Derry City & Strabane District Council
Comhairle Chathair Dhoire & Cheantar an tSratha Báin
Derry Cittie & Strábane Destrick Cooncil

DERRY CITY & STRABANE DISTRICT COUNCIL

LOCAL DEVELOPMENT PLAN (LDP) 2032

DRAFT PLAN STRATEGY

Evidence Paper EVB 9 Economic Development December 2019

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DERRY CITY AND STRABANE DISTRICT COUNCIL

LOCAL DEVELOPMENT PLAN (LDP) 2032

EVIDENCE BASE PAPER 9: Economic Development

This Document is one in a series which comprises the evidence base that informs the preparation of the Derry City and Strabane District Local Development Plan (LDP 2032) Plan Strategy.

It builds upon the suite of thematic Topic Papers prepared and published alongside the LDP Preferred Options Paper (POP), which established the May 2017 baseline position and identified the key issues that needed to be addressed by the LDP.

This Economic Development Evidence Base paper updates the baseline POP position and sets out the evidence base that has informed the strategy, designations and policies within the draft LDP Plan Strategy. Evidence has been informed by feedback from public consultation, discussions with Elected Members, input from statutory consultees, stakeholder groups, from other Departments within the Council, liaison with adjoining Councils and through the iterative Sustainability Appraisal process.

The Evidence Base is published as a ‘supporting document’ in accordance with Article 15(a) of the Planning (LDP) Regulations (NI) 2015.

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1.0 Introduction to Paper

1.1 This paper reflects the evidence which has been gathered since the beginning of the LDP process and which has helped to shape and inform the strategic policy direction adopted by Council in relation to economic development in the draft Plan Strategy.

1.2 This evidence base mainly provides an overview of the planning legislation and policy covering economic development and provides an employment / business profile of our District. Moreover, it looks at the key planning issues in relation to economic development in our District and how they can be addressed in the new LDP such as designations, zonings, proposals and policies to maintain and further grow our economy.

1.3 The paper considers 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 etc. Economic development uses, as considered in this paper and the accompanying Chapter in the draft Plan Strategy are considered to be those uses defined under Part B Industrial and Business Uses in the Planning (Use Classes) Order (Northern Ireland) 2015 which include the following:

PART B INDUSTRIAL AND BUSINESS USES

Class B1: Business Use—

(a) as an office other than a use within Class A2 (Financial, professional and other services);

(b) as a call centre; or

(c)for research and development which can be carried out without detriment to amenity by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit.

Class B2: Light Industrial

Use for any industrial process which can be carried out without detriment to amenity by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit.

Class B3: General Industrial

Use for the carrying on of any industrial process other than one falling within Class B2.

Class B4: Storage or distribution

Use for storage or as a distribution centre.

1.4 The purpose of the planning system is to secure the orderly and consistent development of land with the objective of furthering sustainable development and improving well-being. Economic land will not be considered in isolation. As such we will consider how it integrates along with other key planning considerations / land uses.

1.5 In essence, the statutory framework seeks to ensure that when preparing its Local Development Plan (LDP), the Council will take full account of the implications of proposed land use zonings, locations for development and settlement limits on the economy and employment within or adjoining the plan area.

2.0 Legislation & Policy Context

a) National Legislation

2.1 Relevant Legislation is provided by The Planning Act (Northern Ireland) 2011, The Planning (Local Development Plan) Regulations (Northern Ireland) 2015 and The Planning (Use Classes) Order 2015.

2.2 The Planning Act (Northern Ireland) 2011 - Under Part 2, Paragraph 21 Council must make an annual report to the Department. The annual report must contain such information as is prescribed as to the extent to which the objectives set out in the LDP are being achieved. This may include economic development information.

2.3 The Planning (Local Development Plan) Regulations (Northern Ireland) 2015: Under Part 6, 'Annual Monitoring Report and review of a Local Development Plan', Paragraph 25, Council must prepare an Annual Monitoring Report for submission to the DfI. The annual monitoring report must specify housing and economic development land supply, as well as such other issues as appear to the council to be relevant to the implementation of the LDP. Under Part 6, Paragraph 26, Council must carry out a review of its LDP every 5 years.

2.4 The Planning (Use Classes) Order (NI) 2015 – Part B deals specifically with Industrial and Business Uses, and this is broken into specific classes with B2 relating to Light Industrial, B3 General Industrial and B4 Storage and Distribution.

b) Regional Policy

Draft Programme for Government 2016 - 2021

2.5 The PfG sets out 14 strategic outcomes which, taken together, the Executive believed best described the society we wish to have and includes considerations of the sort of society we would have if we have a better economy, jobs etc. The PfG highlights a number of key indicators, which show the change that government are seeking to bring about. There are also key measures against which the progress to the desired outcome can be measured. Although some of the 14 outcomes could be considered cross cutting across a number of planning topics, the following are of most relevance to economic development:

- We prosper through a strong, competitive, regionally balanced economy
- We are an innovative, creative society, where people can fulfil their potential
- We have more people working in better jobs
- We have high quality public services
- We have created a place where people want to live and work, to visit and invest
- We connect people and opportunities through our infrastructure

2.6 The PfG sets outs, in broad terms, the role of the Executive in helping to achieve each of the strategic outcomes. The LDP can also help achieve these outcomes by having regard to outcomes that are relevant to specific chapters.

Regional Development Strategy (RDS) 2035

2.7 The RDS sets out the spatial strategy of the Executive, presenting Regional Guidance (RG) under 3 sustainable development themes – economy, society and environment, and has eight overarching Aims. The following aims are particularly relevant to the Economy:

(i) *Support strong, sustainable growth for the benefit of all parts of Northern Ireland;*

(ii) *Strengthen Belfast as the regional economic driver and Londonderry as the principal city of the North West;*

(iii) *Support our towns, villages and rural communities to maximise their potential; and,*

(iv) *Improve connectivity to enhance the movement of people, goods, energy and information between places*

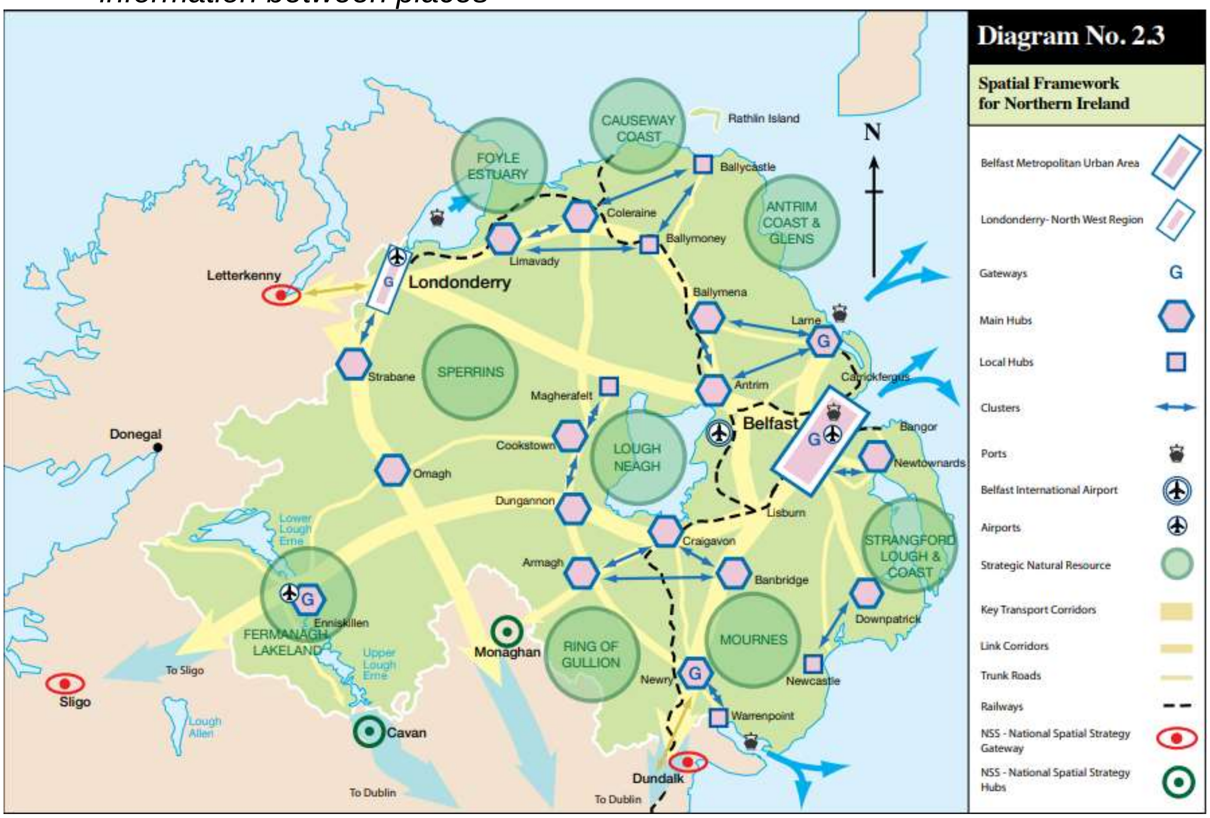

Figure 1: Spatial Framework for Northern Ireland

2.8 Chapter 3 of the RDS gives Strategic Guidance relating to long term policy direction and sets out both Regional Guidance (RG) and Spatial Framework Guidance (SFG). A number of these RGs are relevant to the Economy within the Derry / Strabane District, including RG1 which relates to the adequate supply of land to ensure that Northern Ireland can accommodate growth in jobs and businesses, and specifies that economic development opportunities across the Region should be focused on the BMUA, Londonderry and Hubs as the main centres for employment and services.

2.9 The Regional Guidance, through RG1 wants to ensure that there is an adequate supply of land to facilitate sustainable economic growth. This land should be accessible and located to make the best use of available services, for example water and sewerage infrastructure, whilst avoiding, where possible, areas at risk of flooding from rivers, the sea or surface water run-off.

2.10 The quality and viability of sites zoned for economic development uses in Local Development Plans should be assessed against an Employment Land Evaluation Framework which will enable planning authorities to identify robust and defensible portfolios of both strategic and locally important employment sites in their development plans. This means protecting zoned land in development plans and, in order to capitalise on the development opportunity provided by a concentration of people, goods, available infrastructure and business, promoting economic development opportunities in the Hubs (SFG11). It also recognises the importance of sustaining rural communities by facilitating rural industries, business and enterprises in appropriate locations. This means not only businesses connected to farming, forestry and fishing but other industries such as tourism and renewable energy which can provide further jobs and opportunities in rural areas as long as they are integrated appropriately within a settlement or rural landscape.

2.11 The RDS also emphasizes the importance of telecommunication infrastructure to growing our economy in RG3 and recognises that the telecommunications network within Northern Ireland is world class but is it vital that we keep up-to-date with the latest technology. The RDS defines the North West as being the Council Districts of Derry and Strabane, extending into Donegal. It identifies Derry as the Principal City within the North West and Strabane as a Main Hub. The specific section within the RDS relating to the North West has a number of Spatial Framework Guidance relating to the economic development of the region:

- *SFG6: Develop a strong North West.*
- *SFG7: Strengthen the role of Londonderry as the principal city for the North West.*
- *SFG8: Manage the movement of people and goods within the North West. Efficient transport infrastructure is important in promoting a successful economy, by:*
- *Enhance transport linkages across the region, to and from air and sea ports and the distribution of traffic from and between transport corridors.*
- *Manage travel demand within the North West.*
- *Improve the public transport service.*

- *Integrate Land Use and Transportation.*
- *Manage the efficient movement of freight.*
- *Provide better accessibility to the central area of the city.*

The National Planning Framework

2.12 The National Planning Framework (NPF) is the Irish Government's document for high-level strategic planning and development for the country over the next 20+ years. It acknowledges the close relationship with Northern Ireland and advises that this must be taken into account by recognising the key links between Letterkenny and Derry.

2.13 The NPF splits the country into 3 regional areas as set out in Figure 2. It recognizes the role Derry, particularly with its links to Letterkenny, plays in the wider the Northern and Western Regional Assembly area. Each area will develop a Regional Spatial and Economic Strategy, with the emphasis on the following for the Northern and Western RSES - set out a strategic development framework for the Region, leading with the key role of Sligo in the North-West, Athlone in the Midlands and the Letterkenny-Derry cross border network.

Figure 2: Spatial representation of the NPF's 'three regions'.

2.14 The NPF sets out a number of National Policy Objectives that recognize the regional and spatial importance of Derry and its role within the wider North West as well the importance of joined planning between both jurisdictions:

- National Policy Objective 2b The regional roles of Athlone in the Midlands, Sligo and Letterkenny in the North-West and the Letterkenny-Derry and Drogheda Dundalk-Newry cross-border networks will be identified and supported in the relevant Regional Spatial and Economic Strategy.

- National Policy Objective 2c Accessibility from the north-west of Ireland and between centres of scale separate from Dublin will be significantly improved, focused on cities and larger regionally distributed centres and on key east-west and north south routes.
- National Policy Objective 7 Apply a tailored approach to urban development, that will be linked to the Rural and Urban Regeneration and Development Fund, with a particular focus on: Strengthening Ireland's overall urban structure, particularly in the Northern and Western and Midland Regions, to include the regional centres of Sligo and Letterkenny in the North-West, Athlone in the Midlands and cross-border networks focused on the Letterkenny-Derry North-West Gateway Initiative and Drogheda-Dundalk-Newry on the Dublin-Belfast corridor.
- National Policy Objective 45 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.
- National Policy Objective 46 In co-operation with relevant Departments in Northern Ireland, enhanced transport connectivity between Ireland and Northern Ireland, to include cross-border road and rail, cycling and walking routes, as well as blueways, greenways and peatways.

2.15 The NPF also acknowledges the North-West Growth Partnership. This strategic partnership between the Donegal and Derry and Strabane Councils seeks further enhancement of a North West City Region, delivering a wide range of economic, infrastructural, community and public service functions in the wider northwest.

2.16 The development of the North-West city region, focused on Derry City, Letterkenny and Strabane, is essential to achieving the potential of the North West and maximising its contribution to regional and all island economic growth. With Government support in Ireland and Northern Ireland, new cross-border collaborative arrangements have been developed to provide strategic leadership in the development of the region. The North West Strategic Growth Partnership, working with both Governments, local communities and the private sector, promotes regional cooperation on planning, environmental protection and management, public services and infrastructural investment, including: Building up the critical mass of key urban centres in the wider region; Promotion of trade and tourism, innovation, human capital, life-long learning and business development; Improving inter-urban transport infrastructure; and Better co-ordination of public services such as health and education facilities.

North West Strategic Growth Partnership

2.17 The North West Strategic Growth Partnership, which held its inaugural meeting in December 2016, is the first of its kind on the island of Ireland and represents a new approach to joined-up government that has the potential to bring about real and positive change for the region. Jointly led by Donegal County Council and Derry City and Strabane District Council, the Partnership has been endorsed by both governments through the North South Ministerial Council and is made up of senior government officials from all Government departments in Ireland and Northern Ireland, working together to collectively resource the region's key priorities for growth and development with a commitment to building a more resilient economy in the North West City Region.

Strategic Planning Policy Statement (SPPS) (September 2015)

2.18 Strategic Planning Policy Statement (SPPS) (September 2015): Under the provisions of the SPPS, during the preparation of LDP an ample supply of suitable land available to meet economic development needs within the plan area should be provided. 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 including the operational requirements of existing or approved economic development.

2.19 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. The policy approach is cluster, consolidate, and group new development with existing established buildings and the reuse of previously used land and buildings. Local policies and proposal may be brought forward in the LDP which address development such as farm diversification, agriculture and forestry development, tourism / holiday accommodation and re-use / conversion of existing buildings. Our extensive rural community and addressing their economic needs via appropriate and flexible planning policy will be a specific priority for the LDP.

2.20 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.

Planning Policy Statements

2.21 Planning Policy Statement 4 (PPS 4), Planning and Economic Development (November 2010): Sets out the regional planning policies for economic development uses and indicates how growth associated with such uses can be accommodated and promoted in development plans. Economic development uses comprise industrial, business and storage and distribution uses, as currently defined in Part B 'Industrial and Business Uses' of the Planning (Use Classes) Order (Northern Ireland) 2015.

2.22 Planning Policy Statement 21 (PPS 21) Sustainable Development in the Countryside sets out planning policies for development in the countryside including farm diversification and other economic activity in accordance with PPS 4.

2.23 Tourism also makes an important contribution to the NI Economy in terms of the revenues it generates and the employment opportunities it provides. The aim of the SPPS in relation to tourism development is to manage the provision of sustainable and high quality tourism developments in appropriate locations within the built and natural environments. Tourism will be examined at a later date. Town centres also provide employment and new strategic policy for town centres and retailing is contained within the SPPS. The role of the City and Town Centres, and Retailing will be explored in the subsequent papers.

2.17 Marine Consideration: In recent years, legislation has been introduced to ensure that for the first time marine activities and resources within our marine waters are planned and managed in a coherent manner. Therefore, any economic development proposals or polices that could affect the coastal areas or settlements should be an LDP consideration. The following three interlocking pieces of legislation have been introduced to help deliver the UK vision of having "clean, healthy, safe, productive and biologically diverse oceans and seas":

- **UK Marine and Coastal Access Act (MCAA) 2009**
- **UK Marine Strategy Regulations 2010**
- **The Marine Act (Northern Ireland) 2013**

2.18 In addition, the UK Marine Policy Statement (MPS) 2011 is the framework for preparing Marine Plans and taking decisions affecting the marine environment. Of particular relevance, is the legislative requirement that all public authorities taking authorisation or enforcement decisions that affect or might affect the UK marine area to do so in accordance with the MPS unless relevant considerations indicate otherwise. Accordingly, in future, Council will not only have those legal implications in relation to terrestrial planning but also for marine matters as well.

2.19 Derry Area Plan (DAP) 2011: An objective of the plan promotes the sustainable development of the Derry City Council area by making provision for economic development while protecting its natural assets and man-made heritage for the enjoyment of future generations. Accordingly existing industrial land was identified and new sites zoned in Derry city and nearby settlements.

2.20 Strabane Area Plan (SAP) 2001: Contains the policies and proposals relating to industry within the former Strabane District, including the allocation of sufficient land to meet the needs for industry within Strabane and the local towns and to encourage a high standard of environmental quality within industrial areas.

2.21 The new duty of Community Planning introduced in April 2015 requires the Council to lead the process of creating a long term vision for the social, environmental and economic well-being of the area and its citizens. The Local Government Bill introduces a statutory link between the Community Plan and the Council's Local Development Plan (LDP), in that the LDP must take account of the Community Plan in its preparation. Therefore it provides the key context at the local Council level for the preparation of the LDP.

2.22 The new style of LDP provides a unique opportunity for the Council to genuinely shape the district for local communities and will enable them to adopt a joined up approach, incorporating linkages to other functions such as regeneration, local economic development and community planning. The Local Government Act introduces a statutory link between the Community Plan (CP) and the LDP, in that the preparation of the LDP must 'take account of' the CP – which provides the higher-level strategic aspirations for economic development in the District. It is intended that the LDP will be the spatial reflection of the CP and that the two should work in tandem towards the same vision for the Council area and our communities and set the long term social, economic and environmental objectives for the District.

Other Influencing Plans, Strategies and Drivers for Change

2.23 The new duty of Community Planning introduced in April 2015 requires the Council to lead the process of creating a long term vision for the social, environmental and economic well-being of the area and its citizens. The Local Government Bill introduces a statutory link between the Strategic Inclusive Growth Plan **(Community Plan)** and the Council's Local Development Plan (LDP), in that the LDP must take account of the Community Plan in its preparation. Therefore it provides the key context at the local Council level for the preparation of the LDP.

2.24 The Economic strand of the Draft Community Plan identifies the need for 'investor readiness' and driving forward investment. Some of the key actions in the delivery plan include the establishment of Development Zones in Derry and Strabane, creation of Grade A office accommodation, incubation spaces in areas of disadvantage and decentralization of public sector jobs to Derry. To achieve these aims planning needs to be *'business-friendly'* through its processes, designations and zonings.

City Deal

2.25 Catalyst projects being proposed as part of City Deal include the expansion of expansion the Ulster University Magee Campus and NWRC to 9, 400 students, the A2 Buncrana Road Economic Corridor and major physical regeneration schemes in Derry City Centre and Strabane Town Centre. Investment in innovation and research institutes underpinned by the development of skills and job creation and business support initiatives as well as improved transport and connectivity programmes, are also identified as key catalysts for change. It is proposed that these projects, if delivered, will provide an additional 12, 000 new jobs for the city and region, generate over £500m of additional GVA, deliver £100m additional tax revenue and provide over £200m additional wages to the local economy on an annual basis.

3.0 Background and Statistical Data including Economic & Employment Profile of the Derry City and Strabane District

3.1 For many decades, Northern Ireland has experienced a consistently high rate of economic inactivity in comparison to the United Kingdom. As outlined in the Oxford Economics: Northern Ireland Economy in Transition (2014), following several difficult years since the onset of recession in 2008, the NI economy is finally starting to recover. Employment is now rising, unemployment is falling, output is growing, house prices are increasing and business and consumer confidence are at their highest levels since before the recession.

3.2 However the study highlights that the recovery is not being enjoyed by all households and businesses. Nor is it as strong, or forecast by Oxford Economics to be sustained for as long. Economic conditions remain tough for many households; wage growth has been muted, many new jobs are part-time and offer fewer hours than individuals would ideally like to work, living costs are at record highs and in-work poverty has soared. Economic conditions also remain tough for many businesses.

3.3 Derry is the second largest city in Northern Ireland and the fourth largest city on the island of Ireland, serving a City Region of up to 350,000 people. As recognized by Government in the Regional Development Strategy and Ireland's National Spatial Strategy, Derry provides key servicing and connectivity functions for the North West Region. This is the only functional economic city region of its scale on the island of Ireland which straddles a national jurisdictional border. The area also benefits from a large, thriving rural area with a number of key settlements with a strong local identity and centres of local commerce.

3.4 In the preparation of the Local Development Plan (LDP) Council will adopt and embed the core principles of securing the orderly and consistent development of land with the objective of furthering sustainable development and improving well-being, Council will take full account of the implications of proposed land use zonings, locations for development and settlement limits on the economy and employment within or adjoining the plan area. In line with the Inclusive Strategic Growth Plan (Community Plan), the LDP allows a consideration of how we want our future economy to look, as we seek to positively promote good standards of living, design and environment. It is necessary to consider how our LDP designations, zonings, proposals and policies can impact on our economic development

Current Economic and Employment Trends in the Derry City and Strabane District

3.5 Consideration needs to be given to trends in employment when considering local industry and mixed business policies. The key indicators being economic activity and unemployment rates together with levels of employment by sector.

3.6 There are three general employment classifications, namely primary, secondary and tertiary. The primary sector includes mining, agriculture and fishing, i.e. natural resources. The secondary sector relates to manufacturing and processing, whereas the tertiary sector includes service provision such as office work, retailing, healthcare provision and communications.

Table 1: Employee Jobs by Sector in DCSDC, 2016

	Sector	Employee Jobs	As a %
Primary	Agriculture, mining and natural resource industries	691 (excludes agriculture)	1%
Secondary	Manufacturing and construction	8242	15%
Tertiary	Services such as health care, food service, retail sales, advertising, entertainment, tourism, banking, law,	46,053	84%
Total		54,986	100%

Source: NI Business Register and Employment Survey (BRES) – September 2016

3.7 Since 1961, the general trend in Northern Ireland has been a reduction in the numbers employed in the primary and secondary sectors although this has more than been absorbed by growth in the tertiary or service sector.

3.8 The employment sector patterns of the former districts of Derry and Strabane, generally reflect the Northern Ireland trend of a fall in both the primary and secondary sectors and a significant increase in the tertiary sector.

Table 2: VAT /PAYE Registered Businesses operating in DCSDC and NI by broad industry group, 2018			
Region	DCSDC		NI
	Number	%	%
Agriculture, Forestry and Fishing	1,245	24.3%	24.7%
Production	355	6.9%	6.9%
Construction	795	15.5%	13.8%
Motor Trades	185	3.6%	3.5%
Wholesale	195	3.8%	4.4%
Retail	460	9.0%	8.3%
Transport and Storage (Inc. Postal)	160	3.1%	3.3%
Accommodation and Food Services	300	5.9%	5.4%
Information and Communication	115	2.2%	2.7%
Finance and Insurance	65	1.3%	1.6%
Property	150	2.9%	3.1%
Professional, Scientific and Technical	335	6.5%	7.9%
Business Administration and Support Services	155	3.0%	3.6%
Public Administration and Defence	*	*	0.1%
Education	40	0.8%	0.9%
Health	240	4.7%	3.8%
Arts, Entertainment, Recreation and Other Services	330	6.4%	6.1%
Total	5,120	100%	100%

Source: NISRA, Inter-Departmental Business Register

3.9 The largest industry group in DCSDC and NI is Agriculture, Forestry and Fishing, accounting for over one quarter (24.3%). Outside of Agriculture, the largest industry group in DCSDC is Construction (15.5%) followed by retail (9.0%).

3.10 The District's two largest employment sectors are in Human Health and Social Work Activities with 11,600 employee jobs (22% of the total), followed by Wholesale and Retail Trade 9,280 (17% of total jobs). A comprehensive breakdown of jobs by sector is provided in the following Table 3.

Table 3: Number of employee jobs by industry sector, 2011, 2013, 2015 & 2017

Industry	2011	2013	2015	2017
Agriculture, Forestry And Fishing	*	60	50	90
Mining and Quarrying	*	*	70	60
Manufacturing	4,540	4,620	5,090	5,710
Electricity, Gas, Steam and Air Conditioning	30	*	100	170
Water Supply; Sewerage, Waste Management	410	410	420	510
Construction	2,200	1,900	2,240	2,640
Wholesale / Retail Trade1	9,620	9,290	9,280	9,530
Transportation and Storage	1,290	1,240	1,380	1,500
Accommodation and Food Service	2,940	3,080	3,410	3,480
Information and Communication	*	1,720	1,870	2,030
Financial and Insurance	1,240	1,200	1,150	1,140
Real Estate	730	480	500	450
Professional, Scientific and Technical	1,120	1,180	1,240	1,400
Administrative and Support Service	3,040	3,640	3,260	3,970
Public Administration and Defence	3,900	3,910	3,790	3,670
Education	*	5,640	6,040	5,830
Human Health and Social Work	9,800	9,890	11,600	11,300
Arts, Entertainment and Recreation	1,020	1,080	1,260	1,300
Other Service	800	830	880	1,040
Total	50,470	50,250	53,630	55,820

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

3.11 Derry was traditionally a textile town renowned for shirt making which went into decline in the 1980s.The last shirt factory, Gleneden, closed its doors in June 2008. Graham Hunter Apparel is the last remaining textile factory in the city, a former shirt factory that has diversified into uniform manufacturing. Current important employers in this sector include Du Pont / Invista, Seagate and Perfecseal.

3.12 While the textile industry has also long been the backbone of Strabane's manufacturing base and this too went into decline with the imminent closure of Adria and Herdmans which resulted in significant job losses in the wider Strabane area. There are currently a number of large employers in manufacturing in the Strabane area such as Leckpatrick (Artigarvan), McColgan Quality Foods, Boran-Mopack (packaging products) and O'Neills Sports Wear which expanded their operations at Dublin Road Industrial Estate. In more recent years, Allstate call centre has also located to Strabane Town, highlighting the need to diversify to new employment sectors.

3.13 In the tertiary sector, the main employment areas for the former Derry District are within the wholesale and retail trade, public administration, education and health and social work. This primarily reflects Derry's importance as a major administrative and service centre and provider of educational and health services. A range of government departments, educational establishments and health facilities, including the Altnagelvin Hospital, Ulster University at Magee Campus and North West Regional College have long been major employment providers for the city and surrounding area.

3.14 In contrast, whilst Strabane's share in the tertiary sector has clearly grown over the years, the proportion remains less than that of Derry. While there has been significant investment in new retail developments around the ASDA store in Strabane town centre, there has been less provision of jobs in central government departments, healthcare and education.

3.15 Forecasts for the manufacturing sector provided by DETI, suggest a continued decline in manufacturing employment levels both in Northern Ireland and in the UK. Significant contraction is expected to continue in textiles and, on a smaller scale, in heavy industry, namely metals and machinery. However, it is important to recognise that the role of manufacturing is changing with, amongst others, the importance of innovation and design, the development of products with niche markets, the importance of knowledge-based products and processes and increased output with less employment. 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.

3.16 The five key growth sectors identified in the Inclusive Strategic Growth Plan: Our Community Plan for our District are:

- Advanced Manufacturing/Engineering
- Digital Industries including Business, Professional and Financial Services
- Life and Health Sciences
- Tourism and Culture
- Creative Industries

3.17 The Derry and Strabane District Council Economic Development Section also identified the following sectors as playing an important role in supporting Derry and Strabane's economic development, with the potential to enable incremental growth:

- Agri-Food
- Business Services
- Financial Services
- Renewables
- Retail
- Social Enterprise
- Textiles (manufacturing)

Business Profile

3.18 In considering the economic base of the District, there were 5,120 VAT or PAYE Registered Businesses within the Derry City and Strabane District. In 2014, Invest Northern Ireland (INI) estimated that of these registered businesses, micro-businesses accounted for the majority of businesses.

Table 4: Registered businesses operating in DCSDC by employment size band, 2018

Size band	DCSDC		NI
	Number	%	%
0	15	0.3%	0.5%
1 - 4	3,860	75.4%	75.9%
5 - 9	660	12.9%	12.1%
10 - 19	325	6.3%	6.0%
20 - 49	165	3.2%	3.3%
50 - 99	50	1.0%	1.1%
100 - 249	20	0.4%	0.7%
250 - 499	10	0.2%	0.2%
500+	15	0.3%	0.2%
Total	5,120	100%	100.0%

Source: NISRA, Inter-Departmental Business Register

3.19 The proportion and size of businesses in the District are reflective of the Northern Ireland position with small businesses employing between 1 to 4 persons being predominant. There are 3,860 small businesses in the District compared to 45 businesses which employ 100 to 500+ persons.

Employment Profile

3.20 The percentage of economically active persons in Derry has remained fairly constant over the four decades ranging between 59% and 61% but has always lagged behind the Northern Ireland figure with Strabane being significantly worse than the rest of NI.

3.21 The 2015 Labour Force Survey (Table 5) estimated that there were 60,000 people in employment in 2015 within DCSDC compared to 60,000 in 2018. Of these, 45,000 were in full-time employment and 15,000 were in part-time employment. This led to an employment rate, for those aged 16 and over, of 52.8% with the employment rate for those of working age (16-64) standing at 61.6%).

Table 5: DCSDC Employment totals and rates, 2009-2018

Year	In employment (16+)			Employment rate	
	Full-time	Part-time	Total	16+	16-64
2009	40,000	15,000	56,000	49.3%	57.4%
2010	41,000	14,000	55,000	47.7%	55.0%
2011	42,000	15,000	58,000	51.6%	60.2%
2012	41,000	14,000	55,000	50.6%	61.1%
2013	41,000	14,000	56,000	49.0%	55.7%
2014	43,000	14,000	58,000	48.7%	56.5%
2015	42,000	17,000	60,000	52.1%	59.6%
2016	39,000	14,000	53,000	46.4%	54.7%
2017	40,000	13,000	54,000	48.2%	56.8%
2018	45, 000	15, 000	60, 000	52.8%	61.6%

Source: DCSDC Statistical Bulletin, October 2019

Table 6: Number of DCSDC employee jobs by gender and job status, 2012 – 2018 –UPDATE

Year	Employee jobs						
	Male full-time	Male part-time	Male	Female full-time	Female part-time	Female	Total
2012	17,740	5,160	22,900	14,930	13,250	28,180	51,080
2013	17,730	5,170	22,900	14,620	12,730	27,350	50,250
2014	17,670	5,250	22,920	14,720	14,970	29,690	52,610
2015	18,910	5,220	24,130	15,390	14,110	29,500	53,630
2016	19,910	5,150	25,070	15,720	14,200	29,920	54,990
2017	20,213	5,534	25,747	15,512	14,562	30,074	55,821
2018	21, 120	5, 800	26,920	16, 290	14,980	31,270	58,200

Source: DCSDC Statistical Bulletin, October 2019

3.22 In 2018, there were 58, 200 employee jobs in the District of which 26,920 were jobs carried out by males compared to 31, 270 carried out by females. Males are more likely to work in full-time positions. Of the 26, 920 jobs held by males, 21, 120 were full-time and 5,800 were part-time. The split in job status for females was more even with 16,290 jobs being held by a female in a full-time position and 14,980 being held by a female in a part-time position.

Earnings Profile

3.23 In 2018, the gross weekly median pay for those working in District was £391.90 compared with a figure of £342.10 for those who live in the council area. Both of these were lower than the overall NI average (£423.10). Those working in the District tend to earn more than those who live in DCSDC. This is as a result of a greater tendency of workers to commute into the council area for higher earning employment

Table 7: Gross median weekly pay by status, DCSDC and NI, 2018

Status	Working in DCSDC (£)	Resident in DCSDC (£)	NI (£)
All	381.9	342.1	423.1
Male	398.5	383.9	479.1
Female	354.2	303.7	351.6
Full-time	486.7	455.2	521.2
Part-time	180.1	175.4	187.3
Male full-time	464.1	435.9	534.2
Male part-time	180.1	X	168.0
Female full-time	515.8	461.7	498.9
Female part-time	177.6	171.4	191.7

Source: NISRA, Annual Survey of Hours and Earnings

X Estimates are considered unreliable for practical purposes

Economic Inactivity Profile

3.24 Estimates from the 2017 Labour Force Survey (LFS) indicate that 43.6% (50,000 people) of all those aged 16 and over, in the Council area were economically inactive, i.e. people who are neither in employment nor unemployed as per the International Labour Organisation (ILO) measure. This was higher than the rate for NI (39.8%). The 16-64 rate of inactivity was somewhat lower as it does not include the majority of those who are retired. This rate of inactivity stood at 34.1% (33,000 people) within DCSDC compared with an NI average of 27.2%.

Table 8: Economic Inactivity, DCSDC and NI, 2018

Age group	DCSDC		NI	
	Number	%	Number	%
16+	50,000	43.6	583,000	39.8%
16-64	33,000	34.1%	318,000	27.2%

Unemployment Profile

3.25 The claimant count is an administrative data source derived from Jobs and Benefits Offices systems, which records the number of people claiming unemployment related benefits. From the 21st March 2018, NISRA changed the claimant count measure from one based solely on Jobseeker's Allowance to an experimental measure based on Jobseeker's Allowance claimants plus out-of-work Universal Credit claimants who were claiming principally for the reason of being unemployed.

3.26 In November 2018, the unadjusted claimant count rate for DCSDC was 4.8% compared with a rate of 2.4% for Northern Ireland. Within DCSDC this equated to a total of 4,545 claimants, of which 2875 were male and 1,670 were female. The DCSDC claimant count rate for males was 6.1% (3.0%) and for females it stood at 3.4% (1.7% NI).

Table 9: Claimant Count (unadjusted), DCSDC and NI, November 2018

	Number of claimants			% of those aged 16-64		
	Males	Females	Total	Males	Females	Total
DCSDC	2,875	1,670	4,545	6.1%	3.4%	4.8%
NI	17,690	10,050	27,745	3.0%	1.7%	2.4%

Source: NISRA, Claimant Count

Table 10: Jobseeker's Allowance by age and duration, DCSDC and NI, January 2018

				24 and under			
		12mths+				12 mths+	
Region	Total	Number	%	Number	%	Number	%
DCSDC	2,675	2,225	83%	335	13%	270	81%
NI	19,545	10,310	53%	3,125	16%	1,160	37%

Source: NOMIS

Data based on rounded numbers & do not include clerical returns

3.27 Within the DCSDC area, at November 2018, 83% of JSA claimants had been claiming for a year or more. This compared to a rate of 53% for NI as a whole. Both the council area (13%) and NI (16%) had similar rates of young people claiming JSA. However, DCSDC (81%) has a higher proportion of young people claiming for a year or more compared to NI (37%).

Deprivation Profile

3.28 The 2017 Multiple Deprivation Measure (MDM) combines the 7 deprivation domains to rank areas based on multiple types of deprivation. There are high levels of deprivation across the District and the 2017 report by NISRA indicates that Derry and Strabane has 5 of the most deprived Super Output Areas (SOAs) in NI.

3.29 In terms of employment deprivation, Derry City and Strabane 5 SOAs WITHIN THE top 10 in Northern Ireland. It has 2 SOAs in the top ten of areas of income deprivation.

Skills Profile

3.30 It is anticipated that future economic growth will transition towards more exportable service sectors and if Derry-Strabane is to participate in this direction, it will have to supply a suitably skilled and qualified workforce. Education has an important role to play in promoting economic well-being. Better education improves access to employment opportunities, raises productivity and innovation. In addition it plays a very crucial role in securing economic and social progress and improving income distribution.

3.31 Oxford Economics have forecast that the stock of jobs requiring low or no qualifications is to fall by 60,000 in NI by 2020, leading to a large skills mismatch. In this context of continuing change in demand from factory to office based service sector, there will be a need for large numbers of individuals to change careers. As their existing skill-sets, competencies and experience will fall short of the demand for a skilled workforce, significant up-skilling and re-skilling will be required.

3.32 Since 2009 to 2014, NISRA has recorded a decrease in those of working age with no qualifications from 30.4% to 21.8%, which is a significant reduction. Those of working age with NVQ level 4 and above has stayed consistently at around 22%, while those with qualifications of NVQ Level 4 and below has increased from 47% to 56.1 over this time. A more highly educated workforce with skills to match those emerging employment sectors with export potential is needed.

4.0 Preferred Options Stage

4.1 To help inform the policy approach which will be taken across the District in regard to economic development, a Pre-POP workshop was held on the 26th September 2015 Members and council officers came together to examine the current provisions of PPS4 and to explore/identify where the perceived shortcomings and strengths were with a view to tailoring/revising/introducing policies to meet a variety of circumstances across the District.

4.2 Within the urban context and existing zonings, it was felt that there was sufficient land supply within settlements and existing employment lands such as those at Campsie and Maydown should not be *'pared back*. Lands at Skeoge and Buncrana Road were seen as having future potential.

4.3 The limitations of bringing employment lands closer to the town centre were recognised particularly regarding the incompatibility of heavy plant and machinery movements within built-up areas. That said, it was felt that there was scope for small-scale industrial estates in the town.

4.4 Infrastructural deficits such as the A5 and lack of a train stop at the City of Derry Airport were seen as being obstacles for growth.

4.5 It was felt that the zonings within Castlederg and Newtownstewart have performed well. It was considered that the uptake of lands in Sion Mills has been hampered by the recent and nearby Business Park in Strabane and the value of retaining this land questioned. However, it was acknowledged that the Mill may present future opportunities.

4.6 The recurring theme from a rural perspective was that planning policy PED 2 was too restrictive and more businesses should be allowed to locate in the countryside. In addition, it was felt that PED 3 in regard to expansion of existing businesses has been very prohibitive in places such as Plumbridge and Donemana. It was felt that there is a case for larger scale manufacturing in smaller settlements particularly in light of the textile factory which formerly operated in Plumbridge.

4.7 The POP was published on 31st May 2017, alongside the Council's Strategic Growth Plan (Community Plan). The purpose of the POP was to stimulate a wide-ranging yet focused debate on strategic planning issues across the District and to encourage feedback from a wide range of stakeholders. The statutory consultation period ended on 22nd August 2017 and 126 representations were received.

4.8 Council's preferred option in regard to *'Economic Development Land'* is to re-evaluate all the current economic zonings and re-zone/zone new sustainably located sites catering for future economic needs.

Table 11: Economic Development Land Option

	Option 1	Option 2	Option 3
A - Economic Development Land	Retain existing zonings as currently contained in DAP & SAP	Retain existing zonings along with additional, more sustainably-located, sites that will cater for our assessed future economic needs	Re-evaluate all current economic zonings and rezone / zone new sustainably-located sites catering for our assessed future economic needs

(Source: LDP Preferred Options Paper, May 2017, p.61)

4.9 Option 1: Is to retain the existing 'industrial' zonings, namely at Campsie and Maydown, Culmore, Skeoge, Springtown, Elagh and New Buildings near Derry. Similarly, Strabane's zonings are at Dublin Road and Orchard Road at the South West of the town. Castlederg, Newtownstewart and Sion Mills have small areas zoned. This option reflects the slow uptake of industrial/economic land across the District, it is effectively a 'do nothing' option based on the current available land supply.

4.10 Option 2: Is to retain the existing zonings along with additional, more sustainably located sites that will cater for our assessed future economic needs. These could include 'local' sites, especially for business start-ups and mixed-use, to be focussed in areas of recognised deprivation, close to population centres and being accessible. Additionally, 'strategic' Economic Development sites could be identified, close to the new A5 and A6 and Buncrana Road, the A2, orbital links, the Port / airport and cross-border locations (with opportunity for transport, storage, distribution, logistics and import/export businesses) thus maximising the job creation from the significant investment in transport infrastructure and cross-border opportunities.

4.11 Option 3: Would re-evaluate all current Economic Development land zonings and rezone inappropriate or unnecessary lands, in favour of rezoning or new sites catering for our assessed future economic needs. As for the previous option, this would also include new 'local' sites, especially for business start-ups and mixed-use, to be focussed in areas of recognised deprivation, close to population centres and being accessible. Additionally, 'strategic' Economic Development sites could be identified, close to the new A5 and A6 and Buncrana Road, the A2, orbital links, the Port / airport and cross-border locations (with opportunity for transport, storage, distribution, logistics and import/export businesses) thus maximising the job creation from the significant investment in transport infrastructure and cross-border opportunities. New sites should also be more sustainable, be type-classified, accessible and be more suitable for modern industry and the likely growth sector employment / businesses.

SA – Sustainability Appraisal Summary

4.12 Option 1 scored very poorly on several objectives including social, economic and environmental pillars.

4.13 Option 2 had mixed scoring across objectives but was more positive on some social, economic and environmental objectives.

4.14 Option 3 also had mixed scoring across objectives with uncertain and minor negative for physical resources, active travel, air quality and climate change. It scored well on health, society, water, natural heritage, landscape and cultural heritage but significant positive on sustainable economic growth and material assets.

POP Responses

4.15 A number of responses were received relating to Economic Development within Derry City and Strabane District Council and the wider Region. Economic Development, or matters related to economic development, strategy or policy, was raised in approximately 48 separate consultation responses. A number of issues were raised on multiple occasions. Responses have been summarised into key areas as follows:

- Re-evaluation of existing economic development was raised on a number of occasions by various groups and individuals including DfI, DAERA, Invest NI, Translink, RSPB and individuals. There was general support for this approach, with some bodies suggesting that land with no uptake should be re-zoned.

- A number of individuals and planning consultants acting on behalf of landowners submitted proposals for the inclusion of specific sites to be zoned as economic development land. These included land at Bay Road, south of Strabane and Drumahoe.

- The retention of existing employment land and its protection from other uses was raised by Invest NI and by other individuals. INI were in favour of retention in all cases, whereas others raised the possibility of re-using brownfield sites for other uses.
- There were a number of comments received in relation to locating economic uses in more sustainable location adjacent to population centres and/or on

transport corridors such A5, A6. Invest NI and a number of individuals supported the principle of new locations for land that were more sustainable. DfI Transport cautioned against the idea of directly setting up at locations accessing directly onto A5 and A6.

- There were a number of representations on the issue of economic development opportunities in the countryside. DfI and a number of other bodies cautioned against moving to far from SPPS and RDS and were also worried about the sustainability of this approach, as well the evidence base to support such an approach. RSPB raised concerns with regards the implications for the natural environment with such an approach. INI supported limited local growth as this would allow businesses to reach a stage of financial capability to make a move to a settlement affordable in due course. Elected Member queried the wording “appropriate scale development” and was worried that it could curtail sustaining rural communities.

- Enagh Youth Forum asked that LDP takes account of the Ben Cave 2015 ‘Health Impact Study’ in relation to further industrial development at Lisahally / Strathfoyle / Maydown.

- DfI pointed out that there was no direct reference to port in POP. We received separate representation from planning agent acting on behalf of Foyle Port, which outlined a Masterplan for area.

- There were a number of representations highlighting the importance of the regeneration of the city centre and the expansion of the university from bodies such as Inner City Trust and Retail NI, as well private developers and individuals.

4.11 There was generally good support for Council’s Preferred Option which seeks to re-evaluate all existing zonings and the future direction will be underpinned by the Economic Lands Survey 2017

5.0 Key Considerations

5.1 This section sets out the key issues and considerations in relation to economic development in the Derry City and Strabane District Council area. It will outline the economic land availability, office availability, the quantitative need for additional economic land, as well as a summary of an up-to date outline of the economic performance of the District.

Economic Land Availability in Derry and Strabane District 2017

5.2 Area plan coverage across the District is provided by the Derry Area Plan (DAP) 2011 and Strabane Area Plan (SAP) 2001. The key objective of the Derry Plan is to promote the sustainable development of the Derry City Council area by making provision for economic development while protecting its natural assets and man-made heritage for the enjoyment of future generations. In addition to the existing 'industrial areas' across the former Derry District Council area, 209.1 hectares of land was zoned to facilitate future industrial development. Similarly, the Strabane Area Plan (SAP) 2001) sets out the policies and proposals relating to industry within the former Strabane District, including the allocation of sufficient land to meet the needs for industry within Strabane and the local towns and to encourage a high standard of environmental quality within industrial areas. In addition to the established industrial areas at Ballycolman and Dublin Road, 15 hectares of land was zoned in Strabane Town along with another 8 hectares in Sion Mills, Newtownstewart and Castlederg.

5.3 The Annual Economic Land Survey is integral to informing the LDP and the following sections provide a detailed assessment based of the current supply of land *(developed and undeveloped)*, land-use trends and vacancy rates in 2017. The 'industrial' zonings in the Derry Area Plan (DAP) 2011 and Strabane Area Plan (SAP) 2001 provides the assessment framework. Moreover, the 2017 survey also took account of unzoned lands where there is an established economic presence.

Methodology for 2017 Economic Lands Survey

5.4 Based on the *'industrial'* zonings shown in the Derry Area Plan 2011 and Strabane Area Plan 2001, these sites which largely lie within defined settlement limits were visited. The 2017 survey was carried out during the months of June and July 2017 and involved on-site inspections with changes to the survey findings of 2011 and 2013 survey being recorded. The monitor also considered the classification of different business activities on these zoned and existing/unzoned sites in accordance with Part B of the '*Industrial and Business Uses'* of the Planning (Use Classes) Order (Northern Ireland) 2015.

Derry City - 2017 Survey Findings

5.5 The Derry Area Plan 2011 zoned land for industrial purposes in the principal city of the North West, Derry, in the villages of Culmore and Newbuildings and at two major locations, Campsie and Maydown. In Derry District, 152.5 hectares of the 209.1 hectares (73%) zoned remain undeveloped, of which approximately 3 hectares (2017 survey) have planning commitments.

Table 12: Estimated Remaining Capacity (ha) on Zoned Land

Settlement	Location	Area Zoned (Approx. ha)	Area Remaining Undeveloped (approx. ha) 2013	Area Remaining Undeveloped (approx. ha) 2017
IND 1 Culmore	Derry	44.5	42.1	42.1
IND 2 Skeoge	Derry	30.2	15.9	15.9
IND 3 Buncrana Road	Derry	14.4	10.2	10.2
IND 4 Springtown	Derry	4.2	0	0
IND 5 Campsie	Derry	21.1	13.4	13.4
IND 6 Maydown	Derry	79.3	65.3	65.3
IND 7 Newbuildings	Derry	13.5	5.6	5.6
MU 1 Iona Park (Mixed Use)	Derry	1.9	0	0
Derry Total		**209.1**	**152.5 (73%)**	**152.5 (73%)**

5.6 Uptake of the zonings has varied between sites in Derry District, with no significant development at Culmore. At the time of adoption of the Plan, this site accommodated the meat factory on a small part only (2.34ha), and this remains the only occupier. Around 82% (65ha) of the zoning at Maydown remains undeveloped, while around 64% (13ha) of the zoning at Campsie remains undeveloped. 7ha of the zoning has been developed for Perfecseal. There is also existing industry at both Maydown and Campsie as shown in the DAP 2011. In Newbuildings, around 42% (6ha) of the zoning remains undeveloped.

5.7 Apart from Maydown and Newbuildings, the majority of development on zoned industrial land has been for light and general industrial uses, storage and distribution. Purpose-built office and business accommodation has also been developed at Skeoge. This is in keeping with PPS4 which, in the main, promotes zonings to be for "economic development" needs rather than the previous "industrial zonings". However, some non-conforming uses have occurred, with evidence of retail and retail services in Buncrana Road and Newbuildings.

5.8 Invest NI is a major public sector landowner within the Council area. Its holdings in Campsie, Skeoge, Maydown and Springtown total approximately 168 ha, of which nearly 43 ha remains available for development at Campsie, Skeoge and Maydown by qualifying businesses with an approved business case.

Existing Employment Land in Derry 2017 – Estimated Remaining Capacity

5.9 There is an additional approximately 103 ha of existing industrial land on 14 sites across Derry City, 9 in the Cityside and 5 in the Waterside. While uptake and occupancy is generally good, there still remains approximately 13.92 hectares of undeveloped land. In addition to this vacant units in these areas equate to roughly 11 hectares.

Table 13: Remaining Capacity on Existing Employment Land 2017

Settlement	Location	Approx. Site Area	Approx. Site Area (ha) Undeveloped	Approx. Site Area (ha) Vacant
Derry - Cityside	Bay Road	13.2	0	0.6
Derry - Cityside	Lenamore	0.79	0	0.04
Derry - Cityside	Northland Road	2.15	0.5	0.1
Derry - Cityside	Pennyburn	24.04	1.7	6.1
Derry - Cityside	Rath Mor	1.99	0	0.07
Derry - Cityside	Seagate	8.33	0	0
Derry - Cityside	Springtown	35.03	3	3.9
Derry - Cityside	Ulster Science and Technology Park	4.52	0	0.06
Derry - Cityside	Fort George	4.46	3.32	0
Derry - Waterside	Altnagelvin	6.85	0	0.2
Derry – Waterside	Drumahoe	6.43	6.4	0
Derry – Waterside	Glendermott Road	2.06	0	0
Derry – Waterside	Glendermott Valley Business Park	0.98	0	0.1
Derry – Waterside	Trench Road	0.68	0	0
Total		**111.51**	**13.92**	**11.17**

5.10 It should also be noted that 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.

Table 14: Derry Villages and Countryside Sites 2017, Estimated Remaining Capacity (ha) on Existing Industrial Land

Location	Settlement	Approx. Site Area	Approx. Site Area (ha) Undeveloped	Approx. Site Area (ha) Vacant
Village	Ardmore	0.69	0	0

Village	Chambers	2.42	0	0
Village	Claudy	2.05		2.05
Village	Eglinton – Rural	3.78	0.9	0.2
Village	Eglinton Village	5.11	1.5	0.6
Village	Newbuildings Business Centre	0.18	0	0.1
Village	Newbuildings – Woodside Road	2.92	0	2.92
Countryside	Campsie	89.81	25.2	27.3
Countryside	Maydown	274.12	180.2	48.9
Countryside	Longfield	13.23	0.1	0.5
	Total	**394.31**	**207.9**	**85.57**

5.11 There are a number of existing industrial areas on the outskirts of the city and in the nearby villages and settlements. A number of these existing areas are located in well-established industrial areas such as Campsie and Maydown. There remains a significant amount of undeveloped in these areas, and along with nearby villages such as Newbuidings and Eglinton, it totals at 207.0ha of undeveloped land. There is also a significant amount of vacant units in the area, equating to 85.57ha.

Strabane and Local Towns Survey Findings 2017

5.12 The Strabane Area Plan 2001 zoned land for industrial purposes in the hub of Strabane and in the local towns of Castlederg, Newtownstewart and Sion Mills. In contrast, of the 15 hectares zoned in Strabane town, less than 4 hectares remain undeveloped with only 1.3 hectares remaining at Dublin Road and 2.65 hectares at Orchard Road. Around 5 hectares of zoned industrial land remains undeveloped in the local towns of Strabane District. Most of the zonings in Castlederg and Newtownstewart have been taken up. In Sion Mills, industrial land was originally zoned to allow for possible expansion of the Mill, but this has now closed.

Table 15: Summary Findings of Lands Surveys 2011 & 2017 – Estimated Remaining Capacity (ha)

Settlement	Location	Area Zoned (Approx. ha)	Area Remaining Undeveloped (approx. ha) 2011 *	Area Remaining Undeveloped (approx. ha) 2017
Strabane Town	SE 29.6.1 Dublin Road	4.9	1.3	0.48
Strabane Town	SE 29.6.2 Orchard Rd	10.5	2.6	0.39
	Strabane Town Total	15.4	3.9	0.87
Castlederg	CG 57.2 Castlegore Rd	2.8	1.6	1.6

Nerwtownstewart	NT 77.2 Baronscourt Rd	2.1	0.4	0
Sion Mills	SS 68.2 South of the Mill complex	3.1	3.0	3.0
	Strabane Local Towns Total	8.0	5.0	4.6
	Total	**23.4**	**8.9**	**5.47**

*Source: DOE Industrial Site Survey 2011

5.13 In Strabane, Invest NI's main landholding was at Orchard Road where some 9 hectares of their original holding have been sold to client companies, the local enterprise agency and Roads Service. Of the remaining 1.6 hectares, only 0.93 hectares are undeveloped. In March 2013, Invest NI announced the completion of the first phase of the new business park at Melmount Road in Strabane, with a total of 22 acres (c.8.9ha) of serviced land for potential investors.

Existing Employment Land in Strabane 2017-Estimated Remaining Capacity

5.14 There are two established industrial estates in Strabane Town at Ballycolman and Dublin Road.

Table 16: Estimated Remaining Capacity (ha) on Existing Industrial Sites

Settlement	Location	Area Zoned (Approx. ha)	Area Remaining Undeveloped (approx. ha) 2011 *	Area Remaining Undeveloped (approx. ha) 2017
Strabane Town	Ballycolman Industrial Estate	3.9	0	0
Strabane Town	Dublin Road Industrial Estate	6.2	0	0
Strabane Town	Strabane Business Park	8.9	8.9	8.9
	Total	**19.0**	**8.9**	**8.9**

5.15 Further details of individual sites are set out in the accompanying EVB 9a: Economic Land Monitor report.

Office- Profile of Existing Provision, Potential, Availability and Demand in Derry and Strabane 2018

5.16 As outlined earlier, the information relating to current levels of uptake and demand for office accommodation is limited. However, a study of commercial properties by DOE in 2010 within Derry identified 89 offices mostly over 1000 square feet in size. The study didn't take account of concentrations of small-scale offices commonly found in areas such as Clarendon Street and Great James Street, although it is likely that the majority of these would be considered A2 professional services under the Planning (Use Classes) Order (Northern Ireland) 2015.

Table 17: Number of Offices by Location in Derry, 2010

	Commercial Core	Central Area	Other	Total
*Number of Offices	32	41	16	89

***These figures reflect office accommodation in excess of 1000 square Feet**

5.17 Within the context of Northern Ireland, Derry continues to be the only area within Northern Ireland where there is any office market of significance outside of Belfast. However, unlike Belfast, there is a general lack of accurate information regarding office floor-space take-up. It is considered that the lack of transparency and market data to support occupier trends along with clearly identifiable demand from both local and FDI occupiers continues to hold back investor confidence and speculative office development in the city and this is further compounded by the difficulty in securing senior debt / funding for speculative office development despite the availability of sites which would support this.

5.18 Purpose built new Grade A office space in the has been limited to a small number of examples in recent years, with Phase 1 of Catalyst Inc. and the North West Business Park in Skeoge being the last significant developments in recent years.

5.19 Derry has been successful in recent years in attracting Foreign Direct Investment (FDI) through Invest Northern Ireland (INI) such as Allstate, One Source Virtual and Metaverse, Fin TrU, Alchemy Technology Services and Mod Squad.

5.20 Many of these new entries have located in re-purposed factory buildings such as the City Factory or purpose built locations outside the city centre.

5.21 There are a number of schemes at varying stages which would increase the choice and type of office accommodation available in the city. The most significant of these is the 2 Grade A office buildings at Ebrington, which were granted permission in August 2019.

5.22 Office provision in Strabane is largely confined to the town centre and is largely A2 professional services, rather than B1 business offices. The most significant B1 office use is All State's Strabane office at Orchard Road Industrial Estate.

5.23 In developing a strategy for office development for the LDP the approach should consider the following:-

- Consider the emphasis of the SGP on the drivers for economic growth, such as Digital Industries including Business, Professional and Financial Services, Life and Health Sciences and Creative Industries, which require office space.
- Proceed with a city centre/ town centre first approach to new office development followed by sequential test, this will support regeneration of Derry city centre and Strabane town centre;
- Restrict further leakage of B1 offices into peripheral industrial estates;
- Identifying and categorise a portfolio of preferred locations/ sites across the city to allow for an appropriate spread and to allow choice;
- District and local centres restricted to small scale B1 uses;
- Consider unrestricted B1a Office accommodation within Magee Campus if expansion happens.

The Need for Future Employment Land

5.24 Translating industrial and business employment levels to a land requirement is problematic given the variance of employment densities between uses. Research by Collier CRE showed density ranged from 1 job per 16sqm at Doxford Park, Sunderland to 1 job per 99sqm at Sherwood Business Park, Annersley, Nottinghamshire. Similar disparities have been shown up by a survey of industrial estates carried out by Planning Service in 2005. This established that average employment density at Orchard Road was 1 job per 26.26sqm. These differences can be accounted for by the nature of uses on the industrial estates with traditional general industry and warehousing having lower employment densities compared to high-tech industries and call centres. The research by Collier CRE suggested an average between industrial estates of 1 job per 25-30sqm, which equates in line with Orchard Road Industrial Estate in Strabane.

5.25 Establishing employment levels per hectare is equally problematic. Research by Collier suggests that this could vary from 85 jobs per hectare on a modern industrial estate and up to 600 employees per hectare on an estate with a predominance of call centres. Research by Touche Ross for the Craigavon Economic Revitalisation Strategy 1994–2000 suggested a ratio of 50 employees per hectare. Employee densities in Orchard Road Industrial Estate, Strabane are 46.9 jobs per hectare. However, Orchard Road Industrial Estate is more in keeping with the modern style of industrial/business park where there is a strong mix of industrial and business uses. It is therefore 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. This is also in keeping with Invest NI's view that there are opportunities for new hi-tech and business uses but that more traditional indigenous industries will continue to play an important role.

5.26 As part of the preparation of 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. This should take into account various factors including past trends in take-up of land for economic development purposes.

5.27 In order to estimate the amount of land required, four methodologies are used as follows:-

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 2013.

Model 4 – based on employment by Sector 2017 – 2027 and Community Plan (CP) Forecasts & Employment Density Guide 2015. It should be noted that the UUEPC forecasts to 2027 do not align with the 2032 lifespan of the Local Development Plan (LDP). Therefore, this has been extrapolated based on average yearly jobs for each of the headline sectors and needs to be validated by Council's statistician.

(a) Model 1

5.28 An indication of past demand is given by the take-up of identified industrial land. From 2000-2017 the average take up of land zoned in the Derry Area Plan 2011 was 4.4 hectares per annum, suggesting 66 hectares will be needed from 2015-2030. There are 152.5ha remaining. This equates to a 34 year land supply. In contrast, from the Strabane Area Plan, the average uptake equates to 0.73 hectares per annum over the 20-year period 1991 to 2011, suggesting that some 11 hectares are required up to 2032. There are 8.9ha remaining. This equates to a 12 year land supply. Theoretically, there is sufficient land zoned in the Derry Area Plan to meet demand post 2032 based on past rates of uptake, though additional land will be required in Strabane.

Table 18: Model 1: Land Required to 2032

	Land Remaining	Land Required
Derry	152.5ha	None
Strabane	8.9ha	2.22ha

5.29 However, care needs to be taken when applying such a broad-brush approach in that recognition is not given to the disparities between take up on different land zonings.

5.30 The problem with this method of assessment is that it does not take account of land developed for employment/industry on unzoned land and does not allow for changes in take up rates as a result of changing economic conditions and technology.

5.31 Outside of existing industrial estates, development of land in Derry has occurred in recent years on the city side at Rath Mor (Creggan) and Ulster Science and Technology Park and in the Waterside at Glendermott Valley Business Park at Tullyally and at Newbuildings Business Centre.

5.32 Development of four storey office development for IT and science based business at the North West Regional Science Park has also occurred on the city side at Fort George, the former military base. The developed area of this site is approximately 0.88 hectares. Permission was granted in 2009 for a Telecommunications building to serve the Hibernia communication link from the USA to GB and Ireland (Project Kelvin). A major mixed use development has also been approved for this site in December 2015. In Strabane, industrial units were built on a 0.75 hectare site to the south of Orchard Road Industrial Estate outside the development limits. Given the small site areas involved, it is not considered meaningful to try and assess take up rates on these. It may be concluded that there has been great demand for land for industrial uses outside of the zoned sites in Derry. However, in Strabane, the approval of industrial units outside the development limits, point to a shortage of industrial land in the town.

5.33 In conclusion, an assessment of take up rates can only provide an indication of future land requirements based on past trends, and do not take account of anticipated future population and employment growth over the plan period or changes in the global economy, technology and communications. It is therefore necessary to examine an alternative which offers a more robust approach.

(b) Model 2 (This will be updated to reflect 2032)

5.34 To estimate the number of jobs required, a methodology has been used based on economic activity and unemployment rates and the latest (2008-based) population projections from NISRA. By applying NISRA population projections, it is possible to estimate the number of people who will be economically active in 2032. For the purposes of this exercise, the economic activity rates for each of the previous districts have been added together and averaged to give a figure for the new Council area. A mean unemployment rate of 6.5% has been assumed.

5.35 A figure for the working age population has been estimated using the proportion of the Derry-Strabane population aged 16-74 in 2011 i.e. 72.44% (rounded to 72%). This is then applied to the population estimates derived from NISRA. A number in employment can therefore be estimated for 2015 and 2030 by applying the economic activity rate of 60% and an unemployment rate of 6.5%.

5.36 By subtracting the number in employment in 2015 from the number in employment in 2030, the total number of additional jobs required between 2015 and 2030 is 3,052.

Table 19: Land Required to 2030

	Land Required
Derry & Strabane	61 hectares

(c) Model 3

5.37 With an estimated 2,238 additional jobs created during the period 2001 and 2011(Census of Employment, DETI) which included years when jobs were lost due to the recession. This equates to an average of 224 jobs per annum over the period. If this average figure is applied to the plan period 2015-2030, potentially 3,357 might be created.

5.38 It should be noted that in the interim, since the 2011 Census, the total number of employee jobs in Northern Ireland in September 2013 was 704,017, an increase of 10,934 jobs (1.6 per cent) since September 2011. However of the former 26 District Council Areas, eight recorded a decrease in the number of employee jobs in that period, with the largest percentage decreases in NI was recorded in Strabane (2.3 per cent or 207 jobs.

Table 20: Model 3, Land Required to 2030

	Land Required
Derry & Strabane	67.14 hectares

(d) Model 4

5.39 Model 4 is predicated on employment by sector and floor space densities. Job forecasts collated for the SGP cover a ten year period from 2017 to 2027 (see Table 21). Bearing in mind that the LDP is up to 2032, the figure has been extrapolated based on the average number of jobs per year. Although this may be crude, it nevertheless provides an approximation of future land / floor-space needs for the duration of the LDP.

5.40 Based on the 2017 to 2027 forecast it is anticipated that 43.96 hectares is required compared to 53.42 hectares up to 2032 (Table 22).

Table 21: Employment by Sector 2017 – 2027, Community Plan (CP) Forecasts and Employment Densities

Sector	2017	2027	Net Increase	Employment Density per sqm	Sqm	hectares
Agriculture	2,400	2,500	+100	-	-	-
Mining and Quarrying	70	70	-	36	-	-
Manufacturing	5,100	5,300	+200	36	3600	0.72
Utilities	100	200	+100			
Water and Waste	400	400	-	47	-	
Construction	3,500	3,600	+100	-	-	-
Retail	10,600	11,500	+900	20	18,000	1.8
Transportation	18,00	2,500	+700	77	53,900	5.39
Accommodation	3,800	4,900	+1100	1	11,00	0.11
Information & Communications	2,300	3,700	+1,400	12	16,800	1.68
Financial Activities	1,400	2,100	+700	10	7,000	0.7
Real Estate	500	700	+200	12	2,400	0.24
Professional and Scientific	1,900	3,400	+1500	12	18,000	1.8
Admin Services	4,500	5,600	+1,100	12	13,200	1.32
Public Admin and Defence	3,900	4,000	+100	12	1,200	0.12
Education	6,200	6,600	+400	12	4,800	0.48
Health and Social Work	11,100	11,900	+800	12	9,600	0.96
Arts and Entertainment	1,500	2,100	+600	150	90,000	9.0
Other Services (data centre)	1,500	2,500	+1000	200	200,000	20.0
Total	62,600	73,500	+ 10,900	-	**439, 600**	**43.96**

Source: UUEPC Modelled estimates of Capital Projects, DCSDC Community Plan Team & Employment Density Guide 2015

Table 22: Employment by Sector, Community Plan (CP) Forecasts (Uplifted from 2027-2032) & Employment Density Needs

Sector	2017	2032	Net Increase	Employment Density per sqm	Sqm	hectares
Agriculture	2,400	2,550	+150	-	-	-
Mining and Quarrying	70	70	-	36	-	-
Manufacturing	5,100	5,400	+300	36	10,800	1.08
Utilities	100	250	+150	-	-	
Water and Waste	400	400	-	47	-	
Construction	3,500	3,650	+150	-	-	
Retail	10,600	11,950	+1,350	20	27,000	2.7
Transportation	18,00	2,850	+1,050	77	80,850	8.08
Accommodation	3,800	5,450	+1,650	1	1,650	0.16
Information & Communications	2,300	4,400	+2,100	12	25,200	2.52
Financial Activities	1,400	2,450	+1,050	10	10,500	1.05
Real Estate	500	800	+300	12	3,600	0.36
Professional and Scientific	1,900	4,150	+2,250	12	27,000	2.7
Admin Services	4,500	6,150	+1,650	12	19,800	1.98
Public Admin and Defense	3,900	4,050	+150	12	1,800	0.18
Education	6,200	6,800	+600	12	7,200	0.72
Health and Social Work	11,100	12,300	+1200	12	14,400	1.44
Arts and Entertainment	1,500	2,400	+900	150	135,000	13.5
Other Services (data centre)	1,500	3,000	+1,500	200	300,000	30.0
Total	62,570	78,600	16,500	-	**664,800**	**66.48**

Source: UUEPC Modelled estimates of Capital Projects, DCSDC Community Plan Team & Employment Density Guide 2015 **– Extrapolated from 2027 forecast to reflect 2032**.

5.41 Applying these employment densities to the number of jobs desired to be created in the industry and service sectors suggest that under Model 2, 61 hectares of economic land would be required and under Model 3, 67.14 hectares.

5.42 A criticism of this employment-led approach is that employment growth has been attributed equally between sectors. Thus growth in the primary sector has been assumed, which is unlikely to happen in light of potential changes to agriculture and some people currently employed in this sector may shift to secondary and service employment. The size of the economically active population and unemployment is also unknown. If people have longer working lives in response to a possible rise in the retirement age then this could have a marginal impact, as could more women entering the employment market.

Types and Distribution of Economic Development Land

5.43 The NI Executive's economic vision for 2030 is: 'An economy characterised by a sustainable and growing private sector, where a greater number of firms compete in global markets and there is growing employment and prosperity for all' Economic Strategy Priorities for sustainable growth and prosperity – building a better future (Northern Ireland Executive March 2012). The Council needs to bear in mind the following considerations in deciding on zonings / policies:

Foreign Direct Investment (FDI)

5.44 FDIs are commonly made in open economies that offer a skilled workforce and above average growth prospects for the investor. FDIs frequently involves more than just a capital investment, it may include provision of management or technology as well. They may also require readymade Grade A1, usually large-scale, accommodation or have such specific needs that they will require accommodation bespoke to them.

Varied Scale Economic Development

5.45 Large Scale Economic Development offers employment for many and is important to the District's economy. Such sites can rarely be located centrally, whereby they are accessible to all, or close to where there is "employment need". Attention should also be paid to infrastructure, Environmental Health Impact, residential areas proximity, flooding, etc. when considering the location of such sites.

Indigenous Economic Development

5.46 Research and technology parks, tend to be large-scale projects that house everything from corporate, government or university labs to very small companies. Most research and technology parks do not offer business assistance services, which are the hallmark of a business incubation program. However, many research and technology parks house incubation programs.

5.47 Business incubators differ from research and technology parks in their dedication to start-up and early-stage companies. Enterprise Centres, such as the Enterprise Hub at Skeoge offer start-up businesses existing premises complete with facilities and existing infrastructure. An Enterprise Centre specializes on business growth within the local area and vicinity. Enterprise Centres can provide support for start-up businesses in that there are other such businesses which can offer advice and it is embedded in the local business community and it understands the local issues, strengths and weaknesses.

5.48 The establishment of a digital hub, a cluster of digital content and technology enterprises, could be one way of the Council to attract new businesses. Such companies would be those involved in animation, computer games, web design, mobile applications, online media etc. In order to attract these companies a digital hub must have offices ready-to-go, with competitive rates and flexible terms. First-class infrastructure and services must be standard. Key to this would be a state-of-the-art broadband connectivity.

5.49 The Port, Airport, Magee and Altnagelvin all have the potential for future expansion – and a location for nearby supportive and specialised business enterprises. The Port is already a major employer owns a 100 acre estate at Lisahally. The estate comprises 22 acres located adjacent to the quay and approximately 80 acres of surrounding Port development land. There are currently 14 acres available for future development on Port lands.

5.50 In considering the future of the Port, an extensive representation was submitted at post POP stage in the form of a development framework setting out the long term plans for the area. Map 1 shows the extent of the study area for the Development Framework, referred to as the Harbour Development Zone in this Plan. While LPHC do not control all the lands, any development within this area has the potential to impact upon or affect Port operations and therefore such lands are included within the Development Framework Plan (DFP). The extent of the study are is approximately 427 hectares (1,050 acres).

Figure 3. Scope of Site

5.51 The Framework Strategy is to enhance the role of the Port as a major economic generator and employment centre for the North West region. This will be achieved by maximizing, extending improving the existing assets within the area alongside encouraging new investment and development that will complement the existing offering within the wider Port area. For example, the existing assets in the Port area include power-generating centres that could be an attractive proposition for new 'high-energy' requirement sectors such as data centres and technological development industries.

5.52 The Airport has in recent years been the subject of significant investment from the executive including £2.5m in route development support and a further £4.5m capital investment. The possible expansion of the airport may mean that new services, typically associated with airports may start to develop around it, i.e. airplane catering, cleaning and servicing providers.

5.53 Potential for the expansion of the Ulster University Magee Campus and Altnagelvin, both of which provide a research offer, should also be minded when considering economic development land.

5.54 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.

5.55 At this early stage, the impact of Brexit remains unclear. It has already had a significant effect on exchange rates and we are, as yet, unaware as to what trade deal will be set up between the UK and the EU. It is as yet unclear as to what effect Brexit will have on existing businesses, those people within our District who want to set up businesses and for international businesses outside the region who trade within our District or want to set up businesses in the North West. This is especially potent given that our District has a direct border with an EU Member.

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5.56 The local economy is showing signs of positive growth despite the uncertainties presented by wider issues such as Brexit and the absence of a NI Assembly.

5.57 An independent report carried out by Senior Economic Advisor at the Ulster University's Economic Policy Centre, Dr Eoin Magennis, highlighted a strong growth in jobs across a range of sectors for the city and region and a falling unemployment rate over the period 2012 – 2018. The biggest growth area was in the sectors of Health and Social Work, Manufacturing and Professional and Scientific.

5.58 The report shows that in the period since the establishment of the new Council, there has been a considerable level of improvement in a number of key economic metrics relating to the district. It highlights the increase in employment since its lowest point in 2013 from 59,600 workplace jobs to 66,400, an increase of 6,700 or 11.2%. The report measures the rate of unemployment and how it has fallen by almost half in the same period from 8.5% in 2013 to 4.9%, a reduction of 3,622 claimants.

5.59 Unemployment numbers are forecast to continue to fall from today's number of 5,900 to 3,100 by 2028, while UUEPC forecasts that employment will continue to increase by another 3,200 from 2018 to 2028.

5.60 The report shows that while Gross Value Added (GVA) has been slower to recover it has increased by 10% since its lowest point in 2008. That increase has been driven in part by growth in foreign direct investment from IT companies and investment in health. The report states that up to 2028 real GVA is forecast to increase by between 12% and 19% within a number of scenarios.

5.61 The Council recognizes that the city and region faces a number of issues relating to population growth, skills shortages and salary levels but that these challenges are being addressed within the City Deal core projects proposals.

5.62 It is also acknowledged that unemployment and economic inactivity rates are still higher than the NI average and the continuing out-migration of working age residents, that will result in an ageing population and an increasing level of age dependency also remain a challenge.

5.63 Looking ahead, successful delivery of the key strategic projects in education and infrastructure, including the Magee Medical School, will act as vital catalysts for growth. Council's proactive role in facing the challenges head-on and working positively, with key partners, to foster growth and prosperity in the North West was paying off. Goals set out in the Strategic Growth Plan together with the delivery of key catalyst projects has the potential to accelerate growth and create a thriving and successful North West City Region. It is envisaged that the LDP will need to respond to the challenges of growth through a coherent strategic management of economic development land.

5.64 Additional information on this economic outlook can be viewed at: https://www.derrystrabane.com/Council/News/Economic-forecast-study-highlights-positive-growth.

6.0 Draft Plan Strategy Stage

6.1 This section acknowledges the key role that the economic development strategy and policy direction will play in growing a sustainable economy. Planning can help deliver economic development through strategic allocation of land, planning policies and guidance. However it must also take into consideration adverse impacts arising from such development. Given the nature of the topic, the rationale for the strategy and policy direction is to provide a balanced approach to development that recognises the necessity of accommodating economic growth, but to do so in a sustainable manner that does not have an adverse impact on the environment.

6.2 In this respect the proposed strategy of the LDP will reflect the regional strategy as set out in the RDS and SPPS. The strategy has also been strongly influenced by the aims of the Council's Inclusive Strategic Growth Plan and has taken into account of aspirations of the proposed City Deal as set out in the City Deal Vision & Outline Bid Proposal.

6.3 We have also taken account of the POP representations, member's inputs and consultee responses in reaching the conclusions in the strategy and policy wording of the PS.

6.4 In terms of operational policy, the wording and content is broadly in line with SPPS and the wording of PPS 4. DAP 2011 and SAP 2001 set out a number of proposed zonings-these zonings will remain and their extent will re-assessed at LPP stage. DAP 2011 had a number of policies relating to industrial estates and environmental impact, which have been subsumed into policy ED 1 & ED 3. SAP 2001 contained general principles relating to industrial estates, which have been subsumed into ED 1.

6.5 All relevant economic development legislation, policy and guidance was considered in the development of the Economic section for the LDP dPS.

6.6 On balance and taking account of the views of various representations, member's views, consultee responses and the relevant documents as set out above the LDP recommend the following strategy, designations and policies for economic development in the LDP:

<u>Strategy</u>

6.7 The Council's LDP Strategy for Economic Development is to promote sustainable economic development in an environmentally sensitive manner and reinforcing Derry's role as the hub of the North West City Region, strengthening cross-border links and opportunities and the creation of up to 15,000 jobs. The LDP will safeguard existing employment lands and continue to focus economic development opportunities in Derry, Strabane and the local towns, in their centres, in dedicated employment areas and through other opportunities. It will promote communication lines and hubs, notably the Port and City of Derry Airport and support the important role of the University as a key economic driver. Opportunities will also be provided for the rural economy in villages, small settlements and the countryside especially through home-working, farm diversification and reuse of redundant buildings.

Designations

6.7 The Council acknowledges the SPPS guidance that the fundamental role of the LDP is to ensure that there is an 'ample supply' of suitable land available to meet economic needs within the plan area. It goes on to state that LDPs should zone 'sufficient' economic development land to provide this 'ample supply'. Furthermore, it advises that in discharging this function, LDPs 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'.

6.8 The LDP draft Plan Strategy approach to the designation of economic development land, is in informed by amongst other things, the findings of the Industrial Land Monitor 2017, the consideration of the quantitative need for future economic land as set out earlier in this paper and the strategic economic growth plans of the Council, as set out in the Inclusive Strategic Growth Plan and the City Deal Vision & Outline Bid Proposal.

6.9 The Industrial Land Monitor 2017 indicates that in terms of land availability that there is a legacy from previous zonings and existing industrial areas of a significant amount of economic land that remains undeveloped or vacant. This is fairly consistent across the range of sites inspected, with the exception of the existing sites within Strabane Town. This is somewhat offset by the existence of the mostly undeveloped Strabane Business Park, which is just outside the development limits of the town.

6.10 In terms of the consideration of the quantitative need for economic development, a number of scenarios / models were considered in term of predicting future need. Whilst each of these have pros and cons, the findings of each of the scenarios indicate that there is likely to be only a modest need for economic development land over the LDP period. All scenarios are indicating figures well below the identified amount of remaining land in both zoned and existing economic development lands.

6.11 The Inclusive Strategic Growth Plan sets out key drivers for growth and many of these are encompassed in the City Deal proposals. A key theme coming through is the need for suitable economic land to meet the requirements of the new key drivers for growth such as Digital Industries including Business, Professional and Financial Services, Life and Health Sciences, Creative Industries and Advanced Manufacturing. These types of developments normally require accommodation such as offices and are best suited to be located in city /town centres or to be adjacent to existing facilities such as Universities or Hospitals. Traditionally economic development land has centered on the concept of industrial parks catering for a range of B2, B3, B4 and compatible Sui Generis uses. By and large these are the type of economic land monitored under the Industrial Land Monitor. Going forward it has been decided that there should be a focus on city / town centre sites in terms of accommodating office development and therefore whilst we have ample existing land it is acknowledged that it is not suitable to meet all our needs.

6.12 The Inclusive Growth Plan and City Deal proposals also identify key areas of focus in terms of economic growth and regeneration, including Derry city, Strabane town centre, the Central Riverfront, Ebrington, Fort George, Magee/ NWRC, Altnagelvin, City of Derry Airport and Foyle Port. The process of setting out our designations has been informed by the consideration of such strategic locations and there have identified as either Strategic Redevelopment Areas (SRAs) or Special Economic Development Areas (SEDAs).

6.13 Whilst it is recognized we have a significant supply of economic land in our in remaining zonings and existing lands, it is considered that it is important for overall development of our District to have an ample supply of a range and choice of sites. Therefore it is proposed that we maintain the vast majority of the zoned and existing land and re-classify them as General Economic Developments Areas (GEDAs).

6.14 The GEDAs provide different types of existing economic areas throughout the District, that allow us to meet the general economic needs of small to medium businesses as well as having the scope to meet the needs of uses such as storage and distribution, that normally require more land. The GEDAs are dispersed in such a way that they are capable of tackling disadvantage, but also are logistically capable of taking advantage of key infrastructure. There is no strategic need to expand GEDAs through the LDP; however it may be necessary at LPP stage to define the extent and purpose of individual GEDAs to ensure that we retain the most viable economic land, set out key site requirements where appropriate and ensure that future sustainable development is balanced in an environmentally sensitive manner that also takes account of the amenity of nearby uses.

6.15 In villages and small settlements, Land Use Policy Areas (LUPAs) may be designated for economic development uses as set out for this tier and appropriate to the scale of the settlement. These LUPAs will be designated based on a number of considerations at LPP stage. These will include, but is not restricted, to sewerage capacity, the character and setting of the settlement and compatibility to adjacent and nearby land uses. LUPAs will be expected to be sustainably centrally located in such settlements.

6.16 Whilst there is no need in terms of quantity to identify additional economic lands, it is proposed that a proposed New Economic Development Area (NEDA) be identified in the outer Buncrana Road locality. This is envisaged to be modest in scale and located to provide sustainable employment opportunities for the expanding western section of the city.

6.17 Outside of development limits, economic development will be considered in the context of the relevant operational planning policies, which set out the opportunities to develop in the countryside. These policies are outlined later in this paper.

Strategic Redevelopment Areas	Related Policies (see draft Chapter)
Derry City Centre	ED 1 & ED 2
Strabane Town Centre	ED 1 & ED 2
Special Economic Development Areas	
Ebrington	ED 1 & ED 2
Fort George	ED 1 & ED 2
Foyle Port	ED 1, ED 3 & ED 4
City of Derry Airport	ED 1 & ED 3
University of Ulster, Magee and Altnagelvin	ED 1, ED 2 & ED 3
General Economic Development Areas (GEDAs) Land Use Policy Areas (LUPAs)	
Existing zoned land / existing economic development land / urban capacity sites	ED 1, ED 3 & ED 4
New Economic Development Area (NEDA)	
Proposed new Economic Development area, which is located to provide sustainable employment opportunities for the expanding western section of the city	ED 1, ED 3 & ED 4
Economic Development in Countryside	
Economic development outside the development limits will be accommodated where it meets the planning policy requirements.	ED 1, ED 5, ED 6 & ED7

Table 23: Overview of Designations

6.18 ED 1- General Criteria ED 1 is a 'catch all' policy which should be read in association with individual policies ED 2 to ED 6. PED 9 of PPS 4, IND 4 of DAP 2011 and the SAP 2011 have been taken account in the formulation of this policy.

6.19 ED 2- Office Development B1 (a & b) offices uses were previously subsumed in PPS 4, PED 1. Draft policy ED 2 is now a 'stand-alone' policy which places an emphasis on focusing office development in city and town centres or areas identified in the LDP (such as those identified in our designation employment tier). Any proposals outside city and town centres or designated office area will be subject to a sequential test.

6.20 ED 3- Economic Development in Settlements ED 3 reflects the policy direction set out in PPS 4, PED 1 in guiding B1 c (Research and Development), B2 (light Industrial), B3 (General Industrial) & B4 Storage and Distribution) and focuses/ directs these uses into Derry and larger towns. It also makes provision for villages and small settlements. It has also taken into account IND 2 & 3 in the DAP 2011.

6.21 ED 4- Protection of Zoned and Established Economic Development Land This reflects the provisions of PPS 4, PED 7. This draft policy reflects elements of both PED 7 and the SPPS.

6.22 ED 5- Small Scale Economic Development in the Countryside Draft Policy ED 5 condenses much of PED 4 & 6 into a single policy. It also introduces additional opportunities, that don't exist in current policy, under Criteria c to allow for small-scale business use adjacent to the business owner's dwelling. This is an additional allowance for rural areas that does not exist in PPS 4, however it is acknowledged that Members are keen for such opportunities and that the scale proposed is in line with the RDS/SPPS objectives of sustaining rural communities.

6.23 The wording of the policy is couched so as to allow for an appropriate level of economic development adjacent to a dwelling of the business owner. It seeks to avoid retailing uses, and is also mindful of the implications of allowing large scale economic development in the open countryside in terms of sustainability, amenity, access and servicing. It is envisaged that this will allow for a range of uses such as mechanics, engineering workshops, storage and distribution.

6.24 The allowance of small scale development of an appropriate scale, is an additional allowance proposed for this LDP and based on the Regional Strategic Objectives of the SPPS, it is considered it will allow for growth that is appropriate, facilitate development that contributes to a sustainable economy, and will enable the LDP to support a vibrant rural community. Furthermore, Invest NI support the inclusion of such a policy in terms of it being a 'stepping stone' mechanism for small rural businesses to get started up and avoid prohibitive start-up costs that may accrue if they had to rent work space within a settlement. If successful, they can expand to an appropriate scale as allowed under ED 6 or alternatively seek larger premises within a settlement.

6.25 Integration and impact on rural character are also key considerations and as such proposals must comply with CY 1 & CY 2 of Chapter 33.

6.26 In summary, the proposed policy and J&A is considered to strike the correct balance between allowing appropriate businesses to establish / expand in the countryside ('vibrant rural communities'), but also remain within the bounds of 'sustainable development'. The policy is worded so as to give officers / Members sufficient flexibility to permit appropriate businesses, without the policy and LDP being found to be 'unsound' in Planning terms and failing on the Sustainability Appraisal - due to the potential impacts on the countryside, the environment generally and undermining the economic development potential in local settlements.

6.27 ED 6- Expansion of an Established Economic Development Use in the Countryside reflects the provisions of PPS 4, PED 7. The wording of this policy has largely been retained on the basis that this is best suited the delivery of our economic objectives in relation to expansion in the rural area.

6.28 ED 7- Major Industrial Development in the Countryside reflects the provisions of PPS 4, PED 5. Wording has largely been retained with the exception of adding the 'only' in as requested by Members to emphasise the exceptionality of this policy

7.0 Sustainability Appraisal

7.1 Throughout their formulation, the policies contained within the Economic Development Chapter have been subject to an ongoing internal sustainability appraisal (SA). This is in addition to the wider external SA, conducted by Shared Environmental Service as part of the wider suite of impact assessments/appraisals required under the Planning Act (Northern Ireland) 2011. The internal appraisal was carried out with the fourteen objectives of the external appraisal in mind (refer to the full wider SA for more information).

7.2 A draft Habitats Regulations Assessment (HRA) has also been undertaken and published for consultation with the Draft Plan Strategy. It similarly determines possible adverse effects on the integrity of European sites (Special Areas of Conservation and Special Protection Areas) as a result of the policies within the LDP. This assessment also includes Ramsar sites under the provisions of the Ramsar Convention.

7.3 The process of sustainability appraisal aims to ensure that a council's approach towards economic development is the most sustainable of all reasonable options available i.e. having considered any reasonable alternatives. In the case of economic development policies, it is not considered that any of the alternatives could be considered to be reasonable.

7.4 With regard to the degree of sustainability of each the resulting proposed policies, this is outlined below:

<u>ED 1 General Criteria for Economic Development</u>

7.5 The option has a negligible impact on the majority of the social sustainability objectives, though a number of positive influences are noted on strengthening society and education. A minor positive impact is identified for improving health and wellbeing through the policy's main themes of protecting people's health, wellbeing and quality of life. For the economic sustainability objectives, the impacts are again negligible for most of the objectives, however a significant positive impact is delivered for the objective to enable sustainable economic growth as this policy will be the key driver for ensuring that future economic development is as sustainable as it can be. Minor positive effects are identified for all of the environmental sustainability objectives with the exception of physical resources, as this policy will not influence the location or extent of development so its effect on this objective is negligible. Effects on the objective to encourage active and sustainable travel are expected to strengthen to significant positive over the long term, as integrated transport networks and active travel opportunities become more established across the district, in conjunction with the implementation transport and green infrastructure plans. This option is considered to be a sustainable option.

<u>ED 2 Office Development, ED 3 Economic Development in Settlements and ED 4 Protection of Zoned and Established Economic Development Land and Uses</u>

7.6 The option acts to safeguard against negative effects or conflict between neighbouring land uses and amenity / nuisance impacts affecting people living or working near sites where economic development is proposed and therefore a neutral effect is indicated for the health and wellbeing objective. A minor positive effect is identified for strengthening society as the option will enable opportunities for employment at various scales through the hierarchy and the centres-focused approach gives the greatest opportunity for employment that is accessible to all. While the option may facilitate some housing through mixed-use development, this would be by exception only and will not have any perceptible impact on the housing objective. Positive effects are identified for all of the economic sustainability objectives. Facilitating appropriate economic development throughout the district, of a type and scale appropriate to its surroundings, will help to improve the skills base and stimulate innovation and competitiveness. The centres and zones approach supports the delivery of material assets. For the objectives to enable sustainable economic growth and to manage material assets sustainably the effects are anticipated to strengthen over time to significant positive in the medium or long term. The overall approach of these policies is to direct economic development to established zoned areas or established settlement centres and several safeguards against negative effects are delivered through the linked policy ED1. There are therefore are few perceptible effects on the environmental sustainability objectives. A minor positive effect is identified for the objective to protect, manage and use water resources sustainably, as there are several safeguards to avoid impacts and improve water quality. The sequential zones and centres-based approach for all economic development increases the possibility of employees and customers accessing development through active and sustainable travel, leading to positive effects that will strengthen to significant positive over time. Uncertain effects are predicted for the climate change objective, as while positive effects on reducing greenhouse gas emissions may occur from encouraging reduced reliance on cars, the development itself and any associated freight/transport requirements may still generate greenhouse gas emissions and there is no certainty on how extensive the incorporation of energy efficiency or renewables measures will be. The effect of the policies on physical resources will accumulate to a minor negative impact over the long term, as greenfield sites zoned for economic development are built out. However, some of the additional measures including those that can be incorporated at LPP will help to retain natural features and reduce the scale of the effect. This option is considered to be a sustainable option.

Policy ED 5 – Small Scale Economic Development in the Countryside, Policy ED 6 – Expansion of an Established Economic Development Use in the Countryside and Policy ED 7– Major Industrial Development in the Countryside

7.7 The policies have no/a negligible effect on the majority of the social sustainability objectives, although a minor positive impact is identified for the objective to strengthen society through providing opportunities to provide rural services or facilities which may reduce deprivation. A minor positive impact is identified for the objective to enable sustainable economic growth, through facilitating job creation and economic diversification in the countryside. Some possible positive influences are also noted for the education objective but these are not enough to raise a perceptible impact. The appraisal recognises that development in the countryside may not be in the most appropriate location for the provision of material assets and a minor negative effect is identified for this objective. Minor negative impacts are also identified for the environmental sustainability objectives to protect physical resources and use sustainably, to encourage active and sustainable travel and to maintain and enhance landscape character. This reflects the consideration that the nature of dispersed development in the countryside means that it is less efficient in terms of land use and accessibility and can sometimes be larger and more difficult to integrate into natural landscape surroundings. However, in conjunction with measures in ED1, it may be possible to reduce the effects on landscape character over time. While economic development in the countryside has the potential to have negative effects on the other environmental sustainability objectives, the integration of policy ED1 with these policies works to reduce the risk of negative impacts, leading to neutral scores. The appraisal recognises that a major development brought forward under ED7 has the potential to generate significant positive impacts on sustainable economic growth and potential negative impacts on many of the environmental sustainability objectives. The probability of a project or projects coming forward under ED7 is very low, so while the potential effect is acknowledged, it has not influenced the overall score. This policy is considered to be a sustainable policy.

8.0 Equality Impact Assessment

8.1 The policies contained within the Economic Development chapter have been subject to an equality impact assessment to ensure that no adverse impact on people of a particular religion, political opinion, race, age, marital status, sexual orientation or gender. Nor should there be adverse impact on people with disabilities or those with primary responsibility for the care of a dependant, such as an elderly person. These are known as 'Section 75' groups.

8.2 By enabling jobs in towns, there is potential for negative impact on equality of opportunity for religious groups and political opinion if the population of the towns are weighted in favour of one religious grouping and by association, one political opinion. Focusing jobs within the city, main town and settlements has the potential to cause an increase in car dependence for those that will be from the rural areas, which will have an adverse effect on those who with mobility and connectivity issues such as the elderly and those with dependence. However the policies aim to promote jobs within sustainable locations with alternative transport methods. They will also promote jobs in area considered 'shared spaces', such as town centres.

8.3 The Council is satisfied that there will be no adverse impact on any Section 75 groups as a result of Economic Development.

9.0 Rural Needs Impact Assessment

9.1 The Rural Needs Act 2016, requires District Councils and other Public Authorities to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans, and when designing and delivering public services.

9.2 To 'have due regard' means that a public authority must consciously consider the needs of people in rural areas. How much 'due regard' will depend on the circumstances and, in particular, on the relevance of rural needs to the decision or function in question. The greater the relevance and potential impact for people in rural areas, the greater the regard required by the duty.

9.3 Throughout the formulation of the draft Plan Strategy there has been consideration of the impact of each policy approach on the rural area, relative to the urban area and policies have been amended where it was deemed appropriate to do so. In the case of Economic Development policies particular attention has been given to the appropriate provision of economic development opportunities in the countryside.

9.4 The policies in the strategy have been designed to allow more opportunities for small rural start-up businesses. The strategy also seeks to provide more opportunities for existing businesses in the rural area to expand and grow in order to support employment in our vibrant rural communities.

9.5 Economic Development generally reflects the spatial strategy for the LDP, directing planned economic development growth that is balanced with the sustainability objectives of the LDP to ensure that environmental quality for the countryside is not compromised. Whilst there may be a perception that the rural policies are prohibitive, they reflect the importance of sustaining vibrant rural communities. The LDP dPS recognises the role small enterprise play in rural life and provide a degree of flexibility for a number of uses, provided that the established rural character is retained.