

EAST HERTS COUNCIL

DISTRICT PLANNING EXECUTIVE PANEL - 28 NOVEMBER 2012  
EXECUTIVE - 4 DECEMBER 2012

REPORT OF THE EXECUTIVE MEMBER FOR STRATEGIC  
PLANNING AND TRANSPORT

SUB-DISTRICT POPULATION AND HOUSEHOLD FORECASTS -  
PARISH GROUPINGS AND TOWNS: PHASES 1 AND 2 (OCTOBER  
2012)

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- This report presents the findings of the Sub-District Population and Household Forecasts technical work (Phases 1 and 2) that will form part of the evidence base for generating an appropriate district-wide housing target for East Herts to 2031, and to inform the preparation of the District Plan. It provides benchmark demographic information at parish grouping and town level.

**RECOMMENDATIONS FOR DISTRICT PLANNING EXECUTIVE**  
**PANEL AND EXECUTIVE: That:**

<b>(A)</b>	<b>the Sub-District ‘Population and Household Forecasts - Parish Groupings and Towns: Phases 1 and 2’ (October 2012) technical study at Essential Reference Paper ‘B’ to this report, be supported as part of the evidence base to inform and support the East Herts District Plan.</b>
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**RECOMMENDATIONS FOR COUNCIL: That:**

<b>(A)</b>	<b>the Sub-District ‘Population and Household Forecasts - Parish Groupings and Towns: Phases 1 and 2’ (October 2012) technical study at Essential Reference Paper ‘B’ to this report, be agreed as part of the evidence base to inform and support the East Herts District Plan.</b>
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## 1.0 Background

- 1.1 In line with the Government's Localism agenda, the National Planning Policy Framework (NPPF) and the impending abolition of regional strategies, local planning authorities are solely responsible for setting their district-wide housing target, based on objectively assessed needs for market and affordable housing.
- 1.2 In July 2011, East Herts Council joined with the Greater Essex grouping of local authorities to commission Edge Analytics Ltd to undertake (strategic demographic technical) work in respect of population and household forecasting to provide robust evidence to support setting its own district-wide housing target. This work is being undertaken in stages and the final study is due for completion in January 2013, for use in finalising the East Herts District Plan: Part 1 - Strategy, for consultation in spring/summer 2013.
- 1.3 In addition to the strategic demographic work, it was considered appropriate to investigate whether demographic information and household projections could be obtained at a sub-district level, within East Herts in order to provide benchmarking demographic information to inform the preparation of the East Herts District Plan.
- 1.4 Phase 1 of this sub-district work was reported to Members at the District Planning Executive Panel on 26<sup>th</sup> July 2012. For completeness, this report presents both Phases 1 and 2 and these are attached as the full report at **Essential Reference Paper 'B'**.

## 2.0 Report

- 2.1 The Sub-District Population and Household Forecast work is a technical model. Such models are routinely used to predict likely future outcomes in order to understand the implications of the imposition of policy or decisions. As is the case with all technical modelling work, in order to generate the 'outcomes', the model is based on a number of 'input' assumptions.
- 2.2 For Phase 1 of this study, the 'input' assumptions e.g. fertility (birth) rates, mortality (death) rates, life expectancy rates, gender rates, and rates of household formation, are based on past demographic trends (i.e. how the local population changed over the past five to ten years). It is these trends that are then

projected forward to generate assumptions about the likely future population. Trend scenarios provide an indication of likely trajectories of growth if recent demographic conditions continue.

- 2.3 A number of different 'scenarios' have been tested, including varying the effects of migration (i.e. movement of population in and out of the district). Migration is a key component of demographics because it alters the structure (age and household) of the population. Phase 1 has been undertaken at two small area geographies: towns and parish groupings (i.e. towns and their rural hinterland).
- 2.4 Phase 2 of the study tests a number of 'policy driven' housing distribution scenarios. These have been developed by Officers as part of the District Plan preparation process (still ongoing) and provide an alternative view, based on local perspectives on the likely potential capacity of an area to accommodate development.
- 2.5 For information, the scenarios are set out in **Essential Reference Paper 'C'**. These are draft scenarios for testing purposes only and have been developed to assist with the various technical modelling work that is being undertaken as part of the preparation of the District Plan. The scenarios are based upon the agreed position at the end of Step 4: Sieve 2 Settlement Evaluations. Reflecting the likely location of new development, Phase 2 has been undertaken at parish grouping small area geography only.
- 2.6 To draw meaningful conclusions, technical models need to compare 'like with like'. As such, the scenarios are compiled from the broad locations to similar total amounts. However, two groups of scenarios were developed in order to provide an indication of the impacts at higher and lower levels of development. This reflects a need to get a sense of the different impacts at different levels of growth. Indeed, the purpose of the scenarios is to provide an insightful assessment framework rather than an 'answer'. Given the number of potential options, and the ongoing process of refinement through the stepped approach to strategy selection, it is not possible to fully test all options. Therefore the scenarios have been developed with sufficient degree of differentiation to provide an indication of the likely impacts in a manner proportionate to strategic planning.
- 2.7 Phase 2, therefore, assesses the potential impacts of a range of potential housing distribution scenarios upon the projected population. In evaluating these scenarios, the forecasting model

uses its 'migration' element to balance population growth against proposed housing development.

- 2.8 The scenarios tested in Phases 1 and 2 are compared in Section 7 of **ERP'B'** (pages 47 to 62) and some commentary is provided. It is also useful to set out some general conclusions, in particular to recognise the importance of the age-structure upon household numbers.
- 2.9 If housing growth exceeds the expected 'trend' projection of population, then net in-migration will result. Conversely, if planned housing growth is insufficient to meet the needs of the population growth assumed by the trend projection, out-migration results. If sufficient housing is not provided in a particular area, existing local people and newly forming households may need to move from that area and/or people may not be able to move into an area. This then puts increasing pressure on other areas to accommodate the population. In these circumstances, population and housing needs do not disappear: they end up being redistributed.
- 2.10 In the absence of any net in-migration, because East Herts (like many parts of the UK) has an ageing population, the retired population (as a proportion of the total population) will increase. An older age profile will typically result in a larger number of households due to the proliferation of one and two-person households. It is net in-migration that would typically help to maintain a more 'youthful' population profile and thus result in a higher average household size (fewer households per head of population). A net inflow of migrants with a youthful age-profile would generally result in a lower retired proportion and a more balanced mix of one, two and 3+ person households.
- 2.11 As examples, in Bishop's Stortford and Northeastern Parishes, a smaller population increase results in a greater change in households, whereas in Hertford and Central Southwestern Parishes despite significant differences in population change, household change and the average number of dwellings are statistically identical.
- 2.12 It must be stressed that the findings presented in this technical work do not provide the 'answer' to the level of housing growth in a particular area. They are simply the starting point for plan-making purposes by providing information in respect of likely future population and households.

- 2.13 The value of the Sub-District Population and Household Forecasting work is that for the first time it provides benchmark demographic information to support policy decisions in the District Plan. This enables the Council to acknowledge with the highest level of confidence available, the demographic implications (including both not meeting or exceeding what may be needed) of different levels of housing growth on an area. It robustly resolves the question as to what the 'internal' population needs of a particular area are.
- 2.14 However, that is not to say that the Population and Household Forecasting work dictates what the level of housing growth should be. That is the role of the District Plan process, through public consultation and public examination to determine the appropriate level of housing growth for both East Herts as a whole and areas within the district.
- 2.15 Indeed, it may be the case that, in planning terms, a particular location cannot accommodate the level of development required to meet its housing needs. Equally, there may be valid planning reasons why a particular location should accommodate more than its forecasted growth.
- 3.0 Implications/Consultations
- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Report to District planning Executive Panel - 26<sup>th</sup> July 2012 Agenda Item 6: Sub-District Population and Household Forecasts - Parish Groupings and Towns: Phase 1 (May 2012)

<http://online.eastherts.gov.uk/moderngov/ieListDocuments.aspx?CId=151&MId=2025&Ver=4>

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