

Briefing for Belfast City Council

Overview and Critique of the HGI Methodology

January 2020

Introduction and Scope

1. This paper has been prepared by Turley on behalf of Belfast City Council ('the Council') to aid its preparation for the examination of the Local Development Plan (LDP). It follows the production of a technical response to comments raised during consultation on the Draft Plan Strategy¹ (DPS), and provides a separate technical critique of the methodology that has been followed by the Department for Infrastructure ('the Department') to produce its Housing Growth Indicators (HGIs). This aims to assist in allaying concerns around the principle of departing from the published HGI for Belfast, which were expressed in some responses to the consultation.

Regional Development Strategy

2. The DPS has been produced in the context of the Regional Development Strategy (RDS), which explicitly aims to '*grow the population of the City of Belfast*'². It acknowledges a history of population decline, in which the number of residents of the formerly defined district fell by around 15% between 1981 and 2009, but recognises that:

*"A sustained approach to regeneration has changed the city centre and brought dramatic improvements. The last decade has seen significant economic growth and around 26,000 jobs have been created in the Belfast City Council area"*³

3. It references seemingly trend-based forecasts under which the population of Belfast would fall over the next two decades, but states that:

*"...population decline needs to be reversed in order to have a strong capital city which is the economic driver of Northern Ireland. The aim is for the population of Belfast City to be 300,000 by 2021 which was the level achieved in the 1980s. Key to population growth will be the provision of housing to meet the full range of need"*⁴

4. This establishes a principle that a continuation of past trends in population change is not inevitable in Belfast, and projections of past trends into the future may require adjustment to sustain recent successes and reflect its status as capital city and economic driver of Northern Ireland.
5. It is implied that adjustments were therefore made on this basis within the Housing Growth Indicators (HGIs) presented at Appendix B of the RDS, albeit the nature and impact of any such

¹ Turley (2019) Technical Response to Comments on the Draft Plan Strategy for Belfast

² Department for Regional Development (2010) Regional Development Strategy 2035 – SFG2 (p57)

³ *Ibid*, paragraph 3.37

⁴ *Ibid*, paragraph 3.42

adjustment for Belfast is obscured by its amalgamation within the “Belfast Metropolitan Urban Area” (BMUA). There was no breakdown of this figure into the component districts at that time.

Revised Housing Growth Indicators

6. The methodology described within the RDS could not be replicated by the Department when subsequently producing 2012-based HGIs⁵. As such, although it ostensibly sought to account for the ‘aims’ of the RDS⁶, it reverted to a method which limited itself to incorporating the latest available trend-based projections to estimate the number of households requiring housing over the period to 2025.
7. For Belfast, this assumes that there will be 147,900 households requiring housing in 2025⁷, and an overall population of circa 346,000⁸ (or around 344,000 by 2021). This would represent a modest growth of 3% over the entire period covered by the HGIs (2012-25), rather than the decline anticipated in the RDS.
8. It would, however, appear to fall short of the resident population targeted therein for Belfast, which related to the former district area but can be illustratively updated using available datasets to reflect the newly defined council area which has consistently contained around 19% more residents⁹. This geography unsurprisingly has a similar recent history of population decline, with an improving trend that the RDS explicitly sought to support through policy intervention¹⁰. While the RDS aimed to grow the population of Belfast to 300,000 people by 2021, a higher target of around 356,000 people is implied when taking account of the subsequently redefined geography and its proportionate size.
9. On this basis, and acknowledging a degree of uncertainty in directly comparing the population of two statistically different areas, the population projections which underpin the HGIs appear to fall around 12,000 persons short of the RDS target and thereby appear to conflict with this stated aim. This is illustrated at Figure 1 overleaf.

⁵ Department for Infrastructure (2016) 2012-based Housing Growth Indicators and methodology paper, p6-7

⁶ *Ibid*, p7

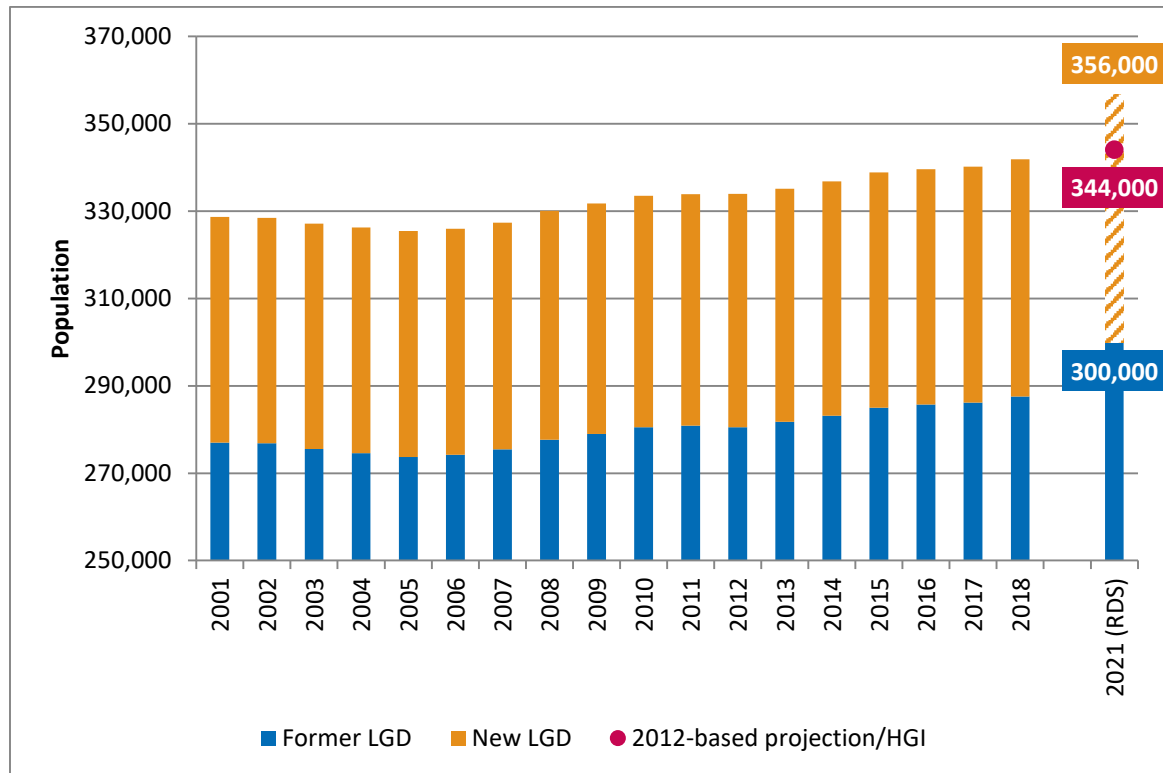
⁷ *Ibid*, Appendix 3

⁸ NISRA (2014) 2012-based Population Projections for Areas within Northern Ireland

⁹ NISRA (2019) 2018 mid-year population estimates; produced both for former LGDs (LGD1992) and new LGDs (LGD2014) and thus enabling comparison

¹⁰ As in the former LGD, population decline continued to 2005 but saw an identical rate of growth thereafter (5% to 2018)

Figure 1: Benchmarking Population Growth Targeted in RDS



Source: NISRA; Turley analysis

Understanding the Role of Migration

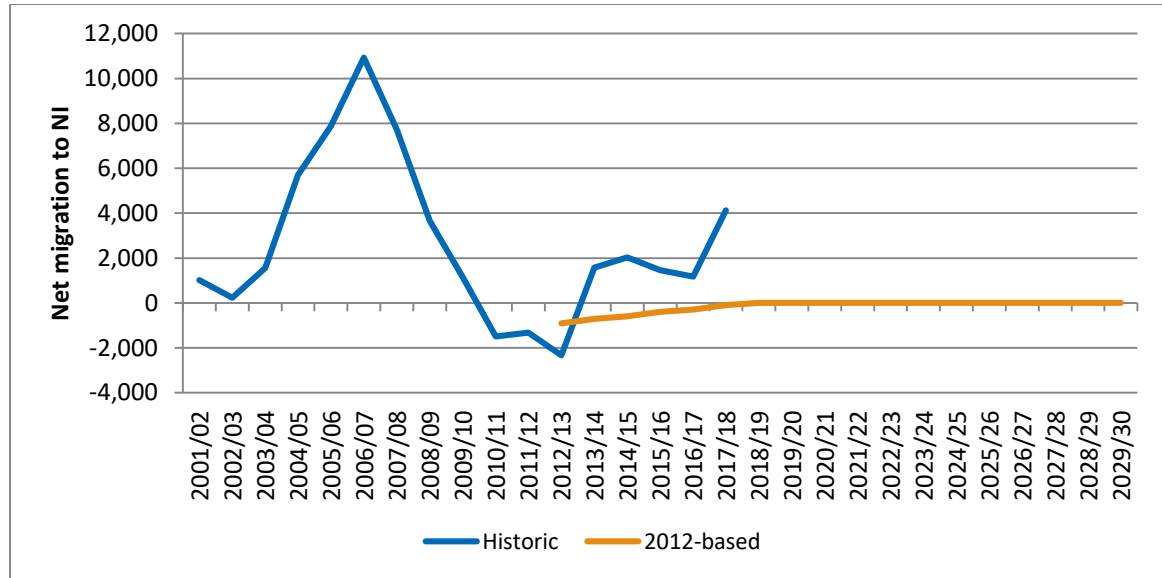
10. This gap would be narrowed if Belfast more successfully attracts and retains people who would otherwise leave the city, or Northern Ireland. Housing provision is 'key' to achieving such an outcome and enabling population growth, as recognised in the RDS¹¹.
11. From their base date, the 2012-based projections which underpin the HGIs assume that there will be an overall net outflow of around 7,000 people from Belfast by 2021, with this increasing to around 11,600 people by 2025. Evidence commissioned by the Council shows that this trend needs to be reversed if the city is to sustainably accommodate the labour force required to achieve targeted job growth, and this would not necessarily affect the established trend that has seen other districts receive a continued net inflow from the city if offset by a stronger net inflow into Belfast from outside of Northern Ireland¹².
12. While this would naturally uplift the overall scale of any such flow into Northern Ireland, beyond the level anticipated in the HGIs, it would actually lead to a greater alignment with historic and indeed recent trends. The 2012-based projections assume that the inflow of migrants to Northern Ireland becomes increasingly balanced with the outflow, such that migration is assumed to have no impact on the population from 2018 onwards. Subsequent population estimates indicate that this is not happening, with the net inflow continuing to recover from the more negative trend recorded only in the aftermath of the recession. The net inflow of around

¹¹ Department for Regional Development (2010) Regional Development Strategy 2035, paragraph 3.42

¹² Turley (2019) Technical Response to Comments on the Draft Plan Strategy for Belfast, section 4

4,100 people in the latest available year (2017/18) is the largest in a decade, and clearly at odds with the assumptions embedded in the HGIs. Indeed, while the 2012-based projections had anticipated a net outflow of around 3,000 people to 2018, Northern Ireland has actually recorded a net *inflow* of around 8,000 people. This strongly indicates that the regional assumptions are skewed by a misrepresentative and recessionary trend, and thus significantly underestimate the factors driving population growth and housing need in Northern Ireland.

Figure 2: Net Migration to Northern Ireland – historic and projected under HGIs



Source: NISRA; Turley analysis

Appreciating Limitations

13. This encapsulates a basic limitation of trend-based projections, in that they:

“...are not forecasts and will inevitably differ to a greater or lesser extent from actual future population change...Our assumptions about the future cannot be certain as patterns of births, deaths and migration are always liable to change and can be influenced by many factors”¹³

14. Within this context, it is considered essential that the population assumptions applied in calculating the HGIs are fully interrogated and adjusted where necessary to ensure that they are fully reflective of local circumstances. The RDS clearly established such a principle for Belfast, and there is more widely a correct recognition that HGIs provide only ‘*guidance rather than...a cap on housing development...or a target to be achieved*’¹⁴. It is strongly agreed that they should not be interpreted as such.

15. While this note has focused on the 2012-based HGIs that have been available to inform the preparation of the Belfast LDP, there are similar limitations to the 2016-based HGIs that were released on 25 September 2019. They utilise a comparable methodology, albeit over a different

¹³ Office for National Statistics (2017) National Population Projections: 2016-based statistical bulletin

¹⁴ Department for Infrastructure (2016) 2012-based Housing Growth Indicators, p1

time period (2016-30), with the use of 2016-based household projections – replacing the 2012-based projections – of the greatest relevance to the analysis presented in this note.

16. The time involved in producing the HGIs means that the population has continued to be estimated since the 2016 base date of their underlying projections. This notably reveals that the net inflow of people to Northern Ireland has to date been over five times larger than allowed for in the 2016-based projections¹⁵. As such, while it is encouraging that a greater allowance is made for this driver of population growth – relative to the 2012-based projections which underpinned the former HGI – there remains a risk that housing needs are being underestimated. In this context, it is notable that a sizeable net outflow of around 750 people per annum continues to be assumed for Belfast (2016-30).
17. The points of critique raised within this note are therefore considered to remain equally valid in the context of the new HGIs, noting the shared methodology. There is clearly a continued need to separately take account of *'the full range of factors that may influence housing requirements over the plan period in terms of how many houses are needed in any area'*, beyond the *'starting point'* of the HGIs¹⁶.

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¹⁵ The 2016-based projections anticipated a net inflow of circa 979 people between 2016 and 2018; it is estimated that a net inflow of circa 5,308 people actually occurred

¹⁶ Department for Infrastructure (2019) Housing Growth Indicators: 2016-based, paragraph 2.1