Elaine Mullin

From:Graham Cardwell <</th>Sent:19 April 2019 15:58To:DevelopmentPlan@midulstercouncil.orgCc:Sinead McEvoy; Mark LatimerSubject:Mid Ulster Local Development plan - Draft Plan StrategyAttachments:Invest NI Comments - Mid Ulster District Council LDP Draft Strategy.pdf; Mid Ulster
Local Development Plan 2030 Preferred Options Paper Responsepdf

MUDPS/190

Sinead,

Please see Invest NI's comments on the above Plan Strategy attached.

Should you wish to discuss any of the matters raised in the document, please feel free to contact me or Mark Latimer at any time.

Best regards,

Graham

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Mid Ulster District Council Local Development Plan 2030 – Draft Plan Strategy

Invest NI Comments – April 2019

- 1. Invest NI welcomes the opportunity to consider the soundness of the Mid Ulster District Council Local Development Plan Draft Plan Strategy 2030 (the draft Strategy). Our comments should be read in conjunction with those made in relation to the Council's Preferred Options Paper (POP) in January 2017. A copy is attached to this response for convenience.
- 2. It is noted within the Strategic Planning Policy Statement (SPPS) that Councils in preparing their Local Development Plans (LDP) must take account of the RDS 2035, the Sustainable Development Strategy for Northern Ireland, the SPPS and any other policies or advice in guidance issued by the Department
- 3. In considering our comments we have taken account of the strategic direction set out within the Regional Development Strategy 2035 (RDS), the Strategic Planning Policy Statement (SPPS) as well as the Council's Community Plan.
- 4. As the regional business development agency for Northern Ireland Invest NI's role is to grow the local economy. For this reason our specific focus in reviewing the aforementioned documents has been on those elements of each that relate to economic development or, in our view, could have a particular resonance with economic growth.
- 5. As noted in our response to the POP Invest NI can only speak on behalf of the spatial needs of those businesses meeting its intervention criteria, these will primarily be those which can drive productivity and make the greatest contribution to growing the economy. These include both indigenous and foreign owned businesses.

Regional Development Strategy 2035

- 6. The RDS guidance that we have particularly focussed on, either in whole or in part, includes the following
 - RG1 Ensure an adequate supply of land to facilitate sustainable economic growth
 - SFG10 Identify and consolidate the roles and functions of settlements within the clusters
 - SFG11 Promote economic development opportunities at Hubs
 - SFG15 Strengthen the Gateways for regional competitiveness

Strategic Planning Policy Statement

7. The SPPS guidance that we have particularly focussed on is the section entitled Economic Development, Industry and Commerce found at paragraphs 6.79 to 6.98 inclusive. We have also considered elements of the section considering Development in the Countryside.

Community Plan

- 8. The Council's Community Plan sets out the vision for the district through to 2030 to be "a welcoming place where our people are content, healthy and safe; educated and skilled; where our economy is thriving; our environment and heritage are sustained; and where our public services excel."
- 9. Underpinning this vision are 15 outcomes which are expected to be delivered through a number of actions. These actions have in turn been structured across five themes the first of which is Economic Growth.
- 10. The three outcomes underpinning the economic theme are as follows
 - we prosper in a stronger and more competitive economy
 - we have more people working in a diverse economy
 - our towns and villages are vibrant and competitive

On page 12 the Community Plan states that the Council wants "to prioritise job creation, investment and the enhancement of people's skills and employability..."

- 11. A number of actions to be taken forward by the Council are set out on page 13, these include
 - ensure our Local Development Plan provides for urban and rural business growth and industrial and employment sites at key strategic growth locations
 - prepare a Mid Ulster Investment Proposition to maximise inward investment
 - grow high value and sustainable employment opportunities and link these to skills development
- 12. Page 14 of the Plan details the indicators by which the Council will measure its success in delivering against its outcomes. These include

- enterprise and industrial land provision
- external sales
- foreign & direct investment businesses

Draft Strategy Comments

Spatial Planning Framework

- 13. The Local Development Plan vision for Mid Ulster as detailed on Page 29 is to make the district "a desirable place in which to live work, work, invest and visit". The economic objectives that will assist in the delivery of this are listed on Page 31.
- 14. The draft Strategy at SPF 2 (Page 37) proposes to focus growth within the three main towns/hubs of Cookstown, Dungannon and Magherafelt. Paragraph 4.12 notes that their role as economic hubs will be strengthened which "means protecting existing economic zonings and providing economic zonings within them to ensure the creation of 8500 new jobs over the plan period through the provision of at least 170 hectares of economic development land distributed equitably across the three towns at a variety of locations suitable for a mixture of economic uses."
- 15. Paragraph 4.13 goes on to states that "a generous supply of economic development land should be maintained across the life of the Plan and where uptake of industrial land is high additional land will be zoned in the Local Policies Plan or at plan review." The paragraph following, 4.14, confirms that an additional interim supply of industrial land has been identified at Dungannon and Granville.
- 16. In considering the proposal to provide at least 170 hectares of economic development land it would be particularly useful if the Council would provide clarification on the following points
 - will the 170 hectares be in addition to the existing provision made in the currently extant Plans or will it include as yet undeveloped elements of those zonings and designations (as identified in the Industrial Land Monitor) in that figure?
 - how will the interim zonings be considered during the Local Policies Plan stage? Will they interim zonings be subject to the same rigorous assessment as other land use zonings?

- 17. In consideration of economic/industrial zonings, and particularly those as yet undeveloped, Invest NI would restate comments from its January 2017 response to the Preferred Options Paper
 - The Council should be cognisant of any reasons why a zoning has not been implemented, some of these could be as outlined below
 - (i) it could be for financial reasons such as a lack of available lending which may be reflective of wider prevailing economic conditions. In such an instance it is unlikely that a de-zoning in favour of another site would be of any greater benefit.
 - (ii) it may be that the owner and potential purchaser have been unable to come to an agreement on value. In such an instance it may not be prudent for the site to be de-zoned in favour of another as it could have a wider negative impact on industrial land values for the area. This in turn could result in land owners being less willing to entertain offers for their land for industrial development or to bring forward their own development plans as they may view them as economically unviable.
 - (iii) it could also be reflective of characteristics peculiar to the specific area of land. In such circumstances there could be merit in the Council zoning additional land; whether this should require the de-zoning of the initial site is debateable as it may still have economic development potential for other projects.
 - If the decision of the Council is to de-zone land in favour of another it would be useful to outline the mechanism through which such an exercise would take place. Invest NI would also be interested to understand whether this could result in a site with a non-industrial (and possibly a higher land value) zoning be changed to industrial, or would the primary focus of the Council in such an exercise be on land without a zoning?
- 18. SPF 3 proposes that the local towns of Maghera and Coalisland will have their role as service centres consolidated and will be provided appropriate development opportunities including employment. In zoning economic development land the primary aim will be to provide opportunity for expansion clustered around existing provision or to provide economic activities on publicly owned land.
- 19. Invest NI notes from paragraph 4.21 that no specific allocation of land will be made to either town as schemes in the main are expected to be private sector led. Given this it would be useful if the Council could perhaps clarify how this relates to the existing zonings in the extant plans
 - will existing areas retain or lose their industrial/economic zoning or designation?

- 20. If the latter Invest NI would be concerned that this could result in the loss of land currently protected under PED 7 of Planning Policy Statement 4 unless afforded strong protection under the new LDP. Please also see later comments regarding Draft Policy ECON 3.
- 21. As noted at paragraph 4.26 the Council does not intend to reserve land for economic development in villages. There may, however, be an exception where there is a need to expand or accommodate an identified rural enterprise within the settlement limits. Proposals for a range of uses will be considered on their planning merits.
- 22. SPF 6 proposes to accommodate development within the countryside to support the vitality of rural communities. The draft Strategy notes that Mid Ulster has had successful economic developments located within the countryside.
- 23. The draft Strategy wishes to enable this to continue on a properly managed basis and proposes to introduce Rural Industrial Policy Areas (RIPA). These, it is proposed, will protect and consolidate areas of rural industrial uses and contain them within set limits whereby large scale expansion would not be permitted. At paragraph 4.37 a number criteria are set out by which RIPA locations will be selected.
- 24. The Council will also seek to facilitate entrepreneurship in the countryside through encouraging farm diversification or facilitating people working from home.
- 25. From its perspective Invest NI would consider the framework to be in **general** conformity with the direction of the RDS and the SPPS. We do, however, recognise that RIPA designations may represent a departure from PPS4 and the SPPS and have raised some points for the Council to consider.

General Principles Planning Policy

- 26. Policy GP1 General Principles Planning Policy and specifically principle (e) Access, Road Layout and Parking Provision. It is noted that "adequate and safe arrangements, manoeuvring and servicing areas should be provided and a movement pattern that, insofar as possible, supports walking and cycling, provides adequate footpaths, respects existing public rights of way and provides adequate and convenient access to public transport."
- 27. Invest NI would underline the need for adequate and safe arrangements and particularly for mixed use developments or where industrial and non-industrial uses will be in close proximity. As noted in our POP response of January 2017 (paragraph 15) we recommend "*that any industrial element of a mixed use proposal should be served by a separate entrance in order to preserve public*

safety. Industry can by its very nature pose a range of dangers to the public, particularly children, whether it is through industrial processes or traffic and every effort to minimise those risks should be made."

- 28. Principle (j) *Planning Gain and Developer Contribution* covers developer contributions. Invest NI would refer to its January 2017 comments to the POP which are restated below for ease of reference
 - Generally speaking, whilst Invest NI can appreciate the application of a "developer pays" principle (or appropriate weighting for developer contributions) in respect of private sector developments where the primary motivation might be the generation of financial benefit for the developer it would caution against its application in respect of public sector developments where wider societal benefits are the driving force rather than profit. In such cases, it could be considered that delivery for the greater economic good is community benefit in and of itself. In addition, the imposition of such additional cost has the potential to adversely affect, and potentially inhibit, project deliverability.
- 29. Invest NI notes that the draft Strategy does not distinguish between public and private sector developments in policy terms. It would be useful if the Council would confirm whether there are plans to issue further guidance or policy documentation on the matter.

Economic Policies

Creating Jobs and Prosperity

- 30. Invest NI notes from paragraph 12.2 that the majority of economic land will not be designated until the Local Policies Plan, as an interim measure additional zoned economic land has been included within the draft Strategy. This supply is not intended to replace further consideration of economic development zonings to meet needs across the total lifetime of the Plan.
- 31. The Council's economic policies are set out in detail within the draft Strategy Pages 117 to 121 inclusive. From a spatial perspective those that are most relevant to Invest NI's role are as follows
 - Draft Policy ECON 1 : Economic Development in Settlements Invest NI considers this policy to be in general conformity with the SPPS
 - Draft Policy ECON 2 : Economic Development in the Countryside

 RIPA designations would appear to be a departure from SPPS and
 PPS4. Otherwise Invest NI considers the policy to be in general
 conformity with the SPPS.

• Draft Policy ECON 3 : Protection Of Zoned Land And Existing Economic Development Sites – In our January 2017 response to the POP we noted that the proposed draft policy appeared to be a relaxation of the current level of protection afforded under both PPS4 PED 7 and the SPPS. At paragraphs 19 and 20 above we have raised concerns over industrial land in Coalisland and Maghera. It is our view that a relaxation of the protection afforded under current policy has the *potential* to lead to a loss of industrial land within both towns.

Invest NI's position on this policy therefore remains unchanged.

• Draft Policy ECON 4 : Development Incompatible with Industrial and Business Uses – In our January 2017 response to the POP Paper we suggested that the policy be brought in line with the SPPS and include "new or expanded uses" wording. We note the Council considers the draft wording to be appropriate without amendment.

Whilst Invest NI would consider the policy to be in general conformity with the SPPS we would request that the Council given further consideration to including the reference to "new or expanded uses".

- Draft Policy RE 7 : Financial and Professional Services, Office/Business Use Development – Invest NI considers this policy to be in general conformity with the SPPS.
- 32. In terms of the draft Strategy's economic elements Invest NI considers the proposals to be in largely in conformity with the Council's Community Plan, the RDS and/or the SPPS. A number of issues have, however, been raised for further consideration and/or clarification.

>>>>>end of submission>>>>>

Mid Ulster Local Development Plan 2030

Preferred Options Paper: Consultation Response from Invest NI

January 2017

- 1. Invest NI welcomes the opportunity to comment on the Mid Ulster Preferred Options Paper (POP), these comments follow on from those previously made by the organisation in July 2016 (copy attached).
- 2. It is important to note that Invest NI can only comment on the needs of those companies which meet its intervention criteria, these businesses will primarily be those which can drive productivity and make the greatest contribution to growing the economy.

General Comments

- 3. In the interest of clarity and correctness Invest NI would note that the reference to its ownership of Granville Industrial Estate on Page 26 of the POP is incorrect. The estate was sold to the private sector by the Industrial Development Board during the mid-1990s.
- 4. Invest NI notes that the Council area is second only to Fermanagh and Omagh in terms of the number of farms lying within the district. Of note is the desire to promote diversity in the range of jobs to be created but recognising the importance of employment within the primary, secondary and tertiary sectors.
- 5. The proposed general planning principles are set out on Pages 31 and 32 of the POP; proposed principle (j) relates to "Planning Gain and Developer Contribution". It would seem that some of the detail/wording may have been omitted, specifically in the second sentence after the words "Developer Contribution".
- 6. Generally speaking, whilst Invest NI can appreciate the application of a "developer pays" principle (or appropriate weighting for developer contributions) in respect of private sector developments where the primary motivation might be the generation of financial benefit for the developer it would caution against its application in respect of public sector developments where wider societal benefits are the driving force rather than profit. In such cases, it could be considered that delivery for the greater economic good is community benefit in and of itself. In addition, the imposition of such additional cost has the potential to adversely affect, and potentially inhibit, project deliverability.
- Invest NI notes the options considered in respect of the allocation of land to support economic development and the Council's preferred option as detailed on Page 26.

- 8. Invest NI highlights the importance of providing a choice and variety of sites across the Plan area to respond to the changing nature of business and industry. It notes that the Council proposes to allocate a minimum of around 55 to 60 hectares in each of the towns.
- 9. Also on Page 26, and within the section entitled "Supply and Location" the Council puts forward a view that market failure exists in terms of employment land provision as landowners have not released land for industrial development. While this scenario may place constraints on the market, Invest NI would note that such a definition of market failure would be at odds with that of central government as defined by HM Treasury Guidance ("The Green Book") and its NI version, known as the Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE). It states that market failure is defined as a situation where the market has not and cannot be expected to deliver an efficient outcome.
- 10. Invest NI notes that the Council intends to undertake a survey to test whether the owners of existing zoned land would be willing to provide their land for economic development at **market value** and whether there are other land owners willing to provide land. Details of Invest NI's landholding across the plan area have been made available to the Plan Team.
- 11. Invest NI furthermore notes comments within this section concerning a shortage of public service sites within the District. Elsewhere in the POP the available industrial land in the towns is variously identified as adequate and enough for the plan period.
- 12. Invest NI only intervenes within the commercial property market to acquire and develop land where the private sector is not willing to do so, there is clear evidence of business demand and sufficient funding is available to allow such an intervention. Any land so provided is expressly held to be made available for economic development use in line with the organisation's corporate policies at a market valuation determined by Department of Finance Land and Property Services. As noted at the outset, Invest NI can only comment on the needs of certain companies and the Plan needs to make provision, when zoning land, for the needs of businesses which fall outside invest NI's remit.
- 13. The Council will be aware that Invest NI is currently undertaking a review of industrial land across the Mid Ulster district considering the whether or not there is market failure, as defined in NIGEAE, in the Council area.
- 14. Invest NI notes the regional objectives set out on Page 58 which are relevant to the management of economic development. In respect of the objective to promote mixed use development Invest NI recognises that proposals of this nature can be beneficial. It would, however, urge caution in respect of the balance of proposed uses which will be important factor in ensuring the vitality of any proposed development.

- 15. Invest NI recommends that any industrial element of a mixed use proposal should be served by a separate entrance in order to preserve public safety. Industry can by its very nature pose a range of dangers to the public, particularly children, whether it is through industrial processes or traffic and every effort to minimise risks should be made.
- 16. Invest NI notes the Mid Ulster LDP objectives for Economic Development set out on Page 58 of the POP.
- 17. In respect of the Council's approach to Economic Development planning policy Invest NI notes that the Council's preferred option is to adopt a more flexible approach tailored to Mid Ulster. It also notes that the principle of Rural Industrial Policy Areas has been proposed and a number of such areas have been identified.
- 18. Suggested policy ECON 2 Economic Development in the Countryside states that proposals which are firm and not speculative will conform with the Plan. It is not clear from the POP how the Council would propose to test proposals under this policy.
- 19. Invest NI welcomes suggested policy ECON 3 Protection of Zoned Land and Existing Economic Development Sites which states that proposals which will result in the loss of land zoned for economic development (existing or proposed) will not accord with the Plan unless it is demonstrated that there are important community and employment benefits. This largely accords with the Strategic Planning Policy Statement (SPPS) however it is of note that elsewhere in settlements it is proposed that such change of use may be permitted where there is no need to protect it for employment purposes & there is environmental benefit. This would appear to be a relaxation of the PPS4 & SPPS protections and Invest NI would suggest that the test for determining need should be suitably robust.
- 20. Invest NI welcomes suggested policy ECON 4 Development Incompatible with Economic Development Uses which states that a proposal for development in the vicinity of an existing or approved economic use that would be incompatible with this use or that will prejudice its future operation will not accord with the Plan. Invest NI notes that the SPPS guidance relates to proposals for **new or expanded uses** in the vicinity of economic development enterprises. We would suggest that for purposes of clarity that the phrasing of the proposed policy includes this new or expanded uses wording.
- 21. Invest NI welcomes the introduction of policy which could see the reuse of buildings which form an important element of Northern Ireland's industrial heritage. The agency would suggest that in addition to residential accommodation such properties could also offer opportunities for the creation of employment through for example the provision of new office or work space.

Invest NI Comments in respect of selected questions posed

If there has been no progress in implementing zoned industrial land – should it be de-zoned in favour of another site?

The Council should be cognisant of any reasons why a zoning has not been implemented, some of these could be as outlined below

- (i) it could be for financial reasons such as a lack of available lending which may be reflective of wider prevailing economic conditions. In such an instance it is unlikely that a de-zoning in favour of another site would be of any greater benefit.
- (ii) it may be that the owner and potential purchaser have been unable to come to an agreement on value. In such an instance it may not be prudent for the site to be de-zoned in favour of another as it could have a wider negative impact on industrial land values for the area. This in turn could result in land owners being less willing to entertain offers for their land for industrial development or to bring forward their own development plans as they may view them as economically unviable.
- (iii) it could also be reflective of characteristics peculiar to the specific area of land. In such circumstances there could be merit in the Council zoning additional land; whether this should require the de-zoning of the initial site is debateable as it may still have economic development potential for other projects.

If the decision of the Council is to de-zone land in favour of another it would be useful to outline the mechanism through which such an exercise would take place. Invest NI would also be interested to understand whether this could result in a site with a non-industrial (and possibly a higher land value) zoning be changed to industrial, or would the primary focus of the Council in such an exercise be on land without a zoning?

Is there a need to introduce new strategic land zonings in the Plan Strategy to provide an interim supply whilst the LPP is formulated?

Whilst Invest NI would be supportive of the provision of a variety and choice of sites across the Plan area it would be helpful if the Council could detail evidence it may have in support of any proposal to provide an interim supply of industrial land. The POP states in a number of places that the available industrial land across the plan area is adequate or enough for the plan period. As the LDP is underway, it would seem nugatory to run a parallel zoning process which may detract from progressing the LDP. Perhaps the Development Management process may be a more appropriate method of addressing any particular local need in the short term.