

EAST HERTS COUNCIL

DISTRICT PLANNING EXECUTIVE PANEL - 17 JULY 2014
EXECUTIVE – 5 AUGUST 2014

REPORT BY EXECUTIVE MEMBER FOR STRATEGIC PLANNING
AND TRANSPORT

GREATER ESSEX DEMOGRAPHIC FORECASTS 2012-2037
PHASE 5 MAIN REPORT - APRIL 2014

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report sets out the findings of the Greater Essex Demographic Forecasts 2012-2037 Phase 5 Main Report technical work, which is intended to form part of the evidence base for generating an appropriate district-wide housing target for the period 2011 to 2031, and inform and support the East Herts District Plan.

<u>RECOMMENDATIONS FOR DISTRICT PLANNING EXECUTIVE PANEL AND EXECUTIVE:</u> That:	
(A)	The Greater Essex Demographic Forecasts 2012 -2037 Phase 5 technical study, be supported as part of the evidence base to inform and support the East Herts District Plan.
<u>RECOMMENDATIONS FOR COUNCIL:</u> That:	
(A)	The Greater Essex Demographic Forecasts 2012 -2037 Phase 5 technical study, be agreed as part of the evidence base to inform and support the East Herts District Plan.

1.0 Background

- 1.1 East Herts Council is responsible for setting a district-wide housing target, based on objectively assessed needs for market and affordable housing.

- 1.2 Paragraph 47 of the National Planning Policy Framework (NPPF) states that '*local planning authorities should use their evidence base to ensure that their local plan meets the full objectively assessed needs for market and affordable housing...as far as is consistent with the policies set out in this framework...* In addition, Paragraph 159 of the NPPF states that local planning authorities should '*meet household and population projections, taking account of migration and demographic change [...and cater...] for housing demand and the scale of housing supply necessary to meet this demand*'.
- 1.3 In July 2011, East Herts Council joined with the Greater Essex Grouping of local authorities to commission Edge Analytics Ltd to undertake 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 under the auspices of the Essex Planning Officers Association (EPOA). The preliminary results formed the basis of the Population and Household Topic Paper presented to the LDF Executive Panel on 29 March 2012.
- 1.4 The Greater Essex Demographic Forecasts Phases 1 to 4 (March 2012 - January 2013) were presented to the District Planning Executive Panel on 21 February 2013, and subsequently agreed as part of the District Plan evidence base by the Executive and Full Council on 5 and 6 March 2013 respectively.
- 1.5 In addition to the strategic demographic work, the Council engaged the same consultants, Edge Analytics Ltd, to undertake sub-district population and household forecasts, in order to provide benchmarking demographic information, to inform the preparation of the East Herts District Plan.
- 1.6 The Sub District Population and Household Forecasts were presented to the District Planning Executive Panel on 28 November 2012, and subsequently agreed as part of the District Plan evidence base, by the Executive and Full Council on 4 and 12 December 2012 respectively.
- 1.7 This report presents the findings of Phase 5 which includes an update to the previous EPOA demographic forecasts and evidence to take account of: 2011 Census statistics; revisions to mid-year population estimates for 2002-10; the new 2011-based household projections; 2012 mid-year estimates; and the later

forecasts of economic growth.

1.8 It is proposed that Phase 5 be agreed as part of the evidence base to inform and support the East Herts District Plan. All the Greater Essex and East Herts Sub-District studies are available on the Council's website - see Background Papers.

2.0 Report

2.1 The Greater Essex Demographic Forecasts Phase 5 Main Report is structured as follows:

- **Section 1: Introduction** - provides a context for the project and summarises the content of the Main Report April 2014. Most of this Introduction is reproduced as **Essential Reference Paper 'B'** to this report.
- **Section 2: Summarising the new demographic evidence** - provides a short commentary on the latest demographic evidence that has been incorporated into the evidence presented in the Phase 5 report.
- **Section 3: Developing alternative growth scenarios** - describes the suite of scenario alternatives, developed to evaluate growth trajectories based on demographic and economic assumptions.
- **Section 4: Area profiles** - summarises the outcome of each of these scenarios, presenting growth in terms of population, households, dwellings, labour force and jobs impacts for each of the study local authorities. The East Herts Area profile is reproduced at **Essential Reference Paper 'D'** to this report.
- **Section 5: Summary and Phase 6 intentions** - provides a short summary of the analysis and an indication of the likely content of the Phase 6 analysis.
- **The Appendix** to the Main Report contains guidance on the data inputs and assumptions used in the development of the scenarios.
- An accompanying report provides scenario summaries for each of the 11 Macro Areas within the overall study, which are varying groupings of more than one local authority.

2.2 A summary of the Phase 5 Main Report is contained at **Essential Reference Paper 'C'** to this report.

2.3 The Report considers nine scenarios for the District as follows:

Jobs*	Where demographic change is constrained to the growth in total employment
Employed People*	Where demographic change is constrained to the growth in the number of workplace employed people
SNPP-2010	Where the 2010-based sub-national population projection from ONS is used as the trend benchmark
Migration led 5yr X	Where internal and international migration assumptions are based on the last five years of historical evidence, ignoring the Unattributable Population Change (UPC) element of the ONS mid-year estimate rebasing exercise
Migration-led 5yr	Where internal and international projection assumptions are based on five years of historical evidence (2007/8 - 2011/12)
Migration-led 10yr X	Where internal and international migration assumptions are based on the last 10 years of historical evidence, ignoring the UPC element of the ONS mid-year estimate rebasing exercise
Migration-led 10yr	Where internal and international projection assumptions are based on 10 years of historical evidence (2002/3 - 2011/12)
Net Nil	Where migration assumptions are maintained but in-migration, as well as immigration and emigration, are set to balance each other, i.e. the net impact of migration is zero
Natural Change	Where in-migration, out-migration, immigration and emigration projection assumptions are each set to zero, with only births and deaths determining growth

* The revised 2013 'Baseline' scenario from East of England Forecasting Model (EEFM) has provided the latest employment growth forecasts for EOPA local authorities.

- 2.4 Each scenario has been evaluated using both 2011-based (Option A) and 2008-based (Option B) household headship rates, providing a 'range' of household and dwelling growth options for consideration.

- 2.5 The East Herts Area profile at **Essential Reference Paper ‘D’** sets out the implications of the various scenarios.
- 2.6 In summary, the application of the 2008-based household formation rates (Option B) results in a dwelling requirement that is approximately 11.3% higher than that associated with the application of the 2011-based household formation rates (Option A). This calculation excludes the ‘Nil Net’ and ‘Natural Change’ scenarios, as for local planning purposes, the NPPF requires local planning authorities to take *‘account of migration and demographic change [...and cater...] for housing demand and the scale of housing supply necessary to meet this demand’*.
- 2.7 Considering the average of the 2011-based Option A and 2008-based Option B alternatives, suggests a dwelling requirement of 904-972 per year resulting from the East of England Forecasting Model (EEFM) scenarios (jobs and employed people), with the ‘SNPP -2010’ suggesting growth at 761 dwellings per year. The two ‘Migration-led’ scenarios record a range of outcomes that are lower than the EEFM alternatives, at 511-648 dwellings per year.
- 2.8 The Migration-led ‘X’ scenarios suggest higher dwelling growth than the ‘Migration-led’ scenarios in the range 592-726 per year.
- 2.9 If the seven scenarios (excluding ‘Net Nil’ and ‘Natural Change’) are averaged to ‘even out’ the outcomes to take account of the different scenario approaches, origins and bases, the annual average dwelling requirements are as set out in the table below:

Option A (2011-based)	Option B (2008-based)	Options A and B Average 2011 and 2008-based
691	769	730

- 2.10 The main conclusion to be drawn from the Phase 5 work, in terms of assisting in identifying an appropriate district-wide housing target, is that the 750 dwellings per annum identified in the Draft District Plan Preferred Options Document January 2014, continues to represent a sound and robust basis for housing provision in the District Plan over the period 2011 to 2031.

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

National Planning Policy Framework (NPPF): March 2012: Department for Communities and Local Government.

<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

Report to LDF Panel 29 March 2012 Agenda item 7: Population and Household Forecasts and the East Herts Housing Requirement

<http://online.eastherts.gov.uk/moderngov/documents/s13979/Population%20Households%20Forecasts.pdf>

<http://online.eastherts.gov.uk/moderngov/documents/s13980/Population%20Housholds%20Forecasts%20-20ERP%20B.pdf>

<http://online.eastherts.gov.uk/moderngov/documents/s13981/Population%20Households%20Forecasts%20-%20ERP%20C.pdf>

Greater Essex Demographic Forecasts-Phase 2: Scenario Development incorporating Phase 1: Model Development (March 2012) Edge Analytics on behalf of Essex Planning Officers Association (EPOA) and East Herts and Welwyn Hatfield Council

<http://www.eastherts.gov.uk/index.jsp?articleid=25754>

Greater Essex Demographic Forecasts- Phase 3: Further Scenario Development (July 2012) Edge Analytics on behalf of Essex Planning Officers Association (EPOA) and East Herts and Welwyn Hatfield Council

<http://www.eastherts.gov.uk/index.jsp?articleid=25754>

Report to District Planning Executive Panel-26 July 2012 Agenda Item 5: Sub-District Population and household Forecasts-Parish Groupings and Towns: Phase 1 (May 2012)

<http://online.eastherts.gov.uk/moderngov/documents/s15457/Sub-district%20Population%20and%20Household%20Forecasts.pdf>

<http://online.eastherts.gov.uk/moderngov/documents/s15459/Sub-district%20Population%20and%20Household%20Forecasts%20-%20ERP%B%Housing%20Figures.pdf>

<http://online.eastherts.gov.uk/moderngov/documents/s15460/Sub-District%20Population%20and%20Household%20Forecasts%20-%20ERP%20C%20Parish%20Groupings%20Towns.pdf>

Report to District Planning Executive Panel - 28 November 2012 Agenda
Item 5: Sub-District Population and Household Forecasts-Parish
Groupings and Towns: Phases 1 and 2 (October 2012)

<http://online.eastherts.gov.uk/moderngov/documents/s17117/Sub-district%20Population%20Household%20Forecasts.pdf>

<http://online.eastherts.gov.uk/moderngov/documents/s17119/Sub-district%20Population%20Household%20Forecasts%20-%20ERP%20B%20Parish%20Groupings%20and%20Towns.pdf>

<http://online.eastherts.gov.uk/moderngov/documents/s17120/Sub-district%20Population%20Household%20Forecasts%20-%2-ERP%20C%20Draft%20Scenarios.pdf>

Greater Essex Demographic Forecasts- Phase 4: Demographic Model
Update, Scenario Analysis and Report Edge Analytics on behalf of Essex
Planning Officers Association (EPOA) and East Herts and Welwyn
Hatfield

<http://www.eastherts.gov.uk/index.jsp?articleid=25754>

Greater Essex Demographic Forecasts 2012-2037 Phase 5 April 2014

<http://www.eastherts.gov.uk/index.jsp?articleid=25754>

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