Housing Need and Demand Assessment Policy Report

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Abstract
This policy report examines the use of data to determine long-term housing tenure needs and demands in Ireland through an in-depth case study of the Government of Ireland's Housing Need and Demand Assessment (HNDA) policy. The study draws from desk-based research of all 31 local authority's local development plans, 11 interviews with planners, policymakers and consultants involved in the rollout and present review of the HNDA, two workshops with key stakeholders exploring the relationship between evidence and policy and 13 post-workshop interviews. Beyond providing a synthesis of how the HNDA process was understood by users and key stakeholders, the report develops a critique of: 1) the methodology, 2) the capacity of local authorities to perform an HNDA, 3) the rollout of the policy and 4) overarching governance issues.

Keywords: HNDA, housing, planning, data, evidence-based policy, Ireland

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List of acronyms and systems

AIRO	All-Island Research Observatory
CHMA	Centre for Housing and Market Analysis, Scotland
CSO	Central Statistics Office
DCC	Dublin City Council
DHLGH	Department of Housing, Local Government and Heritage
ERC	European Research Council
ESRI	Economic & Social Research Institute
HEA	Higher Education Authority
HNDA	Housing Need and Demand Assessment
HST	Housing Supply Target
KPMG FA	KPMG Future Analytics
LA	Local Authority
LGMA	Local Government Management Agency
NESC	National Economic and Social Council
NPF	National Planning Framework
OPR	Office of the Planning Regulator
PII	Property Industry Ireland
RIA	Reception and Integration Agency
RSES	Regional Spatial and Economic Strategy
RTB	Residential Tenancies Board
SDCC	South Dublin County Council

1. Research brief and research undertaken

The research brief was to review the roll out of the Government of Ireland's Housing Need and Demand Assessment (HNDA) process. The aim of this report is to provide a synthesis of findings from interviews conducted with HNDA stakeholders and to specify potential recommendations for future HNDAs. In June 2023, the Department of Housing, Local Government and Heritage (DHLGH) began a review of the HNDA as part of an overarching review of the National Planning Framework (NPF). The research reported here was not part of that process, but serves as a complement to it.

Full details of the policies around the HNDA are detailed on Gov.ie and are repeated in the development plans prepared by each local authority. This policy report provides necessary information to assist the reader in understanding the intent and logics of the HNDA, but it does not detail at length the material contained in the many associated published documents. Additionally, the report is not intended to be a critique of the econometric and projection models underpinning the Housing Supply Targets (HST), the HNDA Framework or the HNDA Excel Tool, as these were scientifically determined by economists from the Economic & Social Research Institute (ESRI) utilising their specialised expertise. However, the report does utilise desk-based research and interviews to provide a synthesis of how the HNDA process was understood by users and key stakeholders and, as such, develops a critique of: 1) the methodology, 2) the capacity of local authorities to perform an HNDA, 3) the rollout of the policy and 4) overarching governance issues.

The case study research consisted of seven main tasks.

1. Desk-based analysis of the HNDA and the relevant policies and research papers informing it (e.g. NPF, ESRI publications, Housing For All, HST methodology, etc.).

2. Content analysis of media coverage about the HNDA.

3. Interviews with stakeholders involved in the rollout and current stakeholders involved in the HNDA review:
   o Department of Housing, Local Government and Heritage (DHLGH)
   o Local Government Management Agency (LGMA)
   o Office of the Planning Regulator (OPR)
   o National Economic and Social Council (NESC)
   o Centre for Housing and Market Analysis, Scotland (CHMA)
   o UK Collaborative Centre for Housing Evidence
   o Dublin City Council (DCC)
   o Sligo County Council
   o All-Island Research Observatory (AIRO)
   o KPMG Future Analytics (KPMG)

4. Completion of two workshops exploring the relationship between evidence and policy with stakeholders in the public, private and civic sector, with participation of representatives from:

- DHLGH
- Department of the Taoiseach
- OPR
- Housing Agency
- NESC
- Eastern and Midlands Regional Assembly
- Southern Regional Assembly
- DCC
- Fingal County Council
- South Dublin County Council
- Property Industry Ireland
- Threshold

5. Post-workshop interviews with participants in the first workshop discussing the material created and issues raised, particularly in relation to the HNDA.

6. Circulation of the draft report.

7. Incorporation of HNDA stakeholder edits and production of final report.

The research reported is based on one of a series of case studies conducted by a team at Maynooth University as part of a European Research Council (ERC) grant: *Data Stories: Telling Stories About and With Planning and Property Data*. The aim of the project is to chart in micro-detail the planning and property data ecosystem for Dublin and to collaborate with creative writers and artists to produce data stories that serve as a catalyst for critical reflection on the evidence base for housing and planning.

2. Understanding the Housing Need and Demand Assessment

2.1   Brief description of the HNDA

The aim of the HNDA Framework is to provide a nationally standardised evidence base for estimating overall future housing requirements. The obligation for local authorities to undertake a HNDA is set out as a national objective (no. 37) of the National Planning Framework (NPF), which is the statutory national plan to coordinate development in Ireland. The HNDA informs the respective local authority housing strategies and development plans and helps produce an evidence-based assessment of their housing need and demand over the proceeding years. The HNDA Framework draws from official statistical data published by a number of sources to provide a long-term strategic view of housing need across all tenures. The time period of the HNDA is determined by each local authority and can cover a longer time-frame than that of the development plan. A principal source of data is centrally held by the DHLGH and it informs and HNDA Excel Tool. Local authority HNDA outputs inform the housing strategies, which then shape respective development plan processes.

The two key elements of the HNDA Framework are its four-step process and its Excel tool. The first step in the HNDA Framework process is identifying key housing market drivers.

These are informed by figures developed at various scales and for current and future projections related to household formation, house prices, rent levels, access to finance, levels of economic activity, employment rates and income levels. The second step of the process is profiling the housing stock. This step includes determining the local authority's own housing stock, delineating the geographic location of where there is undersupply or low demand of housing stock and considering opportunities for more effective use of the existing housing stock. The third step involves estimating additional homes required by tenure type (owner occupiers, private renters, affordability constraint and social renters) using the HNDA Excel Tool. Local variables can be entered and the HNDA Excel Tool will produce demographic housing demand by tenure type over a projected timeframe based on the population scenario selected by the local authority. In the fourth and final step, the local authority considers specialist housing provision (e.g., elderly, people with a disability, homeless individuals/families, Travellers, international protection applicants and students). All the information created from this four-step process feeds into a final HNDA report, which in turn informs the Housing Delivery Strategy that is a subset of a local authority's development plan.

The HNDA Excel Tool was developed by the DHLGH, informed by the data selection (see Figure 1) and figures from a commissioned ESRI report (Bergin and Garcia Rodriguez, 2020, with a methodological legacy from to a previous ESRI report, Morgenroth, 2018).

Figure 1. Data sources for the HNDA Excel Tool

Source: Modified from Department of Housing, Local Government and Heritage (2021a)

Future housing need is broken into four tenure-based categories using estimates of housing affordability:

1. Buyers
2. Private Rented Sector
3. Affordability Constraint
4. Social Rent

Five different scenarios are built into the HNDA Excel Tool to determine the projected total number of new households needed over the designated period (see Table 1).

Table 1. Scenarios built into the HNDA Excel Tool

Scenario	Definition
Convergence	Default scenario aligned with 50:50 City and that is consistent with the 'Housing Supply Target Methodology for Development Planning, Guidelines for Planning Authorities'. Differs from the 50:50 City scenario because it adjust for new housing supply since 2017.
50:50 City	Scenario population increase split roughly equally between the East and Midlands regions and urban areas/cities in the rest of the country, with the aim of producing a more even spread of households across the country.
Baseline (business as usual)	Based on net international migration declining linearly from +33,700 in 2019 to +15,000 by 2024 and remaining constant thereafter.
High migration	Based on net international migration of +30,000 in 2020 and remaining constant thereafter.
Low migration	Based on net international migration dropping to +5,000 by 2022 and adjusting towards the baseline scenario over the following years.

Source: Department of Housing, Local Government and Heritage (2021b)

The HNDA Excel Tool relies on assumptions, which are then contextualised through local knowledge from the local authority. It is expected that local authorities access and deploy local knowledge to make the best-case for their locality and aid them in decision-making and planning. While local authorities could decide on the scenario upon which their projections would be based, any deviation from the Convergence scenario is required to be evidence-based and consistent with policy guidelines.

2.2 Timeline of key policy documents

The first mention of the HNDA occurred in February 2018 with the publication of the NPF. The policy assumptions informing the HNDA stem from a shift towards evidence-based policy making that emerged as a response to the 2008/9 Global Financial Crisis and glaring development property issues related to ad hoc planning. Table 2 features the 11 key policies and reports that have informed the HNDA.

Three critical publications are worth highlighting due to their direct impact on the HNDA:

1) The National Planning Framework Implementation Roadmap (DHLGH, 2018)

This document provides county scale population projections for 2026 and 2031. Growth targets are designed to draw development away from Dublin and the eastern seaboard and to distribute it across the island through an urban hierarchy of metropolitan areas (Dublin, Cork, Galway, Limerick and Waterford), large and small towns.

2) Regional Demographics and Structural Housing Demand at a County Level, Research Series, Number 111, ESRI (Bergin and Garcia Rodriguez, 2020)

This report commissioned by the DHLGH provides the first estimate of overall housing demand to 2040. Prior to this research, the government had metrics to determine population projections per county, but these figures were not translated into housing demand. Per an issued Ministerial letter, the figures from this report became the definitive source of information for the government. This report also produced the five projection scenarios built into the HNDA Excel Tool.

3) Housing Supply Target Methodology for Development Planning - Guidelines for Planning Authorities (DHLGH, 2020)

This document provides a fixed methodology that local authorities are required to use to determine their housing supply requirements. Use of the methodology issues housing supply targets (HST), which represent the overall number of housing units to be planned for in the respective local authority's development plan. The methodology provided is adjusted to the appropriate time period for when each local authority is revising their development plan. Because the development plans for the local authorities are on different cycles, the time-frame is not fixed and can be adjusted based on the relevant six-year time period under consideration by the local authority. In relation to issued targets and total demand and supply parameters, the Housing Supply Target Methodology is consistent with the underlying statistical basis that informs the HNDA Excel Tool.

Table 2: Key policy moments related to HNDA

Date of publication	Name of publication	Author(s)/ Publisher	Summary of policy (in relation to HNDA)	Impact on HNDA
Nov 2010	Core Strategy Regulation: Planning and Development (Amendment) Act 2010	Government of Ireland	Document prepared by each local authority as part of their development plan. The Core Strategy identifies the quantum, location and phasing of development for the plan period and the settlement hierarchy for the county, which then informs zoning decisions. Published in 2010, local authorities had to demonstrate consistency with the National Spatial Strategy and Regional Planning Guidelines.	Policy focused on medium to long term, evidence-based, forward planning. Must work with the prescribed NPF and RSES housing and population targets set at county level.
19 July 2016	Rebuilding Ireland – Action Plan for Housing and Homelessness	Government of Ireland	Sets out a clear roadmap for the Government of Ireland to achieve Government's key housing objectives.	Detail's government's plan to increase social housing, double housing output to at least 25,000 per annum by 2020.
24 Jan 2018	Prospects for Irish regions and counties: Scenarios and implications	Edgar Morgenroth, ESRI	Research publication with population projections for regions and counties across Ireland. Supports spreading regional development to urban centres outside of Dublin by providing a range of growth projections. Informed NPF and RSES.	Includes population analysis conducted at regional level over the period of 2016-2040. States a projected population increase of almost 900,000 to 5.634 million by 2040.
16 Feb 2018	National Planning Framework	Government of Ireland	Statutory national policy guiding the economic, social and environmental development of Ireland through to 2040. Directs the RSES, which underpins each county's local development plans.	National Policy Objective 37 specifies that each local authority is to undertake an HNDA in coordination with the Regional Assemblies. States that support will be provided through a coordination and monitoring unit and the development of a centralised spatial database for local authority housing data.
3 July 2018	NPF Roadmap Circular: Implementation Roadmap for the National Planning Framework	Government of Ireland	Issued after the publication of the NPF to address issues that emerged relating to the implementation of the NPF.	Provides minimum and maximum projected county population ranges for 2026 and 2031.
April 2019	Establishment of Office of the Planning Regulator	Government of Ireland	A Central Government body established as an oversight agency to ensure local authorities and An Bord Pleanála implement Government planning policy.	Responsible for reviewing HNDAs for each local authority.

Date	Title	Author/Publisher	Description	Notes
14 Dec 2020	Regional Demographics and Structural Housing Demand at a County Level, Research Series, Number 111	Adele Bergin and Abian Garcia Rodriguez, ESRI	Work commissioned by the DHLGH. Provides estimates of the amount of housing needed based on projected population growth at a local authority level out to 2040.	Updated Morgenroth's (2018) regional demographic projections and rates of household formation projections. Held very similar projections to Morgenroth (2018) at a difference of 30,000 people in 2040. Introduced the approach of determining internal migration as a function of economic conditions.
18 Dec2020	Housing Supply Target Methodology for Development Planning - Guidelines for Planning Authorities	Department of Housing, Local Government and Heritage	Provided the methodology for each local authority to calculate their Housing Supply Target.	Pulls in data from Bergin and Garcia Rodriguez (2020), CSO completions data, DHLGH, Census to calculate a Housing Supply Target.
14 April 2021	Circular 14/Guidance on the Preparation of a Housing Need and Demand Assessment	Department of Housing, Local Government and Heritage	Represents the official launch of the HNDA four-step process and introduces the HNDA Excel Tool.	Provides links to an HNDA webpage with a series of resources housed by the DHLGH. The webpage includes the rational for the HNDA, a manual on how to perform the HNDA, the HNDA Excel Tool, details on the data held by the DHLGH that informs the HNDA Excel Tool and additional information on the data and sources feeding into the HNDA Excel Tool.
21 Sept 2021	Housing for All	Department of Housing, Local Government and Heritage	Represents the Government's housing and policy plan to 2030.	Specifies a target of 300,000 homes by 2030 (an average of 33,000 homes per year backed by a spend of over four billion per year to 2030). Breaks figure down by tenure type.
15 Aug 2023	Expert Group Report on the NPF	Laura Burke, Director General of the Environmental Protection Agency Brendan O'Sullivan, Director UCC Centre for Planning, Education & Research Frances Ruane, Chair of the National Competitiveness and Productivity Council	Supports the role of strategic planning in Ireland and the policies underpinning the NPF but with recommendations for areas in need of addressing.	Does not directly name the HDNA but specifies the need for flexibility in providing a wider range of population growth scenarios. Recommends reviewing growth targets and implementing more ambitious targets for compact growth, to include preventing single housing developments in the countryside.

2.3. Present state of play

At this stage, all local authorities have undertaken an HNDA, whether by using the 2021 HNDA Framework, or by their own means. Persisting with the HNDA Framework will mean that in the next round of development plans, all 31 local authority housing strategies will be streamlined in their sharing of similar assumptions and methodologies (within the range of provided scenarios). This will help the OPR in plan evaluation, the regional assemblies in adhering to spatial strategies and the DHLGH in its ability to track housing delivery patterns that can then inform strategic policy-making. It will also allow plan making in Ireland to be more holistically integrated with other critical aspects of forward planning (infrastructure planning, transport planning, environmental impact assessment, etc.).

The HNDA Framework has positively provided local authorities with a more granular and evidence-based view of the different types of housing tenure needed over longer periods of time than previously possible. The shift towards developing housing strategies informed by the HNDA and the HST, has meant that local authorities are appropriately integrating strategic population parameters into their core strategies, settlement strategies and housing policies, thus lending to national efforts to make planning more consistent, coherent and in line with the NPF.

3. Critique of the HNDA Framework

The implementation and rollout of the HNDA has not been without critique. This next section provides a summary of respondents' comments organised into four main categories: 1) challenges with the methodology, 2) lack of capacity, 3) complications with the HNDA policy roll out and 4) issues with governance.

3.1 Challenges with methodology

It is important to mention the existence of an overarching critique of the data and policy assumptions that shape Ireland's spatial planning and, as such, inform the HNDA. The NPF is underpinned by a population distribution logic that is questioned by institutions at all scales (local, regional, central) and is a source of dissatisfaction for many local authorities and real estate developers who feel constrained by the policy and the limitations it enforces on their capacity to build. This critique is subsumed under a larger disagreement on the concept of population projections and the logic that projections are trying to, as one respondent said, 'crystal ball gaze,' into a distant future. Covid-19 and the Ukrainian War, events that created a shift in population distribution patterns not forecasted in the NPF, exacerbated frustrations with the direction of Ireland's spatial planning.

At the same time, it is important to remember that forward and spatial planning in Ireland is relatively youthful compared to other jurisdictions, with the NPF representing the first statutory policy based on population distribution. Irish government at all scales must

contend with teething issues related to forward planning, including the process of estimating long-term housing need and demand. Thus, while unease might exist with policy direction, and the HNDA as a result, obstacles to accepting change are always expected. Issues summarised from our investigations require redress by building awareness and trust of Ireland's new spatial framework, and efforts towards assessing, and then budgeting for, housing need and demand.

Though the HNDA feeds into the local authority housing strategy, which in turn informs the development plan, it is solely one component of a development plan. Still, central government recognises the pivotal role the HNDA plays in Irish policy:

"And it's important even in terms of budgeting, the National Development Plan, the annual estimates. There's been an interrogation of the tool in engagements between ourselves and other government colleagues, around the methodology, the data and the assumptions used, for example. There's an element of stress testing, what makes sense, what doesn't, how could or should it be improved, what are the challenges and limitations, and so on. And I expect these to continue. It reflects the importance of the HNDA Tool and Framework, not just in terms of identifying what might be needed in terms of tenure mix at a local level but also, by extension, how this might inform national budgets." (Central government representative)

Recognition of the importance of the HNDA points to the need to accurately work out issues with future iterations, an effort that is currently underway but that may require further rounds of dialogue and training.

The most frequent criticism of the HNDA policy is data obsolescence. Respondents were displeased with how quickly the data within the centralised database that informs the HNDA Excel Tool became outdated. This led to local authorities discarding the process and reverting to previous, ad hoc ways of determining housing need and demand.

"The whole time you were writing them [housing strategies] *based on the data that was available, knowing that anyone who was looking at it with a bit of reasonableness would go, 'Well that's not actually what's happened in the last little while.' Market availability has gone, and prices have shot up, but we didn't have that kind of information or kind of reliable information, or other source that, say a consultant or someone with more expertise, could rely on."* (Local Authority representative)

Central government is certainly aware of the need for regular updates, but has not had the capacity to address this:

"But it just shows you how, I suppose, the challenge with using the tool like this in very turbulent times. We also know incomes are increasing, as well as house prices and rent costs. This points to the need to be constantly vigilant in terms of the data used by the tool and the assumptions used, upon which the affordability calculations rely, and to have these updated as often as possible. We haven't managed that to date." (Central government representative)

Another named hindrance with the methodology is the lack of sub-county/sub-market level data provided in the centralised database. Local authorities can aggregate and input localised data into the HNDA Excel Tool, but if the local authority lacks the skills, time or methodological ability to gather the relevant data, the estimates the HNDA Tool produces flatten the reality on the ground.

As one respondent states:

"You have to have that local input for the outputs to be locally relevant." (Central government representative*)*

A well-known example of the flattening out of space is the case of Center Parks in Longford, where the Census captures growth in Longford County, but does not and cannot attribute the growth to families on holiday in Center Parks that inflates the county population figures.

"...when it came out in 2021, people were using it. The data was plugged in 2019, so it was out of date at the time. But like I said, there were options within the tool to change the different figures, change the different things. So once local authorities were aware that they could kinda manipulate the tool a little bit themselves, in terms of the sub-county analysis, there was only so much the tool could do without a redevelopment as such." (Local government representative)

"Local authorities ended up having, you know, spending money to be able to prove something that they inherently knew was the case because they didn't, the tool wasn't flexible enough to be able to do that [get data at town level]." (Local government representative)

For example, when it comes to determining housing market drivers for a local authority, two factors impede the process: 1) housing market areas do no neatly conform to local authority boundaries and 2) required data sources are not all held by the local authority and necessitate support from the CSO (for a comprehensive breakdown on sub-county data challenges with the HNDA, see Morrin, 2022).

A collective agreement needs to be reached on the appropriate scale:

"So that would need to be done at a sub-county level. But then, what is a sub-county level? Is it municipal district? Settlement of the LEA? There's all of those questions." (*Local government representative*)

The need for data at the municipal district level, local electoral area, housing market area, border boundaries and street level were all referenced by respondents. It is for this reason that consultants, with their specialised expertise, can complete the more granular sub-county analysis that feeds into the HNDA Excel Tool. Here, a tension emerges. On the one hand, respondents argue that flexibility is necessary in the HNDA Excel Tool because local authorities are best informed on the details of their locality. On the other, in order for the HNDA Excel Tool to work, local authorities need to be consistent

with their local data collection, which is not always the case. To rectify this, central government can provide methodological direction, determine the most accurate sub-county boundary and supply the decisive data to the local authorities. However, this will reduce the flexibility that local authorities request. Local authorities might be best placed to identify and correct errors with local datasets, but if the data is not accurate, it can also tax central government's review process. It is therefore difficult to navigate the need for flexibility in a dataset, whilst not sacrificing standardisation. The respondents below acknowledge this tension:

"That's the benefit as well then of a model that's the same, that's standardised across the country. You know that it has got that integrity and that it does then allow, it doesn't get disrupted by certain isolated instances. And look, that's not to say it'll be right all the time and maybe it does need a flexibility to take account of things like that, but it means that you have got good data across the country and to me that is worth more than messing around in very isolated and localised issues that can be dealt with in other ways. It doesn't mean that you have to step away from a kind of a standardised approach." (Central government representative)

"But obviously the challenges the city faces are different to other areas of the country and even our kind of neighbouring local authorities. The challenges are kind of different. So we're certainly, like I personally think we're quite unique in terms of some of the challenges we face. And again, that the legislation has to cover all local authorities, and there's no specific legislation for the capital city, if you will. And I think that's possibly where maybe some of the tension could come from it." (*Local government representative*)

Additionally, the information that the HNDA Excel Tool outputs succeeds in providing tenure type, but does not go far enough to specify further in terms of how many one-bedroom versus multi-bedroom units are necessary to meet demand.

"But I do think time now is to move away from just saying 'it's a HNDA that's required' and get back to the argument about, 'Okay, so we're building 10,000 units of housing. Where? Who? Why? What? And when?' Yeah. And the HNDA can help you answer those in part. But it's still blind to a development in terms of typology." (Central government representative)

Along similar lines, respondents stated confusion around whether or not projections were meant to be a ceiling/cap, versus a baseline, versus a target figure.

"The argument has emerged that the HNDA is putting a ceiling; the maximum level of housing supplies then given as the outcome of the HNDA is a ceiling rather than a baseline." (*Central government representative*)

The distinction matters because it directs development trajectories and can justify why it is unnecessary to allocate additional funds for certain types of housing tenures:

"Now I understand some local authorities have sort of used it as a bit of a ceiling in some cases to sort of say, 'Well the tool says we only need to build 2,000 social houses so we're only building 2,000 social houses or more private houses."(Consultant)

To be clear, the HNDA does not set targets or caps. This demonstrates a conflation between the HST and the HNDA. However, this type of conflation is not uncommon amongst respondents (as well as the media), demonstrating a confusion between the two.

One of the chief arguments raised by supporters of the HNDA, and the NPF more generally, is that Ireland needs to embrace forward planning to combat development-led planning. Any proposed developments—by the private and the public sector—must align with local authority housing strategy and development plans, which are informed by the HST and HNDA projections. Some of the local authorities we spoke with mentioned the benefit of being able to point to a set of figures as an evidence-base for why a development could/could not be approved. Regardless, the discordance around the HST and contested population projections has meant that as a by-product of a policy effort to forward plan, the HST and HNDA have received media attention and scrutiny.

3.2   Lack of capacity

"Generally speaking, if it has anything to do with numbers, people tend to outsource it." (Central government representative)

One purported benefit of the development of an HNDA was in creating a pathway for local authorities to build up their specialist skill sets around technical work and data. Developing these skills would circumvent the need to hire consultants to complete the work, a practice that is already in place for various components of a development plan. However, the reality does not reflect developing local competencies. Of the 31 local authorities, 23 contracted out the completion of the HNDA (see Table 3).

"So very few local authorities actually used it themselves and wrote the analysis themselves. And I think that was one of the aims of the HNDA was that the local authorities had the knowledge in-house to be able to do it. That tool would be able to help them do their own Housing Strategy without having to go to KPMG or different consultancies to assist them."(Local government representative)

Table 3. The organisations that completed the HNDA for each local authority

Location	Contracted out (Y/N)	If contracted out, by who?
Carlow County Council	Y	KPMG Future Analytics
Cavan County Council	Y	KPMG Future Analytics
Clare County Council	Y	KPMG Future Analytics
Cork City & Cork County Joint Housing Strategy	Y	KPMG Future Analytics & Lisney
Donegal County Council	N	
Dublin City Council	Y	KPMG Future Analytics
Dun Laoghaire / Rathdown	N	
Fingal County Council	N	
Galway City Council	Y	KPMG Future Analytics
Galway County Council	Y	Downey Planning
Kerry County Council	N	
Kildare County Council	Y	AIRO
Kilkenny County Council	N	
Laois County Council	Y	Downey Planning
Leitrim County Council	Y	MacCabe Durney Barnes
Limerick City & County Council	Y	KPMG Future Analytics
Longford County Council	Y	KPMG Future Analytics
Louth County Council	Y	KPMG Future Analytics
Mayo County Council	Y	KPMG Future Analytics
Meath County Council	N	MacCabe Durney Barnes
Monaghan County Council	N	KPMG Future Analytics
Offaly County Council	Y	KPMG Future Analytics
Roscommon County Council	Y	Deloitte
Sligo County Council	N	
South Dublin County Council	N	
Tipperary County Council	Y	KPMG Future Analytics
Waterford City and County Council	Y	Deloitte
Waterford City and County Council	Y	Deloitte
Westmeath County Council	Y	KPMG Future Analytics
Wexford County Council	Y	KPMG Future Analytics
Wicklow County Council	N/A	

Evidence of the differences between performing the HNDA in-house versus contracting it out shows up in the development plans. The plans of local authorities that performed their own HNDA do not exhibit the granularity and micro-level analyses of those that contracted out the work. Table 4 shows the total page-counts of the Housing Strategy document for a selection of local authorities. Local authorities that contracted out the HNDA informing the document include multiple pages of data sets and written

explanation to justify their housing strategy. The strategies of local authorities that did not contract out the process are significantly shorter.

Table 4. Total Housing Strategy pages in the local development plan (at time of research) for each local authority

County	Organisation	Total Housing Strategy pages
DCC	KPMG Future Analytics	172
Kildare	AIRO	130
Laois	Downey Planning	121
Louth	KPMG Future Analytics	93
Waterford City and County	Deloitte	92
Leitrim	MacCabe Durney Barnes	84
Kilkenny	Kilkenny County Council	68
Meath	MacCabe Durney Barnes	47
Roscommon	Deloitte	43
Sligo	Sligo County Council	7

The outcome has variegated spatial outcomes. For example, a slimmed down development plan for Sligo, who used the four-step HNDA process, might simplify the work for the OPR who must review all local authority development plans, but challenges Sligo County Council's ability to bring in specialised datasets that demonstrate housing need and demand in particular housing market areas. More generally, it means that certain local development plans display more sophistication than others:

"...you can put in your own data for everything, you can change it, but it requires the knowledge of what that data is. And obviously a lot of work went into the different projections and different data. That's where specialist knowledge would come in if someone wanted to go in and really, some local parties would have used it at the very top level. [Others] wouldn't have done much manipulation with it. They went ahead and just did the kind of general projections. Other people went in and changed the settings, updated figures. So again, it depends on the knowledge and the capacity within the teams as well." (Local government representative)

Hired consultants can input their privately-held specialised data sets and analyse outputs drawing from their skill competencies. Similarly, hiring a consultant who

completes multiple HNDAs means that the consultant can compare across local authorities and transfer lessons learned. The use of consultants, while not problematic from a legal or governance perspective, might prevent local authorities from benefiting from the learning curve and enhancing their in-house capacities.

*"They've hired consultants in to do it, which we don't mind. The consultants seem to have done a good job on it. But it means that the local authorities' experience might not be as deep as we would have hoped it would be." (*Central government representative)

Both local authorities and consultants discussed issues with the HNDA Excel Tool's ease of use. The HNDA Excel Tool is meant to be user-friendly, but respondents expressed having to relearn how to use it each time they took a break from the assignment and later returned to it.

"What I did find is because it was a bit stop-start, it was kind of every time you were picking it up again, you're having to go back to kind of the basics, and hoping that the notes you made, or the decisions you made at the time, you can remember why." (Local government representative)

The complications with mastering the HNDA Excel Tool has also challenged the ability to maximize built-in flexibility. Conceptually, any disagreements the local authorities had with population projections could be addressed by choosing one of the alternative scenarios incorporated into the tool. Local authorities therefore can alter any of the assumptions and bring local knowledge and understanding to bear to the final results. Indeed, it is expected that they access and deploy this local knowledge as part of the process. However, selecting alternative scenarios requires careful justification for deviating from the default scenario. This necessitates additional capacity and a skills base that may not be available to all local authorities.

In terms of technical knowledge, housing and maintaining a centralised database with a predetermined statistical logic meant that local authorities limited in time and the necessary skill sets to run the tool and apply findings could conveniently turn to a trusted source for the data, such as the centrally managed database. However, the appropriate skills sets to maintain the database are necessary across all scales of government, to include central government. The lack of attention to updating the data informing the HNDA Excel Tool equally points to a deficit in the level of time and resource challenge within central government.

With regards to the not insignificant learning curve required to master the HNDA four step-process, some local authorities juxtaposed the fatigue related to the amount of work required to perform the HNDA with the limited amount of applicable knowledge gained from performing the exercise. For example, a clearer picture of affordable housing might have emerged, but the knowledge felt superfluous when recognising that financial capacity and resources do not exist to tackle demonstrated need.

"Before you start that you need more and you need lots of it. And you need more than it's probably possible to ever build. So the tool puts that down on paper. But, you know, how much did it add to the process?" (Local government representative)

"Is it taking an overly, detailed way to do something that could be done a simpler way? Like, I don't know. I just thought that at the level of the cold face, it's certainly an additional step you have to do in something that's already quite difficult?" (Local government representative)

This resulted in feelings that the HNDA was a tool to streamline the review process for central government bodies without supports for local authorities to take on the additional task.

"The local authorities have a lot of transactional data. The challenge that is there is that they're not resourced, through staff competency, staff availability, or the infrastructure, which I'm sure by now you've noticed they're not resourced to quickly and easily get their paws on that data in a way that's useful without a big resource expenditure. And given the huge constraints on resources and the crisis of day-to-day management, it is wrestling the bear." (*Central government representative*)

When asked what types of skills were necessary, another respondent answered:

"Like I said, we did have conversation with housing colleagues, but again they're not going to have it [skill competencies]. It's someone who has a, whose kind of almost sole expertise is analysis of the housing market. And you know those are the people who could say actually, 'I'm looking at the default options, I'm looking at the different scenarios, and based on what evidence I have, I can advise you to do something differently or try something differently, come up with a new scenario.'" (Local Authority representative)

Conclusively, there is a level of reflection that is necessary to perform the HNDA and weight its outputs. Not only does this require specialised skill sets, as pointed out by respondents, it also necessitates time that planners do not have available. Critically, it is important to stress that though the DHLGH had interruptions to their training process due to Covid, upskilling is dependent on them. Defaulting to accepting the hiring of consultants as a solution is a product of the conditions created by them.

3.3   Complications with the HNDA policy rollout

The HNDA process was first mentioned in 2018 with the implementation of the NPF. However, it was not until two years later that the DHLGH issued the HNDA Framework (i.e. the four-step process). This means that some current local authority development plans incorporate the four-step process while others do not. The implementation of a newly introduced HNDA process to supersede what some local authorities were already assessing in an ad hoc manner required a cohesive and consistent launch to lend credibility and trust to the process. Unfortunately, complications in the roll out immediately undermined the HNDA.

The HNDA and its methodology is based an existing practice in Scotland. In 2001, the Scottish government introduced the Housing Act, a piece of legislation that mandated the need for a Local Housing Strategy, which was to be supported by an assessment of housing need and demand. The Scottish Government's Centre for Housing Market Analysis (CHMA) oversaw the implementation of this strategy. To facilitate local authorities in deriving the assessment of their housing need and demand, the CHMA queried local authorities to see if a tool pulling from a centrally managed database would be of use to them. Following consensus that it would, the CHMA developed the tool and travelled to each of the local authorities to demonstrate and train staff in the use of the tool. More than two decades later, the CHMA remains in place, is fully supported by the Scottish Government and has a dedicated team employed to address any issues that arise and to incorporate policy changes into the model.

The Irish experience was drastically different, both in the development of the HNDA, the roll out of the four-step process, and in the lack of updates to the HNDA Excel Tool. Unfortunately, two historical junctures complicated the roll out: Covid-19 and the Ukrainian War. Both Covid-19 and the housing of refugees impacted the geography of predicted growth and undermined population projections that made data underpinning the HNDA Excel Tool and the HST obsolete. Some local authorities that completed their development plan after the rollout of the HNDA Framework stated in their development plan that they opted to abstain from using the HNDA Framework, or even performing an HNDA, due to outdated data in the centralised HNDA Excel Tool. Despite the ability to use high and low migration scenarios, they felt that the HNDA Excel Tool did not sufficiently account for the impacts of Covid-19 and the Ukrainian War. Further, there existed the concern that the Tool had not been updated to include the results of the 2022 Census. Here a conflict in timelines occurred because the population projections and structural housing demand forecasts were only published by the CSO in Autumn 2023, meaning that work to update the projections and forecasts could only begin when that data became available.

In addition to introducing various uncertainties, Covid meant that training for local authorities to conduct an HNDA took place remotely. Collectively, the historical events and fragmented delivery of the HNDA guidance left local authorities feeling disempowered:

"...there was a feeling, certainly, that central government had not adopted a collaborative approach. This was sort of a diktat of saying 'here's the figures for you, now stick to them." (Central government representative)

Having local authorities on different development plan cycles also encumbered the rollout of the HNDA policy. A development plan lasts for a period of six years, but there is no official start date and end date for all local authorities, meaning that local authorities are on staggered timelines. Accordingly, some local authority development plans were in advanced stages of completion and approval when the HNDA policy came into effect. The result is a patchwork of some local authorities using different versions of the HNDA Excel Tool and others who are currently in stages of using the tool but with caveats.

A big factor complicating the policy and its continual update is the loss of institutional knowledge due to people shifting from one employment position to the next. None of the original Irish stakeholders for the HNDA remain involved.

"There's no protocol for how often that [updates to the data] needs to happen. Capacity to update the tool or the data has been impacted by a significant turnover in staff in the relevant teams since the tool was launched. Effectively, every person working on the tool, whether developing it, rolling it out or providing training and support, has since moved on." (Central government representative)

Compared against the Scottish model and their long-standing dedicated team to guide implementation, in the Irish case this reflects the lack of commitment to a national policy objective, and undermines trust and/or buy-in for the policy. Ultimately, it leads to the types of feelings expressed by the respondent below:

"It's not the methodology that is at fault here. Neither conceptually nor in terms of their inaccuracies in terms of data and so on... It's the way it has been applied, I think, has caused the problems." (Central government representative)

3.4   Issues with governance

The HNDA policy is positioned as a means to join up thinking between local authority housing departments and planning departments. Siloed thinking across Irish Government is continuously presented as problematic. The NPF and its attendant documents, to include HST and HNDA policy, attempt to instil strategic planning underpinned by joined up thinking.

In practice, discussions with stakeholders revealed that the collaboration between housing departments and planning departments is not streamlined. Some local authorities locate housing and planning within the same division, others have them as separate entities, thus challenging a collaborative effort. Additionally, individuals in planning departments often see the remit of the housing department as managing housing stock and tenants rather than planning future delivery and therefore having a different remit.

Respondents comprehended that a complex methodology informed policy projections, but then demonstrated uncertainty around the translation between the outputs of the process and a policy lens that contorts the output and then impacts funding trajectories. This creates shaky grounds around the meaning and the practice of being 'evidence-based.'

"At a national level, in developing the high-level targets for Housing for All for example, a capacity and a policy lens were brought to the HNDA tool output, at both a macro and a tenure level. For example, even if the tool were to suggest we needed 34,000, or 35,000 homes in any given year, and we concluded we had capacity in the construction sector to deliver on this, it didn't immediately follow that we could deliver the 11,500 or so social homes the tool might also have suggested within this overall quantum. So we brought,

not just a policy lens, but also a capacity lens to the consideration, effectively a sense-check at a macro and tenure level." (Central government representative)

Respondents expressed feeling like the effort was completely driven by central government with little consultation with and adequate support for local authorities. Given the option, it is unlikely that local authorities would impose the HNDA on themselves.

"I think then that the tool or anything like it would not have been introduced without the Department. So central government has driven the use of this. Local authorities would not have introduced the tool themselves." (Central government representative)

For some of the respondents, there is an overarching question around the role of the regional assemblies. Particularly in relation to thinking beyond the boundary of a county and more holistically at housing market areas that may cross boundaries, respondents pointed to the crucial role that the regional scale can play. And yet, there is concern that the regional assemblies are not formally involved and are stuck somewhere between the OPR, and even the Housing Agency.

Ultimately, and considering all the complications detailed above, there exists the understanding that implementing something as rigorous as the HNDA, and learning to plan strategically more generally, requires a drastic shift in the priorities of government policy and funding. This idea is best exemplified by the following respondent:

"There's no chance the HNDA is going to be considered important enough at that point. It can be made important, but a number of other things would have to happen. And those other things are: you're going to have to hire a lot more planners, you're going to have to hire some data analysts, you're going to have to put in place your data structure and build a culture of knowledge exchange and production towards these goals, which is reasonable to expect. But all of that has to happen as you're trying to argue for the HNDA model to be deployed effectively. So it's more of a systems discussion rather than a specific item on the HNDA itself, I'd suggest." (Central government representative)

4. Conclusion

"...planning has always, and housing I think to a certain degree as well, has always suffered from a lack of data. And there's no point in having data if it isn't consistent data. So these tools do allow you to do that, to be able to look at the information and know that what you're looking at is the same, is based on the same thing. And that's absolutely crucial because it's only until very recent years that we have really, I suppose, focused in on the need for good data, good quality data. And we have a long way to go on that." (Central government representative)

Since the introduction of the National Spatial Strategy in 2002, Ireland has worked to develop competencies in forward planning. However, forward planning as an institutional

effort is a developed skill, and can also be prone to error and scrutiny due difficulties in charting out the future.

The multi-decade experience of the CHMA in Scotland demonstrates the benefit of a policy that has only had minor tweaks over time. Repeated requests from Scottish local authorities to change the model were met with caution, carefully reviewed and only incorporated if absolutely necessary. Keeping the process as close to its original inception allows the CHMA to compare outcomes of the model across time. For the Irish Government to scrap the HNDA process or to change the methodology entirely would negate this possibility. That being said, among respondents there exists limited confidence and trust in the policy and tool. Central government needs to institute regular updates to any data that informs the process, as well as work to support and build the competencies of involved stakeholders at all scales. This will help lay foundations for a trusted, robust process. There are also opportunities to lessen the burden of ongoing training from central government by creating 'knowledge networks,' spaces where local authorities can share their experiences.

Within a wider planning and policy framework, and in a moment where there is support for centralised databases, there are indications that the 'plug and play' tool approach is gaining in prominence. The Regional Development Monitor, Environmental Impact Assessment tools, as well as the efforts to build tools for estimating land requirements or Town Centre First toolkits demonstrate this. If planning and policymaking are decisively moving in this direction, clear policy around data practices and data monitoring is vital. Creating simpler, more user friendly applications would also be hugely beneficial.

Ultimately, a tension exists around the level of standardisation and science-led approach that is necessary to guide the development of the built environment. This is not an issue that is isolated to determining housing need and demand. Rather, it is a persistent issue in all elements of urban and regional planning. On the one hand, some respondents believe the scientific shift to standardisation is necessary:

"This is an iterative process, and this was the first time we actually took an evidence-scientific-based approach to trying to look at housing and look at the spatial dimension to housing." (Central government representative)

On the other hand, there exists the notion that the tool is meant to inform policy, but that this comes at the expense of not being purely scientifically rigorous.

"So we're not just going to say, 'Well, the HNDA tool says that we need 11,000 social houses a year.' Yeah, it might do, but let's apply a sense check, draw on our own experience and understanding. 'Does that output make sense in the overall scheme of things?'" (Central government representative)

Ultimately, the HNDA Excel Tool relies on assumptions that are part of the overall process. It is intended to be an aid to decision-making and planning. It is not intended to provide a definitive, ironclad output. The user's expertise and experience bring an

important sense-check to the output from the various scenarios and is meant to shape the final HNDA report. Therefore, determining the appropriate level of standard and rigour requires a frank discussion with all stakeholders involved. Regardless, what is apparent is that certain issues require addressing:

- Local authorities are under resourced. This comes as no surprise and thankfully the October 2024 Ministerial Action Plan for Planning Resources addresses the deficit in planning graduates and full-time permanent local authority staff.
- The centrally held database requires constant upkeep.
- Decisions must be made on how to incorporate sub-county data.
- Stakeholders across all scales of government need appropriate communication and training on the tool. This will reduce the number of local authorities that outsource the performance of the HNDA and will ensure trust in the process, however iterative it might be.

Finally, the findings informing this policy report stem from conversations with a limited number of stakeholders. Fact finding missions to each of the 31 local authorities to garner their insights and respective experiences on performing an HNDA are necessary to obtain a more robust and complete picture.

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