Our beacon-hand

Analysis of Migration Trends and Drivers

sea-washed, sunset gates

glows world-wide welcome

yearning to breathe free

lamp beside the golden door

Extracts from 'The New Colossus' by Emma Lazarus - Inscribed on the Statue of Liberty

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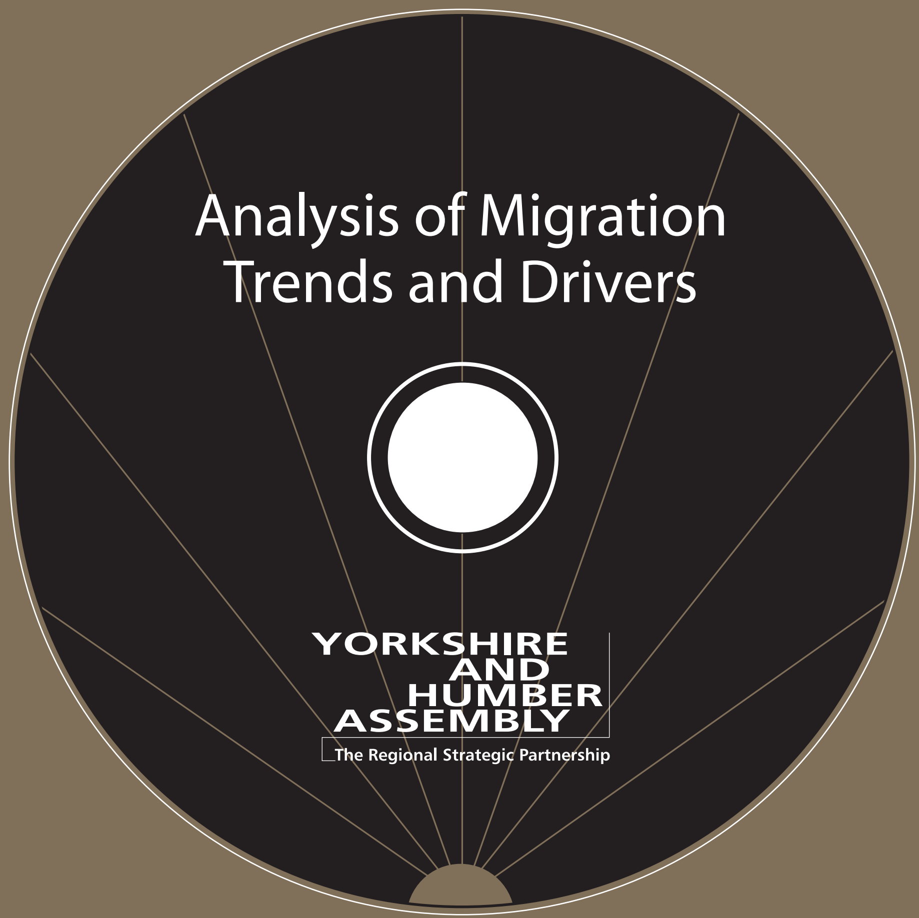
YORKSHIRE AND HUMBER ASSEMBLY
The Regional Strategic Partnership

Complied by Edge Analytics Ltd



Introduction

This document is a brief synopsis of a much larger report, 'Analysis of Migration Trends and Drivers', produced for the Yorkshire and Humber Assembly by Edge Analytics Ltd and reproduced in full on the accompanying CD.

The report brings together empirical evidence on population and migration to inform the Assembly's response to the Secretary of State's proposed changes to the Regional Spatial Strategy (RSS) and to assist Local Authorities in the preparation of their Local Development Frameworks (LDF).

This summary sets out the key points.

Context

The UK is experiencing significant changes to its demographic profile, with a sustained increase in population fuelled by immigration, a disproportionate increase in single-person households and a rapidly ageing population.

The long-term impact of these demographic changes, coupled with the increasingly acute affordability issue in the housing market, has prompted the Department for Communities and Local Government (CLG) to propose significant revisions to the housing growth targets in the RSS; specifically to:

'Increase housing growth in the region to around 22,000 per year from 2008, reflecting the Government's commitment to delivering more homes as set out in the Housing Green Paper'.

Projection methods: population and households

The RSS housing target revisions have used evidence from the most recent (2004) set of CLG household projections for the Yorkshire & Humber region that suggest a 27% growth in household numbers between 2004 and 2029.

Household projections are linked directly to population projections. Projections do not attempt to forecast likely changes in economic performance or revisions to government policy; they estimate future population and household change based upon the extrapolation of key assumptions of fertility, mortality, migration and household formation.

Since the RSS revisions were proposed, a new National Population Projection (NPP) has been published, which suggests that, based on the most recent evidence, international migration will be an even more significant driver of population change in the UK over the next 25 years.

This latest projection estimates a long-term net migration impact of +190K per year to the UK, 45K higher than the projection assumptions on which the RSS targets were based.

Despite its importance as a key driver of population change in the UK, there is no definitive measure of the total number of migrants who enter and leave the UK in any single year. The Office of National Statistics (ONS) uses its Total International Migration (TIM) methodology to produce the UK's national statistics on international migration, and employs the United Nations definition of a 'long-term' migrant as the basis for its output, excluding 'short-term' migrants from the statistical counts.

Yorkshire and Humber: regional projections

Population and households

When revised projection statistics are produced for Local Authorities in summer 2008, it is estimated that there will be an average increase of 5% in projected populations across the region, compared to the statistics on which the RSS revisions are based.

Even with a 'zero' net migration component to the current projection, the increase in households for the UK is estimated at 150k per year (approximately 15K for the region), driven by international migration, increased rates of household formation and an ageing population.

Age profile

By 2029, those aged 80+ could increase by 80% to over 400k, and 65-79 year-olds by more than 40% to 855K. The 65+ age-group will comprise 22% of the region's population (6% in 2004).

Housing targets

The revised RSS housing targets are equivalent to approximately 90% of the projected household growth, with higher ratios in West and South Yorkshire compared to the Humber and North Yorkshire where targets are between 70% and 80% of projected household increases.

Projected Households vs New Dwellings, Yorkshire & Humber

	2008-2026 Change 000s		
	CLG Households	RSS Dwellings	Ratio
South Yorkshire	92.2	91.8	1.0
West Yorkshire	193.6	208.4	1.1
Humber	83.0	62.5	0.8
North Yorkshire	80.6	58.0	0.7
Leeds City Region	262.8	263.1	1.0
Yorkshire & Humber	**449.4**	**420.7**	**0.9**

A 5% increase in projected numbers (2006-based NPP estimates) would significantly reduce these ratio values.

Sustained growth of the local economy is needed to ensure that the region can attract and meet the economic aspirations of an expanding population. The Regional Econometric Model (REM) forecasts suggest a 9% increase in regional full time employment for the period 2006-2016.

New migrants

Official statistics from ONS on 'long-term' international migration estimate a total net gain of 22K to the region over the course of the 2005-2006 period, with 15k (almost 70%) concentrated in the Leeds City Region. This is based on a total immigration estimate for the region of 49K.

The National Insurance Number (NINo) data captures all workers, regardless of length of stay, and suggests that there were over 40K new migrant worker registrations in 2006/07, 57% of which were to those from Accession countries.

International migration drivers

The unprecedented levels of recent migration to the UK are being driven by a number of key factors:

- the general attraction of the UK as a hub of cultural and economic activity;
- globalisation and the increasing circulation of business and academic elites;
- the expansion of the EU and the relatively free movement of labour that it affords;
- the temporary restrictions upon the movement of migrants that have been enforced by France, Germany and Italy;
- a reduction in the cost of international travel (time and money);
- a strong demand for labour;
- chain migrations from previous migrant waves; and
- migration waves from successive wars, political upheaval and environmental disasters.

High levels of international migration will drive change in the UK for at least the next 25 years, but a number of factors will influence the scale and profile of migrants in the future.

Future waves of Accession and other EU migrants will be susceptible to changing economic and personal circumstances. If conditions remain favourable in the UK, then some migrants will stay for extended periods, encouraging more migrants to follow.

Alternatively, development of the Polish economy, for example, may provide opportunities which encourage a return to Poland and which may deter people from leaving.

In addition, alternative opportunities in France, Germany and Italy may dampen the recent levels of in-migration that have been experienced.

Total International Migration & National Insurance Number in-migration statistics, Yorkshire & Humber

	000s	
	TIM 2006	NINo 2006/7
British	7	-
Accession	8	23
Other EU	6	3
Old Commonwealth	5	2
New Commonwealth	12	8
Other	11	4
Total	**49**	**40**

UK migration policy

Changes in Government policy are likely to lead to tighter restrictions being placed on migrant flows into the UK, from outside the EU.

The Migration Impacts Forum (MIF) and the Migration Advisory Committee (MAC) will advise on how migration affects housing, employment, education, health care, crime and community cohesion; on where in the economy there are shortages that could be filled by new migrants; and at what level to set the 'hurdle' that non-EU migrants need to cross to work or study in the UK.

This 'hurdle' will be central to the UK's new 'Points Base System' (PBS), which is due for initial implementation in early 2008, introducing a new 5-Tier system of migration control.

Tightening of restrictions on immigration, will not necessarily stop the inflow of new migrants to the UK but will have the capacity to restrict the flow, albeit only to those outside the EU community.

Alternative regional projections

A long-term plan for housing development in the Region is difficult when the demographic evidence is constantly shifting.

The 2004-based projections suggest that the region will experience household growth of approximately 23k per year. The 2006-based figures, suggest a growth rate of up to 29k per year, with even the 'low' variant scenario equivalent to 20-21k per year.

Alternative Projections, UK & Yorkshire & Humber

Scenario	Net Migration UK	Households per year (CLG) UK	Y&H	Source
		000s per year		
1 Highest	250			2006-High
2 High	205			2004-High
3 Principal - 1	190	255		2006-Principal
4 Principal - 2	**145**	**223**	**23**	**2004-Principal**
5 Principal - 3	130			2006-Low & 2003-Principal
6 Low	85			2004-Low
7 Lowest	70	192		2004-CLG Low
8 Zero Net	-	150		

There remains great uncertainty about the future scale and distribution of Accession migrants. Will those that have come in as 'short-term' migrants stay for longer periods? And will the large flows of recent years continue? If a large percentage stay for extended periods, it is more likely that successive waves of migrants will follow.

The UK Government's migration policy coupled with a sharp reduction in the level of inflow from Accession countries, particularly Poland, could have a long-term impact on net migration to the UK and to the Region; although at present rates, this is likely to be equivalent to the 2004-based statistics on which the revised RSS targets are based.

Planning priorities

Accepting the RSS revisions will lead to aggressive targets for new dwelling completions in the region, placing considerable pressure on a flexible and responsive supply of land.

The Regional Planning System will need to manage not only the increase in the level of house building but also its profile, density and affordability; to match homes to requirements and aspiration; to evaluate ways of making more efficient use of available land; and to ensure that affordability is addressed through a tackling current under-supply.

At the same time, the Planning System has to assure the quality of new housing. A new build programme on this scale must leave a positive legacy for future generations, learning from some of the mistakes of the last 50 years. Household projections suggest a large increase in the number of one-person households, so the need for smaller household units with more 2-bedroom homes and flats could contribute to a reduction in land requirements.

'Urban living', in higher density housing, is a proposition more likely to be acceptable to the younger age groups who want accommodation that matches their life stage and economic aspirations.

The future balance of short term and long term migration will have implications for housing provision. More short term residents will lead to a high level of housing churn, maintained by successive waves of new migrants. Longer term migrants will reject 'transient' accommodation and look for more permanent, better quality dwellings.

The longer term cost of living in the UK relative to salaries may be a key factor which determines the length of time migrant workers are prepared to stay.

Population monitoring

Economic, political and social factors in the UK and in origin countries will affect migrant behaviour and determine the future socio-demographic composition of the UK and its regions.

Uncertainty surrounding the measurement of international migration and its impact upon population change suggests that the Area Profile concept provides the basis for a source of 'real-time' intelligence on key aspects of population and migration, adding new data and new sources as they become available.

This will ensure that the region has access to the most up-to-date and comprehensive statistics to support the development and monitoring of its key policy initiatives.