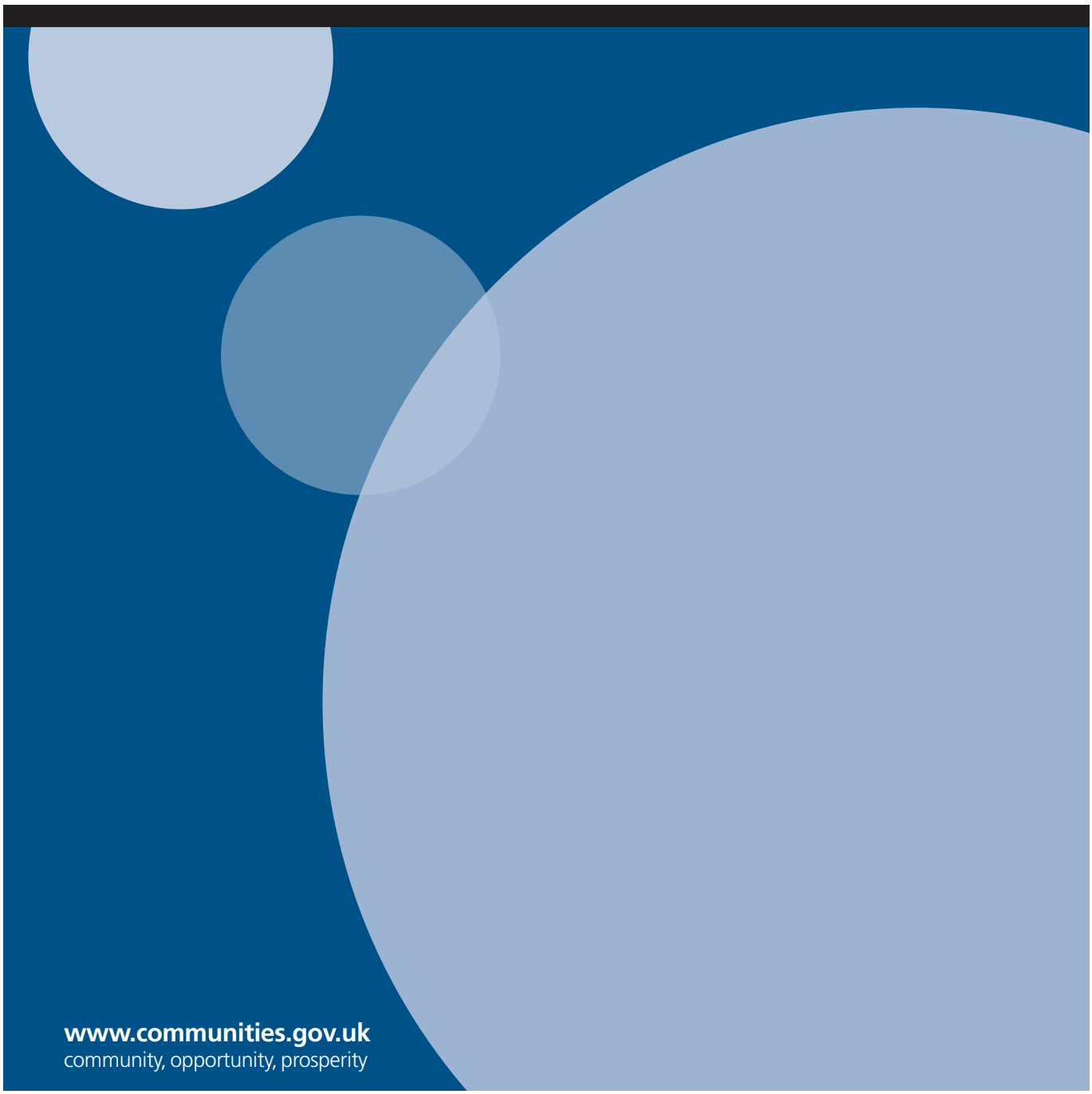
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Population churn and its impact on socio-economic convergence in the five London 2012 host boroughs



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Department for Communities and Local Government

Disclaimer

This research was commissioned by the previous Government. The findings are those of the authors and do not necessarily represent the views or recommendations of the Department for Communities and Local Government.

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Executive summary

The study was initiated in late 2009 to help the Department for Communities and Local Government (DCLG), and the five London 2012 host boroughs (Newham, Hackney, Waltham Forest, Tower Hamlets and Greenwich) improve their understanding of the issues surrounding population churn in the host boroughs.

- The objective of this short review was twofold:
  - to examine secondary data on population churn in the five boroughs
  - to lead a discussion on aspects of population churn in the context of the Olympics, drawing out implications for the socio-economic convergence criteria set out in the Strategic Regeneration Framework.
- On average, the residents in the five boroughs are significantly worse off than the average Londoner but the problem of concentrated deprivation is not unique to these boroughs.
- Recent research particularly distinguishes escalator churn, where residents whose circumstances improve move out, and gentrifier churn, where better off households move into the area.
- Borough boundaries are purely administrative, so there are likely to be some parts of any borough where there is rapid mobility and others where the population is very immobile. Equally there will be some escalator areas and some gentrifying areas.
- Mobility depends predominantly on individual households' characteristics – notably age, household composition and employment status – and to a lesser extent on dwelling and area attributes both in the originating area and the area to which the household moves.
- Active housing markets and a ready supply of privately rented housing are particularly associated with churn. Dissatisfaction with the area is also relevant.
- Push factors can include poor quality and overcrowded housing; an inadequate range of housing options; lower quality schools; and perceptions with respect to anti-social and criminal behaviour – but it is still household attributes that dominate.
- Evidence on demographics and mobility suggest that the five boroughs are quite varied. Newham and Tower Hamlets, in particular, are expected to grow most rapidly and have among the highest levels of migration and turnover in the capital.
- Outmigration patterns in the five boroughs are not very different to London as a whole, with net outmigration for all age groups between 30 and 70.

- Evidence on borough attributes shows high levels of deprivation and benefit dependency in all five boroughs as well as large proportions of non-white households in three boroughs. In educational terms all the boroughs are below the London average at key stage 2 and on GCSE results. According to the Place Survey, satisfaction with the authorities is also relatively low and there are negative views on antisocial behaviour (Table 1). The host boroughs contend that their own surveys yield more positive results.
- The tenure structure differs between the five boroughs but the importance of social and to a lesser extent owner-occupied housing, together with evidence on mobility rates, point to significant immobility overall but with an element of the population which is particularly mobile. Outward migration is increasingly restricted by the limited availability and high cost of housing elsewhere.
- The Olympics will have a positive impact through new housing investment, better transport, higher employment and improved retail centres, but these effects need to be considered in the context of the impact of recession and public expenditure cutbacks.
- This study's roundtable discussed many of these issues in detail and concluded that
  - the recession and its subsequent effects would slow movement out of the boroughs and might therefore mean that aspirant households would remain longer in the boroughs
  - the slowdown in the housing market could generate some opportunities to provide more affordable housing
  - the local authorities should continue to improve their range of housing; the quality of local services; education and training; and support for those trying to enter the labour market.
- It was agreed that more detailed super output area data analysis would be valuable; that it is important to build a better and more up-to-date picture of local area dynamics from both quantitative and qualitative data; and that scenario planning could have a place, especially given the specifics of the Olympics and the impact of the recession.

Section 1

The brief

1.1 The brief for this short piece of work, under the Department for Communities and Local Government Expert Panel Programme, was to examine secondary data on population churn in the five London 2012 boroughs to clarify how different is their experience compared to the rest of London. A roundtable was to be held to discuss this evidence and to examine the challenges and opportunities this churn presents to the boroughs in the context of the Olympics.

1.2 In particular, the project was 'to examine the impact of population churn in the five boroughs and its potential implications for the socio-economic convergence criteria which form a key objective of the Strategic Regeneration Framework.' The concern is that 'convergence aims might be undermined by population churn if residents move out of the five boroughs as they become more prosperous, only to be replaced by more deprived incomers.' Specific issues included the :

- scale of natural and Olympics-induced population change
- social and tenure profile of new residents compared to that of the existing population, and
- timing of change with respect to 2012.

1.3 The staging of the Olympic Games will be a one-off positive event for east London. This has the potential for creating opportunities for the five boroughs to improve their economic prospects and social mix. In particular, the area will benefit from better transport connections, major environmental improvements including a new park, a major shopping centre, and high-quality new housing in both the Olympic Village and post-games developments.

1.4 The project was commissioned in December 2009 to feed into the ongoing development of the London 2012 host boroughs' Strategic Regeneration Framework.

Section 2

The evidence on churn

Background

2.1 The five London 2012 host boroughs (Newham, Hackney, Waltham Forest, Tower Hamlets and Greenwich) agreed the first draft of a Strategic Regeneration Framework, which set out the long-term benefits they hope the area will receive from the Olympic and Paralympic Games in 2012. This document emphasises the concept of convergence, setting out an aspiration that:

'…within 20 years the residents who will host the world's biggest event will enjoy the same social and economic chances as their neighbours across London.'

2.2 The evidence is clear that residents of the five host boroughs are now significantly worse off than the average Londoner in terms of education, income, households dependent on benefits and many other variables. The host boroughs represent a significant pocket of deprivation in the heart of the capital. Local leaders want to use the 2012 Olympics as a catalyst to change this situation. However, there is concern that although households in the five boroughs will gain, these families may then move out of the boroughs, to be replaced by more deprived incomers-leaving the deprivation profile of the boroughs more or less unchanged.

2.3 This problem is not unique to the five Olympic boroughs. According to a 2005 report that covered developments in London, Berlin and Brussels, 'it has been noted that regeneration initiatives in disadvantaged areas often appear to be unsuccessful in improving economic and social inclusion in the area because of turnover of population. Residents move out once they have increased their skills, entered employment or have the means to obtain better housing, leaving room for new arrivals with the same high levels of need.' (URBACT 2005) Similarly, a 2007 report for London councils said 'efforts to regenerate boroughs must "run hard to stand still" in places such as Southwark and Newham. Ambitious populations move on once they have become successful, making achievement of government targets difficult. Costs are higher because the authority is always starting again with new residents.' (Travers et al, 2007)

2.4 This paper sets out the evidence on population churn in the five boroughs. It reviews the data about potential population and household growth and patterns of population movement, and compares these patterns to those seen in the rest of the London. It clarifies some of the factors affecting mobility and then looks at the potential effects of the 2012 Olympics on that churn. It examines the effects – not all negative – that population churn can have, and relates them to the possible approaches that the host boroughs might take to increase convergence in current circumstances.

Methodology

2.5 The brief required us to look at several pieces of evidence:

- a report by Navigant Consulting on convergence in the five boroughs (*'Five Host Boroughs Unit: Convergence Initiative – OPRSG Report'*, final draft dated 22 May 2009, Dr Tim Williams and Eleanor Young, Navigant Consulting)
- an unofficial assessment of the boroughs' floor target action plans (*Narrowing the Gap*)
- research into deprived neighbourhoods for the National Strategy for Neighbourhood Renewal (published as *A Typology of the Functional Roles of Deprived Neighbourhoods*, February 2009, by Brian Robson with Kitty Lyperopoulou and Alisdair Rae, DCLG).

2.6 In addition, we have reviewed other relevant academic work, including two recent reports by London School of Economics on population churn and its effects (Travers et al 2007; Gordon et al 2007), and a Department for Communities and Local Government (DCLG) report on residential mobility and outcome change in deprived areas (Beatty et al 2009).

2.7 A workshop was held on 6 January 2010, attended by representatives from the five boroughs, DCLG and partnership organisations. At the workshop the relationship between mobility and deprivation was clarified, and the available evidence and possible ways forward were discussed.

2.8 This paper summarises the available material and the outcome of discussion as an input into the ongoing development of the evidence base for the Strategic Regeneration Framework.

Recent research on population churn

2.9 The issue of population churn generally has over the past decade received increasing attention from both academics and policymakers. There are two main reasons for this:

- The public service providers are concerned that rapid population turnover makes it more difficult to deliver public services effectively, not only to the moving populations themselves but also to those who stay put-in schools, for example, the education of all children in a class can be disrupted if there is high pupil turnover.
- Second, increased population churn in itself makes the accurate estimation of population levels more difficult. This has serious implications for local authority budgets, which are based largely on population.

Definitions of churn

2.10 Research carried out into the National Strategy for Neighbourhood Renewal looked to clarify the different effects of population churn in different areas (Robson et al, 2009). It noted that the evidence suggests that rates of household mobility depend in general on age structure and a household's stage in its life cycle, rather than on neighbourhood type. In particular they state that 'There is little evidence that deprived neighbourhoods are characterised by unusually high rates of churn' (Robson et al 2009, p.10). It did, however, identify a sub-set of deprived neighbourhoods with abnormally high or low levels of mobility. On the basis of statistical analysis of migration patterns in such neighbourhoods, it identified four types of area:

- 'escalator' areas, where residents whose circumstances improve move out of the area
- 'gentrifier' areas, where better off households move into the area
- 'transit' areas, where households move in and out, to and from less deprived areas; and
- 'isolation' areas, where households move in and out, to and from similarly or more deprived areas.

2.11 These must be seen against a background of what might be called 'normal' churn where all types of household move in and out leaving the makeup of the borough unchanged – whatever the level of turnover.

2.12 It is important to note that the term 'escalator' is being used here in a more general way than in the regional economics literature (e.g. Fielding, 1992). In the regional literature the hypothesis is that there are attributes of the region that assist the household to improve their circumstances and to move on. In the context of borough churn no attempt has been made to distinguish inherently more aspirant households from those that gain specific benefits from living in these areas; nor those who are pulled rather than pushed. These are major issues to be addressed in the context of the five boroughs.

2.13 More generally, churn is the outcome of mobility of all types and measures the net effects of all types of move. Moreover, household moves are identified as 'churn' only if they involve moving across borough boundaries – which are purely administrative lines that do not define local labour or housing markets. From the point of view of the operation of the local economy and local housing markets, movement between neighbourhoods may be just as important as movement between boroughs – especially when identifying drivers of mobility and the resultant outcomes.

Causes of churn

2.14 What causes churn? As churn is defined in relation to residential mobility the answer comes mainly from the literature on the reasons for moving.

2.15 There are two main types of determinant of movement identified in the literature: first, the kind of people that live in an area and second, the housing available and the areas themselves. Household characteristics are generally regarded as more important than dwelling and area attributes in determining a household's propensity to move.

2.16 The most important factors are demographic: people tend to move when they are at the age of setting up families or when their children reach primary school or secondary school age (heads of household in their 30s and 40s), so the higher the proportion of people in this age group in a particular neighbourhood or borough, the more likely the area is to see significant population mobility. There is also a scale issue in that the more immigration into the area and the higher indigenous household formation the more households must move out – so if there are general increases in population and households there will be more churn.

2.17 Other household attributes, some of which are age related, also affect mobility. These include household structure: (singles move more than those with children and working households move more often than retired or non-participants in the labour force), ethnicity (minorities move more than white British households), time in the area and the country (new migrants move more than established households), socio-economic group (professionals and managers move more) and finally income

– which is strongly positively related to mobility. Moreover, certain groups – the very young (25 and under), professionals/managers, and better off households – move longer distances. This in turn is related to education and job prospects. Finally, people without settled homes tend, unsurprisingly, to move more often. And within each of these groups the reasons are more likely to be personal and family associated than anything else. In the case of the five host boroughs the portents are mixed: they are characterised in general by high proportions of residents from minority backgrounds, new migrants and young people (who tend to move more often), but also by low-income households, who tend to move less frequently.

2.18 In terms of area, mobility is more often seen in areas with active housing markets, and areas with high proportions of private rented housing (Travers et al, 2007). It is also related to dwelling type – and therefore the capacity to move up to a better standard of housing. Dissatisfaction with the existing area, which is itself related to fear of crime and anti-social behaviour, tends to increase out-mobility – although those moves often tend to be to similar types of area. In this context it should be noted that over 20 per cent of households in the bottom 10 per cent of deprived areas are dissatisfied with their area – as compared to 12per cent in London as a whole. More generally there is evidence of social agglomeration – in that people with similar attributes tend to want to live near one another and those with more financial resources have greater choice.

2.19 It is not easy to determent the relative importance of the different drivers in part because tenure and household characteristics are so dominant in the statistical analyses. However neighbourhood attributes do figure as a relevant variable for some 17 per cent of movers (Cho & Whitehead, 2003 and forthcoming).

2.20 Among those who succeed in moving, the main reasons given for that move relate particularly to forming a separate household or to live with someone else; wanting a larger home – i.e., moving up the property ladder in whatever tenure; wanting to move to a better area; wanting to become an owner-occupier; or wanting to move to/nearer to a job (Survey of English Housing, 2007/08). Factors such as getting children into particular schools are hardly mentioned -- although other more detailed studies show school quality to be extremely important for the subset of households for whom it is relevant.

2.21 Concerns about population churn are related not just to the extent of mobility but to the balance that emerges as a result. This balance will reflect the nature of the area and its dwelling stock, which may better meet the requirements of some groups than of others – in terms of affordability, access to employment and available housing; schools and neighbourhoods; and the types of neighbour they will find. In this context however it is important to remember that London has significant social mix at borough level even in more deprived areas.

2.22 Households may move because the neighbourhood they leave lacks desired attributes ('push factors'), or because the area they move to has positive attributes ('pull factors'). Moreover, while, for instance, overcrowding is an important push factor, the household has to have an opportunity to move to something better – either through additional financial resources, lower costs or by administrative allocation.

2.23 Some indirect evidence on what a borough might address can be obtained by looking at the main attributes that people want from their area. These include in particular: improved opportunities for young people; reduced crime and vandalism; improved local amenities; and improved public transport (Survey of English Housing, 2007/08). The Place Surveys, which ask more detail of peoples' involvement in their area, also provide relevant information (Ipso Mori, 2009). These data all suggest that there are many possible areas of improvement with respect to local services and administration – but equally satisfaction and attitudes are highly correlated with income and deprivation (Table 1). These surveys point to factors that boroughs might address when attempting to attract households into the area and to reduce outward mobility. However major structural changes can occur only if the household composition and the tenure structure of the area changes.

Table 1: Residents' attitude to place (% scores)

	Social cohesion*	Overall satisfaction with local area	Perceptions of anti-social behaviour	Satisfaction with how anti-social behaviour addressed	Satisfaction with how LAs run things	Perceptions of drunk/ rowdy behaviour
Greenwich	72.9	74.5	26.6	26.6	53.1	32.7
Hackney	77.9	71.5	37.6	25.3	46.3	41.5
Newham	68.3	56.0*	47.9*	29.2	45.7	51.6*
Tower Hamlets	62.5	69.1	45.9	23.3*	42.2	47.1
Waltham Forest	73.0	63.6	36.5	25.5	39.3	38.9
Barking & Dagenham	49.1*	56.6	39.1	29.7	49.3	45.5
Lewisham	78.3	73.1	24.1	28.9	49.6	29.4
Redbridge	74.3	71.1	27.1	27.0	46.0	35.0
London	76.3	74.9	26.5	28.8	49.0	35.0
Inner London	77.5	78.6	26.0	28.9	55.0	36.5

*Social cohesion = % of people from different backgrounds get on well together

Source: Life in London Report of the 2008/09 Place Survey Findings for London, MORI/London Councils, 2009

Effects of churn

2.24 Churn is not inherently bad – but borough authorities are mainly concerned with that type of churn which is seen to generate negative outcomes. Even then, negative outcomes can be offset by offsetting positive change within the same area.

2.25 The adverse effects of churn, and more generally high mobility for the borough, are seen to be in particular:

- poor quality of data on population and local requirements – which impacts on borough capacity to address these issues both because of lack of information and because grant levels do not reflect needs
- increased costs of providing certain services because of turnover and paucity of information; and
- concern with respect to tipping points in particular neighbourhoods and schools which can affect the security in the area and the quality of services received (Travers et al, 2007).

2.26 Escalator churn helps the households who are enabled to move on, but means that the boroughs from which they move are fighting a losing battle, because they are replaced by more deprived households. Therefore, general income growth may increase divergence and worsen the area's position, even though no individual household is more deprived than they were previously. Gentrification has the opposite effect – in that more deprived households have fewer opportunities and may be forced to move out but will be replaced by aspirant households accessing cheaper housing the area will improve through displacement. Isolation churn—where households move to and from similarly or more deprived areas--simply exacerbates any given situation.

2.27 Thus the adverse effects of churn are seen to put pressure on local services, to reduce the quality of services, increase their costs and worsen the experience of local households. However other types of churn can benefit the area by introducing new aspirant households who have lower service requirements and reduce inter-authority divergence. Equally slowing the outflow of aspirant households can help convergence.

Statistics on population churn

2.28 Does churn within the five host boroughs differ in significant ways from churn in London generally? The five boroughs are certainly not alone in perceiving a problem with churn: the URBACT study, referring to the boroughs of Camden, Haringey and Hounslow, stated that some areas were attractive 'for people at the beginning

of their career or at the lower end of the housing and income spectrum. Once more suitable accommodation is found or a better job, there is a strong movement out to other parts of London or the country'; similar findings were reported from Southwark and Islington (URBACT 2005).

2.29 To examine this issue it is useful to look at available data on population, households and mobility across the boroughs and then to compare with other boroughs and London as a whole.

Population and household growth

2.30 The starting point is to look at the extent to which population and the number of households is changing and is expected to change. Newham and Tower Hamlets are projected to grow in population/household terms at more than twice the rate of London as a whole. Greenwich is also projected to grow disproportionately, partly as a result of planned housing development (Table 2). This reflects the structure of the existing population, past trends in migration and the densification of occupation in these areas, including in particular increased overcrowding.

2.31 Whether or not these projections are realistic depends on both the extent to which additional housing can be provided – which is likely to be limited – and on the potential for continued densification. What is clear is that the pressures to move out are almost certain to increase.

Table 2: Projections of population and households – growth in population and households 2006 2026

	Population growth %	Household growth %
Newham	40	57
Tower Hamlets	38	55
Greenwich	25	37
Hackney	17	23
Waltham Forest	8	14
London	15	21

Source: GLA 2008 round demographic projections

The extent of mobility

2.32 Turning next to mobility, Londoners in general move more often than non-Londoners. A 2007 report for London Councils found that 'overall, 15 per cent of London's households have been at their current address for less than one year, compared to a national average of only 11.per cent' (Travers et al, 2007).

2.33 Looking specifically at the legacy boroughs, turnover rates, based on inflows and outflows to and from the borough, are above those for London as a whole in all five boroughs – although not at the top of the list (Table 3). Other similarly deprived local authorities have higher levels of churn (highlighted). The figures are for the year from mid-2007 to mid-2008 (the latest period for which statistics are available) and are based on the numbers per thousand population.

2.34 In terms of inter-authority mobility, the five boroughs are not homogeneous. Tower Hamlets and Newham have the highest levels of mobility though still below the inner-London average; Hackney is further down the scale with Greenwich and Waltham Forest the lowest but still well above the London average. Overall, the average mobility score for the five host boroughs is 179.6 as against 177 for London as a whole. The reasons for the higher mobility in Tower Hamlets and Newham are not readily explicable (especially given the tenure structure in these boroughs) almost certainly relate significantly to age and household structure.

Table 3: Volume of all migration: (in migration + out migration)/ population*1000 mid-2007 to mid-2008, London boroughs

Bold = host boroughs *Italics* = comparator boroughs

		All migration
1	Hammersmith and Fulham	245
2	Wandsworth	237
3	Westminster	236
4	*Islington*	*235*
5	City of London	230
6=	*Lambeth*	*222*
6	Camden	222
8	*Haringey*	*200*
9	**Tower Hamlets**	**196**
10=	**Newham**	**195**
10	*Southwark*	*195*
12	Kensington and Chelsea	191

Table 3: Volume of all migration: (in migration + out migration)/ population*1000 mid-2007 to mid-2008, London boroughs *(continued)*

Bold = host boroughs *Italics* = comparator boroughs

13=	Merton	188
13	Hounslow	188
15	Ealing	187
16	Brent	184
17	**Hackney**	**180**
18	Richmond upon Thames	177
19	*Lewisham*	*170*
20=	Kingston upon Thames	167
20	**Greenwich**	**167**
22	**Waltham Forest**	**160**
23	Redbridge	155
24	Harrow	152
25	Barnet	150
26	*Barking and Dagenham*	*146*
27	Hillingdon	143
28=	Croydon	132
28	Enfield	132
30	Sutton	115
31	Bromley	107
32	Bexley	99
33	Havering	89
	Average for 5 host boroughs	***180***
	Average for comparator boroughs	***195***
	Average for inner London boroughs	***211***
	Average for all London boroughs	***177***

Source: ONS 'Migration indicators by local authority in England and Wales 2001-2008'

2.35 Intra-borough mobility on the other hand is among the highest in London in four out of five of the boroughs probably as a result of very rapid turnover among a sub-set of the population. Taking inter and intra area mobility together results in levels of overall mobility ranging from 245 in Tower Hamlets to 208 in Waltham Forest as compared to over 300 in the most mobile boroughs and 184 for London as a whole.

Table 4: Volume of international migration (in migration + out migration)/ population*1000 mid-2007 to mid-2008, London boroughs

Bold = host boroughs *Italics* = comparator boroughs

		International migration
1	Westminster	78
2	Kensington and Chelsea	76
3=	Camden	62
3	City of London	62
5	Hammersmith and Fulham	57
6	Brent	50
7=	**Newham**	**46**
7	Ealing	46
9	Merton	44
10=	Wandsworth	43
10	**Tower Hamlets**	**43**
12	*Islington*	*41*
13	Hounslow	40
14	Richmond upon Thames	39
15	*Southwark*	*36*
16	*Haringey*	*33*
17	Barnet	32
18	Kingston upon Thames	31
19=	*Lambeth*	*30*
19=	**Waltham Forest**	**30**
19	Harrow	30
22	Redbridge	28
23	**Greenwich**	**25**
24	**Hackney**	**24**
25	Croydon	23

Table 4: Volume of international migration (in migration + out migration)/ population*1000 mid-2007 to mid-2008, London boroughs *(continued)*

Bold = host boroughs *Italics* = comparator boroughs

26	*Lewisham*	*22*
27	Hillingdon	21
28	Enfield	18
29=	*Barking and Dagenham*	*12*
29=	Sutton	12
29	Bromley	12
32=	Bexley	6
32	Havering	6
	Average for five host boroughs	***34***
	Average for comparator boroughs	***29***
	Average for inner London boroughs	***47***
	Average for all London boroughs	***35***

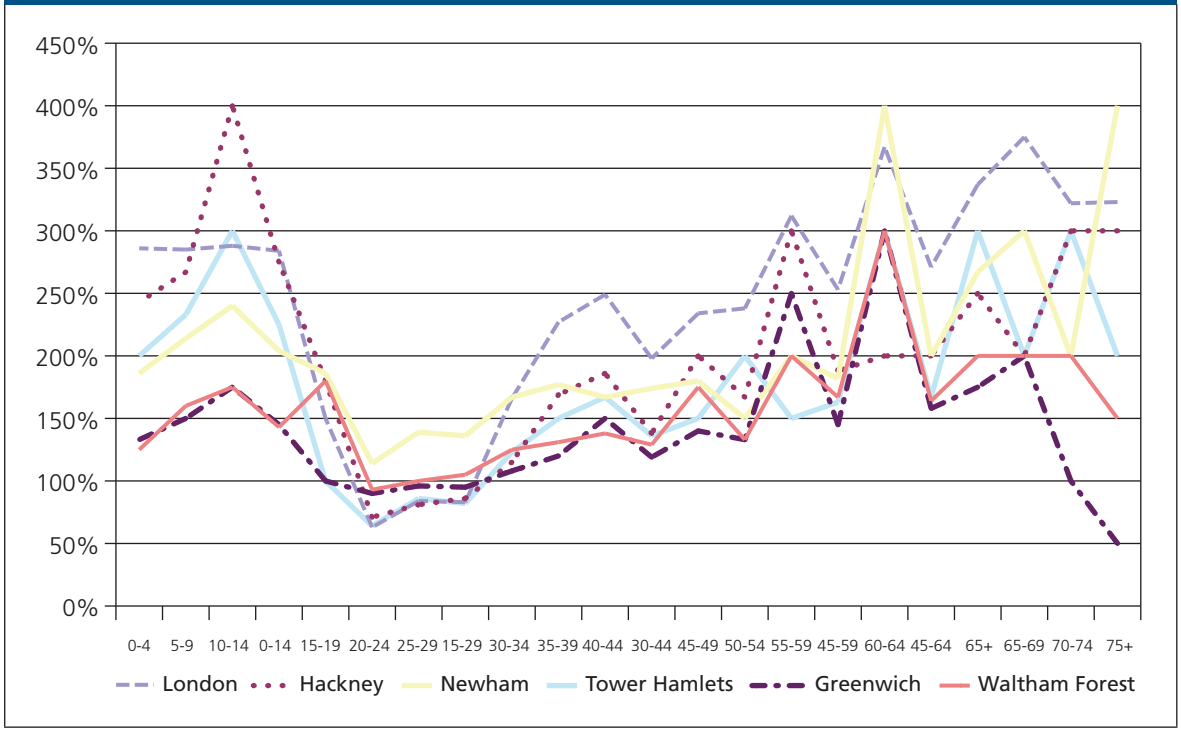
Source: ONS 'Migration indicators by local authority in England and Wales 2001-2008

2.36 A related issue is the impact of international migration. Table 4 provides these figures. The average level of international migration in the five host boroughs in 2007/2008 did not differ much from the average for London as a whole: 33.6 versus 35. Again, Newham and Tower Hamlets had the highest scores, but were still below the average for inner London. However, it should be noted that the inner London figures are strongly affected by the very high scores in Westminster, Kensington & Chelsea and the City, which have prime residential locations that attract international business migrants. Comparing the host boroughs to similarly deprived boroughs, we found that the host boroughs had a higher average international migration score than the comparator boroughs: 36.6 as against 29.

Who moves?

2.37 The best documented aspect of the profile of internal migration is with respect to age. Figure 1 shows that for all of London, there is a net outflow in all age groups except for the 16-24 group; population growth therefore comes from natural increase. Outflows exceed inflows by a factor of about three for children, 45-64s and over 65s. For 25-44s outflows exceed inflows by about 50 per cent.

Figure 1: Host boroughs: out-migration as % of in-migration 2005-2006, by five-year age bands

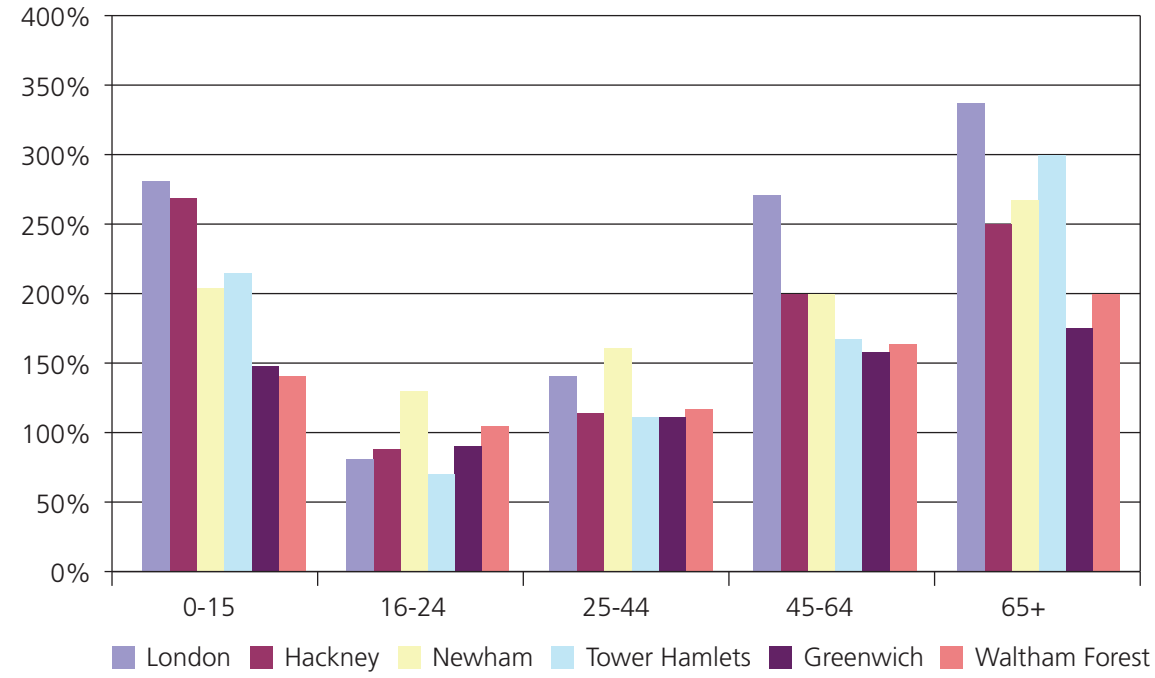


Source for figures 1-4: ONS: 'Internal migration within the United Kingdom: local authorities and government office regions of England, and Wales, gross and net flows, by broad age group and gender, mid-2005 to mid-2006 (thousands)' http://www.statistics.gov.uk/statbase/Product.asp?vlnk=15148

2.38 The pattern for the five host boroughs is not very different. In percentage terms, the largest outflow is of children (whose parents are mostly in the 25-44 year old category) and the over-65s. The net outflow of 25-44s is largest in Newham.

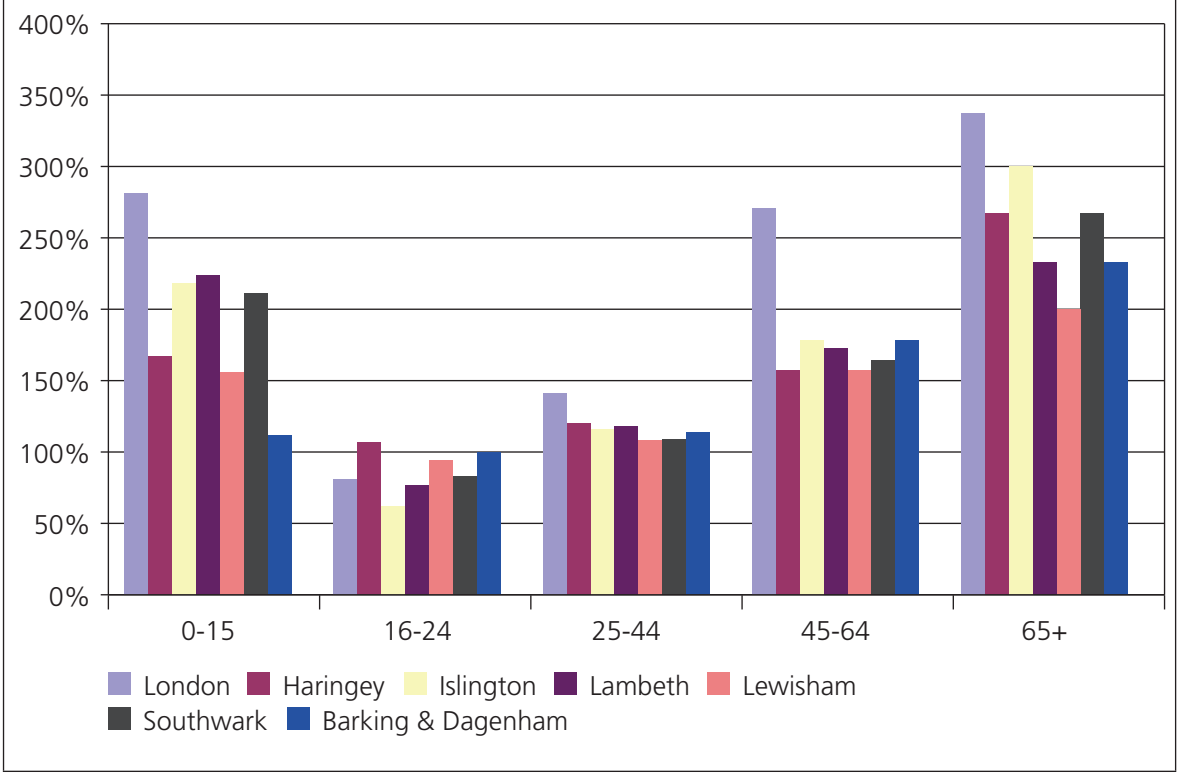
2.39 More detailed evidence on age is found in Figures 2 and 3, which compare out-migration to other parts of the UK and internal in-migration by age for the five host boroughs and similarly deprived boroughs. They suggest that there is somewhat more out-migration of younger people from the host boroughs than elsewhere. Figure 4 shows the absolute numbers involved – and particularly reflects the large scale net outflow of younger people from Newham. These are internal flows; overall the populations of the host boroughs are still rising because of international immigration and natural growth.

Figure 2: Host boroughs: internal out-migration as % of in-migration 2005-2006, by broad age band (over 100% indicates more people leaving than arriving)



Source: As figure 1

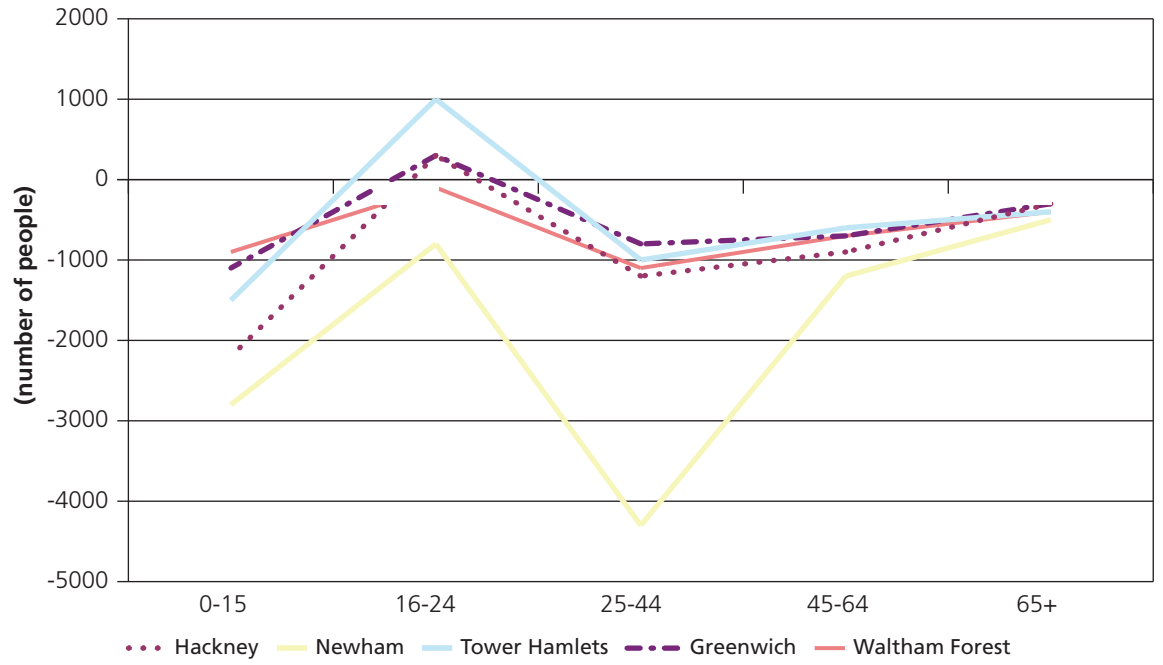
Figure 3: comparator boroughs: internal out-migration as % of in-migration 2005-2006, by broad age band (over 100% indicates more people leaving than arriving)



Source: As figure 1

2.40 In Figures 2 and 3, bars under 100 per cent indicate that more people are moving into the borough than moving out; bars over 100 per cent show net emigration. The figures show that in both host boroughs and comparator boroughs there is net migration out among households whose heads are aged 25-44—that is, of an age to have children starting primary or secondary school. The balance is even more skewed in higher age cohorts, where many more households leave the boroughs than move in.

Figure 4: Net migration by age band, 2005-06, host boroughs



Source: As figure 1

2.41 A final point however is how little mobility appears to modify the attributes of the population. So, for instance, in Newham and Tower Hamlets there is agreed to be high levels of births to mothers born outside the country (75 and 69 per cent respectively as compared to 54 per cent in London as a whole). Among the child population 82 and 83 per cent of primary school children respectively are non white. Yet this actually falls to 81 and 80 per cent respectively among secondary school children.

2.42 It is equally clear that levels of poverty and deprivation, which are the core issues that must be addressed to improve convergence, are among the highest in England and this is particularly true for child poverty. However higher mobility does not generate significant change over time – in either direction.

Statistics on borough attributes

2.43 A starting point in examining the relevant attributes of boroughs and therefore the extent to which the boroughs generate push and pull factors with respect to churn is to compare the host boroughs with other London boroughs with respect to a range of relevant area-based variables.

2.44 The most important of these factors is the extent of poverty and deprivation. Table 5 shows the rank-order positions of London boroughs, within the 354 local authorities in England on the Index of Multiple Deprivation, 2007.

2.45 The table shows that the five host boroughs are among the most deprived local-authority areas in England. All lie within the 10 per cent most deprived boroughs, which is the category used in much government analysis and policy development. Three of the host boroughs are among the worst on the deprivation index in London, while the other two are still among the top 10 deprived boroughs in London.

Table 5: Rank of London boroughs out of 354 local authorities in England (Index of Multiple Deprivation, 2007)

Hackney	**2**
Tower Hamlets	**3**
Newham	**6**
Islington	8
Haringey	18
Lambeth	19
Barking and Dagenham	22
Greenwich	**24**
Southwark	26
Waltham Forest	**27**
Lewisham	39
Brent	53
Camden	57
Hammersmith and Fulham	59
Westminster	72
Enfield	74
Ealing	84
Kensington and Chelsea	101

Table 5: Rank of London boroughs out of 354 local authorities in England (Index of Multiple Deprivation, 2007) *(continued)*	
Hounslow	105
Croydon	125
Barnet	128
Redbridge	143
Wandsworth	144
Hillingdon	157
Bexley	194
Havering	200
Harrow	205
Merton	222
Bromley	228
Kingston upon Thames	245
City of London	252
Richmond upon Thames	309
Sutton	234

Source: IMD 2007.

2.46 Table 6 provides two other indicators of poverty and deprivation covering dependence on benefits. They confirm the extent of relative poverty in the host boroughs but do suggest that these boroughs are by no means unique.

Table 6: Benefit dependency in the five boroughs August 2008

	Income Support		Children and families dependent on benefit	
	Claimant rate %	Rank in England	Claimant rate %	Rank in England
Tower Hamlets	9.5	14	45.7	1
Hackney	11.8	3	38.2	4
Newham	10.3	9	37.6	5
Waltham Forest	8.6	34	31.0	19
Greenwich	9.5	15	29.8	24

Source: DWP Information Directorate: work and pensions longitudinal study

2.47 Migration and ethnicity are both factors which tend to reflect deprivation as well as increasing the costs of providing services adversely. Table 5 shows that Tower Hamlets and Newham are very different from the other three boroughs as well as the rest of London with respect to the concentration of migrants. These two boroughs, together with Hackney, stand out in relation to the extent to which school population comes from ethnic minorities.

Table 7: Concentrations of international migrants and ethnicity

	Live births: mother's birthplace outside UK %	Primary school non-white %	Secondary school non-white%
Newham	75	82	81
Tower Hamlets	67	83	80
Waltham Forest	59	62	57
Hackney	55	67	70
Greenwich	51	47	48
London	55	54	52

Sources: Live births: ONS, 2008; Educational data Department for Children Schools and Families, January 2008

Quality of services

2.48 The three main areas of concern with respect to household attitudes to the area are seen to be education and crime and anti-social behaviour, together with more general satisfaction with the neighbourhood.

2.49 The five host boroughs all have SATS KS2 results that are below the London average (Table 8) – with Hackney at the very bottom of the table and Tower Hamlets almost at the average. The percentages of pupils gaining five good GCSEs is also well below the London average in the five host boroughs. The boroughs are confident that their statistics on value added – which measure how students improve as they move through the stages – are very much more favourable, indicating that they are giving children a better start in life than the raw figures would suggest. These value-added statistics are produced only for individual schools, not across local authorities.

Table 8: Key Stage 2 SATS results and GCSEs, 2009 (highest-lowest by SATs totals) GCSEs: % of pupils gaining five GCSEs at grades A*-C

	Key Stage 2 SATs				% of pupils gaining five GCSEs at grades A-C (borough rank in London)
	English	Maths	Science	Total	
City of London	86	100	97	283	No data
Richmond upon Thames	91	87	95	273	70.4
Kensington and Chelsea	86	86	94	266	84.2
Kingston upon Thames	86	83	93	262	78.0
Sutton	85	82	91	258	84.3
Wandsworth	83	84	90	257	70.3
Havering	85	82	90	257	70.5
Camden	82	82	90	254	62.9
Bromley	83	81	90	254	77.4
Redbridge	84	81	89	254	77.1
Harrow	82	81	88	251	73.8
Hounslow	81	80	90	251	75.0
Merton	81	81	89	251	68.4
Bexley	83	79	88	250	71.8
London Region	***81***	***80***	***88***	***249***	***70.3***
Tower Hamlets	**80**	**81**	**87**	**248**	**65.0 (27)**
Westminster	82	79	87	248	77.0
Southwark	80	79	88	247	66.0
Barking and Dagenham	79	79	89	247	66.3
Barnet	84	83	80	247	75.2
Ealing	80	80	87	247	69.6
Hillingdon	81	79	87	247	67.4
England	80	79	88	247	69.2
Croydon	81	79	86	246	72.7
Islington	79	79	87	245	62.6

Table 8: Key Stage 2 SATS results and GCSEs, 2009 (highest-lowest by SATs totals) GCSEs: % of pupils gaining five GCSEs at grades A*-C *(continued)*

	Key Stage 2 SATs				% of pupils gaining five GCSEs at grades A-C (borough rank in London)
	English	Maths	Science	Total	
Greenwich	**78**	**79**	**87**	**244**	**61.8 (32)**
Lambeth	79	78	86	243	71.2
Enfield	79	78	86	243	68.8
Brent	79	78	85	242	69.1
Lewisham	78	76	87	241	61.7
Hammersmith and Fulham	78	77	85	240	81.6
Waltham Forest	**77**	**79**	**84**	**240**	**61.8 (31)**
Newham	**75**	**77**	**83**	**235**	**62.7 (29)**
Haringey	76	75	82	233	67.0
Hackney	**74**	**72**	**81**	**227**	**66.0 (25)**

Source: DFES; Government Office for London

2.50 On crime and anti-social behaviour the picture is mixed. Research shows that crime is usually higher in more urbanised and more deprived areas, and therefore we would expect to find that levels of crime and anti-social behaviour in the host boroughs were higher than in London as a whole. Recent statistics show that this is in fact generally the case. All the host boroughs except Tower Hamlets have burglary rates above the London average, although only in Greenwich are they well above the average for inner London. Rates of criminal damage are highest in Newham and lowest in Hackney, the only host borough where the figure is below the London average. Violence against the person is above the London average in Greenwich and Waltham Forest, and below it in the other three boroughs.

Table 9: Offence rates for selected crime by borough, 2008/09 (highest-lowest by burglary rate)

Borough	Offences per 1000 population		
	Burglary	Criminal damage	Violence against the person
Haringey	16.80	17.56	28.64
Westminster	16.11	15.10	25.03
Islington	16.05	8.99	25.16
Greenwich	**16.03**	**13.05**	**30.20**
Camden	15.07	12.35	24.02
Waltham Forest	**14.96**	**13.45**	**25.92**
Enfield	13.97	13.66	34.05
Redbridge	13.34	14.35	28.20
Hammersmith and Fulham	13.26	11.27	16.34
Hackney	**13.13**	**12.14**	**15.72**
Brent	12.88	14.96	24.48
Lambeth	12.74	11.30	30.84
Ealing	12.67	15.81	36.61
Newham	**12.58**	**18.23**	**18.53**
Hillingdon	12.54	13.84	25.24
Barking and Dagenham	12.35	10.97	17.60
Southwark	12.11	14.54	30.70
Bromley	12.06	13.30	20.40
Croydon	11.90	13.42	32.51
Hounslow	11.75	14.19	18.12
Barnet	11.40	14.79	28.70
Lewisham	11.31	10.35	23.63
Havering	11.00	9.85	28.62
Harrow	10.85	10.44	14.85
Tower Hamlets	**10.59**	**13.16**	**18.79**
Richmond upon Thames	10.45	8.73	14.56
Kensington and Chelsea	10.38	9.54	14.27
Wandsworth	10.24	13.10	31.59
Bexley	10.12	11.47	15.58
Merton	9.53	12.39	13.72
Sutton	9.09	10.30	13.87
Kingston upon Thames	7.19	7.58	11.16
London average	12.33	12.63	23.05

Source: Home Office data on recorded crime by Crime and Disorder Reduction Partnership

2.51 In terms of satisfaction with their local area, residents in the host boroughs are less likely to report being satisfied than Londoners as a whole (Table 8), and more likely to think that anti-social behaviour is a problem in their area. Newham scores particularly badly on both measures, while Greenwich is close to the London average.

Table 10: Satisfaction with the local authority (highest-lowest 2nd column)

BOROUGH	% who are satisfied with their local area as a place to live	% who think that anti-social behaviour is a problem in their local area
City of London	92.4	7.0
Richmond	92.1	9.9
Kensington and Chelsea*	90.3	13.5
Westminster	88.5	20.4
Wandsworth	85.4	17.8
Kingston	85.3	18.0
Bromley	83.8	17.1
Camden	81.7	26.9
Hammersmith and Fulham	80.9	26.2
Sutton	80.3	20.8
Barnet	79.5	19.2
Merton	78.5	22.6
Islington	77.1	29.0
Southwark	76.6	29.4
Greenwich	**74.5**	**26.6**
Bexley	73.9	26.0
Havering	73.4	24.1
Lewisham	73.1	24.4
Lambeth	72.7	29.6
Hackney	**71.5**	**37.6**
Croydon	71.3	23.4
Redbridge	71.1	27.1
Hillingdon	70.9	25.9
Harrow	70.4	23.9
Ealing	69.7	30.0

Table 10: Satisfaction with the local authority (highest-lowest 2nd column) *(continued)*

BOROUGH	% who are satisfied with their local area as a place to live	% who think that anti-social behaviour is a problem in their local area
Haringey	69.6	28.3
Hounslow	69.4	33.3
Enfield	69.2	26.5
Tower Hamlets	**69.1**	**45.9**
Brent	68.3	29.3
Waltham Forest	**63.6**	**36.5**
Barking and Dagenham	56.6	39.1
Newham	**56.0**	**47.9**
London average	75.4	26.2

Source: DCLG Place Survey England: Headline Table Results 2008

2.52 These figures come from the national survey. Local surveys suggest that satisfaction may well be higher when local circumstances are taken more into account.

Housing and churn

2.53 The tenure of housing that people live in is an important determinant of the capacity to move and who is likely to want to live in the borough. Equally relative house prices and rents help to determine where people might move to.

2.54 In general, mobility is highest among private rented tenants – and among those living with family and friends. In this context it is relevant to distinguish between students, who normally make a choice based on accessibility to college and cost; migrants, who often go where there are similar households; and other newly forming households, who may already be living in the area or are attracted to it by access to their employment.

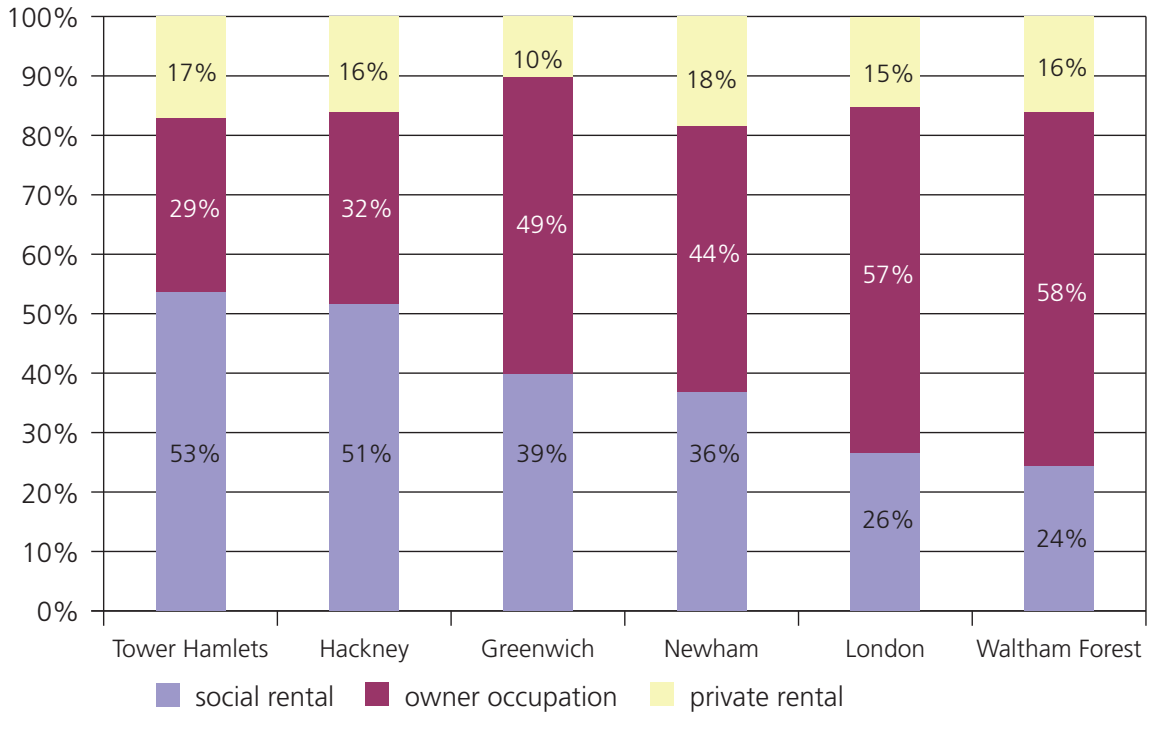
2.55 Social sector tenants in London rarely move out of choice. Instead they gain access to housing (normally in their own area) because they are in 'priority housing need'; subsequent moves occur as a result of management decisions. Social tenants in London have the highest levels of over-crowding – indeed Tower Hamlets and Newham are first and second on the national hierarchy with 24 and 22 per cent respectively overcrowded between 2000 and 2003 (ODPM, 2004) because there are very few opportunities to move available. More generally, entry and exit from the social sector is silting up in London as the capacity to move to other tenures

declines. Later nationally collected data are based on very small samples but suggest that overcrowding has worsened. (local authorities may have better data available.)

2.56 Finally, owner-occupiers tend to move relatively little as compared to those in all rented tenures, so a high level of owner-occupation is associated with low levels of churn.

2.57 Figure 5 shows the tenure structure of the five host boroughs as compared to London as a whole. Tower Hamlets and Newham in particular could be expected to have relatively low levels of mobility because of their particularly high proportions of social sector housing. Waltham Forest could be expected to have relatively low levels of mobility because of the large owner-occupied sector. Only Tower Hamlets, Newham and Hackney have private rented sectors larger than the London average and even then not far above. The high mobility rates in the boroughs therefore reflect the fact that a subset of households in the private rented sector or without secure accommodation are particularly highly mobile to the point that they might be called transient. Thus the boroughs have two-speed churn – with a majority of households probably moving far less than average and a small proportion of the population moving far above average.

Figure 5: Households by tenure, host boroughs, 2001



Source: ONS Neighbourhood Statistics, households by tenure, table UV63

2.58 Relative house prices and rents are a major constraint on mobility. Increasing market rents and prices relative to social rents provide an almost insuperable barrier for social tenants to move – whilst those who must pay their own rents would probably not be willing to pay much higher rents elsewhere, preferring to move into owner-occupation.

2.59 Table 11 shows that social sector rents do not vary greatly between authorities, especially in the local authority sector. However across the board, private rents in the area are far more than twice social rents – even in boroughs that have traditionally been thought of as having relatively low housing costs, like Barking and Dagenham. Owner-occupation costs in the bottom quarter of the market are as much as twice as much again. Options for renters to move into owner occupation in the same area are therefore extremely limited.

Table 11: Costs of housing by local authority (weekly)

	Rents			0wner-occ'n costs (2007/08)
	LA (2008/09)	HA (2008/09)	Private (2007/08)	
Tower Hamlets	£81	£96	£217	£419
Hackney	£76	£95	£201	£375
Redbridge	£81	£102	£187	£354
Waltham Forest	£79	£91	£178	£339
Newham	£73	£94	£182	£331
Greenwich	£78	£96	£164	£320
Lewisham	£75	£86	£153	£316
Barking & Dagenham	£74	£96	£172	£293
London	**£80**	**£95**	**£194**	**£365**
England	**£64**	**£76**	**£125**	**£223**

Source: Dataspring, University of Cambridge

Table 12: Median and lowest-quartile house price (£000) and ratio of lowest quartile price/earnings

	Median	LQ	LQ price/earnings
Waltham Forest	242	195	11.2
Redbridge	260	215	9.1
Newham	245	201	9.1
Greenwich	240	195	8.5
Lewisham	228	185	8.4
Hackney	288	235	8.3
Barking & Dagenham	193	165	8.3
Tower Hamlets	305	245	7.3
London	270	215	9.3

Source: DCLG Live Tables

2.60 Table 12 relates house prices to local incomes and shows that on price-income ratios, the five host boroughs are relatively affordable as compared to much of the rest of London – but a price of 7.3 times income (in the lower quartile for both prices and incomes) is hardly affordable in absolute terms.

2.61 This raises the question of where those in 'escalator' boroughs can actually now go. Lower-priced areas will tend to be relatively inaccessible and nearer options are rarely cheaper; nor do they provide lower quality/lower priced private rented accommodation. Many people's only option is to go elsewhere in Britain or abroad.

2.62 Finally, in terms of new supply (Table 13) Waltham Forest and Hackney are managing to exceed their London Plan targets for production of new dwellings, but the other three boroughs are well behind – and likely to fall further behind because of the recession.

Table 13: Production of new homes, 2007				
	New build	Total	Target	Supply as % target
Waltham Forest	743	972	665	146
Hackney	1570	1227	1085	113
Tower Hamlets	2063	1981	3150	63
Newham	939	927	3510	26
Greenwich	783	-487	2010	–24

Source: London Plan Annual Monitoring

Will the Olympics make a difference?

2.63 Overall, the evidence on affordability and availability suggests that people find it far harder to move when prices and rents are rising faster than incomes and new building rates are low. Thus overall mobility has fallen considerably over the last decade. Moreover while prices and interest rates have fallen since the financial crisis the availability of credit has also declined. Mobility in the next few years can therefore be expected to remain relatively low.

2.64 Reasons to expect the Olympics to have a positive effect on the five boroughs relate mainly to housing, the environment and transport.

2.65 There will be a large quantity of new housing in the Olympic village itself, which can be expected to attract young professionals. Whether these benefits will spread out beyond the village will depend significantly on the relationship between that investment and the borough housing policies. Managing the process of bringing large numbers of new dwellings onto the market over a relatively short period (especially given likely housing market conditions) is likely to prove problematic, and will be a challenge for housing managers – but might increase the opportunity to provide more affordable housing for local people.

2.66 However, the opportunity will also involve a significant task in community building and housing management, effectively creating a new community with a significant proportion of social and affordable housing on a prestige site. Particular attention will need to be paid to the individual needs of this new community.

2.67 The Olympics generate the potential for improving the environment around the site and of bringing into use what has been a mainly derelict area. Whether or not there will be spillovers to neighbouring areas will depend upon borough policies and expenditures.

2.68 Better transport will mainly occur as a result of TfL investment and will help to link the boroughs more effectively to central London. This should increase the incentives for young professionals to live in the boroughs but may not benefit local established households to any great extent.

2.69 The major shopping centre in Stratford can be expected to bring in many shoppers from across London and to provide a focus for East London and beyond. This has the capacity to generate additional local jobs and have some local multiplier.

2.70 A core issue is the employment opportunities generated by the Olympics. One of the goals of the host boroughs' Strategic Regeneration Framework is to lay 'The planning foundations… for public and private investment that will lead to the creation of over 200,000 new jobs'. The two most important issues here are first, whether these jobs will be created, given the recession and its subsequent effects – and particularly the squeeze in public spending – and second, especially given better transport from other areas, whether these jobs will go to local people. This depends not just on improving educational attainment and access to the labour market in general but also on information, commitment and mentoring. Success will depend on relative capacity not on location.

2.71 Finally, the area will have a higher profile – and more people will actually have visited the area – both nationally and internationally. This in itself provides an opportunity for the sub region.

2.72 However there remains some uncertainty about the overall balance of effects of the Olympics. The most salient risks are that concentration on the Olympic village housing might simply generate an enclave; that large-scale regeneration outside the park area could continue to be delayed due to the after-effects of the 2007-9 recession; that transport improvements may have relatively little impact on the immediate local economy; and that upwardly mobile households still will not be able to achieve their aspirations in terms of better housing, owner-occupation and better schools within the boroughs. None of these factors is directly affected by the Olympics.

2.73 On balance therefore our judgment is that

- the direct net effect of the Olympics may be comparatively small, although positive;
- the benefits of the Olympics will be spread across London and the rest of the country; and
- the shortage of housing and the strains on local services are far more fundamental.

2.74 The international evidence suggests that the benefits to the localities depend on how the resources in the area are used after the Games – so it is the future value added from the real estate investment that matters.

2.75 Certain issues need to be addressed to ensure that the net effect is positive. First, there is the potential for tension between established households and those who enter if 'gentrification' churn is enabled – because poorer households in the area can lose out while others have to leave to find accommodation elsewhere in equally or more deprived areas.

2.76 Second, there are continuing issues about the additional costs of providing services in poorer areas, where projected cuts local government expenditure may have a disproportionate impact on the host boroughs. This is particularly important because as now recognised by the government they face higher costs in many areas because of the degree of churn.

2.77 Third, there is concern about issues of social exclusion and social cohesion arising from the mix of highly mobile and very immobile households – neither of whom have significant opportunities to improve their position.

2.78 Finally, there are innumerable possible external shocks that could radically change the picture. These include: changes in immigration policy (which can be expected to reduce inward pressure); changes in the regulation of the social sector, which might reduce security but free up housing for lower-income employed households; increases in higher education fees, which might mean more students living at home while they study; and a reversal of the 'Greenwich judgement' such that schools could give preference to pupils living in their borough, which would change parents' expectations about local education possibilities.

2.79 Overall there will clearly be very considerable change associated with the Olympics, notably in terms of accessibility and retail services. These will indeed change the physicality in a small part of the legacy boroughs. However the games alone will not transform east London. They are only one element (albeit a critical one) of regeneration and economic growth policy, and will have little effect on some of the indicators relating to convergence, which are about the opportunities for and capacities of the local population.

The Roundtable discussion

2.80 The Roundtable helped to focus the discussion on neighbourhoods; the capacity to change these neighbourhoods; and particularly on convergence. Much of the emphasis was on raising aspirations and using concentrated investment to spread out improvements via churn – but also on how to improve the broader local offer for the boroughs to slow the process of outmigration by aspirant households. It was also on the challenges involved in understanding these processes and their drivers and particularly on the difficulties of monitoring change at the relevant spatial levels.

2.81 The Roundtable discussion focused on four main questions:

Is there anything distinctive about the churn taking place in the five boroughs (compared to the churn happening elsewhere in terms of age, income, social status, education employment and so forth?

Are there specific characteristics of host borough churn that can be identified?

Will the games and associated changes to the area change the level or nature of population churn (i.e. displacement of current communities and changing the attractiveness/affordability of the area)?

How can the boroughs take advantage of any of the possible positives from population churn?

2.82 These were interpreted quite broadly in discussion with a great deal of emphasis being placed on the nature of churn and the scale at which analysis is relevant.

Defining the particular attributes of the boroughs

2.83 An important starting point was concern about the simple view that the 'East End' – the five boroughs and their neighbours – are inherently, and necessarily, boroughs where new migrants and poorer households go and then the upwardly mobile households move elsewhere to achieve their aspirations and that this is a necessary role in the overall economy. This view was seen as 'superficial and insulting' by the host boroughs.

2.84 The main ways that this could be addressed were seen to be by:

(1) clarifying the benefits that the boroughs provide for more stable households;

(2) emphasising that convergence criteria apply to the whole population – not just to the upwardly mobile and

(3) identifying the gap between potential and actual outcomes in the boroughs and the capacity to improve these outcomes in place.

2.85 A second issue that was seen as fundamental was the borough based nature of the analysis in that it relates to administrative rather than functional areas. The impact of the major drivers is on neighbourhoods; housing; and employment markets. Administrative areas are only relevant to the delivery of some local services (although not health or transport) and governance not to identifying the problems. They are often used for analysis only because data are available at borough level.

2.86 There was much discussion about the importance of understanding neighbourhoods and the dynamics of these neighbourhoods. For instance, where gentrification occurs this will usually be at a very local level and because of specific physical, locality and accessibility attributes of that neighbourhood. Gentrification will impact both positively and negatively on other parts of the borough because of spillovers and mobility. It is these dynamics that it is important to understand if convergence is to be achieved.

2.87 In this context DCLG representatives thought that their analysis team might be able to provide better information. However even with very local quantitative data it may be difficult to track change effectively, as opposed to cross sectional variations. Also, the area typology elaborated by Robson et al was based in part on migration data from the 2001 Census, which did not capture immigration from EU A8 countries — and there was some debate with the host boroughs about the extent to which the typology was applicable to the current position in the area.

2.88 A related issue is that most of the data that are available are out of date – indeed go back to the 2001 census. While these data are helpful for analysing long term trends and differences between areas at a point in time, they cannot be relied upon to provide information on rapidly changing areas and markets.

2.89 In this context it was suggested that ways forward might be found through:

- Interrogating more up to date data from the electoral register; schools; health; housing markets; estate agents and maybe even focus groups or regular simple e-mail surveys of residents – particularly concentrating on :
  - turnover and
  - who is turning over as well as more general providing intelligence;
- Much of this is already done borough by borough – but it could be streamlined and provide better value from money by developing joint intelligence for key indicators and understanding and ensuring the transfer of good practice on intelligence across boroughs.

2.90 But this must be kept simple even though much of the analysis should be at neighbourhood level. One way of approaching this is to identify a small number of key statistics which are highly correlated with more general indicators. It is not valuable to spend too much time re-analysing material with fundamentally similar messages.

Defining churn

2.91 Churn is not a simple process. It is important to look at the different types that can be going on at the same time – e.g. some areas may be escalators; others gentrifying even in the same part of the borough. Most importantly the boroughs, especially those with large social sectors with larger should probably be characterised not so much in terms of average churn numbers but rather be seen as two speed boroughs with a large very stable – and mainly poor – population together with extreme churn going on 'above' this – and in particular small areas.

2.92 Secondly reducing negative churn does not usually involve maintaining people in the borough for all time. Rather the objective is to keep aspirant households for a little longer and maybe then to find that a proportion of such households stay for long periods. This for instance could occur because people find their children have a good schooling and do not want to move them on until they change schools again.

2.93 Moreover, much of the policy emphasis is likely to be on maintaining people in local areas where churn may not be particularly high – but which are affected by neighbouring areas where extreme churn is observed and the fell is that of instability.

Local factors affecting churn and opportunity

2.94 The main factors that affect mobility are mainly household characteristics including those that help determine employment opportunities, such as socio-economic status/position and educational attainment. Choice of residential location is also heavily affected by the range and price of housing available. Satisfaction with the dwelling, the neighbourhood; and the council are relevant but they are also highly associated with these household characteristics.

2.95 The physicality of the dwellings as well as the neighbourhood – and its population – is particularly important in determining the potential churn and rapid change – in tenure, in dwelling quality and even in the public realm. More flexible housing can be rented, then owned, then rented again – all the time changing the quality of the dwellings and the socio-economic status/position of their inhabitants. Inflexible housing has far less potential for improvement – however it can probably decline as quickly if the services decline as well as the stability of the population.

2.96 On the other hand relative prices and availability are core to determining opportunity. Gentrification occurs where prices are still relatively low but people can see potential for improvement and are prepared to accept the initial difficulties. In this context some areas near to the Olympics have considerable potential for improvement because of increased access and services as well as flexible housing provision.

The impact of economic change

2.97 An enormously important issue was seen to be the extent to which the background economic environment is changing. The most important aspects here are lower rates of mobility across tenures as a result of recession – and indeed the lower rates of immigration. This may mean that households that would have moved out remain – and maybe for some time if they miss the window in their personal lives – this could well help boroughs improve convergence.

2.98 However more general issues of unemployment; short time working and worsening incomes all point to worsening inequalities. This means that the baseline for assessing improvement is itself changing – and probably for the worse.

2.99 The relative importance of push and pull factors also change. Moving may mean finding a new job or paying higher transport costs – the push factors may look less important at least for a while –providing a window of opportunity for the boroughs. The important issues are likely to be relative employment rates and greater uncertainty of employment in the new area on the one hand and relative house prices and rents on the other. The evidence on the second is that to achieve anything much better than their current housing conditions people will continue to have to move a long way away and to less desirable areas – and this relativity on prices, rents and price/income ratios is not changing much.

2.100 Overall the economic conditions facing the legacy boroughs which are to some extent improved by the opportunities associated with the Olympics are the core factors determining the potential for increased convergence. In particular the recession appears to have had particularly negative effects in area which have suffered from longer term deprivation (Tunstall & Fenton 2009). It is expansion that helps improve the relative position of worse-off areas.

2.101 On the other hand a reduction in outward mobility may generate some benefits by retaining aspirant households who might otherwise have moved out. Retaining these groups by improving services and housing opportunities gives the best chance of increasing convergence.

How can boroughs take advantage of the positives?

2.102 There appear to be two main potential positive effects on population churn that may arise from the recession:

(1) the recession will almost undoubtedly have slowed mobility especially among those who wish to move out of London into owner-occupation. This presents the possibility of keeping some more aspirant households for longer – especially if local services can be seen to be adequate.

(2) the slowdown in the housing market may make it worthwhile for developers to provide more intermediate market housing which can meet the aspirations of local people as well as potential incomers.

2.103 These factors could in many ways be as important as the direct impact of the Olympics.

2.104 More generally, some churn is better than isolation among immobile households especially in the social rented sector. New entrants will include many with potential even if they have other attributes relating to deprivation and poverty. So generating some mobility together with household mix can help others in the neighbourhood.

2.105 Upgrading the physical nature of areas brings with it the potential for incoming households with more aspirant attributes – but at the expense of accommodating existing established households. This may however be a necessary part of building more mixed communities and ensuring local role models. The most obvious approach here is in terms of increasing the flexibility of the housing in the area to enable different groups/uses and developing not just mixed tenure but also mixed type/size of dwellings on large new developments.

2.106 The main objectives must be to address the issues of education and qualifications – as well as supporting entry into the workforce; improving local accessibility to employment and services; and improving housing opportunities – in other words providing the infrastructure where potential can be realised. Most importantly boroughs need to maintain and improve their understanding of the dynamics of areas which helps them identify opportunity and emerging problems rapidly.

2.107 There is a case for some scenario planning and the development of typologies to address the potential impact of particular policies notably with respect housing and employment.

Section 3

Conclusions: Answering the questions

3.1 There is very little reason to believe that the average churn in the five boroughs is particularly different from other boroughs with similar characteristics. What is more important is the make up of that churn – especially in boroughs that have large proportions of the population that are particularly immobile.

3.2 It is important to recognise that

- there is likely to be at least two speed churn – as many factors, especially tenure mix, tend to generate immobility in these areas;
- many types of churn may be going on in the same borough – while aspiration out-mobility is often what is discussed; there is also the potential inward gentrification mobility at the same time
- reducing churn of itself is not inherently desirable – what is important is to improve pull factors and reduce push factors so that people's experience and life chances improve;
- Churn – and neighbourhoods can be modified by people staying a few months more or less – not by keeping them forever.

3.3 Policies to improve the make up of the boroughs need not just aim to reduce push factors – e.g. by improving schools, employability, access, safety and security and the public realm. They also need to improve pull factors – which relates particularly to the availability and types of housing.

3.4 The Olympics will have many benefits to the boroughs, but equally many of the overall benefits will be dispersed across the capital. International evidence suggests that the long term benefits come from how effectively investment is used after the event.

3.5 The more fundamental issues of housing and local services will mainly be addressed through mainstream policies. There are large scale opportunities to increase the housing stock and the mix of housing provided in the boroughs as well as to ensure to mix tenures in these developments.

3.6 The boroughs need to take every opportunity that arises from the recession as well as from the Olympics – to improve housing; job opportunities; education; and pre work training and mentoring.

3.7 Undoubtedly some parts of the boroughs will improve – the challenge is to ensure that the local population benefits both directly and indirectly from these improvements.

Section 4

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