

Derry City & Strabane District Council

Review of the population forecasts for Derry City & Strabane District Council, 2017- 2032

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**Ulster University Economic Policy
Centre**

**Dr. Eoin Magennis, Dr. Johann
Gallagher & Andrew Park**

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Introduction

1. The Community Plan for Derry City and Strabane, ***Inclusive Strategic Growth Plan 2017-2032***, was launched in 2017. The Community Planning process is based on partnership, pooling resources across the tiers of government and the community and private sectors to improve the wellbeing of all citizens. It sets out the key development priorities designed to create a '*thriving, prosperous and sustainable City and District with equality of opportunity for all*'.¹ One anticipated outcome of fully delivering the Strategic Growth Plan is an increase of about 10,000 people living in the district over this period (p.54). The flagship infrastructure projects in the plan – the completion of the key A5 and A6 transport routes – plus the potential impacts of the Ulster University expansion on the Magee campus in Derry city are key to this outcome being realised. Brexit and its potential impacts on capital investment, in-migration and cross-border movements of people must be noted, however.
2. Derry City & Strabane District Council [DC&SDC] have requested the Economic Policy Centre [UUEPC] to undertake a review of the current population forecasts (from various sources) for the Council area in the context of the 10,000 increase projected in the Council's Strategic Growth Plan, 2017-2032. The 10,000 figure is envisaged as being made up of projected 'steady state' population projections for the Council area, additional impacts of the delivery of the Strategic Growth Plan and potential arising from the wider impacts of university expansion on the city region.
3. The purpose of this paper is to review the existing population forecasts within the Community Plan and consider the feasibility of achieving these. The paper sets out recent population trends in NI and locally, the various forecasts for the DC&SDC area, demographic trends in the wider North West City Region, and some case studies of university expansion elsewhere and lessons from there for local population. This paper can be used as an additional input to the Local Development Plan for Derry City and Strabane District Council, though it does not provide an update to NISRA's Housing Growth Indicators which are the first reference point for planning policy.

¹ Derry City and Strabane District Council, *Inclusive Strategic Growth Plan, 2017-2032: Our Community Plan* (2017).

Strategic Context

1. The future population of Derry City & Strabane District Council (DCSDC) area will be influenced by regional plans and those of neighbouring places, as well as by wider economic and political changes. This section focuses on those plans which may have implications for the population of DCSDC, specifically the NI *Regional Development Strategy 2035* and *Programme for Government Consultation Document*, and the *Ireland 2040* (National Planning Framework) and the *Regional Spatial and Economy Strategy* being prepared by the North & West Regional Assembly.
2. The **Regional Development Strategy (RDS) 2035**² is the spatial strategy of the Northern Ireland Executive, which was published in 2012. The RDS remains the long-term plan which seeks to influence the future distribution of economic development and infrastructure throughout the region. The RDS recognises the central role of Derry as a focus for growth in the North West region and identifies it as the principal city of the North West and a key cross-border and international gateway. The spatial framework guidance in the RDS refers to developing a strong North West, strengthening the role of Derry as the principal city and employment centre, and managing the movement of people and goods within the North West. The framework clearly recognises the city as having the potential to provide a regional level of service to much of the western part of Northern Ireland as well as to substantial parts of neighbouring County Donegal. With regard to population growth, the RDS does not set out specific targets for this.
3. This recognition of Derry as a key centre in the North West is also evident in the draft **Programme for Government document** (2016)³, the previous Executive's agreed priorities. This document, which had political support and was widely welcomed, provides further strategic direction for the region. Outcome 1 – *we prosper through a strong, competitive, regionally balanced economy* – includes a commitment to strengthen Derry~Londonderry as the principal city of the North West. There are also actions to develop the transport hub in the city and enhance public transport between population centres to support this objective. The 'Outcomes Delivery Plan 2018-2019', which sets out the actions that Departments intend to take during 2018-19 to give effect to the previous Executive's stated objectives, also focuses on transport initiatives in the North West with references to a new Transport Hub, introducing additional cross-city routes, and major road schemes (the A6 Randalstown-Castledawson and Derry-Dungiven schemes and the

² Retrieved from <https://www.planningni.gov.uk/index/policy/rds2035.pdf>

³ Retrieved from <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/pfg-consultation-document.PDF>

A5 Newbuildings-North of Strabane).⁴ These projects, alongside other private and public investments, are noted in the DCSDC Strategic Growth Plan (2017) as key strategic capital projects to be delivered or completed by 2025. AS noted above, achieving the population target in the Strategic Growth Plan is predicated on the delivery of these and indeed other significant capital schemes.

4. Published in February 2018, the **National Planning Framework**⁵ is the overarching policy and planning framework for Ireland's social, economic and cultural development for the next 20 years. It seeks to guide future development in the context of a projected one million increase in population over this time period. Its ambitions are 25% of planned growth for Dublin, 25% for the other four cities and the remaining 50% in key regional centres, towns, villages and rural areas. The Planning Framework recognises the distinct differences in the North and West region (the area bordering Derry City & Strabane), in terms of historically lower levels of urbanisation compared to other regions, proximity to the Border and the risks posed by Brexit (p.38). The ambitions around population growth for the North and West region, which covers counties from Galway to Donegal, are circa 180,000, with specifics to be fleshed out in the Regional Spatial and Economic Strategy (see below). The NPF also recognises one of the most significant tasks for that region is to identify and implement actions to build up its urban structure. It acknowledges the strong cross-border dependencies between Donegal and Derry City & Strabane, particularly in relation to employment, education, healthcare and retail activity and the need to support strong links between Letterkenny and Northern Ireland. It recommends further implementation of the North West Growth Partnership⁶ in efforts to further enhance regional development.

Ireland 2040 National Planning Framework:

National Policy Objective 45 states "*in co-operation with relevant departments in Northern Ireland, support and promote the development of the North West City Region as interlinked areas of strategic importance in the North West of Ireland, through collaborative structures and a joined up approach to spatial planning*".

5. The **Regional Spatial and Economic Strategy (RSES)**, to be prepared by the respective three regional assemblies, will set out the specific plans within regions. Though the RSES for the Northern & Western Regional Assembly is still in development, a March 2018 report on submissions to the consultation paper⁷ gives

⁴ Retrieved from <https://www.executiveoffice-ni.gov.uk/sites/default/files/publications/execoffice/outcomes-delivery-plan-2018-19.PDF>

⁵ Retrieved from <http://npf.ie/wp-content/uploads/Project-Ireland-2040-NPF.pdf>

⁶ This involves both local and central government actors.

⁷ Northern & Western Regional Assembly, *Directors Report on Submissions on the Pre-draft RSES Consultation* (March 2018), retrieved from <https://www.nwra.ie/wp-content/uploads/2018/04/Directors-Report-on-Submissions-.pdf>

an early indication of the views of stakeholders. Submissions by Donegal County Council, the Department for Infrastructure in NI and DCSDC all fully embrace the concept and practice of cross-border working in the North West Region, emphasising the significance of the Letterkenny / Derry City & Strabane Metropolitan Area. Specifics identified in Donegal County Council's submission include progressing key infrastructural projects (including the TenT Network), and an uplift in the overall population of Donegal to 200,000 to 2040 and the population of Letterkenny to 35,000 by 2038. The County Council also asks that a Metropolitan Area Plan be prepared for the North West City Region as part of the RSES. DCSDC's submission identifies many joint-interest aspects, potentialities and complementarities including the proposed population growth, the connectivity, employment initiatives, education, health and many others. The strategic direction adopted in the RSES, particularly around population targets for County Donegal and Letterkenny, will have implications for Derry City & Strabane.

6. One obvious piece of the puzzle of strategic context is **Brexit**. While the policy context in the Republic of Ireland is explicitly informed by the June 2016 referendum result in the UK to leave the EU, the recent NI policy documents predate this. Brexit does feature strongly in the *Strategic Growth Plan* for Derry City & Strabane District Council and potential impacts of the decision have been the subject of a separate piece of research by the UUEPC for the Council.⁸ This found that, under Brexit⁹, the forecasts for the local economies of both DCSDC and Donegal County Council areas would continue to grow. A lower scenario (with a 'hard Brexit'¹⁰) saw a decrease in employment numbers out to 2020 and growth thereafter, although in the case of DCSDC this would still mean 200 less jobs in 2030 than was the case in 2016. The forecasts did not deal specifically with population growth and any potential impacts of Brexit although the Baseline scenarios used in this paper have 'priced in' the impacts of an orderly UK exit which results in a new Free Trade Agreement with the EU and no hard border on the island of Ireland.
7. All of the above emphasise the need for collaborative growth within a regional context. Although the Strategic Growth Plan and Local Development Plan for DCSDC must adopt an *in-Council area* approach, a similar North West regional focus may be beneficial in terms of targets around population growth.

⁸ Eoin Magennis and Andrew Park, *Initial analysis of the challenges and opportunities of Brexit for the Derry~Londonderry North West City Region*, January 2017, prepared by UUEPC for Derry City & Strabane District Council and Donegal County Council.

⁹ This scenario from the Winter 2016 Outlook from the UUEPC built Brexit into its baseline scenario which assumed that consumer confidence would remain steady, business investment and FDI would be lower than might have been the case (in the short term) and that migration would be capped.

¹⁰ The Lower scenario assumed medium-term reductions in trade, further reductions in investment and falling consumer confidence.

Recent population trends in Derry City & Strabane

Total population since 2001

1. Since 2001 population across NI's total population has grown by 10.8% from 1,688,800 to 1,870,800 in 2017. This is equivalent to a Compound Annual Growth Rate (CAGR) of 0.6% growth per annum for 2001-2017.
2. At a sub-regional level a wide range of population growth was recorded across the 11 Council areas between 2001 and 2017. Table 1 details the recent total population change between 2001 and 2017 for all Councils. Almost half (48%) of all growth was seen in the three Council areas which saw the highest growth over this period: Mid Ulster, Armagh, Banbridge & Craigavon, and Newry, Mourne & Down.

Table 1: Total Population Change (Number, % & CAGR), NI Council areas, 2001-2017

	2001-2017			
	Total Population	No. Change	% Change	CAGR
Antrim & Newtownabbey	141,800	12,900	10.0%	0.6%
Armagh, Banbridge & Craigavon	212,300	35,900	20.4%	1.2%
Belfast	339,500	11,500	3.5%	0.2%
Causeway Coast & Glens	143,800	12,500	9.5%	0.6%
Derry City & Strabane	150,200	6,700	4.6%	0.3%
Fermanagh & Omagh	116,400	10,500	10.0%	0.6%
Lisburn & Castlereagh	142,600	18,100	14.5%	0.8%
Mid & East Antrim	138,200	10,700	8.4%	0.5%
Mid Ulster	146,700	27,300	22.9%	1.3%
Newry, Mourne & Down	179,200	25,300	16.4%	1.0%
North Down & Ards	160,100	10,500	7.0%	0.4%
NI	1,870,700	182,000	10.8%	0.6%

3. As can be seen from Table 1, the two Council areas with the highest levels of urban population, Belfast and Derry City & Strabane, experienced the two lowest growth rates between 2001 and 2017. The DCSDC area saw a 4.6% change in total population, equivalent to a CAGR of only 0.3% per annum. This is well below, by 6% and 0.4% points respectively, the NI average growth in population and CAGR over this period.

4. The actual population change in number of people in DCSDC was also the smallest for all 11 councils, at only 6,700. This means that the total population in Derry City & Strabane grew from 143,800 people in 2001 to 150,500 in 2017. Meaning that Derry City & Strabane's population grew on average by 420 people per annum over the 16-year period.
5. If we take a slightly longer view back to 1991 as a starting point for the two previous council areas – Derry City Council and Strabane District Council – we find that population growth has actually slowed down in the period after 2001. Derry City has a CAGR of 0.42% for 1991-2017, while Strabane has a slightly lower one of 0.39%.

Natural change

6. One of the major components of population change is natural change over time, or the difference between the number of births and the number of deaths in an area.¹¹
7. On average NI, since 2001, has had a positive natural change (i.e. births outweigh deaths) of 9,200 thanks to improving healthcare and increasing life expectancy and a continual fall in infant mortality rates.¹² The average number of births per year in NI between 2001 and 2016 was 23,800, while the number of deaths averaged 14,600 over the same period.
8. Each of the 11 council areas have also seen a positive natural change since 2001. The average natural change per council area was +830. The two council areas that have seen the highest level of natural change over this period are Armagh, Banbridge & Craigavon (+1,400) and Belfast (+1,300). Table 2 shows the average annual natural change, number of births and number of deaths across the 11 council areas.

¹¹ NISRA Statistical Bulletin, 2017 Mid-Year Population Estimates for Northern Ireland, June 2018; <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/MYE17-Bulletin.pdf>

¹² Still birth rates have fallen from 4 per 1,000 births in 2001 to 2.4 per 1,000 births in 2016 (Source: NISRA, Registrar General Annual Report 2016 Stillbirths and Infant Deaths, November 2017; <https://www.nisra.gov.uk/publications/registrar-general-annual-report-2016-stillbirths-and-infant-deaths>)

Table 2: Average Annual Natural Change, Number of Births & Deaths, NI Council areas, 2001-2016

	Natural Change	2001-2016		
		Change per 1,000 people	No. Births	No. Deaths
Antrim & Newtownabbey	700	4.9	1,800	1,100
Armagh, Banbridge & Craigavon	1,400	6.6	2,800	1,400
Belfast	1,300	3.8	4,400	3,200
Causeway Coast & Glens	600	4.2	1,700	1,100
Derry City & Strabane	1,000	6.6	2,100	1,100
Fermanagh & Omagh	600	5.2	1,500	900
Lisburn & Castlereagh	600	4.2	1,700	1,100
Mid & East Antrim	400	2.9	1,600	1,200
Mid Ulster	1,100	7.5	2,000	900
Newry, Mourne & Down	1,200	6.7	2,400	1,300
North Down & Ards	300	1.9	1,800	1,500
NI	9,200	4.9	23,800	14,600

9. In terms of natural change, Derry City & Strabane has the third highest average number of births of all the 11 councils with 2,100 births per year between 2001 and 2016. It also has one of the lowest numbers of deaths, with, on average, 1,100 deaths per year. This results in an average natural change level of +1,000 per annum, leaving Derry City and Strabane within the top half of councils with the highest natural change level.
10. This ranking remains when we compare the actual natural change per 10,000 people resident in the council area. In this case Derry City & Strabane is joint third behind Mid Ulster and Newry, Mourne & Down.

Net migration

11. The other major component of population change is net migration, which is the difference between the levels of in-migration and out-migration from an area.
12. Since 2001 NI has had a positive level of net migration, with, on average, 2,600 more people arriving than leaving each year. This marked a break from a period of outward flows and was partly the result of the accession of new countries to the EU in 2004 and free movement from these to the UK and Ireland, at a time when NI offered employment opportunities for migrants. On average, since 2001, 24,300

people have in-migrated to NI, while just under 21,700 people emigrated out of NI, resulting in the positive net migration level.

13. This time, nine of the 11 council areas, with the exceptions of Belfast and Derry City & Strabane, have had a positive level of net migration since 2001. An average net migration stood at +468 people per annum arriving in the nine council areas.

14. Belfast has had, on average, a negative net migration of -1,200 per annum since 2001, while Derry City & Strabane experienced a negative net migration average of -500. Table 3 below shows the average level of annual net migration, in-migration and out-migration for the 11 council areas.

Table 3: Average Net Migration, In-migration & Out-migration, NI Council areas, 2001-2016

	2001-2016		
	Net Migration	In-Migration	Out-Migration
Antrim & Newtownabbey	100	5,500	5,300
Armagh, Banbridge & Craigavon	1,100	6,000	5,000
Belfast	-1,200	17,100	18,300
Causeway Coast & Glens	0	5,000	5,000
Derry City & Strabane	-500	3,700	4,200
Fermanagh & Omagh	300	3,600	3,300
Lisburn & Castlereagh	600	6,100	5,500
Mid & East Antrim	300	4,100	3,800
Mid Ulster	600	4,300	3,700
Newry, Mourne & Down	600	5,100	4,500
North Down & Ards	500	4,600	4,100
NI	2,600	24,300	21,700

15. Derry City & Strabane out-migration on averages 4,200 people per annum since 2001 with in-migration standing at 3,700 people per annum. This results in a net-migration level of -500 people, meaning that in an average year since 2001, 500 more people left the Derry City & Strabane area than migrated in.

Conclusions

16. Recent population growth since 2001 in Derry City & Strabane has been well below the NI average. In summary, it is a situation created by a combination of low in-

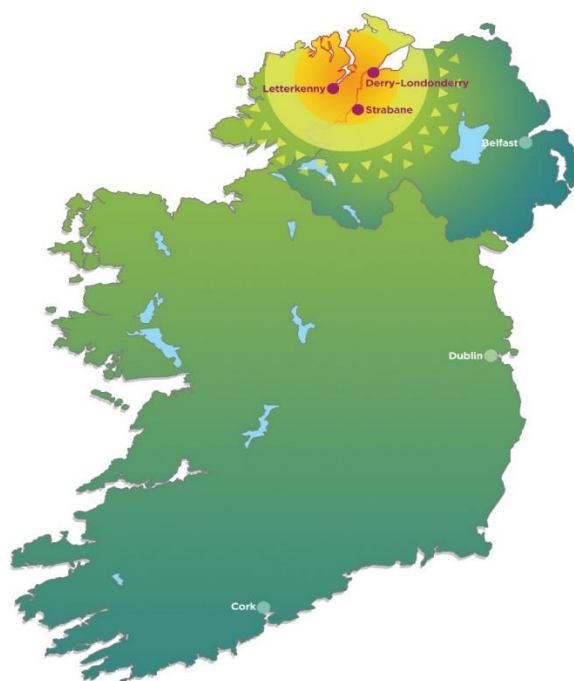
migration (from other parts of NI and elsewhere) and high out-migration. Generally, this is because of either a lack of opportunity, a lack of attractiveness of the area or a combination of the two.

17. However, there is another factor in the numbers of people moving across the border to live. The next chapter looks beyond DCSDC for demographic trends in Donegal, the other part of the North West City Region.

Population trends across the North West City Region

1. In recent years the idea of a North West City Region, which encompasses Letterkenny, Derry~Londonderry, Strabane and environs (as shown in Figure 1) has been developed in recognition of the area being one of the key places on the island where agglomeration can take place. Derry~Londonderry is the fifth largest urban centre on the island and government initiatives around the city are based on the idea that the city, as the core of a larger North West region, has the potential to play a larger role on the island that it has in recent decades.

Figure 1: Depiction of North West City Region



2. The North West City Region and the most recent regional development initiatives in the area – the North West Gateway and now the North West Strategic Growth Partnership – reflect the ambition in the recent *Ireland 2040* plan to ensure balanced growth through a greater focus on the second tier of settlements below Dublin.¹³ It is also supported by a growing understanding that economic growth happens not

¹³ Edgar Morgenroth, 'Prospects for Irish Regions and Counties: Scenarios and Implications', ESRI Research Series 70, January 2018, especially pp.79-83.

only in larger cities but also in the towns and smaller urban settlements around these.¹⁴

3. The North West City Region concept is also reflective of earlier geographical patterns based upon the relationships of centres (such as Derry) and their hinterlands (those parts of Counties Tyrone and Derry west of the Sperrin mountains and the whole of Donegal bar the southern parishes), which has been called the Derry Watershed.¹⁵ The Watershed area had a population of around 250,000 in 1911, had declined from around 400,000 before the Great Famine and was to continue to fall into the 1960s before a long and quite steady rise over the past half century.
4. The North West City Region or Derry Watershed are both based on the idea that economic growth and indeed population growth happens in an inter-related fashion in the North West. At a practical level, as we shall see part of what in other circumstances be the resident population of Derry City & Strabane District Council is living in Donegal. The Travel to Work Areas are quite arbitrarily stopped at the border, though the workplaces in Derry City and also in Strabane clearly draw on people residing in Donegal, while Letterkenny does likewise from the neighbouring counties.
5. This chapter gives a sense both of the recent population trends in Donegal, the drivers behind these and the cross-border interactions in the shape of people from NI living in Donegal and those commuting or generally crossing the border often on a daily basis.

County Donegal since 2002

6. Since the 2002 Census the total population (as shown in Table 4) rose in the Republic of Ireland by 522,000 people to 4,761,900. This was a 12.3% increase, equivalent to a CAGR of 1.17% which is significantly ahead of the NI increase since 2001. Although the Southern Border Counties are among the slower growing regions in Ireland in this period there was still an increase of 62,200 people. As Table 4 shows Donegal, increasing by 11,900 people to a total population of 158,800, was one of the slowest growing counties since 2006, with a CAGR of 0.76%. It should be noted that this is still well ahead of both the NI annual rate of increase and that in Derry City & Strabane District Council.

¹⁴ Ed Cox and Sarah Longlands, 'City Systems: The Role of Small and Medium Sized Towns and Cities in Growing the Northern Powerhouse', IPPR North, June 2016.

¹⁵ Kerby A. Miller and Brian Gurrin, 'The Derry Watershed: Its Religious and Political Demography, 1622-1911', *Field Day Review*, 9 (2013); D.W. Miller and L.J. Hochberg, 'Modernizations and Inequality in Pre-Famine Ireland', *Social Science History*, 31:1 (2007).

Table 4: Total population change, Southern Border Counties and RoI, 2006-2016

Area	Total Popn	No. change	% change	CAGR
Cavan	76,200	19,600	19.0%	1.76%
Donegal	158,800	11,900	8.1%	0.76%
Leitrim	32,000	3,100	10.7%	1.02%
Louth	128,900	17,600	15.8%	1.48%
Monaghan	61,400	5,400	9.6%	0.92%
Sligo	65,500	4,600	7.6%	0.74%
Republic of Ireland	4,761,900	522,000	12.3%	1.17%

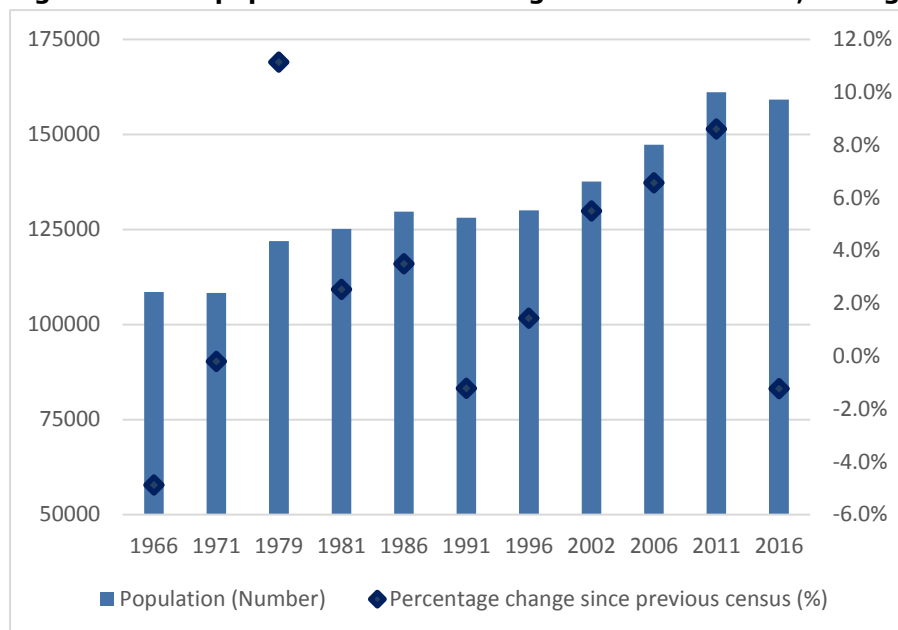
7. The reason why Donegal was among the laggards for growth in the Republic Of Ireland and the Southern Border Counties was its figures for Net Migration, shown in Table 5. The county accounted for only 1.9% of the state's net migration but 2.3% of the Republic's natural change. The reason for this is that out-migration rose significantly in the period after 2006 as a response to the economic crisis, something which happened across the state but particularly the case in the West and North West. Thus, Donegal had the lowest rate of net migration growth since 2006 but was 20th for natural change growth.

Table 5: Natural change and net migration, Southern Border Counties and RoI, 2006-2016

Area	Natural change	Net migration
Cavan	6,400	5,800
Donegal	10,000	1,900
Leitrim	1,900	1,200
Louth	11,400	6,200
Monaghan	4,200	1,100
Sligo	4,400	200
Republic of Ireland	424,400	97,600

8. The longer term trends for Donegal can be seen in Figure 2. The chart shows a steady 25 year period of growth between 1971 and 1996 before a rapid take-off over the next two decades (even allowing for a small decrease due to emigration between 2011 and 2016). The CAGRs for the whole 50 year and the 'take-off' periods are 0.77% and 1.02% respectively, the difference being one of rising immigration, falling emigration and the natural change in the second period. These kinds of growth rates mean that Donegal has certainly been the driver of demographic change in the North West City Region.

Figure 2: Total population and % change since last census, Donegal, 1966-2016



Cross-Border Flows

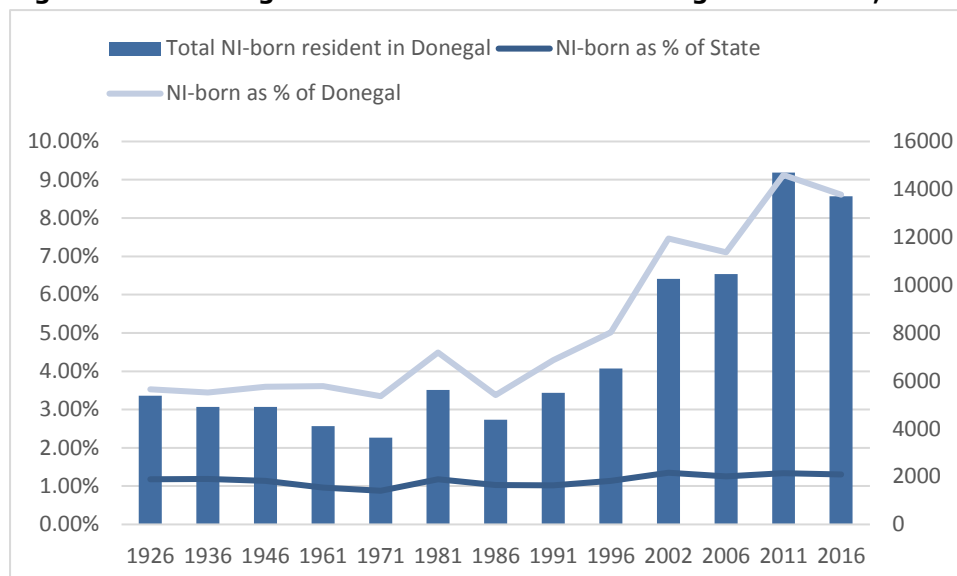
9. The North West City Region not only encompasses the DCSDC council area and large parts of Donegal but also reflect the evidence for some level of integration of the population across the region. That part of the population that is resident in Donegal but born in NI is one element of this which can be seen in Table 6. In the 2016 Census 8.6% of the total Donegal population was born in NI, the highest share of any county in the Southern Border Counties and well above the state average (1.3%). (Incidentally, in the 2011 Census, 6,500 people in DCSDC were born in the Republic of Ireland or 4.4% of the total population with only Fermanagh & Omagh having a slightly larger share.)

Table 6: Numbers born in NI and living in the State, Southern Border Counties and RoI, 2016

Area	No. of NI-born people	% of total population
Cavan	2,100	2.8%
Donegal	13,700	8.6%
Leitrim	800	2.4%
Louth	7,200	5.6%
Monaghan	4,700	7.7%
Sligo	1,100	1.6%
Republic of Ireland	62,912	1.3%

10. The number of NI-born residents in Donegal has grown sharply since the 1986 Census when it stood at 4,400 people or 3.4% of the county's population. As Figure 3 shows there was a sharp rise between 2006 and 2011 (an increase of 4,200 people). This was a period when 'border settlements' such as Muff, Killea and Bridgend added significant population and, by 2011, 2,500 people born in the UK were living there, almost 50% of the total population of nine settlements.

Figure 3: Percentage and numbers of NI-born living in the State, Donegal, 2016



11. In the period 2002-2016 3,500 additional NI-born people have taken up residence in Donegal – an average addition of 250 people annually. Of course, not necessarily all of these people were formerly resident in the DCSDC council area, though it is likely that proximity plays a role in choosing location of residence.

12. It is worth noting that at the 2011 NI Census 6,500 people born in the Republic of Ireland were residents of the DCSDC council area, which marked a small fall from 7,700 in 2001. The DCSDC has consistently been the council area with not only the largest number of Republic of Ireland-born residents but the highest % share of its total population (4.5%). This is a further signal of the integration of the North Region city region.

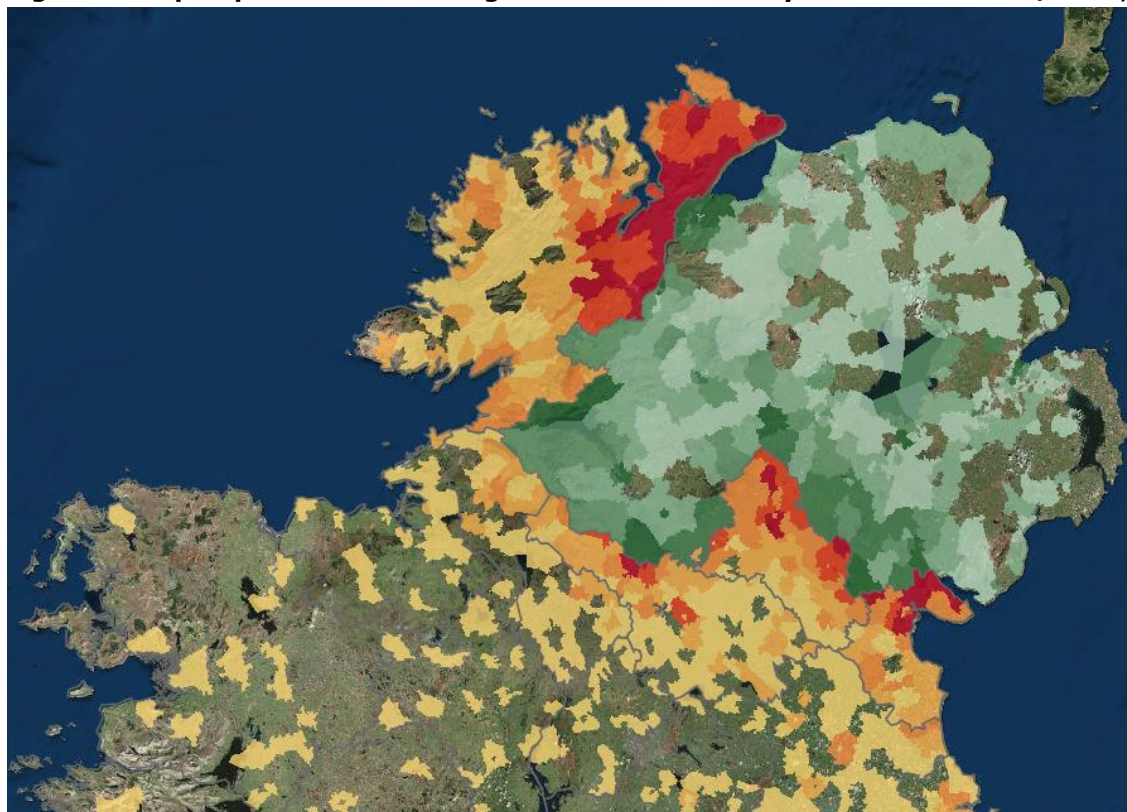
13. The same applies in the case of crossing the border to work or study. Research based on the 2016 Republic of Ireland census picks up some of the interdependencies between Letterkenny and Derry City in terms of labour catchments.¹⁶ Using commuter flow data, it shows that the Letterkenny labour catchment is mainly contained within the local authority. The research shows the important influence that Derry City & Strabane has as an employment base in areas to the East and North East of Letterkenny. Commuter flows from the Letterkenny labour catchment to Northern Ireland and Derry County accounts for 957 workers or almost 5% – while this is a sizeable number the proportion of flows into Derry are most dominant in areas closer to the Border and as such the Derry labour

¹⁶ Western Development Commission Insights, *Travel to Work and Labour Catchments in the Western Region: Letterkenny Labour Catchment*, May 2018, prepared by AIRO on behalf of the Western Development Commission

catchment comprises areas east of Manorcunningham and north into the Inishowen peninsula.¹⁷ This is captured by the heat map in Figure 4.

14. As Figure 4 shows much of the cross-border flows of people is concentrated in the North West. Of the 110 million cross-border crossings yearly, which were recorded by Department of Infrastructure (NI) traffic counters in May 2017, 58% occurred in three places: Derry/Bridgend, Derry/Culmore and Strabane/Lifford.¹⁸ Recent research using mobile phone analysis shows a similar spatial concentration: 50% of NI-origin weekday crossings went through the Derry or Strabane 'crossing zones'; 23% of Republic of Ireland-origin crossings went through those zones.¹⁹

Figure 4: Map of persons commuting to NI from Ireland by electoral division/ward, 2016



Conclusions

15. Donegal has been a key driver to any demographic trends in the North West City Region, both in terms of the overall growth rates which have remained significantly ahead of those in NI and in DCSDC for several decades and as a recipient of inward migration from NI in recent decades. Availability of job opportunities and building

¹⁷ *ibid*

¹⁸ Figures from DEXEU, *Northern Ireland and Ireland Position Paper: Annex 2* (Aug 2017).

¹⁹ Figures from DfE (NI), 'The movement of people across the Northern Ireland – Republic of Ireland border', Research Bulletin 18/5, September 2018. The lower South-North shares reflect the importance of Fermanagh and Newry & Mourne as 'crossing zones', possibly for shoppers.

land, differing house prices and wage rates are all likely to have made Donegal an attractive location and the cross-border crossing data show the extent of integration. The next chapter looks at projections into the future.

What do the population forecasts tell us?

NISRA Population Projections

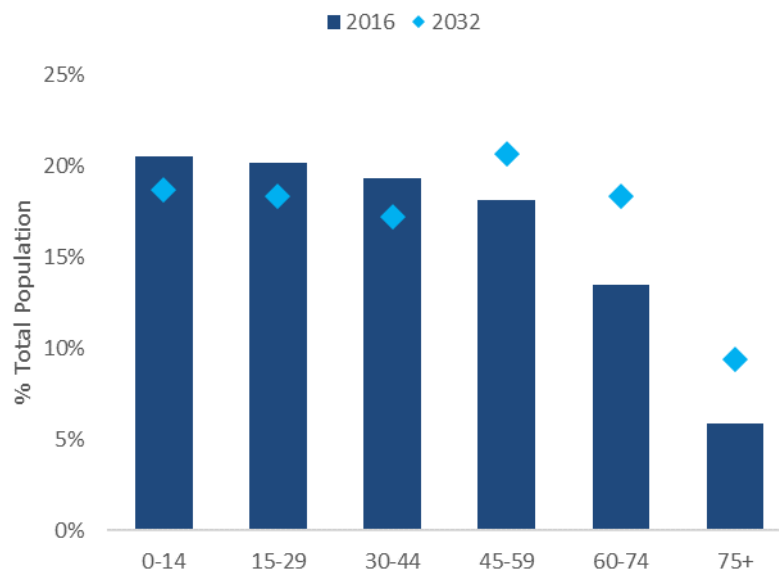
1. NISRA in conjunction with the ONS publish bi-annual sub-national population projections for areas within NI and the UK. The most recent projections from NISRA, published in April 2018, are available out to 2041.
2. NISRA are clear that these population projections are not forecasts and are based solely on historical fertility, mortality and migration rates.²⁰ The projections are constructed using what is called a 'cohort-component based model', where population is calculated from the natural change, current population and net migration numbers.²¹ Thus, the projections do not take account of any planned policy changes (social or economic) that could alter the level of population distributions.
3. As a starting point NISRA use mid-year (30 June) population annual estimates and 'age on' the cohorts a year for each of the projection years. For the sub-regional projections at LGD level a top down approach is used where the NI-level fertility and mortality rates are applied to the local councils with some council-specific scaling factors in order to account for local variations. These variations must be constrained to the NI total.²²
4. The projections from NISRA suggest that Derry City & Strabane District Council's population will contract by 2032 to 149,100 people from the 2016 level of 150,100. This decrease of 1,100 people is a result of a projected increased out-migration from the area, whereby over 10,800 people will migrate out of the DCSDC council area.
5. NISRA's population projections also suggest that the age profile of DCSDC is likely to change by 2032. There is an increase in the percentage of 65+ in the area (from 14.3% in 2016 to 21% in 2032), while those aged 16 to 25 will fall by 0.6% points and those aged 26 to 35 will fall by 2.5% points. This shows a change to a more aging population demographic.

²⁰ NISRA, Methodology Paper – Population Projections for Areas within Northern Ireland: 2016-based, April 2018; <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/SNPP16-Methodology.pdf>

²¹ NISRA, Population Projections for Areas within Northern Ireland: 2016-based Assumptions Consultation Paper; <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/SNPP16-Assumptions.pdf>

²² NISRA, Methodology Paper – Population Projections for Areas within Northern Ireland: 2016-based, April 2018; <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/SNPP16-Methodology.pdf>

Figure 5: Age Profile as % of Total Population, Derry City & Strabane, 2016 & 2032



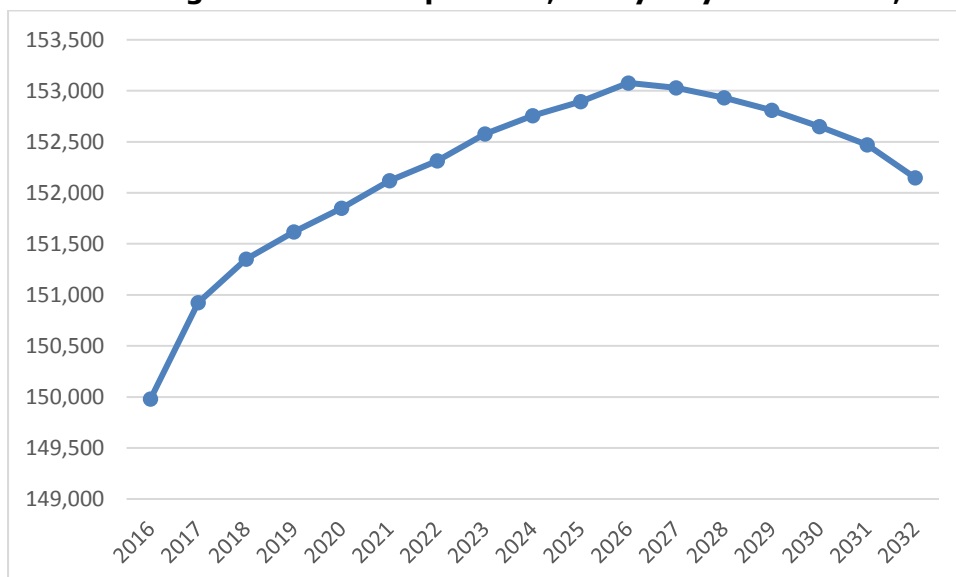
6. However, as previously stated these projections are not forecasts and as such, are not influenced by social or economic policy changes that may impact population change. These projections can be considered to be steady-state ones, if current demographic trends continue and no policy change occurs to alter them.

Population Forecasts in the UUEPC Winter 2018 Outlook

7. As part of its research programme the UUEPC has developed a local government economic forecast model, operating for all 11 councils in NI. The forecasts are formed as part of a top-down approach from the UUEPC NI model and include a range of economic, demographic and employment indicator forecasts.
8. The UUEPC forecasts include three scenarios reflecting the level of economic uncertainty currently operating. The three scenarios (Baseline, Upper and Lower) all incorporate some level of impact from Brexit, each with varying degrees of severity. The Baseline scenario is considered to be the most likely outcome based upon the current economic climate and historical trends and is the only scenario from which population forecasts are produced.
9. The UUEPC population forecasts are demand-led, where it is assumed that, as jobs are created in an area, people will migrate to match and fill the jobs. The UUEPC estimates of population are thus higher than those produced by NISRA, as a result of the expected higher levels of in-migration to fill job requirements.

10. The UUEPC expect the population in the DCSDC council area to increase to 152,100 by 2032. This is a gain of over 2,000 people over the next 16-year period in a steady-state scenario. As Figure 6 shows, the UUEPC forecasts see a peak in population (at 153,100) in DCSDC in 2027. The decline to 2032 is a result, like the NISRA projection, of a higher proportion of out-migration from the area.

Figure 6: Total Population, Derry City & Strabane, 2001-2032



Modelling the DCSDC Strategic Growth Plan targets

11. As part of the local government sponsorship agreement between DCSDC and the UUEPC, in 2017 the Centre modelled the likely impact of the full implementation of the Strategic Growth Plan (SGP), in terms of additional employment, GVA and population. The SGP population forecasts are determined in a similar demand-led fashion to the UUEPC local model population forecasts.

12. On this basis the UUEPC modelled that DCSDC could expect an additional net 14,100 workplace-based jobs as a result of the full impact of the SGP. This translates to an additional 4,400 people living in the area over the period 2017 to 2032, over and above the Baseline forecast of 2,000 people. This means that the UUEPC forecasts came to 6,400 additional people by 2032.

13. In the SGP published in November 2017, the Council has outlined their ambition to have an additional 10,000 residents in the DCSDC council area by 2032.²³ The mid-year population estimate for 2017²⁴ DCSDC stood at 150,500 people, so that

²³ Derry City & Strabane, Inclusive Strategic Growth Plan 2017-2032: Our Community Plan, November 2017; http://www.derrystrabane.com/getmedia/1eb99e2e-e657-45a1-8b27-e2b35a36d65c/SGP_22-November2017_lowres.pdf

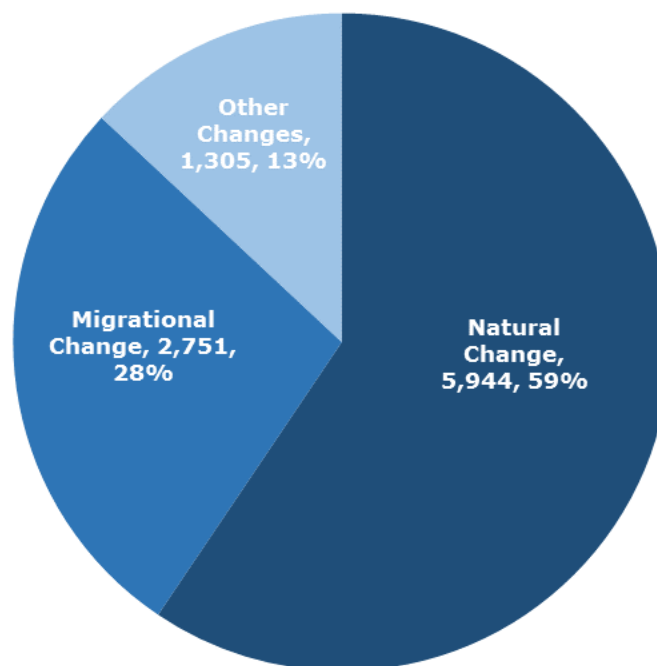
²⁴ These are the latest available local government district population figures at time of writing.

meeting the SGP targets would mean a resident population of 160,500 people by 2032.

14. On average, to achieve the 10,000 additional residents target, 667 net additional people would need to reside in the DCSDC council area in each of the next 16 years. Compare this to the 420 net additional people added each year since 2001 and a sense of the scale can be seen. Another way of looking at the target is that a percentage change of 6.6% would be needed over the 15-year period, significantly higher than the 4.6% increase achieved between 2001 and 2016 in DCSDC council area.²⁵

15. The UUEPC have estimated the likely composition of the net additional 667 people using historical trends since 2001 (as shown in Figure 7). The Centre estimates that 59% (396 in number) of the 667 net additional people will be made up of natural change, 28% (183) will be met by net migration and the remaining 13% will be made up of 'other changes'.²⁶

Figure 7: Net Additional Population by Component of Change, Derry City & Strabane, 2032

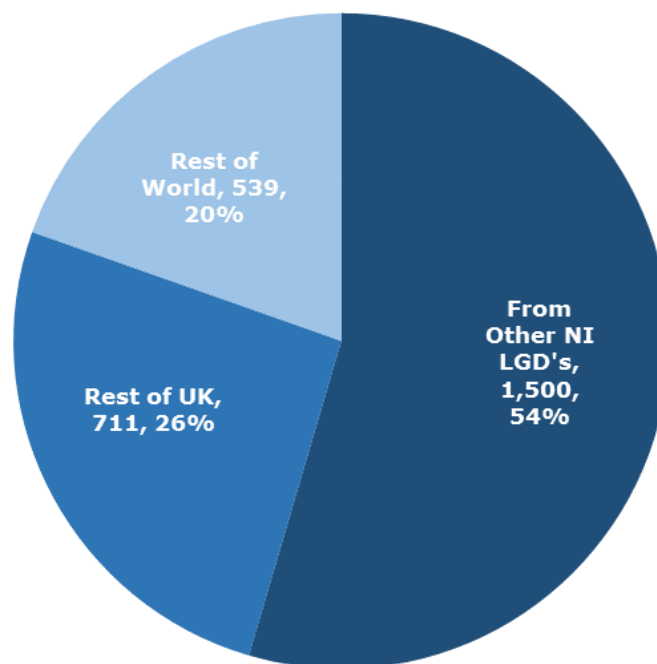


²⁵ Accordingly, a CAGR of 0.4% would be required to 2032, compared to a CAGR of 0.3% since 2001.

²⁶ NISRA consider 'other changes' to be the 'remaining or unexplained difference'; see NISRA, Mid-Year Population Estimates 2017, Methodology Paper, June 2018; <https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/Methodology-2017.pdf> .

16. The scale of the challenge to achieve the 10,000 additional residents is encapsulated in the swing needed from an average annual net migration figure since 2001 of -479 people into an average annual net figure of +183 people for the DCSDC council area. Analysis by UUEPC suggests that much of the in-migration to Derry City & Strabane is likely to be from intra-NI immigration (55% of the total of 2,745 by 2032) and the remaining (45%) to be external to NI – mainly from GB with one in five from the rest of the world.

Figure 8: Net In-Migration by location, Derry City & Strabane, 2032



Population Forecasts for Donegal

17. The UUEPC scenario testing of the 10,000 additional residents for the DCSDC council area suggests that this figure is highly aspirational, given the current/historical population trends. However, as noted in the previous section, the North West city region is one where population dynamics are quite inter-linked.

18. The population forecasts for Donegal are also based on a range of scenarios taken from those applied by the Central Statistics Office (CSO) for the Border region as a whole and those used by Donegal County Council to set targets for their *County Development Plan, 2018-2024*.²⁷

²⁷

Retrieved from <http://www.donegalcoco.ie/services/planning/developmentplansbuilttheheritageincludinggrants/county%20donegal%20development%20plan%202018-2024/>

19. The CSO regional population projections for 2016 to 2031 were released in December 2013 and applied a 0.2% annual growth rate to the Border region, based on a slow return to net inward migration (beginning from 2016) and falling fertility. If this rate is applied to the actual 2016 Census results for Donegal (158,800 people) then then population can be expected to be 163,800 by 2032, a rise of just over 5,000.
20. The Donegal *County Development Plan, 2018-2024* sets out an economic 'step-change' and the population targets (out to 2038) within it are similarly ambitious as those in the DCSDC Strategic Growth Plan. There are two phases of population growth. The first (2016-2024) has annual average growth of 1.1% and the second (from 2024) has a rate of 1.5% per annum. The latter growth rate is based on the rapid growth between the 2006 and 2011 censuses (although this appears unlikely to be repeated) and would result in a rise of 34,600 people over the 16 years or roughly 2,200 additional people per annum. Another approach is to use the 0.5% CAGR out to 2040 from Edgar Morgenroth's research, which gives an estimate for Donegal of 172,000 people in 2032, an increase of 13,200²⁸

Conclusions

18. The future projections and forecasts for population in the North West are detailed in Table 7, which shows the wide range. The Lower projection is based upon the official figures supplied by NISRA and CSO and will see 3,900 additional people. The Central projection is based upon the UUEPC projections for the Strategic Growth Plan and a 0.5% per annum increase in Donegal, producing an additional 18,500 people. Finally, the aspirational Upper projection is based on the Strategic Growth Plan targets and a 1.1% CAGR for Donegal, and this will see an additional 39,300 people by 2032.

Table 7: Population projections, North West City Region and component parts, by 2032

Area	Lower	Central	Upper
DCSDC	149,100	155,500	159,100
Donegal	163,800	172,000	189,200
North West City Region	312,900	327,500	348,300

19. Under all three scenarios Donegal will increase its share of the total population from the 2016 level of 51%. Therefore, one striking feature of the different scenarios captured in Table 7 is the extent to which population growth in Donegal will be the clearly significant driver of growth in the North West City Region. The next section is based upon the plans to expand the Ulster University Magee campus in Derry and the implications of this for local population figures.

²⁸ Morgenroth, 'Prospects for Irish Regions and Counties'.

Students and cities: Case studies

Introduction

1. Derry city has long had the ambition and potential to develop into a 'university town', centring on the Magee campus of Ulster University. Since the 1984 launch of a four-campus model for the University, the Magee campus has developed from less than 300 students to more than 4,000 now with ambitions to at least double this number again by the 2030s. In addition, there are plans for a further expansion to the North West Regional College campus in Derry city, with an increase in student numbers.
2. There is a growing body of research on the role of higher education institutions and students in changing the geography of urban areas, specifically in the UK, Australia and, more recently, Ireland. This has marked a change from the idea of the university as 'set apart' from its location into a more pro-active institution which plays a role in economic development (through attracting investment or commercialising research), contributing to broader urban development projects and even confronting community development challenges.²⁹
3. The Centre for Cities offers a number of case studies where universities have moved into city centre locations.³⁰ These include the new £35 million University of Wales campus opened in Newport city centre in 2011 with 2,700 students and the merging of four Glasgow HEIs into a City of Glasgow campus, which opened in 2017. The logic is that these investments make the city centre more attractive by combatting the hollowing out of places with more footfall and, hopefully, more investment and employment opportunities following the higher education lead.
4. This section aims to address the issue of how increasing student numbers in higher education institutions have impacted on cities in England (Lincoln) and the island of Ireland (Galway and Waterford). It finishes with some conclusions as to what an expansion in higher education provision might mean for population numbers and for the city locations, more generally.

Lessons from Lincoln

5. Lincoln is a small city based in Lincolnshire in the East Midlands of England. The University, the City Council and many other stakeholders believe a major catalyst

²⁹ This literature is summarised in Therese Kenna, 'Studentification in Ireland: Analysing the impacts of students and student accommodation in Cork city', *Irish Geography*, 44:2-3 (2011), 191-223.

³⁰ Centre for Cities, *Delivering Change: Putting City Centres at the heart of the local economy*, December 2014.

to the growth of the city in recent years has been the establishment of the University of Lincoln, supported by the expansion of other higher education offerings.

6. The University was previously known as the University of Humberside and the University of Lincolnshire and Humberside until 2001. Since the establishment of University of Lincoln, student numbers have risen rapidly to over 13,000, with a staff complement of almost 1,500. Added to this the second University, Bishop Grosseteste University, has increased its uptake from 2,300 in 2014 to an expected 4,500 in 2019. Significant capital investment by University of Lincoln over this time has also regenerated some key city centre sites. The University invested £200m in its city centre campus, with a further £130m in the pipeline and delivery.
7. Partners supporting the growth of the University regard it as an important anchor institute in attracting business and investment in the region thereby facilitating growth. The creation of a school of engineering and a school of pharmacy and the prospect of a new medical school for Lincolnshire provides an important skills pool, contributing to the growth of the local economy. Strong links have been forged between the University and industry, particularly evident in the areas of engineering and manufacturing. Companies such as Siemens and Bifrangji has invested heavily in manufacturing research facilities in recent years. The partnerships with the Engineering school are widely recognised as exemplar collaborations between academics and business. The University is also seeking to partner with other universities, for example, with the University of Nottingham to establish a medical school for Lincolnshire.
8. Though a relatively new institution, the University has been successful in improving its position in Higher Education League tables and the teaching framework. Lincoln is ranked 22nd overall in the UK in The Guardian University Guide 2019, and is a top 50 UK university in the Complete University Guide 2019. Lincoln was also awarded Gold – the highest standard possible - in the national Teaching Excellence Framework (TEF) 2017, an independent assessment of teaching quality in UK higher education.
9. The significant growth and great success of the University of Lincoln over recent decades is well recognised. It is useful to look at the population of Lincoln in this context and how it has changed in recent times.
10. The population in Lincoln has increased over the last fifteen plus years. At the time of Census 2001, there were 85,600 people living in Lincoln. Over the following decade, the population increased to 93,100, representing growth of 8.8%. This growth has continued in recent years with an estimated population in 2016 of almost 97,800. The growth between 2001 and 2011 was higher than the national average of almost 8% but a little lower than the overall growth for Lincolnshire county. In

some areas in Lincolnshire county, such as Boston and South Holland, the high population growth during the 2000s was due to a large extent to the influx of international migrants from the Eastern European countries. Some of the population growth in Lincoln between the two Censuses was also the increase in non UK residents – a combination perhaps of international students and international migration from Eastern Europe. For example in 2001, 5% of residents (4,307) were born outside of the UK which increased to almost 10% (9,158) by 2011. Approximately 3,600 of these were residents from EU Accession States.

11. The University has had an influence on the age profile in Lincoln. Although the age distribution across Lincolnshire is proportionately similar, there are differences, specifically the proportion of younger people in Lincoln. The proportion of the population aged 20-64 years in Lincoln is 62%, higher than the national average (58%) and much higher than the county average of 55%. A key reason for this is the presence of the University within the city boundary.
12. Certainly some of the increase in population is connected with the establishment of University of Lincoln, with student numbers increasing by 5,000 between 2001 and 2011 and continued growth since. In population terms, one issue for longer term population growth is where the students are drawn from and the retention rates. The majority of students who come to study in Lincoln are from outside the area, and whilst this brings substantial additional spend, it can be difficult to retain these students. Research by Centre for Cities suggests that the retention rates of small cities in the region is in the region of circa 23%.³¹

Lessons from Galway

13. Galway City, on the west coast of Ireland, is the main urban centre in the region, with a population of almost 80,000 (2016). As well as being a renowned university town, Galway has a vibrant arts and cultural scene, a strong tourism offering and distinct industrial clusters.
14. In terms of size, it is the fourth largest city in the Republic of Ireland and the sixth on the island of Ireland. Galway city is the fastest growing city in Ireland over the past 50 years³². The population of the City has grown from less than 30,000 in 1971, to almost 51,000 by 1991 and now stands at almost 80,000. The population in Galway is quite diverse with almost 20% of residents non-Irish compared to the national average of 12%.

³¹ Centre for Cities, *The Great British Brain Drain, Where Graduates Move and Why?*, report prepared by Paul Swinney & Maire Williams, November 2016.

³² Government of Ireland, *Project Ireland 2040, National Planning Framework*, February 2018

15. Galway is one of four cities, outside of Dublin, identified in the *National Planning Framework*³³ as a location for future population growth. The target is for each to grow by at least 50% to 2040 thereby enhancing their significant potential to become cities of scale. This would mean the population in Galway would be at least 120,000 by 2040. It is recognised that to achieve this Galway needs to address recent growth legacy issues (e.g. transport and housing) and build on its key strengths which includes the third-level institutions in the city.
16. Galway is a well-established 'University Town', with the National University of Ireland Galway (NUIG) and Galway – Mayo Institute of Technology (GMIT). Combined, the student population in the two colleges is in the region of 23,000 students. The student population in the City has more than doubled in the last two decades (c11,000 in 1996). According to Census 2011, Galway's population of 20 to 24 year olds is more than twice the national average. One quarter of the City's population are students reflecting the high level of education.
17. NUIG is an old University, founded over 170 years ago. There are now around 18,000 students, up from 15,800 in 2007. NUIG has in excess of 2,000 international students, accounting for 15% of the student population which is the highest number of international students out of all Irish Universities. It is also a significant employer in the City.
18. In terms of rankings it has progressed up the academic ranking over the last decade. It is now in the Top 250 in the Times Higher Education World University Ranking, up from 401-450 position in 2005.
19. Over recent years, the University has rolled out an extensive capital programme, investing heavily in new buildings such as Biosciences Research Building, Engineering Building, Hardiman Research Building and Lambe Institute for Translational Research and HRB Clinical Research Facility. Galway has a strong med-tech cluster and NUIG has focused its research on these as priority areas. It recognises its important role in helping to develop, retain and attract the best talent to further develop these sectors.
20. The other third level institute in Galway city, Galway Mayo Institute of Technology, was established in the early 1970s on the back of a recommendation in the Mulcahy Report (1967) to open Regional Technological Colleges (RTCs). The purpose of the RTCs was to provide an opportunity for people to develop technical skills, thereby complementing the academic offering of the Universities. Renamed the Galway-Mayo Institute of Technology (GMIT) in 1998, it is now a multi-disciplinary and multi-campus institution. It is based in five locations throughout the region, two of which

³³ The other cities identified for growth in the National Planning Framework are Cork, Limerick and Waterford.

are in Galway city. The main areas of focus are business, engineering, science and computing and tourism and arts. There is also a centre for creative arts and media. Over 70% of GMIT students are from Connacht, with a further 5% from Ulster. The plans for GMIT are ambitious. As part of the Connacht-Ulster Alliance with IT Sligo and Letterkenny IT, it is working towards technological university status, which would provide a significant step in the evolution of the institution.

21. Both student numbers and the overall population have grown rapidly in Galway over the last thirty years. The student population at 23,000 is sizeable for a city of its size. There is complementarity between the third level institutions offering and the sectoral focus within the city, with a strong emphasis on creative arts and theatre, tourism, engineering and med-tech. Both institutions are ambitious in their own ways – investing in the research facilities, focus on moving up the academic ranking or moving to University status. But equally Galway is an attractive proposition to a student. It has the energy of a young and diverse population. There is now also more potential to retain students post-graduation, given the synergies with the sectoral focus of businesses located there.

Lessons from Waterford

22. Waterford is a small city of more than 50,000 people based in the South Eastern region of Ireland. A key asset in the city is the Waterford Institute of Technology (WIT). The institute's plans to become one of Ireland's new Technology Universities is seen by the Regional Assembly, by the local Council and by businesses as one of the drivers of regional economic development in the South East.

23. WIT was established in 1970 as one of the country's early Regional Technical Colleges, later, in 1998, transformed into the first Institute of Technology (IoT). From the beginning the institution was sharply focused on its role as a provider of technical education along with the development of other skills among students that would be useful to the world of work.³⁴

24. According to figures released by the Higher Education Authority WIT enrolls c.8,000 students in an average year, with around 2,500 graduates being produced. A fifth (22%) of students are part time and 10% are postgraduates (a sixth of whom are doing PhDs). The disciplinary focus continues to have a technical focus (including 30% of postgrads), although healthcare courses now account for 20% of students and humanities and social sciences are also offered. Significant capital investment (€150m in 10 years) by WIT has been spread across its five sites in and around the

³⁴ For details on the Regional Technical Colleges see Frederick C. Kintzer, 'The Regional Technical College System in Ireland' *Higher Education in Europe*, 6:4 (1981), 55-60; Richard Thorn, *No Artificial Limits: Ireland's Regional Technical Colleges* (Dublin, 2018).

city, from the central Granary site to the large WIT Arena opened in 2016. Further investment on the new ArcLabs innovation centre is in the pipeline.

25. ArcLabs is one sign of WIT's investment in innovation and industry links. The schools of engineering, health science and business have all developed industry links through work placements, funding for research groups and other mechanisms which have attracted local employers. In addition WIT offers courses to train staff in large employers such as SunLife and professional development offerings for local SMEs. The Institute is a key regional player in the support of technology entrepreneurs (through ArcLabs and the New Frontiers programme) and in offering technology transfer services to local businesses (as it acts as a supporter of Enterprise Ireland and IDA programmes and has forged a regional knowledge exchange consortium with Maynooth University and other IoTs).
26. Like the University of Lincoln, WIT is a relatively new institution. However, it too has carved out a role for itself since the RTC days as a regional educational force and, in particular, somewhere that is popular. In terms of rankings, WIT has consistently been the most popular (among students) and successful IoT outside of the Dublin institutions. The aim, as a new Technology University (TU) in the South East, is to be in the Top 50 of 'young universities'.
27. The path towards becoming a new TU and expanding the offerings in the South East has been a long one for WIT and is not complete. Under the criteria for the new TUs, WIT will need to merge with IT Carlow and to show that, in terms of research and other academic activity, it is operating like a university. The case for a TU in the South East must then be approved by central government.
28. Given the growth of WIT since the early 2000s and the plans for further expansion, it is useful to look at the population of Waterford city and changes there. The population has increased by around a quarter in three decades. There were 49,548 people living in Waterford city at the time of Census 2002. By Census 2016 the population had increased to 53,504, representing growth of 7.9%. The growth rates between 2002 and 2016 are lower than both the national average of 21% and the overall growth for County Waterford (+18.8%).
29. Interestingly the percentage (15%) of people born outside Ireland and living in Waterford city has remained unchanged since 2006. (The real change in this came after the 1996 Census when the non-Irish population was less than 5% of Waterford city's total.)
30. These figures for Waterford's population do not suggest a close link between growth in the city – itself lower than surrounding county or the Republic generally – and the expansion of first the RTC and latterly WIT. One point about this is that there is a

local debate about retention of students, due to the economic challenges faced by the South East region, which began before the 2007 crash and are only gradually beginning to ease.³⁵ A second point, echoed in local consultations, is that the impact of the creation of a TU for the South East is likely to be diluted by the fact that several of these are going to be created in the coming years across the state.³⁶

Conclusions

31. There is a strong and growing belief that, for many reasons connected to urban development, 'universities are "good" for cities and cities are "good" for universities.'³⁷ The evidence, largely taken from cities in the UK and Ireland, for the benefits brought specifically by 'studentification' to urban centres tends to be more mixed than this quote suggests.³⁸

32. In terms of population figures it is clear that growing numbers participating in higher education are creating sizeable student populations in urban areas. In the example of Cork city (with University College Cork and Cork Institute of Technology) students in 2006 may have made up to 17% of the population.³⁹ These percentages are similar to Oxford, Cambridge or Nottingham and much higher than the 7% average found across the UK.⁴⁰ Using similar figures for Derry city would suggest that full time students make up around 15% of the total population and may be set to rise further.⁴¹ What is less clear is how much of this student population is actually additional (ie: people who move to the city to study).

33. The evidence for increasing numbers of higher education students living in 'university towns', such as Derry city, is clear but a knock-on effect on the general population figures for urban areas is less so. This comes down to the question of the retention of graduates. Research from the Centre for Cities would suggest that less than a quarter (23%) of a student population in smaller cities stay in the urban area after graduation for employment. In the case of the DCSDC council area, this share would need to increase, especially as a significant proportion of the 15% of the population who are students are not additional to the population in the first place.

³⁵ For this see Edgar Morgenroth, 'Two Speed Recovery?: Spatial Development in Ireland' *ESRI Research Note* (2014); Centre for Cities, *Great British Brain Drain*.

³⁶ Dermot Keyes, 'TUSE, Politics and Past Experiences', *Munster Express*, 18 July 2018 (accessed online).

³⁷ L. Van den Berg and A. Russo, *The Student City: Strategic Planning for Student Communities in EU Cities* (2004), p.11.

³⁸ Research by Paul Chatterton and Phil Hubbard on the impacts of 'studentification' – including gentrification of areas, displacement in labour markets and a kind of segregation of student populations – is well worth reading.

³⁹ Kenna, 'Studentification'.

⁴⁰ Phil Hubbard, 'Regulating the social impacts of studentification: The case of Loughborough', *Environment and Planning A*, 40 (2008), 323-341, Table 1.

⁴¹ These take full time enrolled numbers in Magee and the North West Regional College in 2016/17 against the population of Derry city from the 2011 census.

Some concluding remarks

1. This section will not summarise what is in the previous sections (to avoid repeating the conclusions to each of the previous sections) but, instead, will offer some concluding remarks reviewing the population trends, forecasts and targets in Derry City & Strabane District Council (DCSDC) more generally.
2. It is clear from recent trends and the steady state population projections (either from NISRA or the UUEPC) that a 10,000 increase in the resident population of DCSDC area is an ambitious target. With the boost provided by the full implementation of the Council's Strategic Growth Plan we are still around 3,500 additional people away from the full target.
3. This highlights the extent to which the target of a 10,000 population increase will depend upon two key factors or drivers:
 - First, that a significant expansion in the numbers of students enrolled in both the Ulster University Magee campus and the North West Regional College will not only go ahead as planned but that it will lead to a virtuous cycle of employment opportunities leading to retention of graduates and further growth in the local economy. This will not only mean that, as noted above, the additional higher education places attract non-residents to study in the city but also that the types of courses on offer will attract further investment into the Council area.
 - Second, that the population not only increases across the whole North West City Region but that the current Derry-Donegal direction flow of population slows somewhat or even goes into reverse.
4. This review paper has hopefully highlighted the scale of the step-change in performance which is at the heart of the Council's Strategic Growth Plan. However, as the case study small cities show this is far from impossible, in particular when future development is linked to expansion of higher education provision and a partnership approach both geographically but also with a wide range of stakeholders within the area in question. The example of Galway, in particular, is a strong one and offers much to consider in terms of utilising local resources to the full.

Appendix 1: Note on Functional Economic Market Areas and population in the North West⁴²

Options for a FEMA in the North West

1. There are two potential options for a FEMA in the North West if we use the TTWAs in NI and labour catchments in Donegal.
2. The first is based on current commuting patterns, including cross-border flows, and the wider education, health service, retail and recreational linkages. This suggest a 'current' FEMA which includes the following TTWAs and labour catchments:
 - Derry TTWA
 - Omagh & Strabane TTWA
 - Derry labour catchment
 - Letterkenny labour catchment
 - Bunrana labour catchment
3. The second option is based on an assumption that any City Deal in the North West would increase the reach of Derry~Londonderry as an urban centre, due to university expansion, fresh employment opportunities in the city and an improvement in transport infrastructure within the whole North West region. This would have positive spillover effects in the rest of the Council area but also into Donegal. On this basis a 'new' FEMA would include the above list and the following TTWAS and labour catchments by 2032:
 - Ballybofey-Stranorlar labour catchment
 - Bunrana labour catchment
 - Carndonagh labour catchment.

4. Table 2 provides the 2016 estimates of population for the two FEMA options in 2016.

Table 2: Current population of the 'current' and 'new' FEMAs, 2016

Area name	'Current' FEMA	'New' FEMA
Derry TTWA	144,300	144,300
Omagh & Strabane TTWA	90,100	90,100
Derry labour catchment	18,400	18,400
Letterkenny labour catchment	63,900	63,900
Bunrana labour catchment	13,000	13,000
Cookstown & Magherafelt TTWA		82,800
Ballybofey-Stranorlar labour catchment		13,100
Carndonagh labour catchment		8,300
TOTAL	329,700	433,900

Source: NISRA and CSO⁴³

⁴² More detail on this in Eoin Magennis, 'FEMAs and population in the North West of Ireland: Options and Scenarios' (UUEPC report, November 2018).

⁴³ With thanks to Hugh McNickle, DCSDC, for help with this.

What the population of a FEMA in the North West might be in 2032?

5. This final section will outline some population projections for the two FEMA options in the North West using Baseline, Lower and Upper scenarios for this.
6. The **Baseline** scenario assumes that the population projections in the Winter 2018 UUEPC Outlook for the DCSDC area will apply to the NI portion of both the 'current' and 'new' FEMA out to 2032. This means the application of a CAGR of 0.1% to the 2016 Mid Year Estimates as provided by NISRA. For the parts in Donegal a CAGR of 0.5% is applied as per the projections in Morgenroth, 2018.
7. In the **Lower** scenario the assumption is that the NISRA negative CAGR of -0.05% and the CSO Border region projection of 0.2% are applied to the respective parts of the 'current' and 'new' FEMAs.
8. A third **Upper** scenario is that population in the NI portions would increase along the lines of the population targets in the Strategic Growth Plan for DCSDC (0.4% CAGR to 2032) and in the Donegal portions a 1.1% CAGR is assumed out to 2032 as per the Local Economic Development Plan.
9. Table 3 details the results of the calculations. Using the three scenarios the 'current' FEMA would range from 330,500 and 362,400 residents in 2032, approximately 70% of the population living in the NI-based TTWAs. In the 'new' FEMA the population would range from 434,600 and 477,100 residents by 2032, approximately 28% of the population living in the Donegal-based labour catchments.

Table 3: Estimated population of the 'current' and 'new' FEMAs, 2016

Area name	2016 population	Baseline scenario 2032 population	Lower scenario 2032 population	Upper scenario 2032 population
'Current' FEMA	329,700	341,400	330,500	363,400
'New' FEMA	433,900	448,700	434,600	477,100

Source: UUEPC analysis

Appendix 2: Bibliography

Appendix 3: Terms of Reference

INTRODUCTION

1. Derry City & Strabane District Council (the Council) are commissioning the Economic Policy Centre (the Centre) under the existing sponsorship agreement to undertake a review of the current population forecasts (from various sources) for the Council area in the context of the Council's Strategic Growth Plan, 2017-2032.
2. The Council launched their Strategic Growth Plan, 2017-2032 in November 2017 which sets out the key development priorities up to 2032.⁴⁴ Core to the plan are a number of flagship infrastructure projects – including the completion of the key A5 and A6 transport routes and the expansion of Ulster University's Magee campus.
3. As part of the community planning process, based on information supplied by the Council, the Centre developed an economic model which could forecast the potential impacts of the Strategic Growth Plan actions in terms of population, employment and GVA.
4. The Strategic Growth Plan includes an ambitious population impact for the Council area of 'approximately additional 10,000 people living in the City and District'. This is envisaged as being made up of projected 'steady state' population projections for the Council area, additional impacts of the delivery of the Strategic Growth Plan and potential arising from the wider impacts of university expansion on the city region.

Terms of reference

5. The overall aim of the research is to **review the existing population forecasts within the Council's Strategic Growth Plan and offer some conclusions on the ambitions of these.**
6. Specific objectives of the research, suggested by UUEPC, are to:
 - a) Outline the details of the existing population forecasts (including the factors impacting upon growth/decline) and the technical approaches behind these.
 - b) Set out and discuss the population growth targets included in the Republic of Ireland's new National Planning Framework and issues papers released by the Western Development Commission and the North & West Regional Assembly.
 - c) Identify the risks attached to the impacts from the Strategic Growth Plan, including growth elsewhere in Northern Ireland, Brexit, etc.
 - d) Identify case studies of urban and peri-urban population growth occurring alongside expansion in HE provision and what lessons can be learned here.

⁴⁴ Derry City and Strabane District Council, *Inclusive Strategic Growth Plan, 2017-2032: Our Community Plan* (2017).

Engaging with the Council

7. The initial contact point for the Centre is Michael Gallagher of the Council.
8. The Centre will be expected to liaise with the Council during the assignment and attend a project meeting at draft report stage (early July).

Deliverables

9. A concise, analytical paper is required which addresses the objectives of the assignment in a succinct manner (see Reporting Stage).

Timescales

10. It is the aim to submit a draft report by the end of September 2018 followed by a final report in November 2018.

METHODOLOGY

11. The following four stage approach will be followed:

- Stage 1: Strategic review;
- Stage 2: Overview of the population forecasts;
- Stage 3: Completion of case studies;
- Stage 4: Reporting.

Stage 1: Strategic review

12. In the initial stage of the project the Centre will complete a review of the relevant strategic documents which will affect the Council area and the North West region generally and will build upon previous research on the population forecasts which the Centre has undertaken.

13. This material will be provided to the Council in a short briefing to show the general contextual background to the project and the direction of travel for the population forecasts review.

Stage 2: Overview of the population forecasts

14. The Centre will detail the population forecasts out to 2032 for the Council area and North West region in general using a range of sources including NISRA, CSO and the UUEPC local economic model and model behind the community plan impacts. The detail in the forecasts around age cohorts will also be set out.

15. This will include a series of scenarios (population decline, population increase and conservative growth) and will set out the factors behind these scenarios and risks around them.

16. The Centre propose to set out the assumptions behind the various forecasts and the factors identified as key to growth or decline within these.

17. There will also be a fresh look at the Travel to Work Areas and what these mean for population forecasts in light of economic growth scenarios for the Council area.

Stage 3 – Case studies

18. The methodology is primarily to be based upon the overview of the existing population forecasts and what lie behind these. It should be noted that the Centre's forecasts – both for the local economic model and the community plan model – are based upon assumptions around potential employment growth and the extent to which this will draw in new population into the Council area and will be filled by commuting from beyond that area.

19. In this stage the research will look at examples from elsewhere where expansion in the provision of higher education has occurred and what this has meant for local population growth. Case study examples suggested include Lincoln (UK), Galway and Limerick, though others may arise.

20. The thinking with the case studies is that these will act less as accurate predictors of a future for the Council area and more as potential lessons to be drawn from places which have seen significant expansion in higher education provision and what this has meant for regional growth generally.

Stage 4 – Reporting

21. The structure of reporting is flexible and subject to change based on analytical results. An indicative report structure is as follows:

- 1) **Introduction and background** – setting out the aims and objectives of the study.
- 2) **Literature review** – examining the strategic background to the study.
- 3) **What the population forecasts tell us** – analysis of the available projections/scenarios, forecast data and the approaches taken.
- 4) **Case Studies** – narrative of the experience of other urban centres with HE expansion and lessons to be learned from these.
- 5) **DCSDC and the wider region** – analysis of the population projections for the North West as a whole (including neighbouring Council areas in NI and County Donegal) plus the interaction in terms of in-migration into the DCSDC area.
- 6) **Summary of key findings** – review of the Strategic Growth Plan goals
- 7) **Conclusions**

22. The Centre will also provide a summary report which can be used by the Council, if required, for infographics.