

# Greater Essex

## Demographic Forecasts 2012-2037

Phase 6 Main Report

September 2014

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# 1. Introduction

## Context

- 1.1 With the revocation of the Regional Spatial Strategy (RSS), the development of housing requirements for Local Plans is now very much the responsibility of individual local authorities. The National Planning Policy Framework (NPPF)<sup>1</sup> and Planning Practice Guidance (PPG)<sup>2</sup> provide guidance on the appropriate approach to the objective assessment of housing need and the use of demographic and economic evidence to support this assessment. As a result, the development and presentation of demographic evidence to support local housing plans is subject to an increasing degree of public scrutiny.
- 1.2 The Essex Planning Officers Association (EPOA) has maintained its commitment for continued collaboration between authorities in the preparation and use of demographic information to support Local Plan development. EPOA views the availability of robust and consistent demographic information and forecasts across a wide area as a vital component in any local planning authority evidence base; facilitating more informed discussion regarding future development with local communities, neighbouring authorities, infrastructure and service providers, developers and others. In particular, demographic data is a key component to inform and mobilise the 'duty to cooperate' which the Localism Act places on authorities, their neighbours and other organisations when engaged in policy development and Local Plan preparation.
- 1.3 During 2010-12, EPOA commissioned an initial programme of work which delivered a range of demographic forecasts for its member authorities, providing a suite of scenarios from which future growth trajectories might be evaluated. This project was conducted in four phases and concluded in summer 2012.
- 1.4 EPOA has now extended this commission to provide an annual update to the demographic forecasting evidence for its member authorities. This new evidence continues to include a variety of forecasts, including official projections, alternative trend scenarios and economic-led growth outcomes.

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<sup>1</sup> <http://planningguidance.planningportal.gov.uk/blog/policy/>

<sup>2</sup> <http://planningguidance.planningportal.gov.uk/blog/guidance/>

## Work programme

1.5 The new commission has been organised into three phases, continuing from the original programme of work, as follows:

1.6 **Phase 5: December 2013 – February 2014**

This phase included 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 latest forecasts of economic growth.

1.7 **Phase 6: June 2014 – July 2014**

This latest phase incorporates updated 'official' statistics from the Office for National Statistics (ONS). This new evidence includes key assumptions from the 2012-based *national* population projection, plus area-specific data on fertility, mortality and migration which drive the 25-year, 2012-based sub-national population projections (SNPP). This new evidence is presented alongside revised jobs-led scenarios and the previous 2010-based SNPP.

All scenarios in Phase 6 have been formulated using POPGROUP 'version 4' technology, a 2014 upgrade to the forecasting software which incorporates important methodological changes, specifically to align more closely with ONS methods.

1.8 **Phase 7: quarter 1 2015**

A final phase of work will include updates to take account of new household projections (scheduled for release in quarter 4 2014), the latest mid-year population estimates and the latest forecasts of economic growth.

1.9 This document provides a summary of the Phase 6 analysis and forecasts.

## Forecasting methodology

1.10 Demographic forecasts have been developed using the POPGROUP suite of products. POPGROUP is a family of demographic models that enables forecasts to be derived for population, households and the labour force, for areas and social groups. The main POPGROUP model (Figure 1) is a cohort component model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

- 1.11 The Derived Forecast (DF) model (Figure 2) sits alongside the population model, providing a headship rate model for household forecasting and an economic activity rate model for labour-force forecasts.
- 1.12 The scenarios presented in the Phase 6 EPOA report have been developed using the latest version (version 4) of the POPGROUP demographic forecasting software. This new release of the software includes a number of enhancements but, most significantly, has made changes to the way in which 'internal' migration flows are handled within the model.
- 1.13 These changes have involved linking internal 'in-migration' rates directly to an external reference population (in this case the UK population) rather than to the population of the area itself. The internal 'out-migration' methodology is unchanged.
- 1.14 This has had the effect of changing the future impact of migration, with the level of internal in-migration changing in relation to growth in the reference population and the level of internal out-migration changing in relation to the growth of the population of each local area. This provides a more appropriate balance between in and out flows to and from an area.
- 1.15 These methodological changes have ensured that the POPGROUP version 4 approach is more consistent with the ONS population model and produces more robust alternative trend scenarios using the available evidence.
- 1.16 For detail on the POPGROUP methodology, please refer to the POPGROUP v.4 user manual, which can be found at the POPGROUP website: <http://www.ccsr.ac.uk/popgroup/index.html>

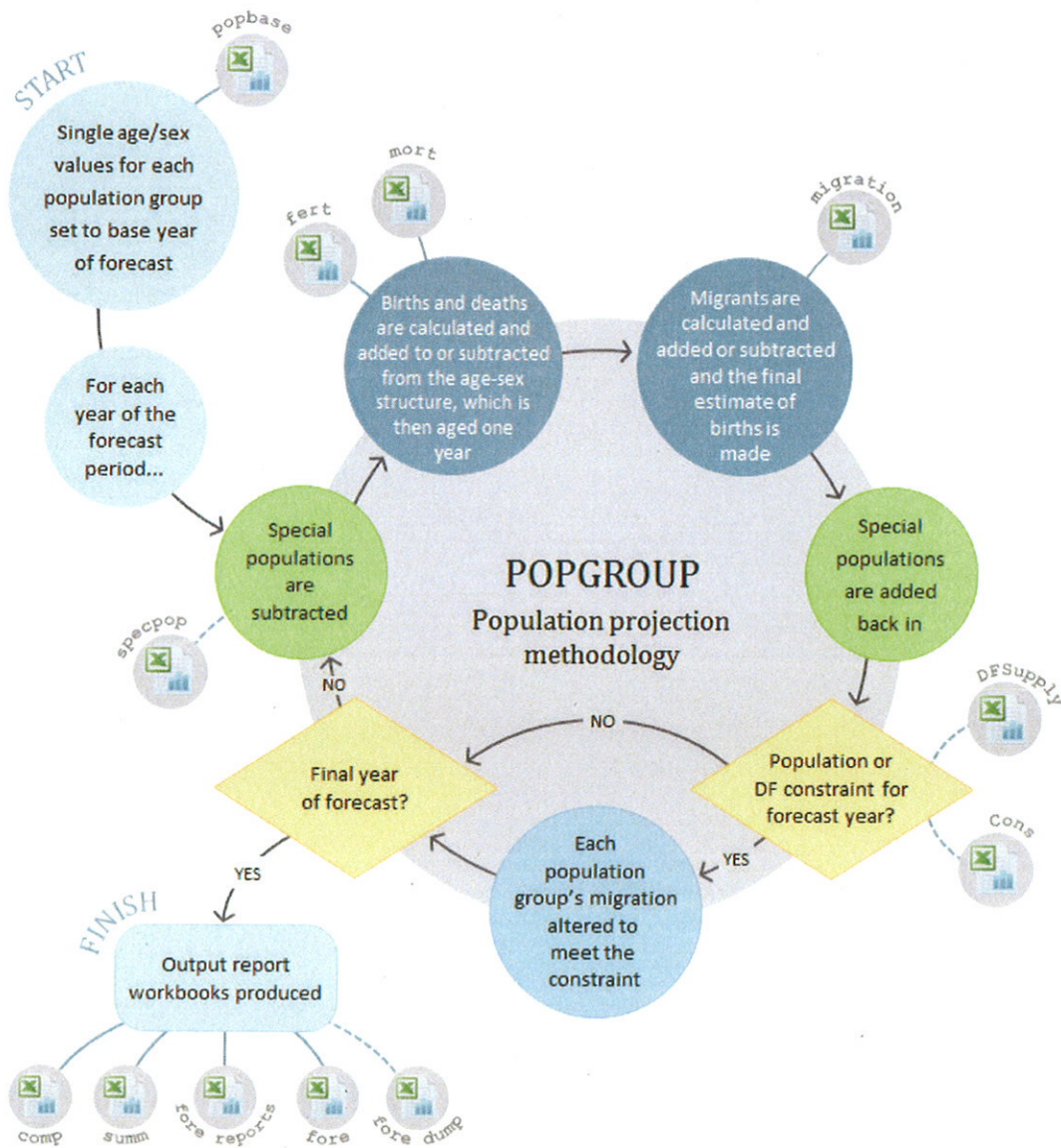
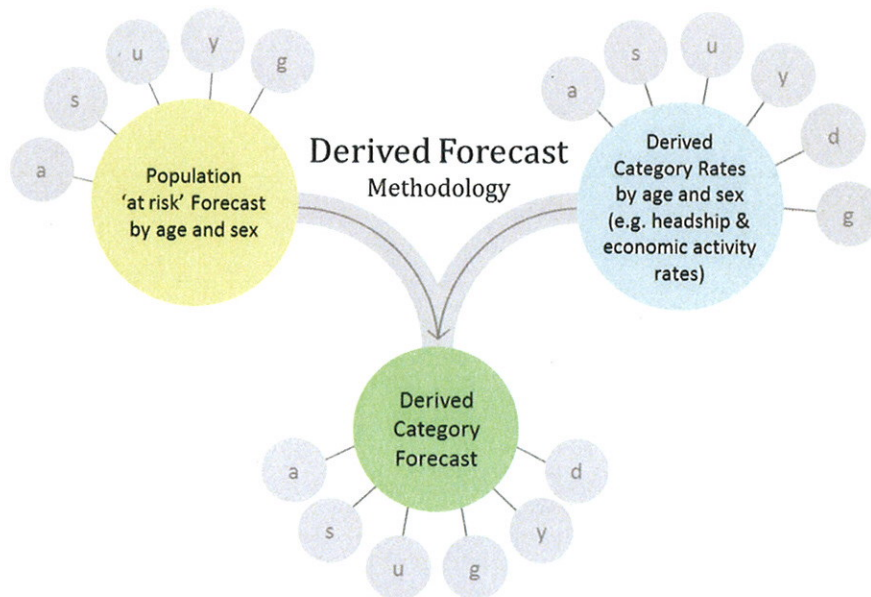


Figure 1: POPGROUP population projection methodology



$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g} R_{a,s,u,y,d,g}}{100}$$

- D* Derived Category Forecast
- P* Population 'at risk' Forecast
- R* Derived Category Rates
- a* Age-group
- s* Sex
- u* Sub-population
- y* Year
- d* Derived category
- g* Group (usually an area, but can be an ethnic group or social group)

Figure 2: Derived Forecast (DF) methodology

## EPOA geography

1.17 The EPOA geographical area of interest encompasses a total of 24 local authority districts and unitary authorities plus a number of 'macro' areas, created as aggregates of these (Figure 3). Analysis, forecasting and reporting have been undertaken for each of these defined geographical areas.

Districts & Unitary Authorities				
ID	ONS old Area Code	ONS new Area Code	Area	Short label
1	22UB	E07000066	Basildon	BAS
2	22UC	E07000067	Braintree	BTE
3	22UD	E07000068	Brentwood	BRW
4	22UE	E07000069	Castle Point	CPT
5	22UF	E07000070	Chelmsford	CHL
6	22UG	E07000071	Colchester	COL
7	22UH	E07000072	Epping Forest	EPF
8	22UJ	E07000073	Harlow	HLW
9	22UK	E07000074	Maldon	MAL
10	22UL	E07000075	Rochford	ROC
11	22UN	E07000076	Tendring	TEN
12	22UQ	E07000077	Uttlesford	UTT
13	00KF	E06000033	Southend-on-Sea	SOS
14	00KG	E06000034	Thurrock	THU
15	12UB	E07000008	Cambridge	CamCity
16	12UG	E07000012	South Cambridgeshire	SCambs
17	26UB	E07000095	Broxbourne	Brox
18	26UD	E07000097	East Hertfordshire	EHerts
19	26UL	E07000241	Welwyn Hatfield	Wel Hat
20	42UB	E07000200	Babergh	Babergh
21	42UD	E07000202	Ipswich	Ipswich
22	42UE	E07000203	Mid Suffolk	MidSuff
23	42UG	E07000205	Suffolk Coastal	SufCoast
24	42UF	E07000204	St. Edmundsbury	StEdmun
Macro Areas				
ID	Definition		Area	Short label
25	1-12		Essex CC	EssexCC
26	1-14		Greater Essex	GtrEssex
27	1, 4, 10, 13, 14		Essex Thames Gateway	EsxTham
28	3, 5, 9		Heart of Essex	HrtEssex
29	2, 6, 9, 11		Essex Haven Gateway	EssexHG
30	20-23		Suffolk Haven Gateway	SufflkHG
31	2, 6, 9, 11, 20-23		Haven Gateway	HG
32	7, 8, 12		West Essex	Wessex
33	17, 18		Hertfordshire (East)	EastHert
34	7, 8, 12, 17, 18		Stansted/M11 Corridor	StansM11
35	7, 8, 18		Harlow Joint Working Area	Harlow

Figure 3: EPOA study area definition