

Bradford Local Plan

Core Strategy Examination

**Further Statement Relating to Submissions on
Unattributed Population Change**

Date: 29th April 2015

Introduction

- 1.1 This statement sets out the Council's response to the submission made by Jacqueline Thompson (PS/F085) which in turn is a response to the statement made by the Council (PS/F044c) relating to its assessment of housing need and the issue of population projections.

The Council's Response

- 2.1 As many of Ms Thompson's comments relate to the evidence and analysis carried out by Edge Analytics the Council has sought a response from Edge Analytics and this is attached at Appendix 1. The Council concurs with the points made in Edge Analytic's work.
- 2.2 The Government is clear within the NPPF that Council's should undertake a thorough and objective assessment of housing need and then plan positively to meet that need within their Local Plans. The technical guidance within the NPPG issued by the Government is also clear that the cornerstone of the analysis in assessing need should be the official population and household projections but that the process of assessing need should also carry out further analysis. This often takes the form of sensitivity testing of the outcomes if variables such as levels of economic growth, commuting patterns and migration flows are varied. It is important that such work is carried out without any pre-determined outcomes, and is based on a combination of robust data, reasoned analysis and justified assumptions. The Council's analysis as informed by the work of Edge Analytics has followed these principles and all of the assumptions and uncertainties where they exist have been explained and made transparent.
- 2.3 In the Council's view the assumptions and arguments made by Edge Analytics, and in particular those relating to unattributable population change, which appear to be a key issue for Ms Thompson, are balanced, reasoned and justified. This is in contrast to the various submissions by Ms Thompson which are at best interesting but unproven and unsubstantiated theories.
- 2.4 The latest theory posited by Ms Thompson is that Bradford's substantially positive unattributed population change (resulting in a population at 2011 census significantly higher than expected) and Leeds negative unattributed population change (census 2011 population lower than expected) is simply the result of higher prices in Leeds prompting migration to Bradford whereby for some reason those migrants then decide not to register with GPS's. It is nothing more than ill thought through and unsubstantiated speculation. It has been rejected by Edge Analytics. There is no evidence to back Ms Thompson's theory.
- 2.5 Moreover if Ms Thompson is indeed right then you would not necessarily have expected to see a large negative UPC in Leeds since migrant moves to cheaper areas in adjoining Bradford would have been cancelled out by migrants moving from more expensive areas into Leeds such as Harrogate and York. Harrogate is also interesting in that based on Ms Thompson's theory, as an area with higher prices and poorer affordability than its neighbours, it too would have had a negative UPC element but in fact the opposite is the case – it was shown to have a positive UPC with a higher population than expected.
- 2.6 Finally – and as Edge Analytics point out - even if Ms Thompson's theory was correct it would only serve to underline the need for a continuing UPC element in future projections

as there is no prospect of the current pattern of higher prices in Leeds compared to Bradford being reversed in the near future.

- 2.7 Moving on to Ms Thompson's observations relating to the economy, jobs growth prospects and commuting patterns, the Council considers that the assumptions contained within the work of Edge Analytics are reasonable and are clearly set out within the various Housing Requirement Study reports. They are based on the Yorkshire and Humber Regional Econometric model (REM) which is produced by Experian. It is a model which has been and continues to be the preferred economic model for local authorities within the Leeds City Region. Ms Thompson fails to explain why she does not agree with the REM, what aspects of the REM model and its methodology she disagrees with or indeed what economic model she advocates is used. The annual jobs growth forecasts within the REM for Bradford appear reasonable given the recent economic growth, increase in employment and reduction in headline unemployment which have occurred within the last couple of years as the district moves out of recession. Data on such economic performance indicators is regularly reported by the district in quarterly bulletins and a link is given below if the Inspector wished to look at the latest bulletin.

http://www.bradford.gov.uk/bmdc/business_and_industry/bradford_economy/economic_intelligence

APPENDIX 1: EDGE ANALYTICS RESPONSE TO MATTERS RAISED BY JACQUELINE THOMPSON

[J Thompson 21st April note: Edge Analytics Response \(27.04.2015\)](#)

Edge Analytics responses are in black.

UPC

J Thompson: *“Edge Analytics continue to argue that population growth will be substantially larger than that projected by the ONS on the grounds that: The Unattributed Population Change (UPC) shown in the 2011 Census is entirely due to inward international migration that was not identified during the inter-census years.”*

“Edge Analytics has presented no evidence at all to support their assertion that the observed UPC was due to international migration and has, therefore, arbitrarily added almost 1,000 international migrants per annum to the estimates produced by the ONS.”

Edge Analytics provided a range of scenarios to CBMDC; this range includes two scenarios in which the UPC component is included within the international migration assumptions (the PG-5yr and PG-10yr scenarios). These are presented as ‘alternative trend’ scenarios and are not providing the definitive answer to what future population growth will be; they are robust and reasonable alternatives to the ONS’ 2012-based SNPP (see previous Edge Analytics note provided to the Council for further detail).

It is important to note that the UPC component (if not the result of mis-estimation at the Censuses) is population change that has happened between the Censuses. Neglecting to include UPC within the historical mid-year population estimates when formulating alternative trend-based scenarios would mis-represent the trajectory of population growth.

J Thompson: *“Bradford is next to Leeds. Leeds had extremely high negative UPC. The most obvious explanation for much of the UPC is that people from Leeds moved to Bradford and didn’t bother to update their details with their GPs.”*

By this logic, the inclusion of the UPC component within the historical mid-year population estimates is appropriate: if the UPC component is people that have moved from Leeds to Bradford then these need to be included within the historical mid-year population estimates.

Edge Analytics considers it appropriate to include the UPC component within the international migration assumptions, as this is the component of change with which it is most likely associated.

J Thompson: *“The ONS improved the way in which it captured migration data during the period between the 2001 and 2011 censuses. This resulted in it reducing the mid-year estimates of international immigration for Bradford during its retrospective re-profiling. The ONS is confident that the new methodology is more accurate than the old. There is no reason to believe that the ONS has got this wrong and Edge has got it right.”*

The ONS has indeed improved the way in which international migration data is captured. However, there remains uncertainty around the recording of immigration and emigration, and future rates of international migration. In some districts, the UPC component is considerable. In a recent Town & Country Planning article, Ludi Simpson and Neil McDonald provide some valuable commentary on the UPC debate:

“Given that our registration systems for births and deaths are of a high quality, the discrepancy [the UPC component] is likely to be in the Census estimates for 2001 or 2011 or in the migration flows. If the discrepancies are in the migration flows, then projecting forward based on the estimated past flows will introduce errors into the projections.

The ONS investigations have found no clear evidence to suggest whether the discrepancies are in the Census numbers (in which case they would not affect the projections) or in the migration flows. If the discrepancies are in the migration flows, ONS suggests that, as a result of the work it has done recently to improve the estimation of international migration flows, the errors are most likely to be in the earlier part of the decade between the Censuses and so would not affect trends based on 2007-12. ONS has therefore not taken UPC into account in producing the 2012-based population projections.

This may be a reasonable judgement for England as a whole since, as the ONS explains, the UPC for England is within the confidence interval for the international migration estimates and the sum of the confidence intervals for the 2001 and 2011 Censuses. However, that argument is less persuasive at the local authority level, where for many local authority areas UPC is large compared with both the population change recorded between the two Censuses and the confidence intervals on the Census numbers.

There are 91 local authority areas for which UPC is more than 50% of the recorded population change between the two Censuses, and 85 for which it is more than twice the confidence interval in the 2011 Census population counts. This makes discounting UPC at the local authority level difficult to justify in those areas. At very least, a sensitivity test should be carried out to determine how much difference adjusting for UPC might make.”

Making sense of the new English household projections, Ludi Simpson & Neil McDonald. Town & Country Planning, April 2015: Volume 84, no. 4. (quote from pages 178–179)

The Edge Analytics alternative trend scenarios (PG-5yr and PG-10yr) include the UPC component within the international migration assumptions and are presented as alternatives to the 2012-based SNPP from ONS. As identified in the previous Edge Analytics note, the 2012-based SNPP migration assumptions are different to those implied by the historical data: net internal migration is assumed to happen at a *higher* rate under the 2012-based SNPP than the historical data suggests, and net international migration at a *lower* rate than the historical data suggest. It is therefore appropriate to consider alternative trend-based scenarios, as Edge Analytics has done.

Employment-led Scenario

J Thompson: *“Edge Analytics has exaggerated the extent to which economic growth within the Bradford District is likely to lead to an increase in the size of the population beyond the increase projected by the ONS.”*

Edge Analytics produced a ‘jobs-led’ scenario for Bradford, based on the Yorkshire and Humber Regional Econometric Model (REM). This is the economic forecasting model used across the Leeds City Region (LCR) and was used at the request of CBMDC, for consistency with the surrounding LCR districts.

In a jobs-led scenario in POPGROUP (the demographic forecasting model used by Edge Analytics), the annual growth in the number of jobs is defined. The jobs-growth trajectory in this instance has been taken from the 2014 REM. In each year of the forecast, the age/sex-specific economic activity rates, unemployment rate and commuting ratio are used to determine the level of population growth required by the employment-growth trajectory. If there is insufficient population to meet the set jobs-growth target, net migration is used to balance this.

J Thompson: *One question that needs asking of Edge Analytics is whether, in producing their jobs-led housing requirements projections, they have assumed that the current high level of outward commuting will persist and if not, what commuting patterns they have factored into their projections. The danger is that in-commuters, and the need to provide employment for people living in communities across the wider region, may not have been factored into calculations which will have inflated housing requirements estimates.*

At the 2011 Census, the commuting ratio in Bradford was 1.02, indicating a small net out-commute (not a ‘high level of outward commuting’ as stated by J Thompson). This commuting ratio was defined by Edge Analytics using the 2011 Census Table WU02UK:

Commuting Ratio	
Number of workers	218,937
Number of jobs	213,618
2011 Census Commuting Ratio	1.02

'Workers'

- People who are 'usually resident' in Bradford and work anywhere in the U.K. (including Bradford) or offshore or abroad.
- This includes those who work from home.
- Those who work in 'no fixed place' are assumed to work in Bradford.

'Jobs'

Includes all people who work in the Bradford (including those who work from home or in 'no fixed place')

In the jobs-led scenario it was assumed that the commuting ratio remained fixed throughout the forecast period (as detailed on page 36 of the Edge Analytics September 2014 report).

Importantly, in paragraph 5.8 of the Edge Analytics report, the following is stated:

“The dwelling growth outcome linked to CBMDC’s jobs growth forecast has been presented. When interpreting this scenario’s outcomes, it should be noted that variant

assumptions on economic activity, commuting and unemployment could influence the forecast dwelling requirements. For example, a reduced net out-commute and/or higher rates of economic participation in the older age-groups could each contribute to lower housing need over the plan period.”