Chapter Three - Demographic and economic profiles, trends and forecasts

3.1 Economic context

3.1.1 The economic make-up of an area has a significant influence on the local housing market, in particular the strength of market demand for housing, levels of housing need and affordability issues. High levels of economic growth can accelerate in-migration and the scale of the requirement for additional housing. In addition, high levels of growth together with inequalities in the labour market, may exacerbate levels of housing need and problems of affordability. At the same time, growth and rising prosperity provides opportunity for securing the resources required to address housing shortages, improve the supply of affordable dwellings and reduce housing need.

3.2 The broader economic context

3.2.1 The growth of the national economy has slowed considerably over the last year in response to the financial crisis. At the time when modeling was undertaken, output was expected to climb by 1.7% in 2008 following an increase of 3.1% in 2007. It was then forecast to increase by about 1.5% in 2009 then rising to about 2.5% pa between 2010 and 2012[1]. At the time of publishing (2009) it is recognised that the latest forecasts suggest 0.7%, 2.8% and 0.5% for 2008 – 2010. Over the last decade, national output has climbed by an average of nearly 3% pa whereas long-term trends show national output expanding by between 2 to 2.5%.

3.2.2 The slowdown in the national economy over the last year is likely to lead to a fall in the overall level of employment and a rise in unemployment. In contrast, employment levels have been climbing strongly with unemployment falling over the last decade as a result of the expansion of the economy.

3.2.3 International migration to the UK has risen strongly since 1998 as a result of the strong economy, especially since the accession of the new EU member states in May 2004. This increase in net migration has increased the supply of labour, especially in the 18 to 34 age group, and contributed to high economic growth. The national economic slowdown however, may lead to a fall in international migration and rising unemployment.

3.3 The local economic context

3.3.1 The economy of the West of England HMA represents the largest concentration of business activity and employment in the South West Region. It supports over 700,000 jobs, accounting for almost 30% of the regional total in just over 10% of the area. About two-thirds of these jobs are located in the Bristol urban area. As

[1] Forecasts for the UK Economy. A comparison of independent forecasts. May 2008. HM Treasury.

a result, Bristol and to a lesser extent Bath, attract commuters from across the West of England with the sub-region as a whole functioning as a city region in terms of economic linkages, housing markets and shopping patterns.

3.3.2 The following paragraphs consider the prosperity of the West of England and the industrial make-up of the local economy. Recent economic indicators and trends are highlighted and the consequences for patterns of employment, unemployment and travel to work across the sub-region are described. Finally, prospects for the economy over the longer-term and the issues arising are identified.

Table 3.1: Key Economic Indices

Area	Econ. Act. Rate %	Employ't rate %	Unemp. rate %	Emp.gth rate (%)	Weekly pay £'s (mean)	
					Wkplace	Residence
	2006/7	2006/7	2006/7	1998-2006	2007	2007
B&NES	78.6	75.3	3.3	8.1	463.8	481.2
Bristol	78.5	75.2	3.2	12.6	460.1	438.9
Mendip	84.8	81.8	3	4.1	413.8	436.7
N.Somerset	82.8	81.6	1.3	12.8	486.2	498.2
South Glos	86.7	84.2	2.6	13.4	480.2	451.0
West.Wilts	86	84.1	1.9	-2.3	396.0	485.6
W of E HMA	82.1	79.4	2.7	11.9	N/a	N/a
South West	80.9	77.7	3.2	13.3	427.8	433.4
GB	78.5	74.2	4.2	8.1	458.6	459.0

Source: Economic, employment and unemployment rates are from the APS 2006/7 and describe the working age population. The 'employment growth rate' describes the % change in the levels of employee jobs between 1998 and 2006 shown by the ABI (NOMIS); Weekly pay is drawn from the Annual Survey of Earnings and Hours 2007.

3.4 Economic Engagement

3.4.1 Economic activity and employment rates for the West of England as a whole are above regional and national averages, while unemployment is below. For B&NES

and Bristol however, economic activity and employment rates stand slightly below the regional average, largely as a result of large student populations.

3.4.2 For the sub-region, unemployment is some way below regional and national averages. However, in both B&NES and Bristol the unemployment rate approximates to the regional average. Far higher unemployment however, is recorded by several localities within inner Bristol and on some of the outlying council estates.[2] In North Somerset, a few neighbourhoods at Weston-super-Mare, close to the town centre and corresponding with the Bourneville estate, also record high unemployment. Some localities in the urban areas within Mendip also record high unemployment levels. In contrast, in Bath and North East Somerset, only Twerton has an unemployment rate above the national average while in South Gloucestershire and West Wiltshire, local unemployment rates are below the national average. These concentrations of high local unemployment have been persistent, associated with educational under-achievement, low skills and the decline of traditional local industries.

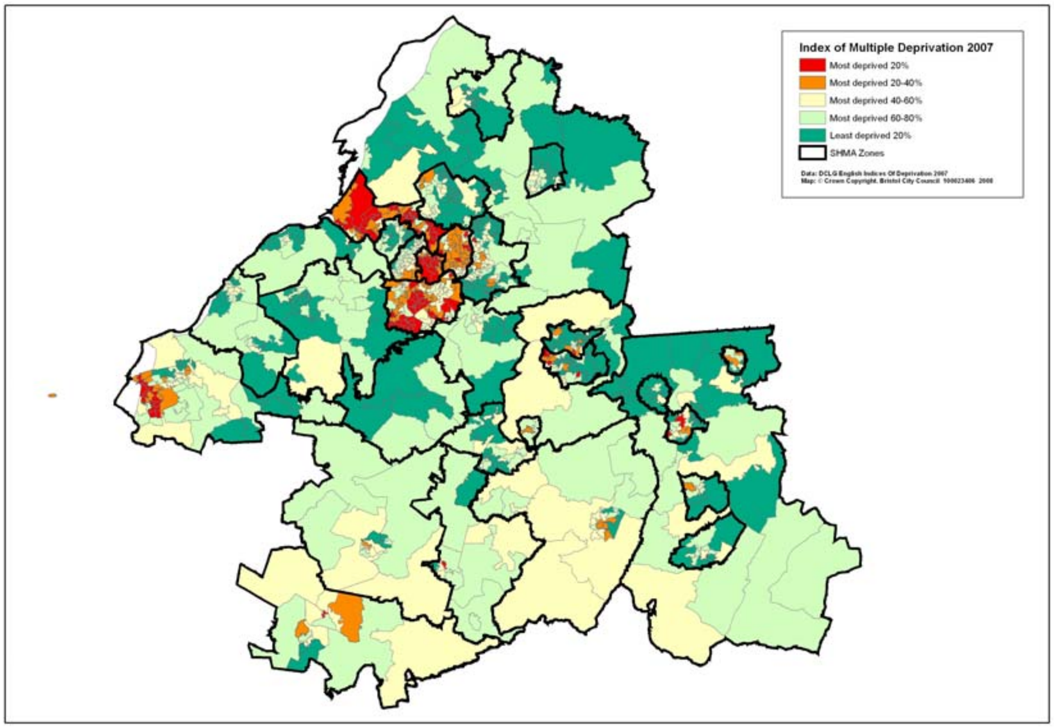
3.4.3 The sub-region is relatively buoyant therefore in terms of economic and employment activity. However, this disguises some areas with real employment problems.

3.5 Deprivation

3.5.1 Partly as a result of high unemployment, several localities within inner Bristol and on the suburban council estates, and at Weston-super-Mare, also record high levels of multiple deprivation and are within the 10% most deprived areas ranked nationally. The population of these deprived localities represents over 40% of the population in the South West resident in localities falling within the 10% most deprived areas of England.

[2] At 2001, census data shows that within inner Bristol, the proportions of the resident workforce out of work were above 12% for Lawrence Hill ward, above 8% for Ashley ward and above 6% for Easton ward. On the outlying council estates, the census shows over 7% out of work for Filwood ward and 6% for Southmead ward. At Weston-super-Mare, the unemployment rate for Central ward stood at 8% and for South Ward, at 7%. Within Mendip, the unemployment rate was 7.5% in Glastonbury St Benedict's ward and over 6% in Shepton East ward. These proportions compare with 3.5% for the West of England and 5% nationally.

Fig 3.1 Index of Multiple Deprivation



3.6 Income

3.6.1 Average weekly earnings in the West of England as a whole stand above the regional average and approximate to the national average. There are marked differences between the average levels of pay of residents compared with working populations however, at the local level. In B&NES, North Somerset, Mendip and especially West Wiltshire, the average weekly pay of the working population stands well below that of the resident population, and in the case of Mendip and West Wiltshire, below both regional and national averages. In Bristol and South Gloucestershire, the opposite relationship is evident with the average weekly pay of the working population standing well above that of the resident population and regional averages. These disparities are the outcome of commuting flows and local housing market characteristics.

3.7 Employment Growth

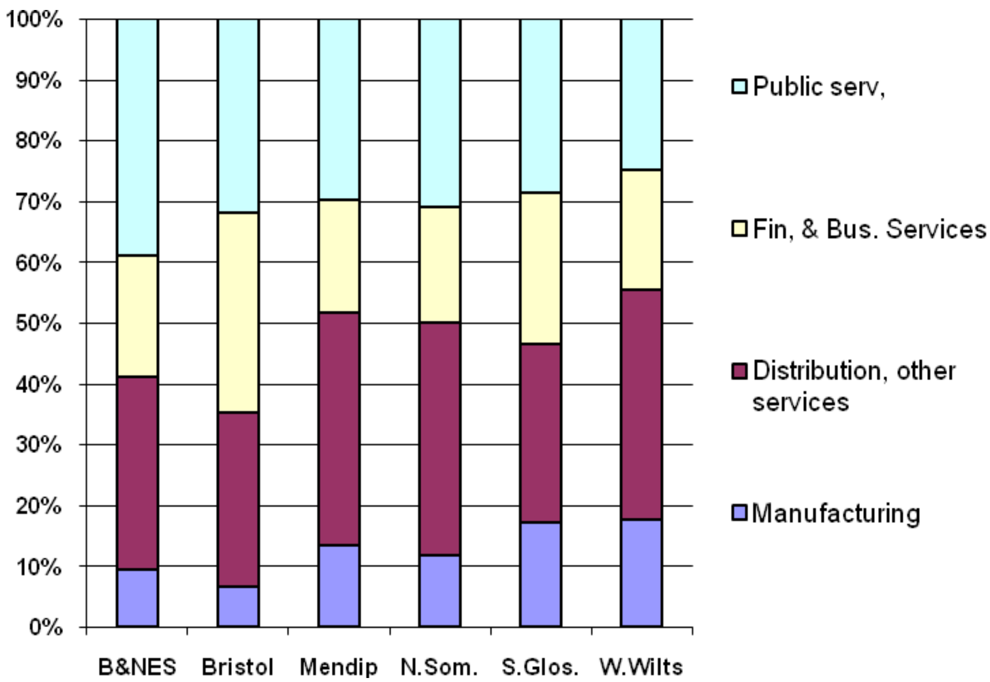
3.71 Over much of the post-war period, the sub-region has seen employment levels rising, usually at rates above national averages. Between 1991 and 2001, the level of employment increased by about 72,000 (or 7,200pa average). More recently, the rise in the level of employment across the sub-region appears to have slowed with data for 2006 suggesting that the average increase between 2001 and 2006 approximates to about 3,800pa.

3.8 The industrial make-up of the local economy

3.8.1 The broad industrial make-up of the sub-regional economy is similar to the regional and national economy with jobs in office-based, business and financial services slightly more important and jobs in manufacturing slightly less important in the West of England, especially in comparison to the region.

3.8.2 Industrial and office jobs account for about 40% of employment in the West of England. Retailing, personal services and leisure related activities, and education and health, account for the bulk of the remainder. Industries particularly concentrated in the sub-region include: aerospace/defence; insurance, professional/business services, parts of the media and creative sector; Bath tourism; and, higher education.

Figure 3.2: Industrial structure of employment



Source: ABI/Nomis employee data

3.8.3 Inevitably, local variations in the industrial make-up of employment are evident. In Bristol, professional and business, office based services are relatively more important reflecting the role of the city centre as a major regional office centre. In South Gloucestershire, manufacturing jobs are more in evidence reflecting the importance of aerospace and other ‘high technology’ industries. In B&NES, jobs in public services are more evident reflecting the local importance of the MoD and the university. Within Bath, in addition, business services, retailing, and hotels and catering feature more prominently as a result of the importance of the business, tourism and the sub-regional role of the city centre to the economic well being of Bath. In other parts of the sub-region, retailing and related local services, and local manufacturing industries are significant to local employment.

3.9 Industrial Structure of Growth

3.9.1 The growth of employment in the sub-region has been accounted for by the expansion of office-based jobs and by the expansion of retailing, education and a range of personal and leisure services as a result of the expanding population and rising affluence. The extra jobs arising from office and service sector growth generally has more than matched falling manufacturing employment since the 1990s.

3.9.2 The industrial characteristics of employment growth vary across the sub-region. Virtually all parts of the sub-region have seen growth of jobs in retailing, education and health, and leisure related services. In addition, within Bristol, growth of business and financial services has been particularly important. Within Bath and the Bristol North Fringe area, business services again and public administration and education have been of particular importance to the overall levels of employment growth.

Table 3.2: Industrial Growth by Sector - West of England HMA

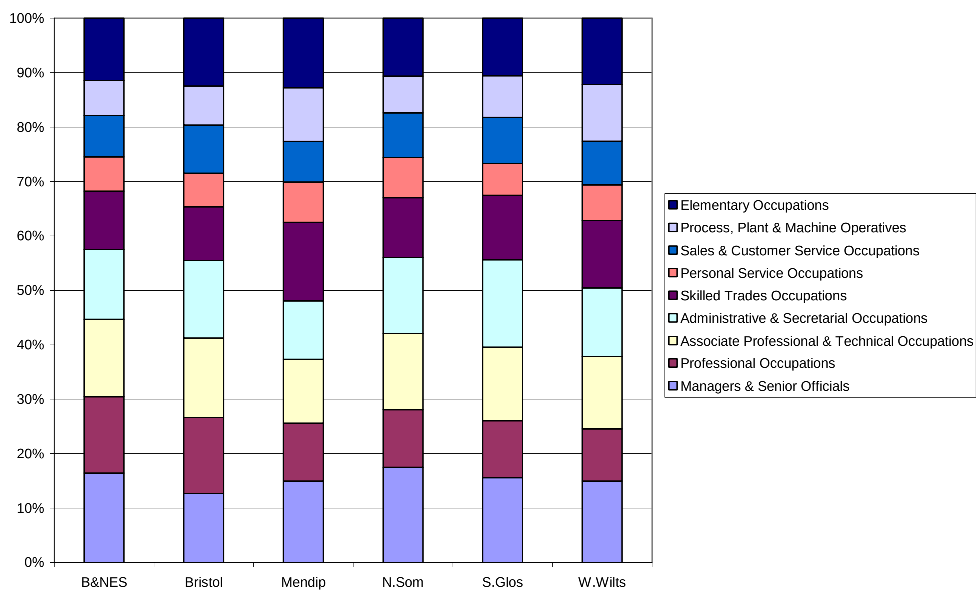
Industry	1998	2006	% change
Total	538,400	602,700	11.9
Agriculture & Fishing	4,200	4,000	-4.8
Energy & Water	4,000	3,300	-17.5
Manufacturing	76,600	59,500	-22.3
Construction	21,600	25,800	19.4
Distribution, Hotels & Restaurants	127,700	142,300	11.4
Transport & Communications	28,700	33,800	17.8
Banking, Finance & Insurance	117,300	138,500	18.1
Public Administration, Education & Health	135,200	168,100	24.3
Other Services	23,200	27,900	20.3

Source: ABI/Nomis (figures may not sum due to rounding).

3.10 Occupational structure of employment

3.10.1 Employment in the West of England as a whole displays similar occupational characteristics to both the region and England. However, the West of England has both higher levels of higher value occupations (Associate Professional and Technical, Professional and Managers and Senior Officials) and lower levels of lower value occupations (Sales and Customer Services, Process, Plant and Machine Operatives and Elementary Occupations) than both the region and the nation. These characteristics reflect the sectoral characteristics of employment, in particular the relative importance of office work and the regional role of Bristol City Centre.

Figure 3.3: Occupational structure of employment



Source: Census 2001

3.11 The location of employment

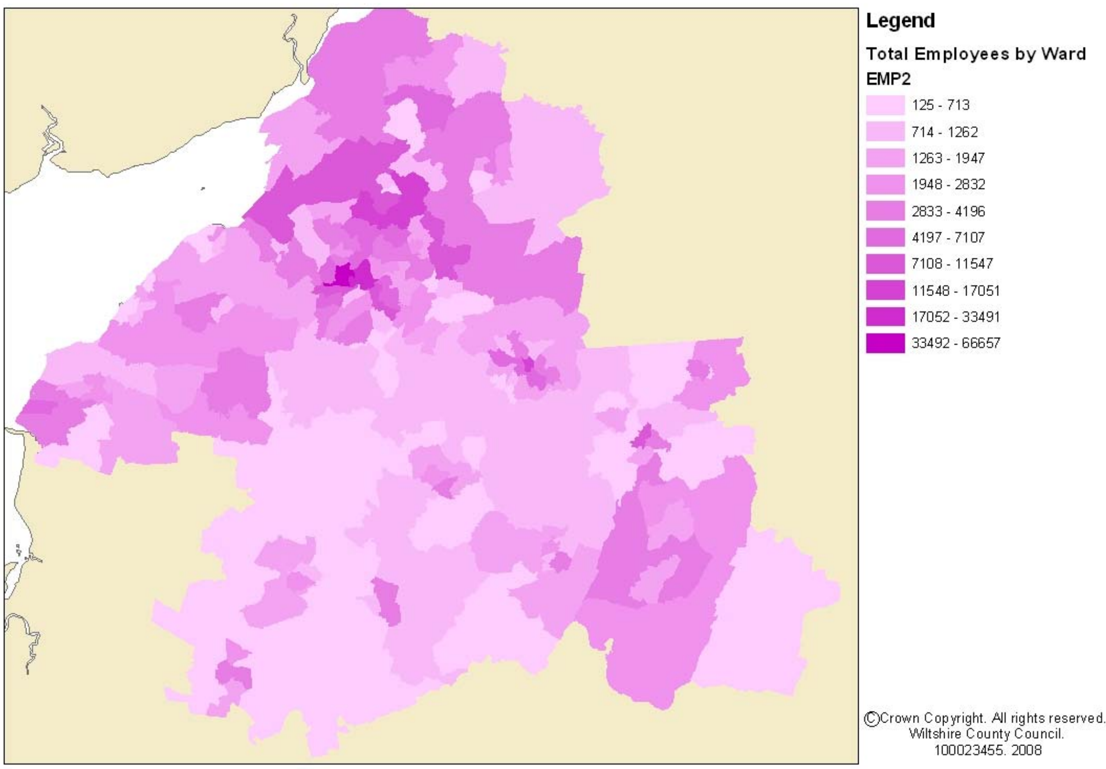
3.11.1 The Bristol urban area accounts for about 60% (350,000) of the employment in the West of England HMA while the travel to work area accounts for about 70% of the sub-regional total. Within the Bristol area, the City Centre provides about 100,000 jobs while nearly as many jobs are provided in the North and East Fringe within South Gloucestershire. Office work retailing, health and education, retail and leisure account for most of these jobs while in the North Fringe, aerospace and research and development are also important.

3.11.2 On the northern edge of Bristol, Avonmouth, Severnside and Royal Portbury account for over 20,000 jobs, mainly in industrial, distribution and port-related activities. Most recently, business park development close to the M5 and in the vicinity of Portishead has created important local employment.

3.11.3 Elsewhere in the Bristol area, industrial employment remains of importance in parts of the east and south of the City alongside increasing numbers of jobs in a range of local services.

3.11.4 Bath accounts for nearly 10% of the employment of the West of England HMA. Financial and business services, public administration and health and social work, and retailing account for the majority of these jobs. About a third of the jobs in the City are located in the City Centre.

Figure 3.4: The location of employment

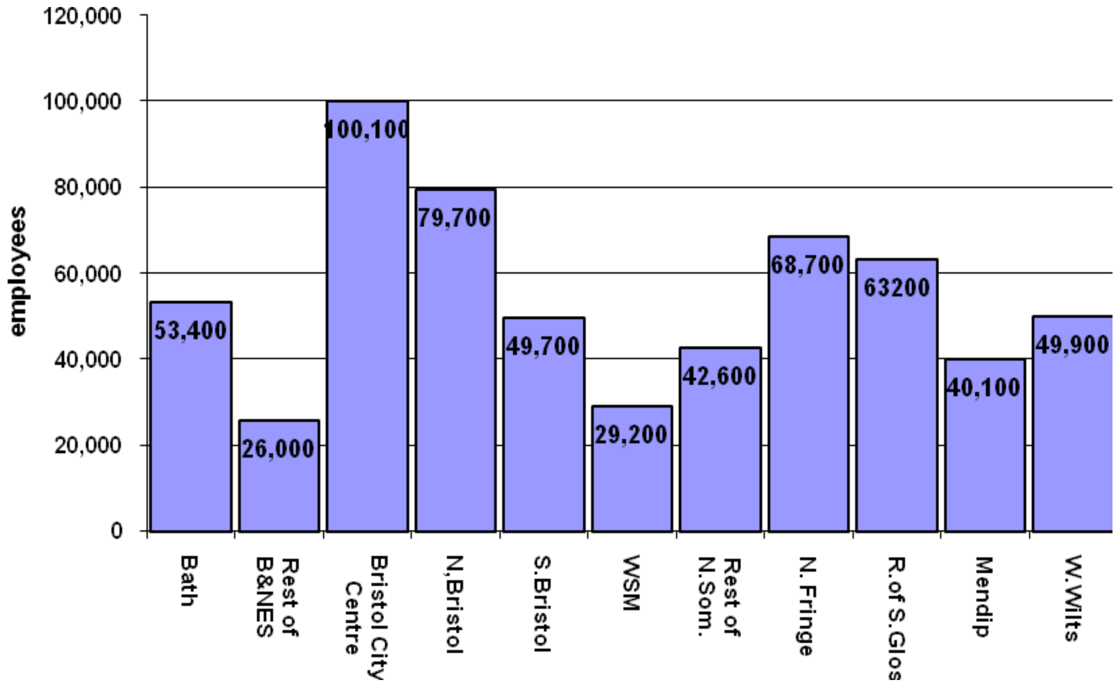


Source: ABI/Nomis workplace data

3.11.5 Weston-super-Mare accounts for another 5% of sub-regional jobs. The bulk of these jobs are accounted for by wholesale and retail distribution and health and social care.

3.11.6 The remainder of employment across the HMA is focused in a number market towns including (in order of their employment base), Trowbridge, Frome, Clevedon, Portishead, Keynsham, Norton Radstock, Wells, Street, Warminster and Yate. Each of these has employment in excess of 5,000 employees although the industrial breakdown will vary in each.

Figure 3.5: Location of employment (employees) 2006



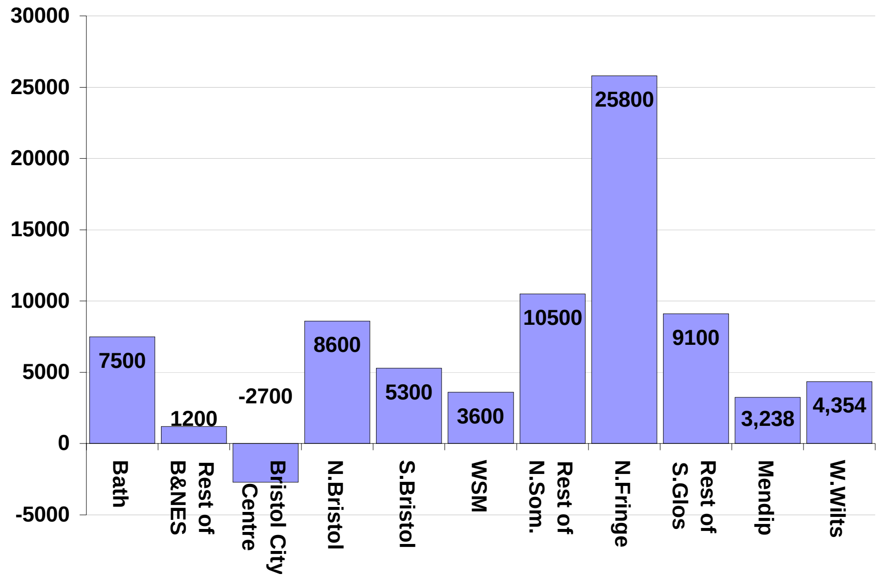
Source: ABI/Nomis employee data.

3.12 Changes in the location of employment

3.12.1 The success and growth of the sub-regional economy has not been evenly distributed between all localities. South Gloucestershire with the rapid expansion of out of town retail and business park development attracted about 50% of the growth of employment generally across the sub-region through the 1990s. North Somerset attracted a further 20% of sub-regional growth, largely accounted for by extra jobs in local services arising as a result of the increasing population of the district. B&NES attracted about 12% of sub-regional growth, largely as a result of extra jobs in Bath.

3.12.2 The overall level of employment growth within Bristol over recent years has been more modest. However, this disguises rising office employment in the city centre and extra jobs in services generally which have more than matched manufacturing losses from a wide range of long established industrial locations, mainly in the inner urban area and south Bristol.

Figure 3.6: The geographical patterns of employment change 1991-2001



Source: Workplace data 1991/2001 Population Census

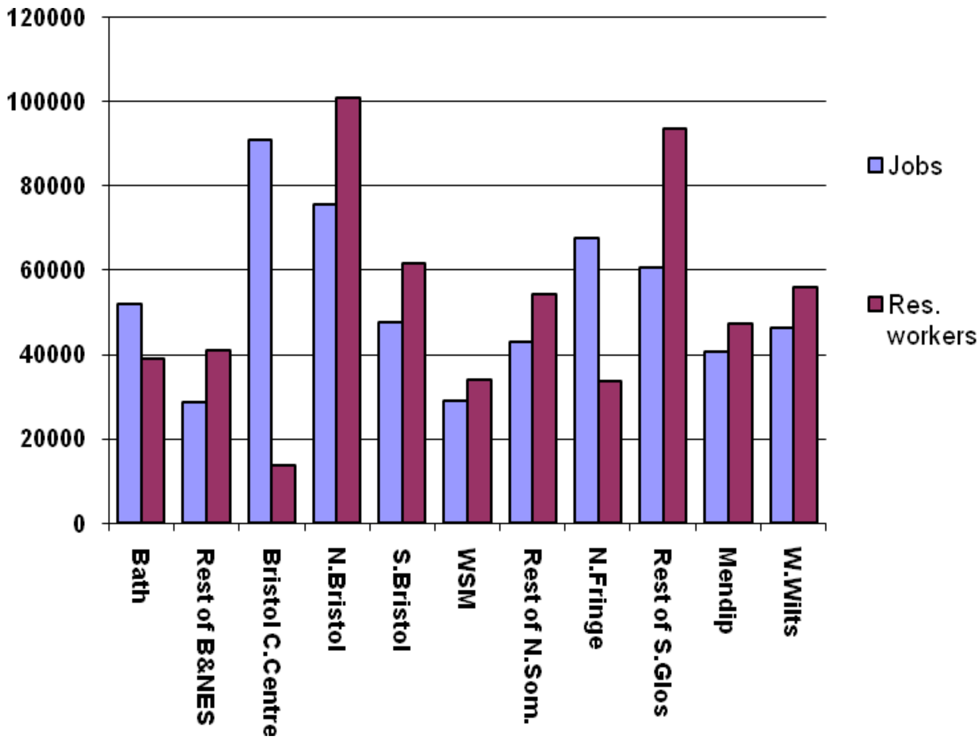
3.13 Homes, workplaces and commuting flows

3.13.1 The numbers of workplaces and residents in employment in the West of England HMA are virtually in balance. However, there are considerable flows between localities reflecting the growing divergence between the locations of homes and workplaces. Bristol, the North Fringe and to a lesser extent Bath, support more jobs than residents in employment. They attract commuters from adjacent areas and, especially in the case of the North Fringe, from more distant locations. Conversely, areas of B&NES outside Bath, areas of South Gloucestershire beyond the North Fringe, and the smaller towns of North Somerset close to Bristol, and many of the smaller communities in Mendip and West Wilts, offer relatively few jobs in relation to their resident populations. They depend to some degree therefore on commuting to jobs in Bath, Bristol City Centre and the North Fringe.

3.13.2 Travel to work distances, as implied by the pattern of commuting described above, vary across the sub-region. Bristol residents tend to commute much shorter distances compared with regional and national averages. Some 65% of Bristol residents in employment travel less than 5km. B&NES residents also travel relatively short distances to work, with 51% commuting less than 5km. This reflects the wide choice of local employment available to the residents of these cities. Both Bristol (14%) and South Gloucestershire (29%) have lower levels of commuters travelling over 10km compared to regional and national averages.

Again this reflects the large choice of local employment, in particular in the city centre and the Bristol North Fringe.

Figure 3.7: Jobs and resident workers 2001



Source: Population Census 2001

3.13.3 Some 70% of B&NES residents in employment work within the district, 11% travel into Bristol, 5% to South Gloucestershire, 1% Swindon, 3% Somerset and 4% Wiltshire.

3.13.4 Some 75% of Bristol residents in employment work in the City including 38% in the city centre. A further 15% work in South Gloucestershire, including 9% in the North Fringe.

3.13.5 Some 64% of North Somerset residents in employment work within the district, some 21% in Bristol, including some 13% in the city centre and 7% in South Gloucestershire, including some 4% in the North Fringe.

3.13.6 Some 59% of South Gloucestershire residents in employment work locally and 29% in Bristol, including 16% in the City Centre.

3.13.7 Some 69% of Mendip residents in employment work locally with 9% commuting to workplaces in B&NES, 5% to West Wiltshire and 3% to Bristol.

3.13.8 Some 70% of West Wiltshire's employed residents work within the district, a further 8% in Bath and North East Somerset and 2% in Bristol.

3.14 Employment projections and forecasts

3.14.1 The Regional Economic Strategy and the draft Regional Spatial Strategy provide for the continuing rapid growth of the West of England economy in accord with recent trends. The latter proposes an additional 122,000 jobs between 2006 and 2026 for the Bath (up to 20,200 jobs), Bristol (92,000 jobs) and Weston-super-Mare (10,000 jobs) travel to work areas and a further 11,700 for the Trowbridge and Warminster Travel to Work Area.

3.14.2 The provisions for job growth proposed by the draft Regional Spatial Strategy generally reflect employment projections provided by Cambridge Econometrics which assume that the recent rate of regional economic growth would be maintained over the future with regional GVA rising by 3.2% pa. The projections show that further growth in the service sector, in particular business services, is expected to underpin this growth, more than making-up for modest losses from manufacturing industries.

Table 3.3: Employment projections

Travel to work area	2006	2026	Change between 2006 - 2026
Bath	96,700	118,800	20,100
Bristol	509,200	601,000	91,800
Trowbridge and Warminster	61,500	73,200	11,700
Wells and Shepton Mallet	43,200	51,800	8,600
Total for WoE HMA	712,600	844,800	132,200

Source: Cambridge Econometrics for SWRA. Based on regional economic growth of 3.2% pa.

3.14.3 Some doubt must surround the assumption of the RSS that the recent rates of economic expansion will be maintained over the longer-term. Economic expansion over the future is unlikely to be accompanied indefinitely by perhaps the exceptional combination of favourable circumstances that have predominated over the last decade. Instead, escalating fuel prices, rising trade deficits, the cost burden of an ageing population and perhaps heightened concerns about global warming, appear destined to have a restraining influence on economic growth.

3.14.4 The recent financial crisis demonstrates the doubt that must surround the assumption of the RSS that recent high economic growth rates will be maintained in the immediate future.

3.14.5 The likelihood of lower growth rates than assumed by the RSS is confirmed by Cambridge Econometrics trend based projections also prepared for SWRA. These assume that national growth would approximate to 2.5% pa over the long-term and show employment in the West of England excluding Mendip and West Wiltshire, rising by 72,000 between 2006 and 2026 compared with about 120,000 when assuming a regional growth rate of 3.2% pa (and an implied national growth rate of 3.0% pa).

3.14.6 Demographic projections for the West of England HMA based on the dwelling provisions of the draft Regional Spatial Strategy show the resident workforce of the sub-region rising by about 59,500 between 2006 and 2026. The increase shown for the combined area of Bath & North East Somerset, Bristol, North Somerset and South Gloucestershire, corresponds approximately with the workforce estimates arising out of the 2003/4-based sub-national projections. The increase shown for Mendip and West Wiltshire however, stands well below the outcome of the 2003/4-based sub-national projections.

Table 3.4: Resident workforce projections 2006 – 2026

Draft RSS	59,500
2004 based projection	74,000
Revised 2004 based projection	100,000 – 110,000

Source: Draft RSS- SWRA/Chelmer projections July 2006; 2004-based sub-national projections (2007) and economic activity rate projections (2006); ONS; Revised 2004-based projections ONS.

3.14.7 Clearly, the increase in the level of the West of England HMA resident workforce implied by draft Regional Spatial Strategy dwelling provisions and the 2003/4-based sub-national population projections, stands well below the additional jobs proposed by the draft Regional Spatial Strategy. The Regional Spatial Strategy therefore, appears to be seeking to create the potential for labour shortages and in response, higher rates of in-migration if the proposed level of job growth is achieved. In turn, this would intensify housing shortages and affordability problems unless dwelling completions and/or provision for affordable dwellings exceed Regional Spatial Strategy proposals.

3.14.8 Significantly, revised 2004-based sub-national population projections were published in autumn 2004. These take account of the recent further rise of in-migration to the sub-region and indicate a much greater increase in local population levels (+55,000) compared with the earlier projections. In turn, they imply a much higher increase in the requirement for additional dwellings, perhaps amounting to between 20,000 to 25,000, and similarly a larger rise in the resident workforce- perhaps of the order of 40,000 to about 100,000-110,000 between 2006 and 2026. Demographic change is discussed in the next section.

3.15 Demographic Context

3.15.1 The population of the West of England Strategic Housing Market Area (WofE SHMA) for mid-2006 is estimated to be 1,275,000. This is an increase of 58,500 people (4.8%) since mid 2001 (1,216,500).

Table 3.5 2006 Mid Year Population Estimates for the West of England

	West of England	**B&NES**	**Bristol**	**North Som**	**South Glos**	**Mendip**	**West Wilts**
2001	1,216,500	169,200	390,000	188,800	246,000	104,000	118,500
2002	1,224,600	170,200	391,000	190,400	247,500	104,900	120,600
2003	1,234,800	171,400	393,500	192,900	249,000	105,800	122,200
2004	1,247,100	172,500	397,500	195,500	251,000	106,800	123,800
2005	1,264,300	174,900	405,600	198,600	253,100	107,600	124,500
2006	1,275,000	175,600	410,500	201,400	254,400	108,300	124,800
2001-2006 change	58,500	6,400	20,500	12,600	8,400	4,300	6,300
2001-2006 % change	4.8	3.8	5.3	6.7	3.4	4.1	5.3
2005-2006 change	10,700	700	4,900	2,800	1,300	700	300
2005-2006 % change	0.8	0.4	1.2	1.4	0.5	0.7	0.2

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.2 The increase in the WofE HMA between 2001-06 can be attributed to both natural change (i.e. births minus deaths) of + 10,700 and net migration of +47,900.

3.15.3 In the WofE SHMA the majority (65%) of net migration, is due to international migration (31,330).

3.15.4 International migration in the WofE HMA accounts for 53.5% of the population growth between 2001 and 2006 (58,500), compared with 20.4% for the Region, and 65.6% for England and Wales.

Table 3.6 Components of Population Change: Migration 2001-2006

		B&NES	Bristol	North Somerset	South Glos	Mendip	West Wilts	WofE HMA	SW	England & Wales
Total International Migration 2001-2006	In	13,600	36,190	5,410	7,630	3,230	2,680	68,740	183,520	2,498,870
	Out	8,730	15,890	4,080	4,470	1,760	2,490	37,420	146,590	1,601,020
	Net	4,850	20,310	1,330	3,170	1,470	200	31,330	36,930	897,850
Internal Migration 2001-2006	In	49,850	109,720	47,570	54,200	27,670	29,020	318,030	698,650	694,540
	Out	48,190	116,570	35,210	53,790	24,710	23,540	302,010	543,280	747,470
	Net	1,680	-6,850	12,370	410	2,960	5,480	16,050	155,380	-52,930
Natural Change	Net	-60	6,730	-1180	4,450	-80	760	10,710	-13,610	509,630
Migration and other changes 2001-2006	Net	6,550	13,730	13,740	3,860	4,380	5,600	47,860	194,330	859,230
Population Growth 2001-2006		6,470	20,440	12,560	8,410	4,310	6,350	58,540	180,720	1,368,850
Net International Migration as % Population Growth		**75.0**	**99.4**	**10.6**	**37.7**	**34.1**	**3.1**	**53.5**	**20.4**	**65.6**

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.5 Natural change accounts for 18% (10,710) of population change in the WofE HMA, compared with 37% nationally. In the South West net natural change was actually –13,610.

3.15.6 The mid-year 2006 estimates give revised small area population estimates at 2005. These have been aggregated to HMA zones and can be compared with the Local Authority and West of England estimates.

Table 3.7 Population Change 2001-2005 by Local Authority Area

	2001	2002	2003	2004	2005	change 2001-2005	%change 2001-2005
B&NES	169,200	170,200	171,400	172,500	174,900	5,700	3.4
Bristol	390,000	391,000	393,500	397,500	405,600	15,600	4.0
N.Som	188,800	190,400	192,900	195,500	198,600	9,800	5.2
S.Glos	246,000	247,500	249,000	251,000	253,100	7,100	2.9
Mendip	104,000	104,900	105,800	106,800	107,600	3,600	3.5
West Wilts	118,500	120,600	122,200	123,800	124,500	6,000	5.1
WofE SHMA	1,216,500	1,224,600	1,234,800	1,247,100	1,264,300	47,800	3.9

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

Table 3.8 Population change 2001 – 2005 by zone

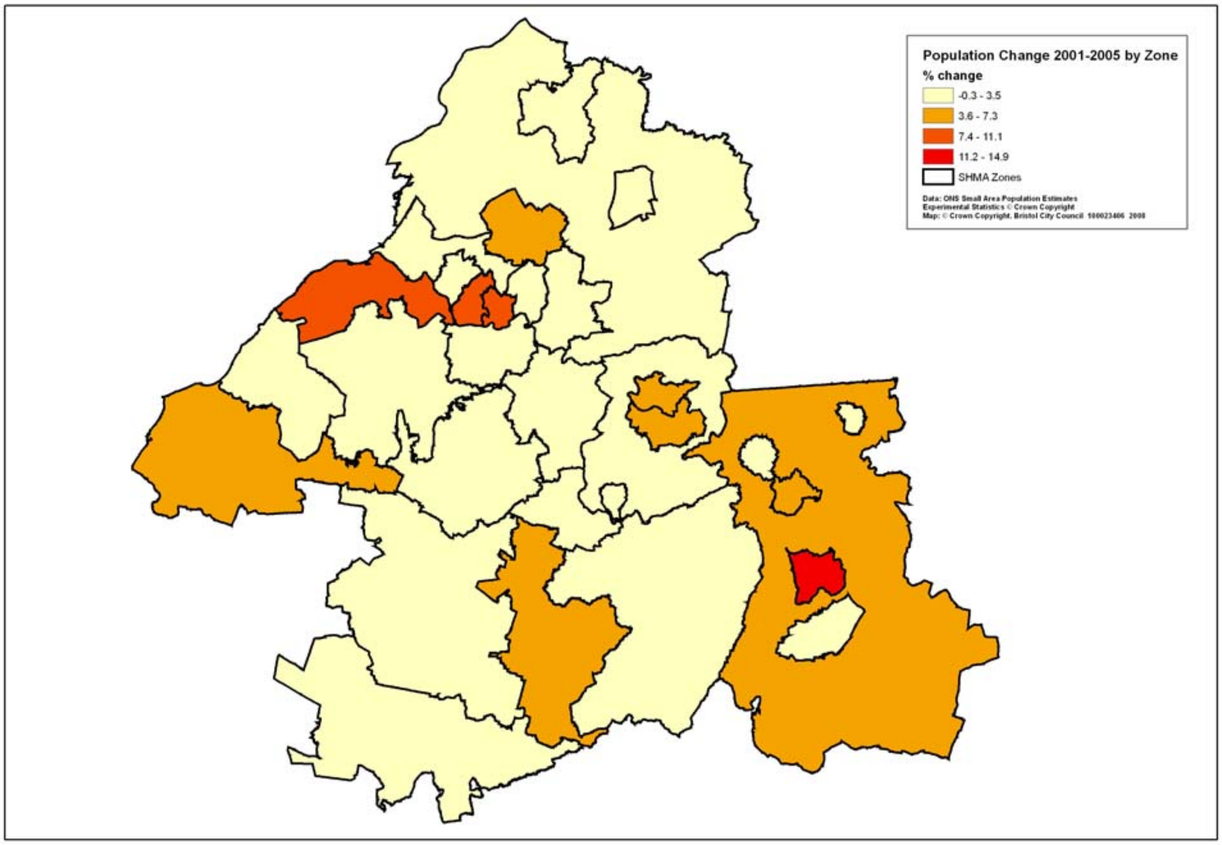
Zone ID	HMA Zone	2001	2002	2003	2004	2005	change 2001-2005	% change 2001-2005
Z0001	Bath City North	36,774	36,873	37,500	37,811	38,345	1,571	4.3
Z0002	Bathavon	12,545	12,654	12,674	12,711	12,784	239	1.9
Z0003	Bath City South	47,243	47,559	47,764	48,392	49,617	2,374	5.0
Z0004	Chew Valley	9,795	9,858	9,952	9,982	10,065	270	2.8
Z0005	Kensham	24,728	24,802	24,855	24,757	24,819	91	0.4
Z0006	Norton/Radstock	38,073	38,422	38,659	38,895	39,253	1,180	3.1
Z0007	Bristol North	66,239	66,039	66,223	66,394	67,287	1,048	1.6
Z0008	Bristol North West	30,569	30,552	30,501	30,719	30,914	345	1.1
Z0009	Bristol Inner West	64,009	64,739	66,204	67,813	70,420	6,411	10.0
Z0010	Bristol Inner East	38,816	39,294	39,854	41,154	42,960	4,144	10.7
Z0011	Bristol East	56,384	56,723	56,562	56,873	58,352	1,968	3.5

Z0012	Bristol South	134,032	133,692	134,179	134,504	135,708	1,676	1.3
Z0013	Clevedon-Yatton	34,646	34,707	34,912	34,959	35,029	383	1.1
Z0014	Nailsea-Backwell	34,570	34,757	35,033	35,385	35,588	1,018	2.9
Z0015	Portishead-Gordano	26,093	26,334	26,790	27,448	28,163	2,070	7.9
Z0016	Weston-Super-Mare	93,531	94,592	96,190	97,724	99,801	6,270	6.7
Z0017	Yate/Sodbury	34,407	34,471	34,247	34,273	34,295	-112	-0.3
Z0018	Kingswood	94,482	95,049	95,602	96,372	97,177	2,695	2.9
Z0019	North Fringe	58,409	58,902	59,719	60,578	61,451	3,042	5.2
Z0020	S.Gloucs Rural	45,026	45,458	45,754	46,250	46,469	1,443	3.2
Z0021	Thornbury	13,661	13,644	13,680	13,544	13,690	29	0.2
Z0022	Glastonbury/Street & Rural	26,995	27,101	27,304	27,624	27,837	842	3.1
Z0023	Wells & Rural	20,549	20,821	21,011	21,269	21,230	681	3.3
Z0024	Shepton Mallet & Rural	18,204	18,442	18,610	18,776	19,111	907	5.0
Z0025	Frome & Rural	38,216	38,488	38,840	39,141	39,376	1,160	3.0
Z0026	Bradford on Avon	9,361	9,431	9,462	9,554	9,624	263	2.8
Z0027	Melksham	14,220	14,318	14,318	14,434	14,271	51	0.4
Z0028	Trowbridge	28,319	29,156	29,782	30,175	30,343	2,024	7.1
Z0029	Westbury	11,521	11,904	12,415	13,067	13,241	1,720	14.9
Z0030	Warminster	17,430	17,615	17,604	17,456	17,395	-35	-0.2
Z0031	West Wilts Rural	37,628	38,163	38,639	39,122	39,597	1,969	5.2

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.7 The highest population gains between 2001-2005 are generally seen in areas that have had the highest level of housing development over this period.

Figure 3.8 Population Change in the West of England HMA by zone 2001-2005



Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15.8 For example, in the case of zone 29, Westbury, the high rate of population growth reflects a 16% growth in its housing stock (compared with 5% across the rest of the West Wilts district) over this period.

3.15.9 Other zones that have seen housing development led population growth, over this period are; Weston-Super-Mare, Portishead/Gordano, Bristol Inner West, Bristol Inner East, North Fringe, Kingswood, Trowbridge and West Wilts Rural.

3.15.10 Other zones have seen actual population gains. In these zones there have not been particularly high levels of housing development. The population has increased due to more people living in the existing housing stock. These zones include: Bath City North, Bath City South and Shepton Mallet and Rural.

3.15.11 The population estimates by age bands (table 3.9), for the WofE SHMA, have a low base (under 1), and declining structure after the ages of 59.

Table 3.9 Estimated Resident Population Mid 2006 West of England - Five Year Age Bands

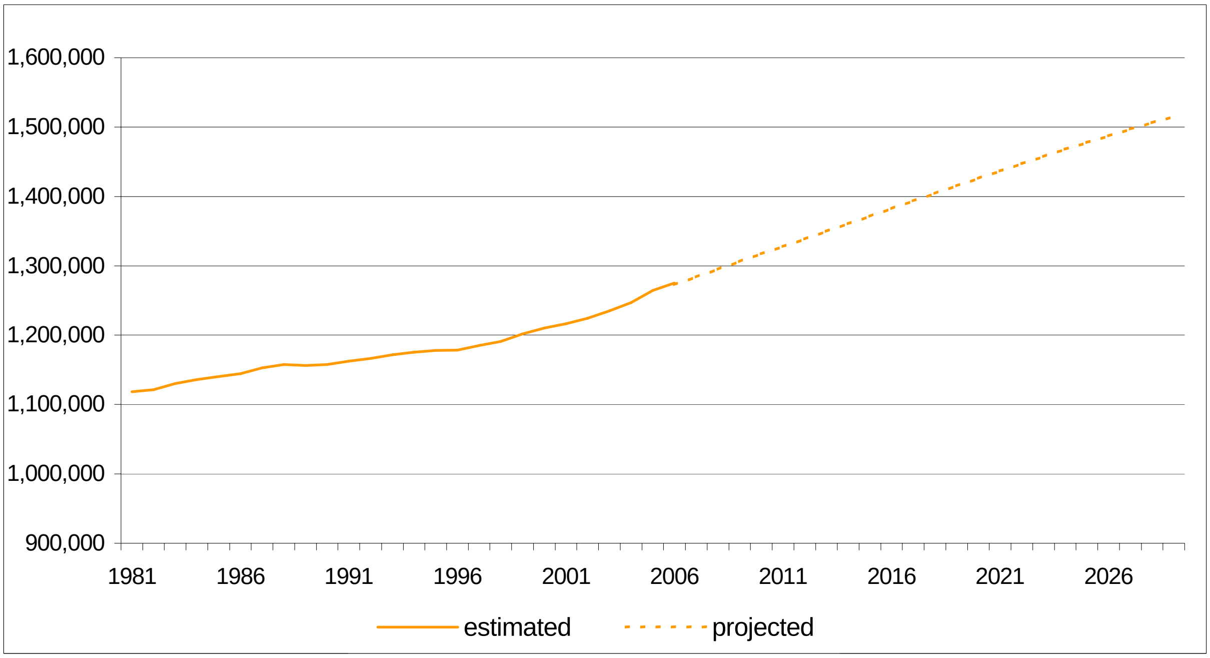
Age	Males	Females	Persons
under 1	7,200	7,000	13,230
1 to 4	28,300	27,100	50,570
5 to 9	36,100	35,000	64,380
10 to 14	38,100	36,300	67,410
15 to 19	42,800	40,700	76,790
20 to 24	48,600	47,200	91,670
25 to 29	44,900	41,600	81,010
30 to 34	43,300	42,800	78,760
35 to 39	47,800	48,000	86,870
40 to 44	48,300	48,500	88,060
45 to 49	41,700	42,500	76,070
50 to 54	37,500	38,400	68,780
55 to 59	40,000	40,700	72,380
60 to 64	33,800	34,600	61,550
65 to 69	27,200	28,100	49,320
70 to 74	22,800	25,500	42,930
75 to 79	19,100	23,000	37,240
80 to 84	14,400	20,000	29,940
85 to 89	7,500	12,400	16,800
90+	3,500	7,200	8,710
All ages:	633,100	646,800	1,275,100

Source ONS Mid 2006 Population Estimates. Crown Copyright 2007.

3.15 Population Projections

3.16.1 By 2026, the West of England Strategic Housing Market Area (HMA) is projected to have a population of 1,487,600 people. This represents an additional 215,000 residents since 2006; a population increase of 16.9%.

Figure 3.9 West of England HMA Population Trend 1981 - 2029



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Source: ONS Migration and Subnational Population Projections Unit

3.16.2 The earlier 2004-based population projections predicted a lower sub-regional population increase of 162,200 people between 2006 and 2026. This equates to a difference of 52,800 people between the original and the revised 2004-based population projections.

3.16.3 Higher population growth in the West of England HMA shown by the revised 2004 based projections[3] (which are in part based on the assumption that recent levels of migration would continue), implies a large increase in the requirement for additional dwellings, 2006-2026. These population projections project forward very high levels of international net in- migration over the last five years and there is some doubt that this level of migration will be sustained.

[3] Population projections are heavily dependent upon assumptions about the future migration levels. In September 2007 ONS published revised 2004-based population projections, which replaced those published previously. The new projections, which indicate future trends in population for the period 2005 – 2029, use an improved methodology for estimating the distribution of migrants around the country.

3.16.4 According to the revised 2004 Subnational Population Projections (see Table 3.10), within the West of England HMA, the UA predicted to see the largest population increase by 2026 is West Wiltshire. It is expected that over the next 20 years the population of West Wiltshire will increase by 24.9% (31,800 people).

3.16.5 North Somerset is set to see a population increase of 22.7% (45,600 people) South Gloucestershire a population increase of 17.9% (45,700 people), Mendip a population increase of 15.6% (17,000 people), Bristol a population increase of 13.3% (53,800 people), and Bath and North East Somerset a population increase of 12% (21,100 people) by 2026.

Table 3.10 West of England HMA revised 2004-based Sub-national population projections

	2006	**2011**	**2016**	**2021**	**2026**	**2006-26**	%
B&NES	175,700	181,700	186,600	191,500	196,800	21,100	12.0
Bristol	404,200	418,100	432,100	445,400	458,000	53,800	13.3
North Som	200,500	211,900	223,500	235,200	246,100	45,600	22.7
South Glos	255,800	267,200	278,900	290,700	301,500	45,700	17.9
Mendip	108,700	112,500	117,000	121,500	125,700	17,000	15.6
West Wilts	127,700	136,000	144,300	152,200	159,500	31,800	24.9
WofE SHMA	**1,272,600**	**1,327,400**	**1,382,400**	**1,436,500**	**1,487,600**	**215,000**	**16.9**

Source: Revised 2004 based Population Projections ONS crown copyright.

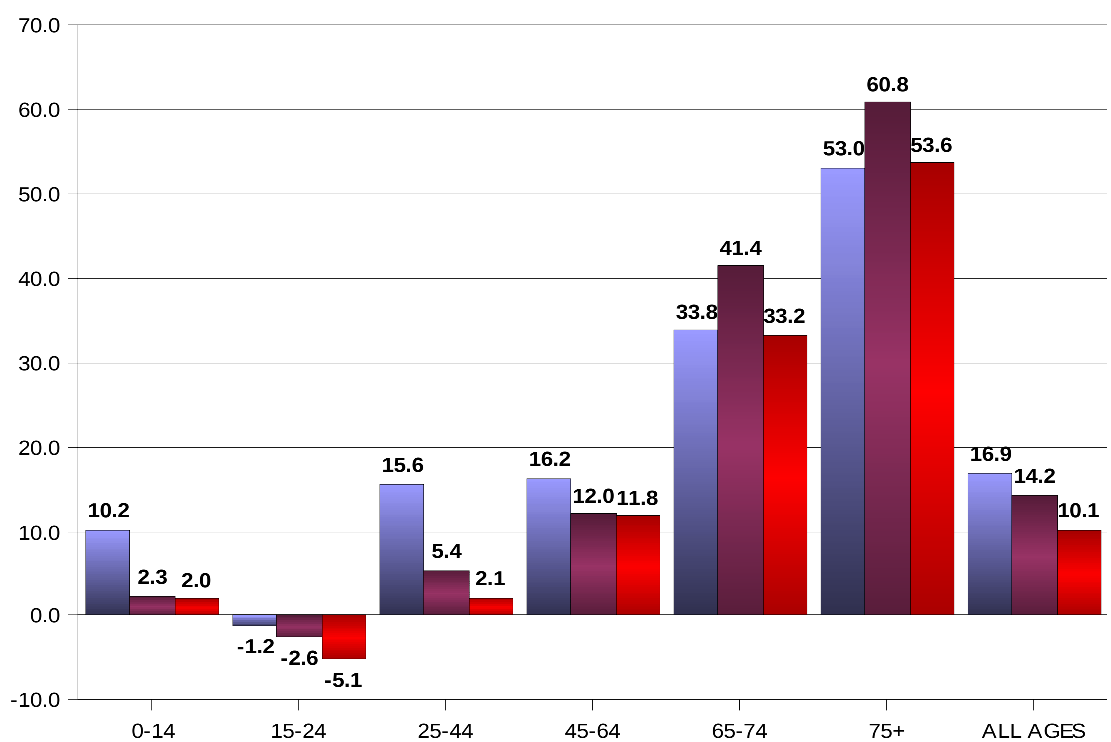
3.16.6 Table 3.11 illustrates that the age structure of the West of England HMA population is ageing with an increase in the 65-74 age band of some 33.8% and an even larger increase in the 75+ age band of 53%. The 15-24 age band is projected to decrease by 1.2% over the same period. This ageing population is consistent with the national picture and slightly less pronounced than the South West.

Table 3.11: West of England HMA revised 2004-based Subnational Population projections: selected age bands

	2006	2011	2016	2021	2026	2006-26	%
age 0-14	216,700	216,900	221,700	230,900	238,700	22,000	10.2
age 15-24	178,900	184,800	179,000	175,000	176,700	-2,200	-1.2
age 25-44	363,900	373,600	389,400	409,200	420,600	56,700	15.6
age 45-64	307,900	329,700	342,000	351,600	357,700	49,800	16.2
age 65-74	102,800	115,400	133,600	136,200	137,500	34,700	33.8
age 75+	102,200	107,500	116,600	133,500	156,400	54,200	53.0
All ages	1,272,600	1,327,800	1,382,400	1,436,600	1,487,600	215,000	16.9

Source: Revised 2004 Population Projections ONS Crown Copyright.

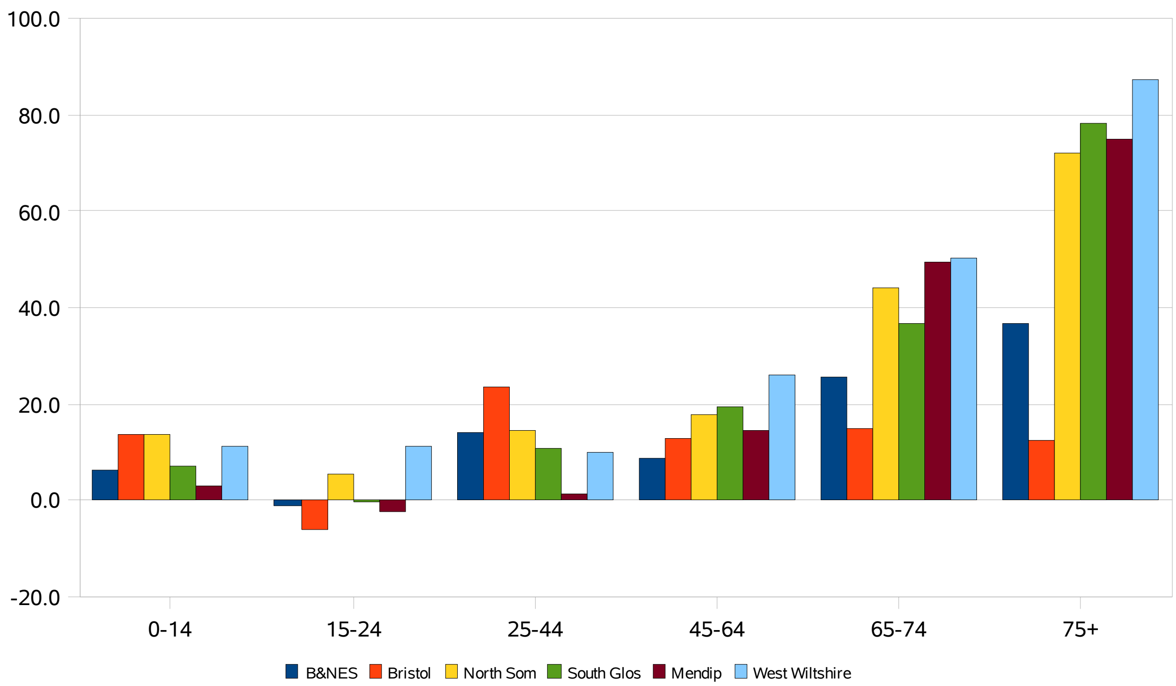
Figure 3.10 Revised 2004 Population Projections: West of England HMA Population change 2006-2026



Source: Revised 2004 Population Projections ONS Crown Copyright.

3.16.7 The change in the population structure within the West of England HMA between 2006 and 2026 varies between Local Authorities and is shown in Figure 3.11 or Table 3.12.

Figure 3.11 Revised 2004 Population Projections: Population Change 2006-2026 by Local Authority



Source: Revised 2004 based Population Projections ONS Crown Copyright.

3.16.8 B&NES and Bristol do not have such a large projected increase in the 65-75 and 75+ age groups compared with the other authorities. In contrast West Wiltshire and North Somerset are the only authorities in the HMA that do not see a decrease in the15-24 age groups. The age structure profile over this period may also in part reflect areas that have recently seen an influx of younger families and newly forming households, and how over time the people moving into these areas will age.

Table 3.12 Population change by age by Local Authority

AREA NAME	AGE GROUP	2006	2011	2016	2021	2026	Change 2006-2026	% Change 2006-2026
B&NES	0-14	28,000	27,700	27,800	28,800	29,800	1,800	6.4
B&NES	15-24	28,800	30,200	29,200	28,400	28,500	-300	-1.0
B&NES	25-44	46,000	47,100	48,800	51,100	52,500	6,500	14.1
B&NES	45-64	42,700	44,800	45,800	46,300	46,400	3,700	8.7
B&NES	65-74	14,500	16,000	18,100	18,200	18,200	3,700	25.5
B&NES	75+	15,700	16,100	16,800	18,700	21,500	5,800	36.9
B&NES	**ALL AGES**	**175,700**	**181,700**	**186,600**	**191,500**	**196,800**	**20,900**	**11.9**
Bristol	0-14	64,700	65,200	67,700	71,300	73,600	8,900	13.8
Bristol	15-24	71,700	72,000	68,500	66,400	67,400	-4,300	-6.0
Bristol	25-44	130,000	140,000	150,600	157,900	160,800	30,800	23.7
Bristol	45-64	83,000	86,700	88,300	90,800	93,800	10,800	13.0
Bristol	65-74	26,300	27,100	29,700	30,000	30,200	3,900	14.8
Bristol	75+	28,500	27,300	27,200	28,800	32,100	3,600	12.6
Bristol	**ALL AGES**	**404,200**	**418,100**	**432,100**	**445,400**	**458,000**	**53,800**	**13.3**
North Som	0-14	34,000	34,800	35,700	37,100	38,700	4,700	13.8
North Som	15-24	21,600	22,500	22,400	22,400	22,800	1,200	5.6
North Som	25-44	51,200	51,700	53,100	56,300	58,600	7,400	14.5
North Som	45-64	54,800	58,900	61,200	63,300	64,600	9,800	17.9
North Som	65-74	19,200	22,900	27,400	27,900	27,700	8,500	44.3
North Som	75+	19,600	21,100	23,700	28,100	33,700	14,100	71.9
North Som	**ALL AGES**	**200,500**	**211,900**	**223,500**	**235,200**	**246,100**	**45,600**	**22.7**
South Glos	0-14	46,900	45,900	46,500	48,600	50,300	3,400	7.2
South Glos	15-24	30,200	31,900	31,100	30,100	30,100	-100	-0.3
South Glos	25-44	74,700	73,900	75,900	80,200	82,800	8,100	10.8
South Glos	45-64	64,700	70,800	74,300	76,400	77,300	12,600	19.5
South Glos	65-74	21,400	24,400	28,000	28,400	29,300	7,900	36.9
South Glos	75+	17,800	20,400	23,200	27,200	31,700	13,900	78.1
South Glos	**ALL AGES**	**255,800**	**267,200**	**278,900**	**290,700**	**301,500**	**45,700**	**17.9**
Mendip	0-14	19,600	19,400	19,500	19,800	20,200	600	3.1
Mendip	15-24	12,500	12,800	12,300	12,200	12,200	-300	-2.4
Mendip	25-44	27,700	26,600	26,400	27,400	28,100	400	1.4
Mendip	45-64	29,600	31,900	33,300	33,800	33,900	4,300	14.5
Mendip	65-74	9,700	11,400	13,900	14,500	14,500	4,800	49.5
Mendip	75+	9,600	10,400	11,600	13,800	16,800	7,200	75.0
Mendip	**ALL AGES**	**108,700**	**112,500**	**117,000**	**121,500**	**125,700**	**17,000**	**15.6**
West Wiltshire	0-14	23,500	23,900	24,500	25,300	26,100	2,600	11.1
West Wiltshire	15-24	14,100	15,400	15,500	15,500	15,700	1,600	11.3
West Wiltshire	25-44	34,300	34,300	34,600	36,300	37,800	3,500	10.2
West Wiltshire	45-64	33,100	36,600	39,100	41,000	41,700	8,600	26.0
West Wiltshire	65-74	11,700	13,600	16,500	17,200	17,600	5,900	50.4
West Wiltshire	75+	11,000	12,200	14,100	16,900	20,600	9,600	87.3
West Wiltshire	**ALL AGES**	**127,700**	**136,000**	**144,300**	**152,200**	**159,500**	**31,800**	**24.9**

Source: Revised 2004 Population Projections ONS Crown Copyright

3.17 Household Projections

3.17.1 Household projections are trend based and indicate what is likely to happen to household numbers if recent demographic changes continue.

3.17.2 By 2026, the number of households in the West of England HMA is predicted to be 688,000. This is an increase of 149,000 households (27.6%) from 2006.

Table 3.13 Household projections 2006-2026

	2006	2011	2016	2021	2026	2006-26	%
ENGLAND	21,518,000	22,646,000	23,836,000	24,973,000	25,975,000	4,457,000	20.7
SOUTH WEST	2,214,000	2,356,000	2,508,000	2,656,000	2,789,000	575,000	26.0
Bath and NE Somerset UA	74,000	79,000	83,000	87,000	91,000	17,000	23.0
City of Bristol UA	175,000	186,000	197,000	207,000	217,000	42,000	24.0
North Somerset UA	87,000	94,000	102,000	109,000	116,000	29,000	33.3
South Gloucestershire UA	106,000	114,000	123,000	131,000	138,000	32,000	30.2
Mendip	45,000	46,000	49,000	52,000	56,000	11,000	24.4
West Wiltshire	52,000	54,000	60,000	65,000	70,000	18,000	34.6
WoE HMA	539,000	573,000	614,000	651,000	688,000	149,000	27.6

Source: Revised 2004 based household projections[4]

Notes: the household projections are not an assessment of housing need. A household is defined as "One person living alone, or a group of people living at the same address with common housekeeping - that is, sharing either a living room or at least one meal a day."

3.17.3 Household projections between 2006 and 2026 demonstrate a fall in household size (table 3.14). This will mean there will be more households forming out of the existing population, as more people live alone. Household projections therefore outstrip the current projected supply of additional dwellings.

[4] The Communities and Local Government household projections have been updated by Anglia Ruskin University to take account of the revisions to the Office for National Statistics (ONS) 2004-based population projections.

Table 3.14: West of England HMA: Household Population Projections by type

Household types:	2001e	2004p	2006e	2011p	2016p	2021p	2026p
married couple	244,035	240,180	238,313	235,128	234,803	236,186	237,188
cohabiting couple	46,534	53,381	59,780	73,232	84,260	92,743	99,833
lone parent	32,577	35,764	38,331	40,967	43,515	45,627	47,478
other multi-person	34,972	36,453	37,866	41,053	43,987	46,377	48,306
one person	150,491	161,131	170,077	191,019	215,389	240,010	262,921
All households	508,611	526,909	544,367	581,397	621,954	660,940	695,725
Private household population	1,189,277	1,219,923	1,247,300	1,299,702	1,353,837	1,407,027	1,456,529
Average household size	2.338	2.315	2.291	2.235	2.177	2.129	2.094
Concealed married couples	764	702	657	585	548	525	507
Concealed cohabiting couples	749	1,068	1,254	1,725	2,062	2,243	2,336
Concealed lone parents	1,066	1,011	939	797	682	600	549

Source: Revised 2004 based Household Population Projections ONS. Crown Copyright 2007. Note: e is estimated, p is projected.

3.18 Summary

3.18.1 The West of England benefits from considerable prosperity, reflecting the competitiveness of the local economy, high levels of economic activity and incomes. The local economy has expanded rapidly over the last decade or so. It is the largest in the South West Region accounting for almost 30% of regional employment. It employs over 700,000 persons with about two-thirds of this total accounted for by the Bristol urban area. Commuters from across the West of England travel to workplaces in the Bristol area and to a lesser extent Bath with the sub-region as a whole functioning as a city-region in terms of economic linkages and shopping patterns.

3.18.2 The high levels of prosperity displayed by the West of England as a whole disguises particular localities with high levels of unemployment, particularly within Bristol and Weston-Super-Mare. Some of these areas also record high levels of deprivation.

3.18.3 All districts within the sub-region have high levels of residence-based pay as compared to the region. When it comes to workplace based pay the rural areas of Mendip and West Wiltshire perform particularly poorly which in turn, encourages high levels of commuting from these areas to neighbouring locations where there are jobs with higher levels of pay.

3.18.4 Employment levels have risen considerably over the last decade, again indicative of the growth and prosperity of the area. Much of this extra employment has been accounted for by part-time working in retailing, education, financial and business services, and public administration. The rate of increase appears to have slowed however over more recent years. Current national economic conditions suggest that this tailing-off in the rising trend of employment is likely to continue over the short-term.

3.18.5 The success of the West of England economy in attracting business investment and growth has focused substantially on the Bristol North Fringe and most recently, the City Centre and in the Portishead area. Elsewhere, new industrial jobs are being created at Avonmouth, Severnside and Royal Portbury. Traditional industrial jobs are being lost however from many urban locations, partly as a result of displacement by high value and wider mixes of uses.

3.18.6 The numbers of workplaces and residents in employment in the West of England are virtually in balance. However, there are considerable commuting flows between localities reflecting the growing divergence between the locations of homes and workplaces. Bristol City Centre, the North Fringe and to a lesser extent Bath, attract workers from a wide area. However, as a result of the considerable employment available at these locations, relatively large proportions of local residents hold local jobs.

3.18.7 The draft Regional Spatial Strategy promotes continuing rapid growth of the West of England economy in accord with recent trends. Much of this growth would be accounted for by further service sector growth. The level of job growth proposed however, exceeds recent projections of the workforce arising out of the dwelling provisions of the draft Regional Spatial Strategy. The job growth proposals if realised therefore, may lead to higher levels of population growth than currently anticipated and increased risk of housing shortages and affordability problems.

3.18.8 The population of the West of England HMA has increased by almost 5% since 2001. The increase in population is due to a mixture of natural change and net inwards migration. The majority of the in-migration is international, and accounts for a much higher percentage of change than in the rest of the South West, although it is not out of line with national figures.

3.18.9 The areas with the highest population growth between 2001 and 2005 have generally been those areas which have experienced high housing growth. However, some zones within the area have experienced household growth without a corresponding increase in the housing, putting additional pressure on the existing housing.

3.18.10 The population of the HMA is projected to grow by almost 17% between now and 2026. This assumes that high levels of in-migration will continue. The number of households is assumed to grow at an even higher level, reflecting the continuing move towards smaller households.

3.18.11 There are significant projected changes in the age profile of the population which will impact on housing need and demand. The number of people in the area aged 65 – 75 will increase by a third, and the number over 75 by more than half. Older people’s housing needs are examined in greater detail in chapter 10.