# Communities
## and Local Government

# Proposed changes to the National Statistics publication on household projections
**Summary of responses to consultation**

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# Summary

Communities and Local Government (CLG) consulted on changes to the outputs and methodology for the National Statistics on household projections from 1 March to 9 April 2010.

Analysis of all of the submissions received from the consultation exercise indicated a broad level of support for the changes in methodology and outputs proposed. Therefore, we intend to adopt the proposed changes in the next set of household projections due to be published later this year.

## 1. Background

Communities and Local Government (CLG) consulted on changes to the outputs and methodology for the National Statistics on household projections from 1 March to 9 April 2010.

The consultation was conducted according to the Code of Practice for Official Statistics that requires users to be engaged on changes to statistics.

Consultees were asked six questions:

1. Will the proposed new household types meet your needs for household projections?

2. Will the proposed new household types meet your needs **better** than the existing household types?

3. Will the removal of concealed household types present any significant problems for your use of these statistics and if so, how?

4. Are you content with the proposed new method for trend fitting for projecting the household representative rates?

5. Do you agree with the proposed increased weight given to the Labour Force Survey data?

6. Do you have any other comments on the proposed methodology changes?

This document summarises the responses received and the Government's response to these. Further details of the original proposals and their rationale can be found in the consultation document[1] and associated research report[2].

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[1] http://www.communities.gov.uk/publications/housing/consultationhouseholdprojection
[2] http://www.communities.gov.uk/publications/housing/testingchangeshousehold

# 2. Outcome of consultation

In total, 23 written responses were received[3]. These were mainly from users of the household projections within government. No respondent requested anonymity or confidentiality of response.

The written consultation exercise was supplemented by an open seminar held by CLG on 12 March 2010. This seminar explained each part of the proposed changes and gave attendees the opportunity to discuss the proposals and feedback.  Some attendees have also provided written responses to the consultation exercise.

| Table 1: Type of respondent | | |
|---|---|---|
| **Type of organisation** | **No. of responses** | **% of total** |
| Central Government | 2 | 9 |
| Consultancy | 1 | 4 |
| Local Government | 15 | 65 |
| Regional government | 5 | 22 |
| **Total** | **23** | |

A full list of responding organisations is shown in Table 2 below.  The majority of responses were from local authorities or regional bodies on their behalf, reflecting the importance of the household projections in housing strategies and the planning process.

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[3] Nineteen were received by the deadline. Four were received after the deadline but have been incorporated into this analysis.
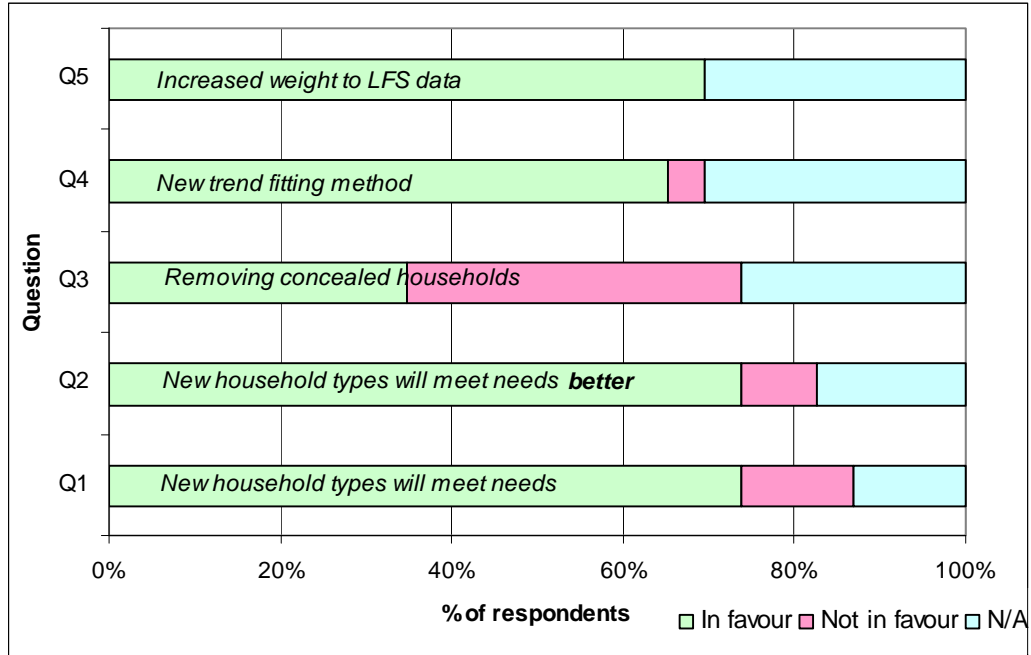
| Table 2: List of responding organisations | |
| --- | --- |
| **Name of organisation** | **Type of organisation** |
| Office for National Statistics | Central Government |
| Department for Work and Pensions | Central Government |
| B.Line Housing Information Ltd | Consultancy |
| East Staffordshire Borough Council | Local Government |
| Birmingham County Council | Local Government |
| Kent County Council | Local Government |
| Luton Borough Council | Local Government |
| Tyne & Wear Research And Information | Local Government |
| Essex County Council | Local Government |
| Hampshire County Council | Local Government |
| Chelmsford Borough Council | Local Government |
| Worcestershire County Council | Local Government |
| Northumberland County Council | Local Government |
| Bournemouth Borough Council | Local Government |
| Hertfordshire Council | Local Government |
| London Borough of Bexley | Local Government |
| Shropshire County Council | Local Government |
| Tees Valley Unlimited | Local Government |
| Greater London Authority | Regional government |
| South East England Partnership Board | Regional government |
| West Midlands Leaders Board | Regional government |
| 4NW | Regional government |
| Government Office for the South East | Regional government |

Respondents were asked to respond to each question as 'Yes' or 'No', with a comments box provided for further feedback.

The responses for each question are summarised below:

**Figure 1: Summary of responses for each question**



Note: 'In Favour' is determined by Yes for Questions 1, 2, 4 and 5 and No to Q3. N/A is where no response is given or cannot be clearly determined from accompanying comment.

On the basis of these figures there is little objection to most of the proposed changes with only one or two respondents responding non-favourably. The exception is the question on concealed households where there were more objections to this proposal (to remove concealed households). This is discussed in more detail below.

There was a wealth of detail received in the written comments accompanying the responses which needs to be considered to provide a fuller picture of respondents' views on the proposed changes.

# Household types (Q1 & Q2)

The new household types proposed provide information on numbers of dependent children that was not available with the current household types, but removes detail on marital status.

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- seventy-four per cent of respondents responded positively to these two questions

- thirteen per cent responded negatively to Question 1 and 9 per cent to Question 2

- remaining respondents did not answer yes or no but some provided comments.

Most respondents welcomed the additional detail on the household types and the categorisation by numbers of dependent children.  The marital status composition of the household was not relevant for most respondents, reflecting the way the projections are used to determine overall housing supply demands. The number of dependent children would be important additional information for assessing supply and associated demand for services.

The new household types are also more consistent with those used in other UK countries and therefore the changes would lead to greater coherence.

The main negative points raised were:

The GLA and some local authorities expressed concern on how the merging of some household types impact on the accuracy of the projections. For example; if characteristics associated with household formation are *"significantly different for married couples compared to co-habiting couples, then losing this distinction for the inputs may affect the quality of the outputs."* and "[*The new method] does not use any information on the number of 'available' dependent (and independent) children in the projected population to directly verify the projection.*"

This relates to the second stage of the projections which provide further breakdown of the household numbers by dependent children. This second stage is constrained to the stage one outputs and uses information on the propensity of different types of households to have children based on recent census data (at local authority district level).

The method for Stage 2 of the projections will include testing to ensure the household projections are as consistent as possible with sub-national population projections of children.  If a disparity is found, this can be corrected for.

There was also concern from some local authorities on how changes can be captured by local forecasting models such as Chelmer and PopGroup. The owners of Chelmer have since advised that they are not planning to continue to support the user-owned versions of Chelmer and they will be re-writing Chelmer over the summer regardless of the decision made on the household projections methodology. The new model will not be in a form which users can buy and load onto their own machines and run themselves. Instead it will be a simplified version of the existing model which will be run and used for consultancy work only. Therefore the lifespan of Chelmer in its current form is limited for users anyway.

PopGroup has suggested it is flexible to use the input data in the new format.

One respondent was *"not so keen on combining some age bands into ten year groupings"* (which is a consequence of the new types and the reliability of the underlying data used for the projections).

Comments were also made on the precise definitions of each household type and it is agreed that definitions can be tightened and explained more clearly.

## Concealed households (Q3)

**Question 3**

Will the removal of concealed household types present any significant problems for your use of these statistics and if so, how?

- thirty-five per cent of respondents indicated that the removal of concealed households would not present significant problems for their use of household projections

- thirty-nine per cent responded that they were concerned about the removal of concealed households

- twenty-six per cent of respondents did not answer yes or no but some provided comments.

Respondents who responded non-favourably to this question acknowledged that concealed households represent a small proportion (<1%) of national household numbers, although this can vary locally. The main concern expressed was around the use of estimates of concealed households in identifying the unmet need for housing (backlog of demand) which are important in developing housing plans.

This issue had been discussed by the Steering Group for the methodology project. The group was concerned that the implied number of concealed households produced by the model could partly be an artefact of the projections process and felt that more suitable measures of backlog of need could be

provided by other data sources. For example, the Survey of English Housing, the Census, the British Household Panel Survey can all be analysed to produce estimates of backlog of housing demand that could be more appropriate to use in housing plans.

Estimates of concealed households from the CLG projections model are not used by other key models of housing need for example the Reading Affordability Model and the Herriot-Watt model for Estimating Housing Need.

## Summary (Q1, Q2, Q3)

On balance, CLG feel that as the majority of respondents were positive about the proposed changes and the objections raised can largely be addressed, the next round of household projections should adopt the new household types as detailed below.

In order to facilitate users' preparation for this change a description of the variables and outputs that will be made available for the 2008-based projections has been included in an annex.

| | |
|---|---|
| One person households | Male |
| | Female |
| One family and no others | Couple: No dependent children |
| | Couple: 1 dependent child |
| | Couple: 2 dependent children |
| | Couple: 3+ dependent children |
| | Lone parent: 1 dependent child |
| | Lone parent: 2 dependent children |
| | Lone parent: 3+ dependent children |
| A couple and one or more other adults | No dependent children |
| | 1 dependent child |
| | 2 dependent children |
| | 3+ dependent children |
| Lone parent and one or more other adults | 1 dependent child |
| | 2 dependent children |
| | 3+ dependent children |
| Other households | |

## Methodology changes (Q4, Q5 & Q6)

It was proposed that the methodology for producing household projections is changed to a simpler timeseries model with fewer disaggregations (and no cohort modelling) than the existing (HOPS) approach. Data from the Labour Force Survey would be given a greater weight in the trend-fitting calculation.

> **Question 4**
>
> Are you content with the proposed new method for trend fitting for projecting the household representative rates?

- sixty-five per cent of respondents said they were content with the new trend fitting method for projecting household representative rates

- the remaining respondents did not feel qualified to provide a view

Respondents commented that *"a simplified method would be more transparent and understandable to users"* and welcomed that *"outputs could be produced more quickly"*.

> **Question 5**
>
> Do you agree with the proposed increased weight given to the Labour Force Survey data?

- seventy per cent of respondents were in favour of this proposal

- thirty per cent did not answer yes or no to the question but some provided comments.

Most respondents welcomed the proposal to give more weight to the LFS data for inter-censual periods. There was some concern about the reliability of data at sub-national level given the sample size. This has been addressed in the methodology by smoothing of the LFS data and focusing analysis at the national level.

**Question 6**

Do you have any other comments on the proposed methodology changes?

The other comments received largely underlined or summarised those made elsewhere in responses. Some respondents asked for *"a parallel 'experimental' set of projections using the new household types and Stage 1/Stage 2 methodology."*

It was argued that this would allow *"… users to see the differences created by the new methods and household types at a time when several authorities will see changes to the mid-year [population] estimates and hence to the underlying ONS [sub national population] projections…This may be important in helping the interpretation of household projections in the first Examinations in Public after the results of the 2008-based projections are published."*

It would also *"provide users with more time to prepare for a change in outputs and would enable a full switch [to be made] after the 2011 Census results have been analysed and incorporated."*

This proposal was considered carefully by CLG as the arguments put forward for a parallel run have some advantages. However, we were concerned about the confusion that could be created by having two sets of projections available. Much of the impact of the change in methodology has already been demonstrated by the project to test these changes on the 2006-based projections[4] and there would also be additional costs associated with producing two sets of projections.

On balance it was decided to not take this suggestion forward.

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[4] Testing methodological changes to the household projections model: research report 1 March 2010 http://www.communities.gov.uk/publications/housing/testingchangeshousehold

# 3. Next steps

All of the proposed methodology changes will be adopted for the next set of household projections. The ONS published 2008-based sub-national population projections on the 27 May 2010. A provisional publication date for the 2008-based household projections was announced on the UK Statistics Publication Hub for September 2010.  However, due to the government's review of its spending priorities the household projections update has been deferred. It is now anticipated that the projections will be published by the end of November.

As for previous projection rounds, the 2008-based household projections will be guided by an expert steering group and the outputs will be published as National Statistics on the CLG website as soon as they are available. More detailed outputs for use in local forecasting models can also be made available on request, as detailed in the annex.

In line with the requirements of the Code of Practice for Official Statistics the methodology and outputs of these statistics will be kept under review to ensure that they meet user needs. Any feedback on these statistics or this consultation outcome is welcome and should be made to Jane Hinton:

([Jane.hinton@communities.gsi.gov.uk](mailto:Jane.hinton@communities.gsi.gov.uk) or 0303 444 2276).

# Annex

Description of outputs for the 2008-based household projections under the revised methodology

## Table descriptions

**Standard tables to be published for household numbers for every five years of projection period:**

- detailed household type and summary household types 1 and 2 by England & GOR, including private household population and average household size

- detailed and summary household types 1 & 2 by LA

- stage 2 age groups by England, GOR & LA

- stage 2 age groups by summary household types 1 and 2 by GOR

- components of growth (England)

- variant projections (England).

**Cross tabulations available on request for household numbers and household representative rates:**

- detailed or summary household type by year, Stage 2 age groups and local authority

- marital status group by year, Stage 1 age groups and local authority.

## Variable definitions

| Detailed household type |
|---|
| One person households: Male |
| One person households: Female |
| One family and no others : Couple households : No dependent children* |
| One family and no others : Couple households : With one dependent child |
| One family and no others : Couple households : With two dependent children |
| One family and no others : Couple households : With three or more dependent children |
| One family and no others : Lone parent households : With one dependent child |
| One family and no others : Lone parent households : With two dependent children |
| One family and no others : Lone parent households : With three or more dependent children |
| A couple and one or more other adults : No dependent children |
| A couple and one or more other adults : With one dependent child |
| A couple and one or more other adults : With two dependent children |
| A couple and one or more other adults : With three or more dependent children |
| A lone parent and one or more other adults : With one dependent child |
| A lone parent and one or more other adults : With two dependent children |
| A lone parent and one or more other adults : With three or more dependent children |
| Other households** |
| TOTAL HOUSEHOLDS |
| *A dependent child in a household is aged 0-15 or aged 16-18 who is an economically inactive student and with marital status of single. |
| ** Includes couple and lone parent households with non-family dependent children only and lone parents with no dependent children. |

## Summary household type1

One person households

Couple households and no other adults

A couple and one or more other adults

A lone parent (with or without other adults)

Other households

## Summary household type2

Households with no dependent children

Households with 1 dependent children

Households with 2 dependent children

Households with 3+ dependent children

Other households

## Age groups - Stage 1

19 and under

20-24

25-29

30-34

35-39

40-44

45-49

50-54

55-59

60-64

65-69

70-74

75-79

80-84

85-89

90+

| Age groups - Stage 2 |
| --- |
| 19 and under |
| 20-29 |
| 30-39 |
| 40-49 |
| 50-59 |
| 60-64 |
| 65-69 |
| 70-79 |
| 80-89 |
| 90+ |

| Marital status types (Stage 1) |
| --- |
| Couple households (includes married and cohabiting) |
| Separated, divorced or widowed (once married): Female |
| Separated, divorced or widowed (once married): Male |
| Single (never married and not cohabiting): Female |
| Single (never married and not cohabiting): Male |

| Spatial disaggregation: |
| --- |
| England |
| Government Office Region |
| Local authority |

| Time |
| --- |
| Each year of the projection period (2008 to 2033) |