



Craven

Updating the Demographic Evidence
2016-based population and household projections

October 2018

For the attention of:
Craven District Council

edgeanalytics

Leeds Innovation Centre | 103 Clarendon Road | Leeds | LS2 9DF
0113 384 6087 | www.edgeanalytics.co.uk

Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

The authors of this report do not accept liability for any costs or consequential loss involved following the use of the data and analysis referred to here; this is entirely the responsibility of the users of the information presented in this report.

Contents

Acknowledgements.....	i
Contents.....	ii
1 Introduction	1
2 Latest Population Estimate	2
3 Demographic Forecasts	3
4 Summary.....	7
Appendix A Craven Household Representative Rates.....	8

1 Introduction

Context

- 1.1 In 2017, Craven District Council commissioned its Strategic Housing Market Assessment (SHMA). The SHMA was informed by a range of demographic and economic evidence, including: mid-year population estimates (MYEs) to 2016; 2014-based sub-national population projections (SNPP) from the Office for National Statistics (ONS); and 2014-based sub-national household projections (SNHP) from the Ministry of Housing, Communities and Local Government (MHCLG). For comparison with the 2014-based SNPP, two alternative trend scenarios were developed using variant migration histories; a short-term (six-year period) and long-term (fifteen-year period).
- 1.2 The SHMA identified an objectively assessed housing need (OAN) of +242 dwellings per annum (dpa) for the 2012–2032 plan period. This total was underpinned by the growth outcome of the **PG Long Term** scenario (i.e. using migration trends based on a fifteen year period), plus an improvement in household representative rates (HRR) in the young adult age groups.
- 1.3 In early 2018 Craven District Council submitted its draft Local Plan, outlining an annual housing growth target of +230 per annum (2012–2032). Since the publication of the Local Plan, a number of new demographic datasets have been made available including:
- Revisions to the 2012–2016 MYEs
 - 2016-based SNPP, with fertility, mortality and migration assumptions
 - 2016-based SNHP, with revised HRR assumptions

Requirements

- 1.4 The Craven Local Plan is currently under examination, with proceedings to be concluded in late October. In considering Matter 2 of the examination, the Inspector has requested that the Council evaluates the latest demographic evidence (outlined above) alongside the proposed Local Plan housing target.
- 1.5 Edge Analytics has configured a new demographic forecasting model for Craven, incorporating the latest evidence on population change, plus updated assumptions on fertility, mortality and migration. Updated growth scenarios have been formulated for direct comparison with those presented in the November (2017) demographic report¹. Scenarios have been configured using household assumptions from the ONS 2016-based SNHP, and a 2011 Census vacancy rate for Craven to estimate the relationship between household and dwelling totals.

¹ Referred to in the Council Local Plan (January 2018) examination documents as De001.

2 Latest Population Estimate

- 2.1 In June 2018, the latest 2017 MYE was released, providing an additional year of information on the combined effect of births, deaths, internal and international migration upon Craven's population growth profile.
- 2.2 The 2017 MYE continues the trend of population growth evident in the 2016 data. The 2017 MYE recorded a population of 56,604 for Craven, an increase of +261 from the previous year, driven primarily by increased net internal migration flows (i.e. a larger number of people moving into Craven than moving out) but dampened by the effect of natural change (more deaths than births).

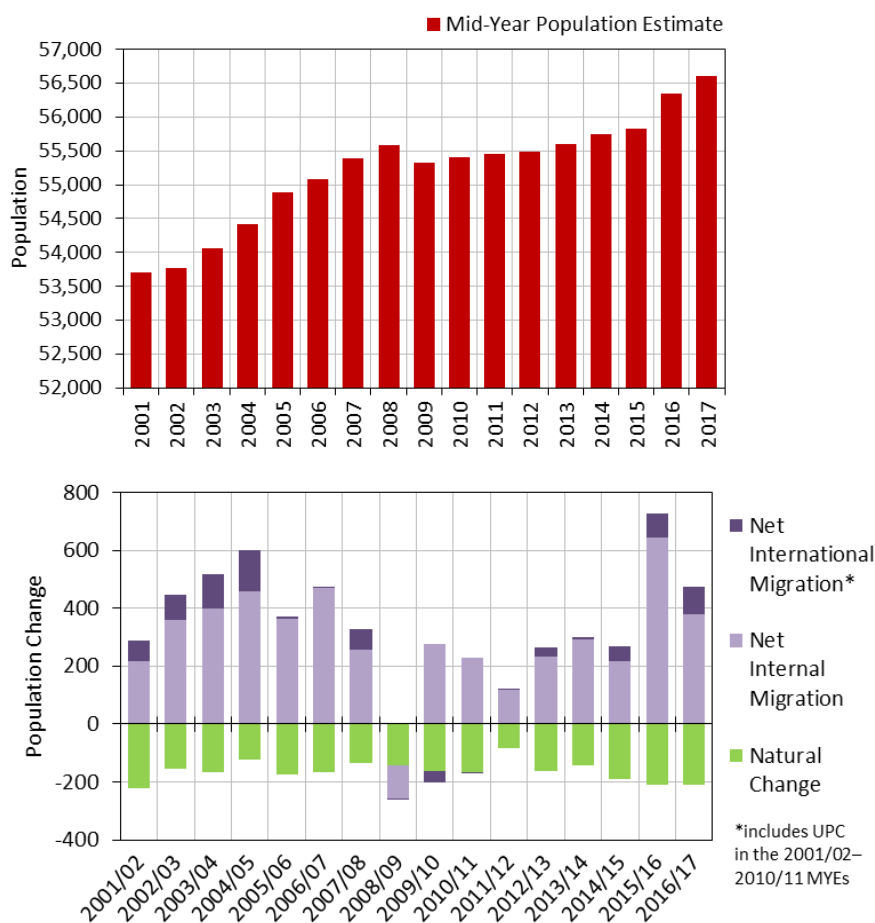


Figure 1: Craven mid-year population estimates and components of change 2001/02–2016/17²

² Includes ONS MYE revisions 2012–2016 which lowered Craven's population by -35 persons.

3 Demographic Forecasts

Official Statistics

- 3.1 Every two years, the ONS publishes its SNPP and SNHP, setting key assumptions on the long term effects of fertility, mortality, migration, HRRs and average household size for local authorities in England. The population and household projections inform the starting point in the assessment of future housing need.
- 3.2 The 2016-based SNPP (released in May 2018) has been calibrated using domestic migration assumptions derived from a 5-year period prior to 2016, plus fertility, mortality and international migration statistics, configured from national assumptions. The 2014-based SNPP based its migration assumptions on the 5-year period preceding 2014, in combination with an alternative outlook on future fertility, mortality and international migration
- 3.3 The SNHP are underpinned by the SNPP, setting key assumptions on future HRRs. The 2016-based SNHP includes key methodological changes (compared to the 2014-based SNHP):
- HRRs have a different age-group classification and exclude relationship status
 - The 2011 Census definition of household reference person has been used, changing the balance of male/female HRR
 - HRRs have been calculated using 2001 and 2011 Censuses only
 - HRRs are held constant from 2021 onward, with no forward projection of the rates.

Scenario Definition

- 3.4 The demographic scenarios formulated for the SHMA (2017), were as follows³:
- **SNPP-2014 & SNPP-2014-Rebased**
 - **PG Short Term & PG Long Term**
- 3.5 Three *new* growth scenarios are presented alongside these originals, namely⁴:
- **SNPP-2016:** replicates the ONS 2016-based population projection for Craven.
 - **PG Short Term (X):** 6-year migration history (2011/12–2016/17)
 - **PG Long Term (X):** 16-year migration history (2001/02–2016/17)

³ For a definition of each of the scenarios, refer to Edge Analytics report 'Craven – Updating the demographic evidence' (November 2017) (De0011), page 10.

⁴ To differentiate with the SHMA (2017) demographic scenarios, the new alternative trend scenarios have been identified in this report with the suffix '(X)'.

- 3.6 In the earlier scenarios, household growth was calculated using the 2014-based SNHP HRR assumptions. In the *new* scenarios, household growth had been calculated using the 2016-based SNHP HRR assumptions. In each case, the relationship between household and dwelling growth is estimated using Craven's 2011 Census vacancy rate of 9.0%.

Scenario Outcomes

- 3.7 The **SNPP-2016** results in *lower* population growth than the **SNPP-2014-Rebased** scenario, despite having a higher annual net migration total (Figure 3, Table 1 and Table 2). This lower growth is largely due to the increasingly negative effect of natural change, as the lower fertility rates and lower life expectancy assumptions influence the ageing population profile (Figure 2).

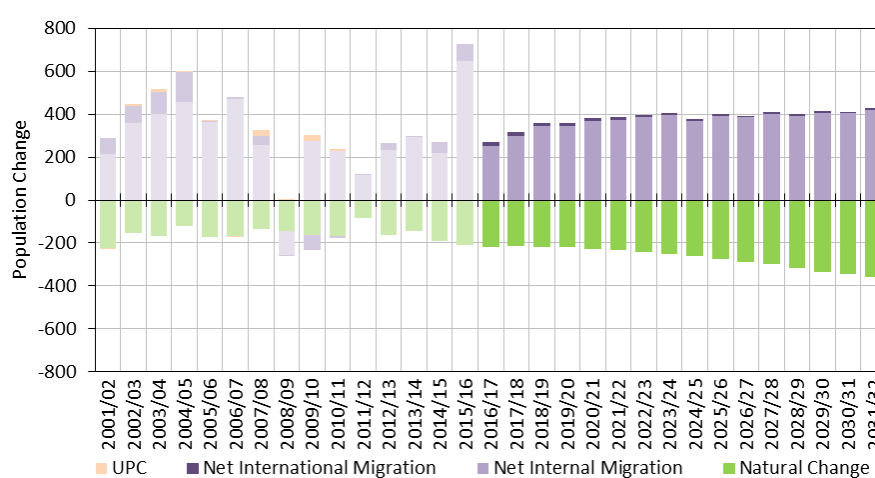


Figure 2: Craven 2016-based SNPP components-of-change (2001/02–2031/32)

- 3.8 Despite lower population growth than the **SNPP-2014-Rebased** scenario, the **SNPP-2016** results in *higher* household growth and a *larger* annual dwelling requirement; +161 dpa versus +141 dpa (note: the SNPP-2014 without re-basing resulted in a +130 dpa total).
- 3.9 Higher household growth under the **SNPP-2016** is underpinned by higher HRRs in the young adult age groups 25–39 (see Appendix A), which contrasts to the national trend of typically lower HRR in these age groups. Average household size reduces at a slightly faster rate under the 2016-based SNHP, from 2.21 in 2012 to 2.05 by 2032, compared to 2.09 under the 2014-based SNHP.
- 3.10 Whilst the SNPP scenarios have provided the 'official' population projections, Craven's SHMA selected the **PG Long Term** scenario to underpin its OAN calculation, encompassing a more-balanced perspective on migration, pre- and post- the financial crisis of 2007/08. In this updated analysis, it is therefore the comparison between the **PG Long Term** and **PG Long Term (X)** scenarios that is key.
- 3.11 As with the SNPP scenario, the **PG Long Term (X)** scenario points to *lower* population growth than its earlier equivalent, despite recording *higher* annual migration growth effects. The dampening effects of fertility and mortality assumptions are again a factor. But once again, the lower population

growth results in a *higher* household and dwelling growth due to the impact of the 2016-based HRR. Dwelling growth under the **PG Long Term (X)** scenario is estimated at +203 dpa over the plan period, compared to +199 dpa under the previous **PG Long Term** scenario (although this was increased to +202 dpa to take account of higher HRRs in young-adult age-groups).

Craven Demographic Scenarios

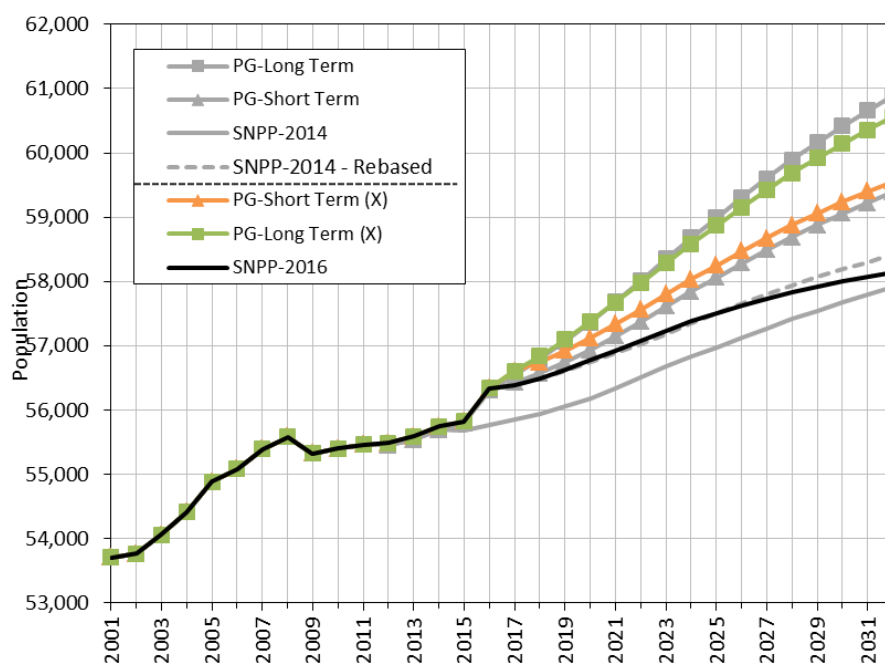


Figure 3: Population growth 2001–2032

Table 1: Craven – previous demographic scenarios (SHMA 2017)⁵

Demographic Scenarios (SHMA 2017)	Change 2012–2032				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings (2014-based SNHP)
PG Long Term	5,439	9.8%	3,625	14.7%	465	199
PG Short Term	3,934	7.1%	3,040	12.3%	403	167
SNPP-2014 - Rebased	2,984	5.4%	2,567	10.4%	349	141
SNPP-2014	2,465	4.4%	2,359	9.6%	323	130

Table 2: Craven – new growth demographic scenarios

Demographic Scenarios	Change 2012–2032				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings (2016-based SNHP)
PG Long Term (X)	5,071	9.1%	3,692	15.0%	484	203
PG Short Term (X)	4,069	7.3%	3,489	14.1%	445	192
SNPP-2016	2,646	4.8%	2,932	11.9%	383	161

⁵ As presented in the Edge Analytics 'Craven – Updating the demographic evidence' (November 2017) (De001), Table 2.

4 Summary

- 4.1 The latest, 2016-based evidence, encompassing the ONS official projection and the alternative **PG Long Term (X)** scenario, result in lower population growth than the equivalent SHMA scenario evidence but higher household and dwelling growth.
- 4.2 The **SNPP-2016** records a +161 dpa for Craven's 2012–2032 plan-period, compared to +141 under the **SNPP-2014-Rebased** scenario.
- 4.3 To avoid a Local Plan outlook that was too influenced by dampened migration histories, the **PG Long Term** was chosen to inform Craven's OAN. This recorded +199 dpa, rising to +202 dpa when higher HRRs for young adults were considered. This +202 dpa total is almost identical to the +203 dpa figures associated with the **PG Long Term (X)** outcome.

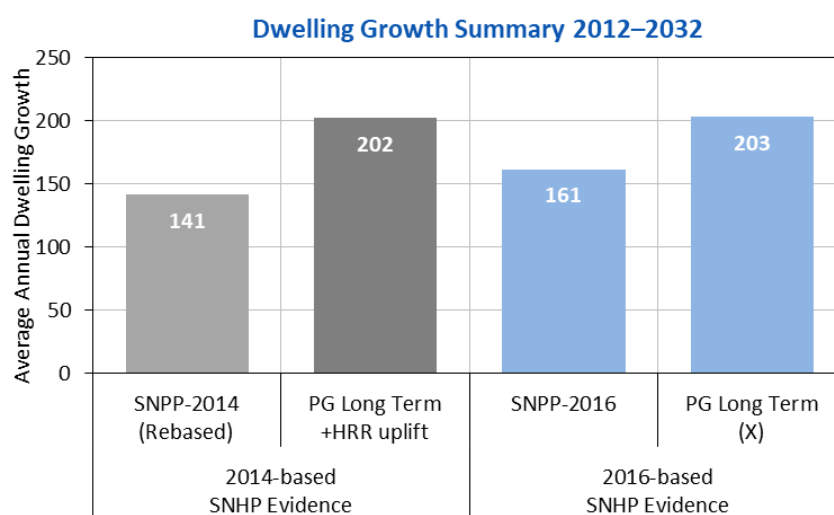


Figure 4: Craven average annual dwelling growth summary (2012–2032)

- 4.4 Based on the original **PG Long Term** scenario in combination with a market signals uplift, plus an objective assessment of future deliverability, a final Local Plan housing target of +230 dpa was identified for Craven.
- 4.5 The new demographic statistics presented in this report suggest no substantial variation from the evidence that informed the SHMA. Taking this into account, the Local Plan housing target for Craven and the evidence on which it has been formulated, remain sound.

Appendix A

Craven Household Representative Rates

Stage One Household Representative Rates by Age (Persons):

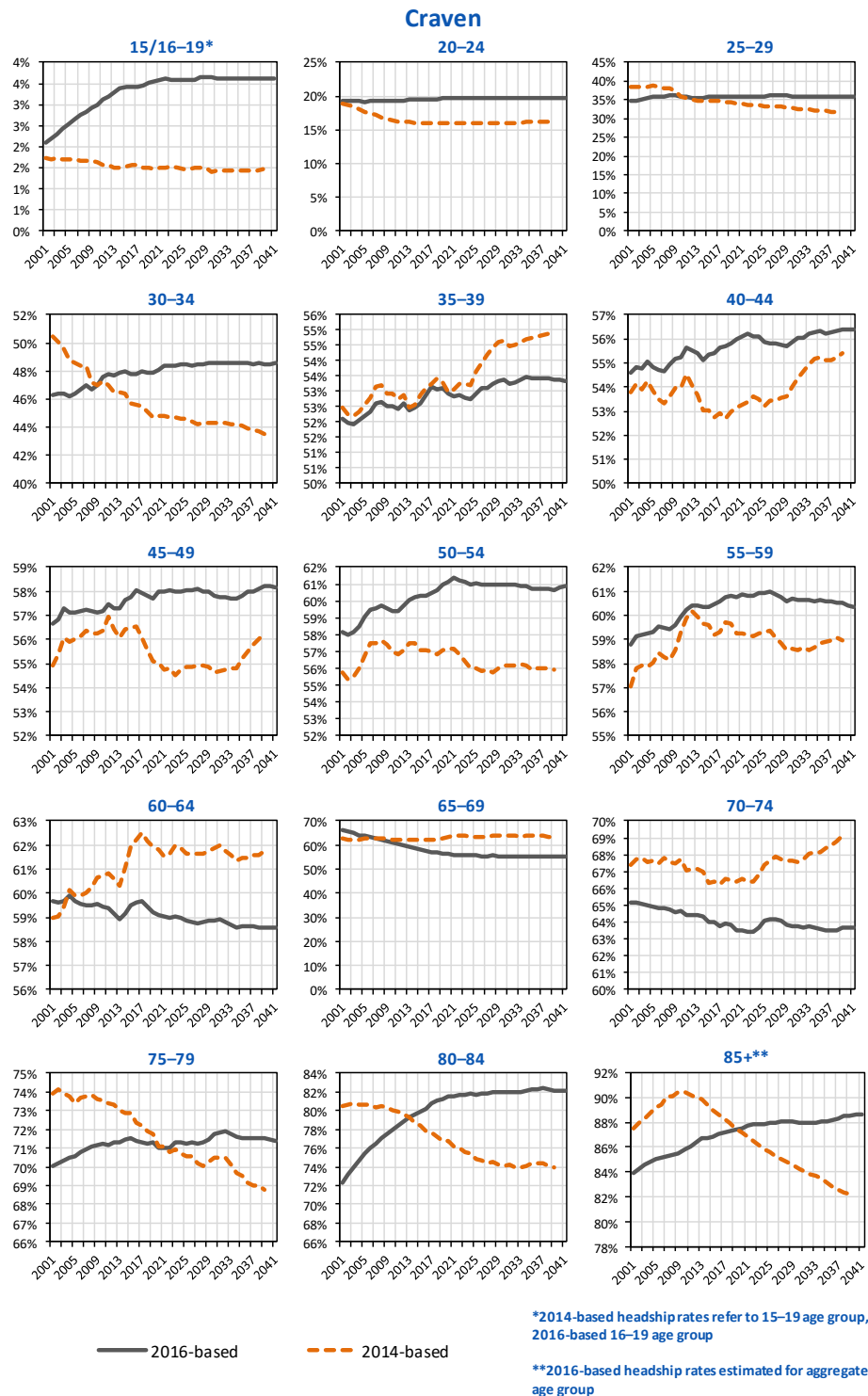


Figure 5: Comparison of household representative rates (2014-based SNHP and 2016-based SNHP)