



Derry City & Strabane  
District Council  
Comhairle  
Chathair Dhoire &  
Cheantar an tSratha Báin  
Derry Cittie & Strabane  
Districk Council



## 4<sup>th</sup> April 2017 Stakeholder Event – Economic Development Briefing Note

### Economic Development Background:

**Economic development / job creation is the Executive's top strategic priority** in its Programme for Government (PfG), as well as in the **Council's emerging Community Plan**; essential to create a vibrant economy, to produce employment and wealth for the future, if a cohesive, inclusive and just society is to be achieved.

The new LDP for our District will include **designations, zonings, proposals and policies** to maintain and further grow our economy.

The topic concerns the land use needs and policies in relation to larger scale Economic Development uses in accordance with definitions in PPS4: Economic Development and the Use Classes Order. Whilst previous plans will have referred to "industrial land", the new definitions reflect that current/future needs are increasingly **for light industry, business, distribution, technology, large back-offices, call centres etc.**

**Regional Development Strategy (RDS) 2035:** Promotes strong, sustainable growth for the benefit of all parts of NI, strengthen Belfast as the regional economic driver and Londonderry as the principal city of the North West, with Strabane as the Main Hub. Also support our towns, villages and rural communities to maximise their potential. Improve connectivity.

It requires adequate supply of land to accommodate growth in jobs and businesses; this land should be accessible and located to make the best use of available services. It also recognises the importance of sustaining rural communities by facilitating rural industries, business and enterprises in appropriate locations.

**Planning Policy Statement 4 (PPS 4),** Planning and Economic Development (2010): Regional planning policies for economic development uses, protection of existing land and accommodating new proposals.

**Planning Policy Statement 21 (PPS 21)** Sustainable Development in the Countryside, planning policies for development in the countryside including economic activity in accordance with PPS 4.

**Strategic Planning Policy Statement (SPPS)** (September 2015): LDPs to provide an ample supply of suitable land available to meet economic development needs. The LDP should offer a range and choice of sites in terms of size and location to promote flexibility and provide for the varying needs of different types of economic activity. Account should also be taken of factors such as accessibility by all members of the community, connectivity with the transportation system (particularly public transport), the availability of adequate infrastructure, the specialised needs of specific economic activities, potential environmental impacts and compatibility with nearby uses. The LDP will not normally zone land for economic development purposes within villages or small settlements, as this could inhibit flexibility of development e.g. for housing.

The SPPS also recognises the need to support and sustain vibrant rural communities consistent with the RDS and to strike a balance between facilitating new development and protecting the environment from inappropriate development.

**Derry Area Plan (DAP) 2010** and **Strabane Area Plan (SAP) 2001:** Policies and proposals, including the allocation of sufficient land to meet the needs for industry within the main settlements and to encourage a high standard of environmental quality within industrial areas.

**Draft Integrated Economic Development Strategy (IEDS),** in conjunction with the new Community Plan

## **Economic Profile of the Derry City and Strabane District**

- primary, secondary and tertiary – trends towards tertiary. Key sectors or markets with the potential for future growth include:
  - bio-technology products including pharmaceuticals;
  - environmentally sustainable products including recycling activities and those linked to renewable energy; and
  - health-related products, including food products with a positive health content
  - Advanced Manufacturing/Engineering
  - Digital/Creative Industries
  - Life and Health Sciences
  - Tourism and Culture
  - Also Agri-Food, Business Services, Financial Services, Retail, Social Enterprise
- Number of Businesses - 4,525 VAT or PAYE Registered Businesses in 2014
- Low economic activity rate (2014, 57.1%) and an employment rate of 48.8% (NI 60.2% and 56.4%)
- Male / female differentials – in rates, and wage levels
- Unemployment rates remain significantly above NI (6,720 claimants or 7% v NI 3.7% in 2015)
- high levels of deprivation in the District, 19 of the most deprived SOAs in NI.
- higher long-term unemployed (2014, 39% v 33% for NI or 30.5% for the UK)
- Skills Profile. A more highly educated workforce with skills to match those emerging employment sectors with export potential is needed.

## **Assessment of Uptake of Industrial Land within the Area Plan Zonings**

In Derry District, 152.5 hectares of the 209.1 hectares (73%) zoned remain undeveloped (2013). Of the 15 hectares zoned in Strabane town, less than 4 hectares remain undeveloped. Most of the zonings in Castleterg and Newtownstewart have been taken up. In Sion Mills, none of the ED land is now occupied.

Some non-conforming uses have occurred on some zonings and, whilst some of the employment land is “developed”, there are some vacant units e.g. Ulster Science and Technology Park in Derry or in other estates where the buildings are quite old and under-utilised.

Invest NI’s holdings in Campsey, Skeoge, Maydown and Springtown total approximately 168 ha, of which nearly 43 ha remains available for development. In Strabane, Invest NI’s main landholding was at Orchard Road where some 9 hectares of their original holding have been sold on. Of the remaining 1.6 hectares, only 0.93 hectares are undeveloped, but they have a new business park at Melmount Road with a total of 22 acres (c.8.9ha) of serviced land for potential investors.

## **Availability of Land in Established Industrial Estates / Business Parks**

In the main established industrial estates, surveys (DOE 2013) identified approximately 180 hectares of land remaining undeveloped in Derry, across 23 existing industrial sites. The North West Regional Science Park at Fort George has since opened. A survey in Strabane (2011) identified 2.2 hectares of vacant land in Ballycolman and Dublin Road Industrial Estates. Significantly, there is now also 8.9 hectares of land at the new Invest NI Strabane Business Park.

## **The Need for Future Employment Land?**

For the LDP, an estimate of the amount and the location of land is required to ensure an ample supply of suitable land is available to meet economic development needs. Three methodologies are used:

- Model 1 - based on the amount of land developed to date;
- Model 2 - based on population growth and unemployment; and
- Model 3 - based on applying the average number of jobs created between 2001 and 2016.

The Council has engaged Ulster University to undertake projections of likely population levels, jobs to be created and their sectors during the LDP period. From various surveys and research documents, it is

reasonable to assume that an employment ratio of 1 job per 25 square metres floorspace and 50 jobs per hectare can be achieved on new economic development land in Derry-Strabane.

By applying these employment densities to the number of jobs desired to be created in the industry and service sectors, suggest that under these methods, **it appears that there is currently enough quantum of economic development land in Derry, whilst some additional land will be required in Strabane and the local towns.**

**Type and Distribution of Economic Development Land, for:**

- Foreign Direct Investment (FDI)
- Varied Scale Economic Development
- Indigenous Economic Development, including Research and technology parks, Enterprise Centres, establishment of a digital hub, etc.
- The Port, Airport, Magee and Altnagelvin all have the potential for future expansion – and a location for nearby supportive and specialised business enterprises.

We should be mindful of economic development potential in our adjoining Districts including Donegal. For example, the relocation of DARD to Ballykelly with up to 600 jobs and Donegal County Council’s draft proposals for the development of the border towns of Lifford or Bridgend and the impacts that such proposals and developments will have on our District. The impact of Brexit and exchange rates??

**Possible LDP Options?**

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>Economic Development Land</b>	Retain existing zonings	Retain existing plus more local & strategic sites	Re-evaluate existing and strip back sites

**See Questions on Screen re. a) Key Planning Issues, b) LDP Proposals, c) LDP Policies and d) Possible Options**

**Prompts for Table to Discuss**

- What would be your Economic Development vision for this District?
- Is there enough or too much economic development land and is it the right type of land?
- Is the existing industry located within the correct areas of the District i.e. ease of travel/public transport/ dirty industry located close to residential areas?
- Are the existing industrial zonings attractive to new investments / businesses? Should we consider new sites, and if so where and what type e.g. greenfield or brownfield sites?
- Some retail/offices have relocated to traditional industrial estates. Should we be allowing this or does this have a negative impact on both the industrial estates and the city/town centres?
- Should businesses in the countryside stay within the rural area or be consolidated within industrial estates in settlements when they reach a certain size?
- Should specific sites be zoned for incubator units to encourage startup businesses?
- What impact will Brexit have on economic development within the District? What can the LDP do to make the District attractive to inward investment and keep existing businesses from moving out of our District?
- Do you consider that the current planning policies (in SPPS and PPS 4) are generally adequate – if not, how do you suggest we could improve them?

## Appendix 1: Employment Statistics

**TABLE 1: Employment by Sector Census of Employment (Published 31st July 2014)**

Sector*	Derry	Strabane	NI
Primary	**	28 (0.33%)	2,368 (0.34%)
Secondary	4,865 (12.27%)	1,647 (19.67%)	104,413 (15.1%)
Tertiary	34,776 (87.73%)	6,697 (80%)	584,720 (84.56%)
<b>TOTAL</b>	<b>39,641</b>	<b>8,372</b>	<b>691,501</b>

\* 19 SIC2007 categories classified into Primary, Secondary & Tertiary

\*\* Suppressed to Avoid Disclosure

Note: figures exclude agriculture but include animal husbandry service activities and hunting, trapping and game propagation

Source: Economic and Labour Market Statistics, NISRA, DFP

**Table 2 – Number of employee jobs by Industry Sector for DC&SDC, 2011, 2013 & 2015**

Industry	2011	2013	2015
<b>Agriculture, Forestry And Fishing</b>	*	60	50
<b>Mining and Quarrying</b>	*	*	70
<b>Manufacturing</b>	4,540	4,620	5,090
<b>Electricity, Gas, Steam and Air Conditioning</b>	30	*	100
<b>Water Supply; Sewerage, Waste Management</b>	410	410	420
<b>Construction</b>	2,200	1,900	2,240
<b>Wholesale / Retail Trade<sup>1</sup></b>	9,620	9,290	9,280
<b>Transportation and Storage</b>	1,290	1,240	1,380
<b>Accommodation and Food Service</b>	2,940	3,080	3,410
<b>Information and Communication</b>	*	1,720	1,870
<b>Financial and Insurance</b>	1,240	1,200	1,150
<b>Real Estate</b>	730	480	500
<b>Professional, Scientific and Technical</b>	1,120	1,180	1,240
<b>Administrative and Support Service</b>	3,040	3,640	3,260
<b>Public Administration and Defence</b>	3,900	3,910	3,790
<b>Education</b>	*	5,640	6,040
<b>Human Health and Social Work</b>	9,800	9,890	11,600
<b>Arts, Entertainment and Recreation</b>	1,020	1,080	1,260
<b>Other Service</b>	800	830	880
<b>Total</b>	<b>50,470</b>	<b>50,250</b>	<b>53,630</b>

Source: NISRA, Census of Employment, Business Registration Employment Survey

1. Includes repair of motor vehicles

\* Data suppressed to avoid disclosure

## Appendix 2: Industrial Land Statistics

**Table 1 Land Take Up Within Zoned Industrial Sites**

Settlement	Location	Area Zoned (approx. ha)	Area Remaining Undeveloped (approx. ha)
*Derry (8 sites)	IND 1 Culmore	44.5	42.1
	IND 2 Skeoge	30.2	15.9
	IND 3 Buncrana Road	14.4	10.2
	IND 4 Springtown	4.2	0
	IND 5 Campsey	21.1	13.4
	IND 6 Maydown	79.3	65.3
	IND 7 Newbuildings	13.5	5.6
	MU 1 Iona Park (mixed use)	1.9	0
<b>Derry total</b>		<b>209.1</b>	<b>152.5 (73%)</b>
**Strabane	SE 29.6.1 Dublin Road	4.9	1.3
	SE 29.6.2 Orchard Road	10.5	2.6
<b>Strabane total</b>		<b>15.4</b>	<b>3.9 (25%)</b>
**Castleberg Newtownstewart Sion Mills	CG 57.2 Castlegore Road	2.8	1.6
	NT 77.2 Baronscourt Road	2.1	0.4
	SS 68.2 South of the Mill complex	3.1	3.0
<b>Strabane Local Towns total</b>		<b>8.0</b>	<b>5.0 (63%)</b>
<b>Derry &amp; Strabane total</b>		<b>232.5</b>	<b>161.4 (69%)</b>

Source:

\*\*DOE Industrial Site Surveys 2011 - Strabane

\*DOE Industrial Site Surveys 2013 - Derry

**Table 2: Estimated Remaining Capacity of Unzoned Industrial Land**

Settlement	Location	Approx Site Area (ha)	Remaining Capacity	
			Approx Site Area (ha) Undeveloped	Approx Site Area (ha) Vacant
<b>Derry City – City Side</b>	Bay Road	13.2	1.1	0.1
	Lenamore	0.79	0	0.04
<b>9 Sites</b>				
	Northland Road	2.15	0.5	0.2
	Pennyburn	24.04	1.7	6.1
	Rath Mor	1.99	0	0.4
	Seagate	3.96	0	0
	Springtown	35.04	3	3.4
	Ulster Science & Technology Park	4.52	0	0.6
	Fort George	New site - not surveyed		
<b>Derry City – Waterside</b>	Altnagelvin	6.86	0	0.4
<b>5 Sites</b>				
	Drumahoe	6.43	6.4	0
	Glendermott Road	2.74	0.7	0
	Glendermott Valley Business Park	0.98	0	0.1
	Trench Road, Altnagelvin	0.68	0	0.4
<b>Village and adjacent to village sites</b>	Ardmore	0.69	0	0
<b>7 Sites</b>				
	Chambers	2.42	0	0
	Claudy	2.05	0	2
	Eglinton –Rural Benbow	3.78	0.9	0.2
	Eglinton Village	5.11	1.5	0.6
	Newbuildings Business Centre	0.18	0	0.1
	Newbuildings – Woodside Rd	2.92	0	2.9
<b>Countryside Sites</b>	Campsie	89.81	25.2	27.3
<b>3 Sites</b>				
	Maydown	274.12	139.1	3.6
	Longfield	13.23	0.1	0.5
<b>Derry Total Sites</b>		497.69	180.2	48.9
<b>Strabane</b>	Ballycolman Industrial Est	3.9	0	1.2
	Dublin Rd Industrial Est	6.2	0	1.0
	Strabane Business Park	c.8.9	c.8.9	0
<b>Strabane Total Sites</b>		19.00	8.9	2.20
<b>District Total Sites</b>		<b>516.69</b>	<b>189.1</b>	<b>51.1</b>