Greater Essex Demographic Forecasts Phase 6
Main Report September 2014
Summary

Section 2: Population estimates & projections

Official statistics

B1   Every two years, the Office for National Statistics (ONS) publishes a national population projection. The national projection is followed by the publication of sub national population projections (SNPP), providing an indication of likely growth in each local authority area over a 25 year period.

B2   ONS released its 2012-based national population projections in autumn 2013 and followed this with publication of the 2012-based sub-national projections in May 2014.

B3   The 2012 based national population projection suggests that the population of England will increase by 8.7 million between 2012 and 2037. This equates to an increase of 16.2% over the 25 year projection period; approximately 0.65% per year. This rate of annual population growth is lower than that experienced in the latest 10-year historical period (0.77% per year) or the latest 5-year historical period (0.82% per year).

B4   Significantly, the 2012-based projection has assumed a lower rate of growth due to international migration than has been recorded in the last five or ten years of evidence.

Section 3: London's demographic influence

Migration relationship

B5   Greater London plays a significant role in shaping the demographic dynamics of the local authorities within the study area. The migration

relationship is most significant between the north east London Boroughs and the local authorities that are immediately contiguous with the Greater London boundary. For example, during 2006/07 – 2012/13, over 50% of Epping Forest's migrant inflow originated from north east London, compared to approximately 15% of East Herts migrant inflow.

B6   The analysis of internal migration flows relies upon statistics captured by the process of GP registration; the Patient Register Data Service (PRDS). When an individual relocates, re-registration with a new GP results in a migration event being recorded, identifying where a person has moved from and to. Each household that re-registers will be captured as an individual migrant.

B7   The level of flow of migration from north east London to the study area reduced significantly following the onset of economic recession in 2008. The migration inflow has started to recover but latest statistics show that it still equivalent to just 85% of the 2007/08 total.

B8   The 2012-based sub-national population projections suggest the impact of internal migration within the study area will be subject to a significant uplift compared to the most recent 5-year and 10-year evidence.

Greater London Authority growth projections

B9   Whilst ONS publishes its official sub-national projections for local authority areas, the Greater London Authority (GLA) routinely produces its own population projections for London Boroughs.

B10   The GLA's latest population and household projections (2013) include four trend-based variants which differ in their choice of internal migration assumptions beyond 2017. With the recession associated with a fall in migration from London to the rest of the UK and a corresponding rise in migration from the rest of the UK to London, the scenario variants are designed to evaluate the 'structural' nature of these shifts in migration patterns.

B11   Within each of these GLA scenario variants is an expectation of a higher net outflow due to internal migration for the NE London

Boroughs which would have consequences for the projected growth in the study area, particularly for those local authority areas that have historically had a strong migration link with the NE London Boroughs.

B12   Whilst the GLA forecasts do not provide a definitive view on future population growth in London, this additional demographic evidence is an important component of housing needs assessment for all local authorities in the wider South East. The likelihood of higher (or lower) levels of in-migration from London should be given appropriate consideration when evaluating the suite of growth outcomes presented for each of the local authorities in the study area.

Section 3: Scenario Definition

Scenario context

B13   The National Planning Policy Framework (NPPF) provides guidance on the development of a robust evidence base to support the development of local housing plans. The guidance makes it clear that data inputs, assumptions and methodology should be robust and should consider future growth potential from a number of perspectives.

B14   For any local authority area, there is no single, definitive view on the likely level of future growth, with a mix of economic, demographic and national/local policy issues ultimately determining the speed and scale of change. For local planning purposes, it is necessary to evaluate a range of growth alternatives to establish the most 'appropriate' basis for determining future housing requirements.

B15   The use of a recognised forecasting model (e.g. POPGROUP: as used by Edge Analytics for the Greater Essex Grouping of Local Authorities), which includes industry-standard methodologies ensures a robustness of approach and enables a focus on assumptions and output, rather than methods.

B16   The scenarios that have been developed for this study include the following:
- Official projections from ONS (2010-based and 2012-based).

- 'Migration-led' trend forecasts using the latest demographic evidence, including an assessment of the importance of the 'Unattributable Population Change (UPC) component.
- Economic growth trajectories, as detailed in the East of England Forecasting Model (EEFM), developed by Oxford Economics.

B17   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.

Alternative trend projections

B18   A five year historical period is a typical time-frame from which migration 'trend' assumptions are derived. This is consistent with ONS official methodology. However, given the unprecedented economic changes that have occurred since 2008, it is important to give due consideration to an extended historical period for assumption derivation.

B19   Alternative scenarios are as follows:

- **PG-5yr**: internal and international migration projection assumptions are based on five years of historical evidence (2007/8-2011/12).
- **PG-10yr**: internal and international migration projection assumptions are based on ten years of historical evidence (2002/3-2011/12).
- **Natural Change**: in-migration, out-migration, immigration and emigration projection assumptions are each set at zero, with only births and deaths determining growth.
- **Net Nil**: migration assumptions are maintained but in-migration and out-migration, as well as immigration and emigration, are set to balance each other, i.e. the net impact of migration is zero.

B20   Two further 'Migration-led' scenarios have been developed as
        follows:

- **PG-5yr-X:** internal and international migration assumptions are
  based on the last five years of historical evidence, ignoring the
  UPC.
- **PG-10yr-X:** internal and international migration assumptions
  are based on the last 10 years of historical evidence, ignoring
  the UPC.

Employment-led forecasts

B21   The revised 2013 'Baseline' scenario from the East of England
        Forecasting Model (EEFM) has provided the latest employment
        growth forecasts for the study area. For each of the local authorities,
        the EEFM has identified a forecast of growth measured as both total
        employment ('Jobs') and the total workplace employed people
        ('Employed people')

B22   These data provide the basis for the development of two
        employment-led demographic forecasts:

- **Jobs**: demographic change is constrained to the growth in total
  employment.
- **Employed people**: demographic change is constrained to the
  growth in the number of workplace employed people.