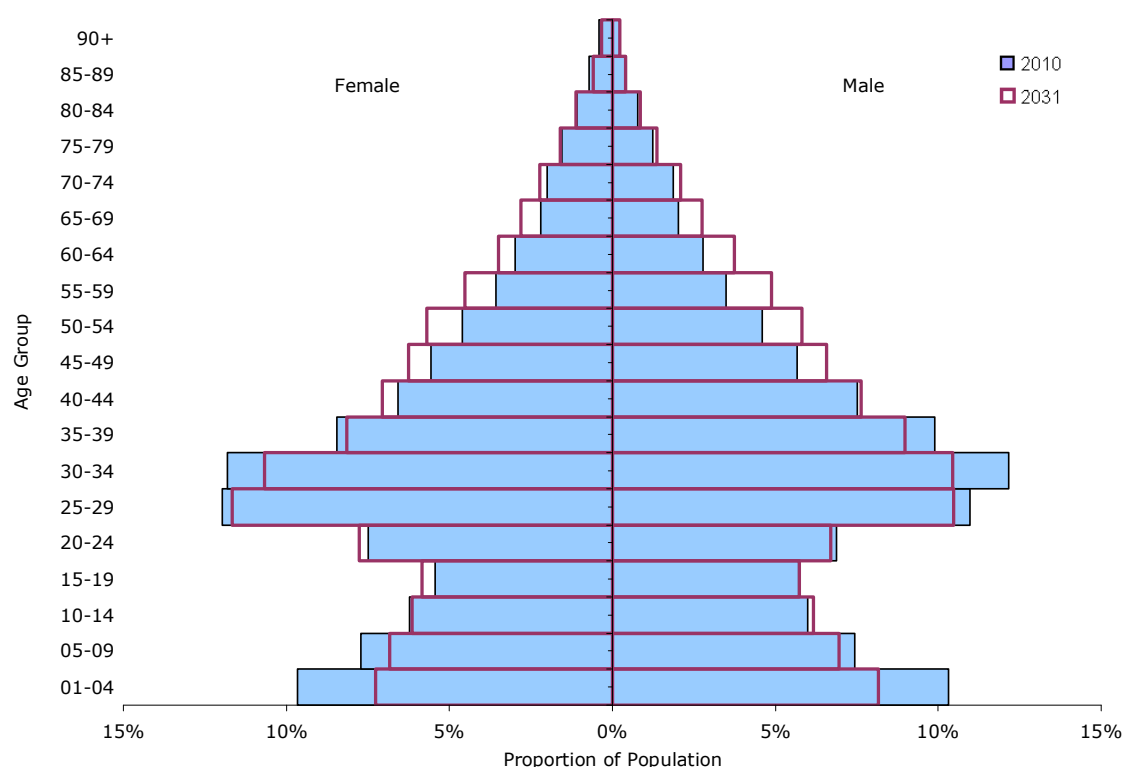
### Population Projections (2006 – 2031)



Source: GLA Round Low Population Projections (2008)

3.16 In keeping with the national trend, it is projected that Newham’s population will become older on average by 2031. However, because of the young age profile of Newham, a relatively high proportion of the population will be of working age, particularly those aged 40 – 65 years. If Newham retains its young people in the Borough then they will bring a ‘demographic dividend’ effect whereby the proportion of population of working-age will increase relative to elsewhere in the UK, and, subject to them being employed, will increase family income levels across the Borough.

## Age/Sex Distribution (2010 & 2031)



Source: GLA Round Low Population Projections (2008)

- 3.17 Newham's population is projected to become more diverse with estimates that, between 2009 and 2031, Newham's white population is expected to decline as a proportion of the total population, from 35% to 25.3%. The fastest growing ethnic group is projected to be the Asian community which is projected to account for 42.6% of the population by 2031, up from 32% in 2009.
- 3.18 As the population increases, population density is also expected to increase. Projections for 2031 estimate 103 people per hectare; making Newham the tenth most densely populated London Borough with 48 more residents per hectare than the London average of 55.
- 3.19 These projections are of course by no means foregone conclusions. The development decisions taken now will in part determine the Borough's future demography.

## Deprivation

- 3.20 Today, many of Newham's residents suffer from multiple forms of deprivation. According to the Index of Multiple Deprivation (IMD) 2007<sup>13</sup>, Newham is one of the most deprived areas in the country, ranking sixth out of 354 local authorities

<sup>13</sup> The Index of Multiple Deprivation 2007 combines a number of indicators into a single deprivation score for each small area in England. Indicators are 1) Income; 2) Employment; 3) Health, deprivation and disability; 4) Education, skills and training deprivation; 5) Barriers to housing and services; 6) Crime and Living and 7) Environment deprivation.

in England (where 1 is most deprived)<sup>14</sup>. This represents a relative decline since 2004 when Newham was ranked 11th. Newham is now the third most deprived Borough in London behind Hackney and Tower Hamlets.

*Newham Rank of Deprivation by Domain (2004 & 2007)*

	2004	2007	Net Change (2004 – 2007)
Income	3	3	0
Employment	50	55	5
Health Deprivation & Disability	27	25	-2
Education, Skills & Training	126	159	33
Barriers to Housing & Services	12	2	-10
Crime	9	17	8
Living Environment	19	16	-3
Overall	11	6	-5

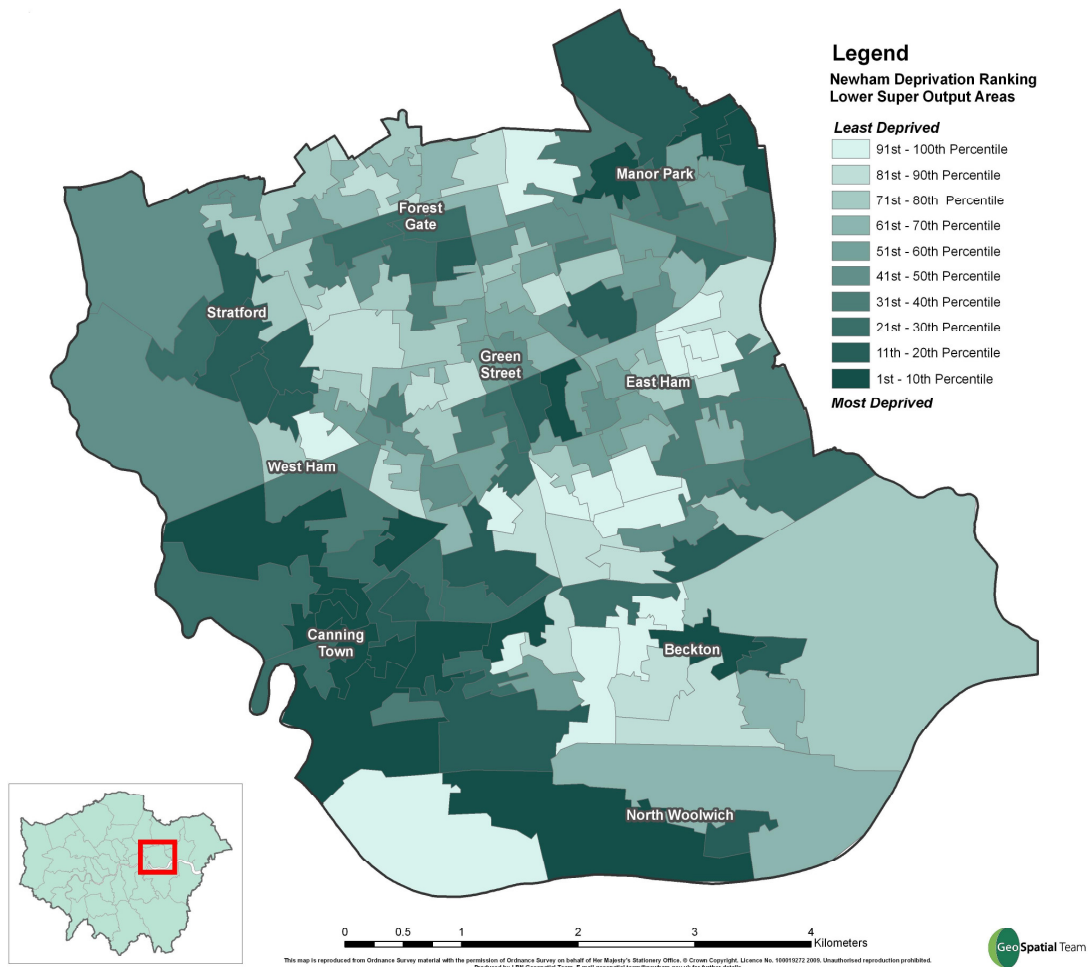
Source: DCLG, Index of Multiple Deprivation (2004 & 2007)

- 3.21 While Newham’s overall ranking has worsened since 2004, when the individual domains that make up the Index are looked at, the change in the Borough shows a mixed pattern of improvement and deterioration. Deprivation has increased in the domains of income, barriers to housing and services, and living environment. The deprivation in the barriers to housing and services domain in particular has increased dramatically, and is primarily due to low incomes in Newham making owner-occupation more difficult to attain. Other domains have shown improvement or remained largely the same as in 2004, chiefly the domains of employment, health, education and crime.
- 3.22 All of Newham’s Lower Super Output Areas (LSOAs)<sup>15</sup> were ranked within the 40% most deprived LSOAs in England and a third of Newham’s LSOAs were in the top 10% most deprived.
- 3.23 The map below shows that the south-western corner of the Borough has a considerable number of Lower Super Output Areas (LSOAs) within the ‘worst’ 10% nationally in terms of deprivation. When compared to neighbouring Boroughs, it is clear that pockets of deprivation in Newham cross borders of other inner East London Boroughs, especially Tower Hamlets. Moving east across the Borough, deprivation levels generally become lower.

<sup>14</sup> Source: Index of Multiple Deprivation 2007, Communities and Local Government ([www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07](http://www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07))

<sup>15</sup> LSOAs are a sub-ward statistical geography used in the recording of the IMD and other statistics.

## Index of Multiple Deprivation, Newham Ranking (2007)



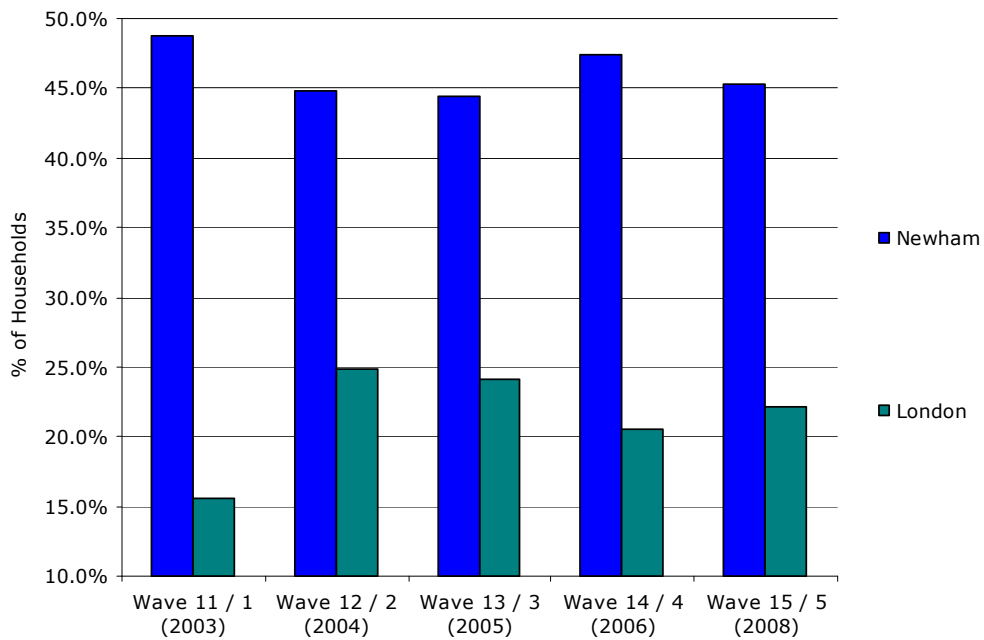
Source: DCLG, Index of Multiple Deprivation (2007)

- 3.24 Poverty in Newham is recorded in the Newham Household Panel Survey (NHPS)<sup>16</sup>. In line with the IMD rating, **poverty**<sup>17</sup> is high in Newham. As of 2008, the poverty rate in Newham - after housing costs were considered – was 45.3% in comparison to 22.1% across London as a whole. The importance of housing costs as a contributor to poverty is illustrated by the respective poverty rate before and after housing costs of 34.7% and 45.3%. There is therefore a 10.6% gap in the rate of these measures compared with just 0.3% across London as a whole.
- 3.25 Moreover, the difference between these two measures has grown over time. The Wave 1 NHPS in 2003 recorded a gap of 6.1% between the two measures. This suggests that housing costs have risen in the Borough and are an increasingly important factor in household poverty.
- 3.26 Poverty in Newham has seen a decline overall since 2003 when the first wave of the NHPS was produced. This is in contrast to the poverty rate in London over the same period, which has risen slightly. However, this broad pattern masks larger changes in the poverty rate from year to year.

<sup>16</sup> LB Newham (2008) Newham Household Panel Survey – Wave 5 Report.

<sup>17</sup> Poverty is commonly defined in terms of having a household income that falls below 60% of the national median household income and equivalised, i.e. adjusted for household size and composition. Note: Poverty is measured on a household basis.

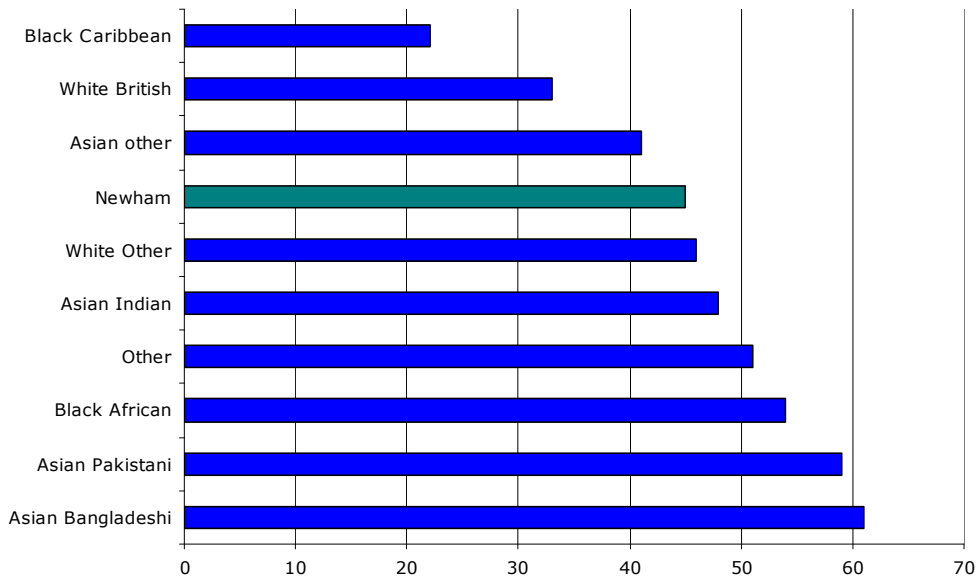
*Poverty Rate after Housing Costs (% of households) (2003 – 2008)*



Source: LB Newham (2008) Newham Household Panel Survey

3.27 Poverty has an important ethnic dimension. In 2008, the lowest poverty rates were recorded amongst households of Black Caribbean origin, of whom 22% were experiencing poverty, followed by White British households, of whom 33% were in poverty. The highest poverty rates were found amongst Asian Bangladeshi and Asian Pakistani households who had poverty rates of 61% and 59% respectively.

*Poverty Rates by Ethnicity (%) (2008)*



Source: LB Newham (2008) Newham Household Panel Survey

- 3.28 An important feature of poverty in the Borough is its intensity. Poverty intensity measures distance from the poverty line. The NHPS records three types of poverty intensity:
- Intense Poverty - less than 30% of the national median
  - Severe Poverty – between 30% and 45% of the national median
  - Below the Poverty line – between 45% and 60% of the national median
- 3.29 Between Waves 4 and 5 of the NHPS there has been a large decline in the proportion of residents in intense poverty, from 20.4% to 11.9%. There have been corresponding increases in the proportions of residents in severe poverty and below the poverty line. This is a dramatic improvement as prior to this intense poverty had been relatively stable at between 21% and 20% of the population.
- 3.30 One issue of note is that new households sampled by the NHPS are typically more likely to be in poverty than existing households sampled previously. After housing costs are taken into account, longitudinal sample of households found that in 2008, 38.1% of existing Newham NHPS respondent households were below the poverty line compared to 74.7% of newly sampled households. Residents might be new to the survey but not to the Borough if they have moved house within the Borough, particularly to a new build. This does suggest, though, that households moving into the Borough are more likely to be poorer than existing households.
- 3.31 The IMD also provides an insight into poverty by calculating the Income Deprivation Affecting Children Index (IDACI) and the Income Deprivation Affecting Older People Index (IDAOPI).
- 3.32 For deprivation affecting children, Newham was ranked third nationally in 2007, behind only Tower Hamlets and Hackney. This was a deterioration of the Borough's position from 2004, when Newham was ranked fourth. Child poverty varies considerably by area, with LSOAs in Green Street, Canning Town and Beckton having the highest scores for income deprivation for children. For deprivation affecting older people, Newham was ranked second most deprived nationally in 2007, a worsening of relative performance from 2004.

*Newham Rank of Deprivation by IDACI and IDAOPI (2004 & 2007)*

	2004	2007	Net Change (2004 – 2007)
Deprivation affecting Children (IDACI)	4	3	-1
Deprivation affecting Older People (IDAOPI)	3	2	-1

Source: DCLG, *Index of Multiple Deprivation (2004 & 2007)*

- 3.33 In 2006 / 2007, 46.9% of children in Newham were living in poverty<sup>18</sup>. While this was lower than neighbouring Tower Hamlets and slightly lower than Hackney, which had child poverty rates of 63.6% and 48.6% respectively, it

<sup>18</sup> DCLG, NI 116: Proportion of Children in Poverty

was significantly higher than the London average of 32.5%. Moreover, it represented a proportional increase over the previous year of 1.9%, although this was in line with the London trend which saw a proportional increase in child poverty of 1% over the same period.

- 3.34 Most children in poverty live in workless families, although for some it is a result of the low levels of pay achieved by working family members. Workless individuals with children may face additional barriers to work in the form of the cost and location of childcare, need for part or flexible work or the need to work close to home.
- 3.35 In 2007, 35.7% of children in Newham were in working age families receiving key benefits. This was a proportional decrease of almost 5% from 2004 but was still 8% more than the London average.

*Proportion of Children in Working Age Families Receiving Key Benefits (2004 – 2007)*

	2004	2005	2006	2007
Newham	40.5%	38.9%	38.0%	35.7%
Greenwich	35.9%	34.9%	34.6%	33.1%
Hackney	41.1%	39.5%	38.8%	37.0%
Tower Hamlets	50.2%	47.8%	47.3%	46.4%
Waltham Forest	31.9%	31.7%	31.0%	30.6%
London	29.7%	29.2%	28.9%	27.9%

Source: Government Office for London

- 3.36 Newham has the highest numbers of children in care and one of the highest proportions of children in care for long periods. Health outcomes for young people in care have improved greatly but educational attainment for this group is still below average<sup>19</sup>.

## Health and Life Expectancy

- 3.37 Newham residents have lower life expectancy and higher rates of premature mortality than other Boroughs in London and the average for England as a whole. The main causes of death in Newham are cardiovascular disease, cancer and respiratory disease and the levels of diabetes are among the highest in the country.
- 3.38 For 2006-2008, life expectancy for males in Newham was 75.8 years which was higher than Tower Hamlets and Greenwich (75.3 and 75.4 respectively) but lower than the London average (78.2 years). However for the same period, life expectancy for females in Newham was the lowest of the host boroughs (along with Greenwich) at 80.4 years; and 2.3 years below the London average.

<sup>19</sup> LB Newham & NHS Newham (2009) Joint Strategic Needs Assessment: Newham 2009

*Life expectancy at birth and at age 65 (2006 - 2008)<sup>20</sup>*

	Males				Females			
	Life Expectancy at Birth		Life Expectancy at age 65		Life Expectancy at Birth		Life Expectancy at age 65	
	Years	UK Rank	Years	UK Rank	Years	UK Rank	Years	UK Rank
Newham	75.8	348	16.9	318	80.4	357	19.5	311
Greenwich	75.4	364	16.3	365	81.7	243	20.3	214
Hackney	75.9	340	17.6	213	82.2	192	21.7	31
Tower Hamlets	75.3	372	16.7	333	80.4	355	18.9	372
Waltham Forest	76.5	303	16.8	327	81.2	292	19.8	283
Host Borough Average	75.78		16.86		81.18		20.04	
London	78.2		18.1		82.7		21	

Source: London Health Observatory (2006 – 2008)

3.39 Life expectancy varies significantly between wards in Newham. In males the gap is 8.1 years between Custom House, which has a male life expectancy of 72.7 years and East Ham Central, which has a male life expectancy of 80.8 years. For females the gap is 5.9 years between Custom House, which has a female life expectancy of 76.0 years and East Ham which has a female life expectancy of 81.9 years.

## Mental Health in Newham

3.40 Those who experience poor health are far less likely to be in employment, resulting in lower incomes, poorer housing conditions and reduced access to opportunities. Conversely, though, employment is a key element in improving long-term health, particularly mental health. As such, there is an important link between improving the health and well-being of Newham residents and improving employment opportunities within the Borough.

3.41 Over the period April 2008 to March 2009 there were 26.6 users of mental health services per 1,000 residents in Newham<sup>21</sup>. While this was slightly higher than the London average of 25.5 users per 1,000 residents it was lower than the host boroughs average of 28.8 users per 1,000 residents<sup>22</sup>.

3.42 As of 2009, it was estimated that approximately 34,750 Newham residents suffered from one or more incidents of common mental illness<sup>23</sup>. Indeed, data shows that admissions for both affective mental disorders and schizophrenia

<sup>20</sup> Note: UK Rank is out of 404.

<sup>21</sup> NHS, Health and Social Care Information

<sup>22</sup> NHS, Health and Social Care Information

<sup>23</sup> LB Newham & NHS Newham (2009) Joint Strategic Needs Assessment: Newham 2009

and related disorders was consistently and significantly higher than the London and national averages over the period 1998 to 2009<sup>24</sup>.

## Disability in Newham

- 3.43 The most recent ONS Annual Population Survey (2008) found that, of Newham's working age population, 28,400 were classified as disabled<sup>25</sup>. This was equivalent to 17% of Newham's working age population, a slightly higher proportion than both the host borough average (16.2%) and the London average (15.3%).
- 3.44 Of those who are disabled, 4,600 people were registered as having a disability which substantially limits their day-to-day activities, 2,900 were registered as having a work-limiting disability and the remainder being registered as having both types of disability.
- 3.45 The 20,900 Newham residents who were registered as having both a current disability and a work limiting disability represented a higher proportion of Newham's population, 73.6%, compared to the host boroughs and London averages of 66.1% and 60.3% respectively. This is important because the unemployment and economic inactivity rates of such individuals is typically higher than those with just one type of disability (or non-disabled individuals).

## Challenges

- Retaining educated and entrepreneurial individuals in Newham.
- Tackling multiple deprivation and child poverty across the Borough.
- Improving health outcomes and raising life expectancy.

## Opportunities

- Exploiting the economic potential of the Borough's ethnically diverse population.
- Maximising the economic impact of the 'demographic dividend'.

<sup>24</sup> LB Newham & NHS Newham (2009) Joint Strategic Needs Assessment: Newham 2009

<sup>25</sup> ONS, Annual Population Survey (2008 / 2009)