

Explanation of Scenarios

Migration-Based Scenarios

The **Sub-National Population Projections (SNPP)** (Scenario 1) replicates the 2008-based sub-national projection from the Office for National Statistics (ONS); the latest set of 'official' projections for local authority districts in England. It is a 'trend' scenario, based on historical evidence from 2004-2008 and does not take account of any later information from the 2009 and 2010 mid-year population estimates.

Nil-Net Migration (Scenario 2) assumes that the 'net' impact of migration is zero throughout the projection period. This does not mean zero migration. The scenario assumes that in and out-migration continue (for both internal and international flows) but the overall balance between the two is zero. Fertility and migration assumptions remain consistent with the Migration-led scenario.

To take account of more recent evidence from the 2009 and 2010 mid-year estimates, an alternative, **Migration-Led** (Scenario 3), 'trend' scenario has been run. This uses the later 2006-2010 period as the basis for the derivation of its migration assumptions, from the components-of change evident in the mid-year estimates. The scenario assumes that long-term variations in mortality and fertility are consistent with those evident in the latest (2008-based) national assumptions but takes into account important recent shifts in the components of demographic change upon existing trend projections.

Economic-Based Scenario

The **Economic-Led** scenario (Scenario 4) constrains the future population and household growth to an economic forecast produced by the East of England Economic Forecasting Model (EEFM). This model captures the interdependence of the economy, demographic change and housing at a local level, as well as reflecting the impact of the broader economic trends on the East of England including the supply and demand for labour, labour market trends and economic and demographic factors.

Output from the EEFM has suggested a projected growth trajectory for the size of the labour force in each district. For each district, the annual labour force growth acts as a 'constraint' on population and household growth, with 'migration' used to balance the population and households required to achieve the dwelling target. The relationship between population, the labour force and the number of jobs in a district is controlled by three parameters: economic activity rates, unemployment

rates and a commuting ratio. Economic Activity rates by age and sex have been derived from the EEFM and take account of changing labour force participation expected in the older age-groups. For each district, the unemployment rate and the commuting ratio have been derived from the 2001 Census and remain constant throughout the projection period.

Dwelling-Based Scenarios

The **Dwelling Trajectory** scenario (Scenario 5) is based on the annual rate of East Herts completions to 2011 as set out in the Council's Annual Monitoring Report (AMR). It should be noted that the Dwelling Trajectory scenario is based on housing trajectories that do not run for the full period to 2033 (the East Herts trajectory runs to 2024). This is because the trajectories are based on the current availability of identified sites for housing development, rather than potential housing provision set out in the regional plan. Thus, where there is a shortfall, the annual rate reverts to zero. This will of course, have an impact on the outputs from the scenario testing and should be borne in mind when undertaking comparisons.

The remaining dwelling-based scenarios apply 'constraints' based on iterations of the **East of England Regional Plan 2008** and **Draft East of England Plan Review 2010** housing requirements set out in Policy H1. Dwelling growth acts as a 'constraint' on population and household growth, with 'migration' used to balance the population and households required to achieve the dwelling target. Scenarios 6 and 7 use the district housing requirements as published in Policy H1 (Scenario 6 being the actual district requirement for East Herts since 2008). Please note: these are draft figures.

Based on the RSS and Draft RSS Review, respectively, Scenarios 8 and 9 apply the annualised average rate of dwelling delivery as set out in the relevant regional plan documents. In these 'pure' scenarios, dwelling growth acts as a 'constraint' on population and household growth, with 'migration' used to balance the population and households required to achieve the dwelling target.

Based on the RSS and Draft RSS Review, respectively, Scenarios 10 and 11 apply a 'realistic' iteration of the annualised average rate of dwelling delivery, as set out in the relevant regional plan documents. The scenarios are based on a more informed likelihood of dwelling delivery, which assumes a lower annual rate in the first five years and a higher rate in later years. In these 'realistic' scenarios, dwelling growth acts as a 'constraint' on population and household growth, with 'migration' used to balance the population and households required to achieve the dwelling target.