



MID ULSTER

Position Paper Three

Employment and Economic Development

2 February 2015

Purpose: To provide the Shadow Council with an overview of the employment and economic development base in the Mid Ulster District Area and to consider the land requirements for economic development uses up to 2030.

Content: The paper provides information on:-

- (i) the regional policy context for formulating Local Development Plan policies for economic development;
- (ii) a socio-economic profile of the Mid Ulster District;
- (iii) an overview of existing provision and take up of zoned economic development land in the Cookstown, Dungannon & South Tyrone and Magherafelt Area Plans; and
- (v) an assessment of the number of new jobs required and how this can be translated into future economic land requirements.

Recommendation: That the Shadow Council consider the findings and considers how future economic growth should be accommodated across the district.

1.0 Introduction

1.1 This is the third of four papers aimed at:

- building the capacity of members to make informed planning decisions, particularly within the plan making context;
- providing baseline information which will inform planning policy making at local level; and
- linking with important ongoing work in relation to the development of a Community Plan and other strategic work being undertaken by the Council.

1.2 The purpose of this paper is to inform the newly formed Shadow Council for Mid Ulster on how the provision of employment/economic development land will be addressed in the future. It sets out the regional context for economic development, the supply of industrial zoned land and extent of past take up and an examination of the employment and economic base of the new Council area. It provides an indication of how many jobs are required to both cater for a growing population and to address issues such as unemployment and deprivation. How these jobs can be accommodated across employment sectors and translated into a need for additional employment land up to 2030 is also considered. The paper allows members to commence consideration of

how economic policy may be formulated within the context of the RDS and the Strategic Planning Policy Statement.

2.0 Regional Policy Context

- 2.1** The Regional Policy Context is provided by the Regional Development Strategy (RDS) 2035 and regional planning policy statements. A summary of these documents as they pertain to plan making and economic development policy is provided in the following sections.

(a) Regional Development Strategy

- 2.2** The RDS 2035 provides a framework for strong sustainable economic growth across the region and recognises that a growing regional economy needs a co-ordinated approach to the provision of services, jobs and infrastructure. It provides Regional Guidance to ensure an adequate supply of land to facilitate sustainable economic growth (RG 1) and that the Hubs should be the main centres for employment and services. 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.
- 2.3** The quality and viability of sites zoned for economic development uses in area plans should be assessed against an Employment Land Evaluation Framework (see Appendix 1) 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 in sustaining rural communities by facilitating rural industries, businesses 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.

(b) Regional Planning Policy Statements

- 2.4** The RDS is complemented by the DOE's Planning Policy Statements, the most relevant of which is PPS 4 Planning and Economic Development which sets out the Department's planning policies for economic development uses and indicates how growth associated with such uses can be accommodated and promoted in development plans. Its remit covers 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) 2004. Business uses comprise certain types of office use, use as a call centre and research and development which can be carried out without detriment to amenity. PPS 4 may also be applicable to assessing proposals for other *sui*

generis employment uses which are land uses which do not fall into any particular use class in the Use Classes Order.

The key aim of this PPS is to facilitate the economic development needs of the Region in ways consistent with protection of the environment and the principles of sustainable development. It recognises that changing patterns of employment in Northern Ireland require a more flexible approach when determining the types of economic development that are acceptable in particular locations. For instance, high technology, knowledge driven enterprises and light industry and Class B1 high technology office uses may be compatible within an area allocated for general industrial development. It also directs Development Plans to include the safeguarding of existing economic development land where it remains suitable for continuation or expansion of this use. It should be noted that Planning Policy Statement 5 – Retailing and Town Centres also covers employment and economic development insofar that they relate to retailing, however that policy is considered further in the next paper.

2.5 PPS 4 details particular matters that should be assessed as appropriate in the course of preparing a development plan. Following such assessments, a development plan will also provide accommodation on certain measures as considered appropriate including meeting economic development needs, acceptable employment uses, and supporting actions such as key site requirements, design etc.

2.6 This document is to be replaced by the Strategic Planning Policy Statement (SPSS), a Draft of which was issued for consultation in February 2014. The draft SPSS does not introduce any significant changes to economic development policy but helps to shorten and simplify the guidance for Councils. Both PPS 4 and Draft SPSS set regional policy objectives for economic development which are to:-

- promote sustainable economic development in an environmentally sensitive manner;
- tackle disadvantage and facilitate job creation by ensuring the provision of a generous supply of land suitable for economic development and a choice and range in terms of quality, size and location;
- sustain a vibrant rural community by supporting rural economic development of an appropriate nature and scale;
- support the re-use of previously developed economic development sites and buildings where they meet the needs of particular economic sectors;
- promote mixed-use development and improve integration between transport, economic development and other land uses, including housing; and
- ensure a high standard of quality and design for new economic development.

- 2.7** The draft SPPS reiterates the role for LDPs to ensure that there is an ample supply of suitable land available to meet economic development needs on a range and choice of sites in terms of size and location to promote flexibility. Account should also be taken of factors such as availability by all members of the community, availability of adequate infrastructure, specialised needs of specific economic activities, potential environmental impacts and compatibility with nearby uses. LDPs should also where possible seek to identify previously developed land for economic development, to assist in reducing the need for green field development. A system to monitor the take up and loss of land allocated for economic development purposes should also be put in place so that any shortfalls can be identified.
- 2.8** The Draft SPPS also expresses the need, in the interests of rural amenity and wider sustainability objectives, to restrict the level of new building for economic development purposes outside settlements. Exceptions may include where a suitable site cannot be found within a settlement, or where the proposal is for a major industrial development and a countryside location is necessary due to its size or site requirements.
- 2.9** PPS 21 Sustainable Development in the Countryside currently sets out planning policies for development in the countryside including appropriate farm diversification and other economic activity in accordance with PPS 4. As with PPS 21, the Draft SPPS 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 to cluster, consolidate, and group new development with existing established buildings and the re-use of previously used land and buildings. Local policies and proposals may be brought forward in the LDP which address development such as farm diversification, agriculture and forestry development, tourism/holiday accommodation; re-use/conversion of existing buildings.

Prior to the publication of the above planning policy statements the prevailing planning policy for development in rural Northern Ireland was a Planning Strategy for Rural Northern Ireland. Although much of the “Rural Strategy” has been superseded by PPSs, there are parts that deal with employment and economic development that have not been. Policies IC 16 and IC 17 are superseded in part by PPS 4 but remain applicable in so far that they relate to office facilities providing financial, professional and other services. With respect to such uses, the policy seeks to facilitate development in town centres or appropriate locations.

Within Northern Ireland public sector facilities such as education and health care providers are significant employers, and, the Rural Strategy requires that sufficient land to meet the anticipated needs of the community, in terms of health and education and other public facilities will be provided (Policy PSU 1). PPS 21 provides policy at the planning application level to permit a necessary community facility to serve the local rural population.

(c) Anti-Poverty and Social Inclusion Strategy

- 2.10** The Government's "Anti-Poverty Strategy" (Lifetime Opportunities) was published by the Office of the First Minister and Deputy First Minister in 2006. It outlines a set of long-term goals and targets to work towards eliminating poverty and social exclusion in Northern Ireland by 2020. Public policy in general is expected to take account of anti-poverty/social inclusion considerations, for example through enabling disadvantaged groups and communities to benefit from better access to employment opportunities. One of the main functions of a development plan is to facilitate development and create a land use framework that will allow investment to take place. For instance, the re-use of previously developed land has an important role to play not only in the supply of sites for economic development, but it can also help to support the Anti-Poverty and Social Inclusion Strategy, and assist with economic regeneration and physical renewal, helping to stimulate enterprise in the most disadvantaged areas in order to tackle long-term unemployment and issues of employability.

(d) The Northern Ireland Executive Economic Strategy: Priorities for Sustainable Growth and Prosperity

- 2.11** The Northern Ireland Economic Strategy was published by the Minister for Enterprise Trade and Investment in March 2012. The overarching goal of the Strategy is to improve the economic competitiveness of the Northern Ireland economy. For the purpose of achieving that goal, the Strategy has focused on creating a larger and more export-driven private sector, a move away from an economy that has traditionally been dependent upon the public sector. The readdressing of this imbalance is to be done through encouraging innovation and research and development, improving skills, establishing a sustainable economic infrastructure, competing in a global market place and encourage growth in existing local companies. In terms of developing economic infrastructure the long terms goals for the region are developing an efficient transportation system, investing in telecommunications to improve capacity as digital and knowledge based economies and the improvement of public infrastructure such as social, health and educational facilities. While it is the responsibility of many Departments to implement the Economic Strategy, these particular goals are areas in which land use planning can have an active part in ensuring the delivery thereof.

3.0 Existing Area Plans covering Mid Ulster

- 3.1** Each of the Area Plans which currently cover the Mid Ulster Council Area set out their approach to facilitating industry and business uses within their respective Plan Strategies. This section discusses the amount of land zoned for 'economic development' uses in each Area Plan and how much of this land remains.

Cookstown Area Plan 2010

- 3.2** The Plan's strategy includes promoting Cookstown town as a key service centre and strengthening its role as the principal administrative, trade, employment and residential centre within the District, to concentrate large scale land use zonings in Cookstown and to protect and extend existing industrial and business areas where they are within easy reach of the urban population. The Plan zoned approximately 65.6 hectares of land for industry/ mixed business use across seven main sites within the town of Cookstown. A further 12.4 hectares are located outside the settlement limit at Loughry College for the purpose of an Agri-Food Park. Land is also specifically zoned for industry/ mixed business use at Ardboe Business Park (Appendix 2 Take up of Industrial Zonings and Appendix 3 Maps).
- 3.3** The Plan also identified three areas of existing industrial land in Cookstown: –
- Derryloran and Ballyreagh;
 - Kilcronagh Business Park;
 - Moleworth Street;

The Derryloran and Ballyreagh Industrial estates comprise most of Invest NI's landholdings. Invest NI own some 13 hectares of land at Ballyreagh (1 hectare remaining) and just under 3.0 hectares at Derryloran (none remaining). Most of these areas are developed. To the southwest of Derryloran is the privately owned Kilcronagh Business Park which is only partly developed (part of I 1 zoning). The third site is located at Molesworth Street and is occupied by the Karro Food factory, the largest pig processing site in Northern Ireland. Whilst the development plan shows them as existing industrial land it does not afford them the same protection as zoned industrial land. Under the provisions of PPS4 industrial zonings can comprise of proposed and existing industrial lands. Consideration should be given to identifying these as economic zonings to protect the land for economic purposes.

- 3.4** The majority (78%) of the land zoned for industrial/business use in the Plan has not been developed (Table 1), although all of the sites apart from I 7, may be described as 'active' in that work has already commenced or a planning permission has been obtained or applied for on part or all of the land. Only two small sites - I 2 and I 7 - have been fully developed. Given the amount of private sector land available, especially at the I 1 zoning, Invest NI has not identified a particular need for additional land to serve their client companies. However, it should also be noted that accessibility is an issue for zonings I 4, I 5 and I 6 on the eastern side of the town as they are dependent on implementation of the Eastern Distributor Road. Unusually, the plan has also zoned land within the village of Ardboe for industrial and mixed business use. Only half of Ardboe's zoning has been developed to date and it has been extended with the benefit of the 2008 planning permission for the Ardboe Business Park to the north. The old airfield at Ardboe has historically been under pressure for economic development however the infrastructure in the area, particularly roads, has not been of an adequate standard to support

comprehensive development. To date, applications have been considered with regards to PPS4 for the rural area (PED6).

Dungannon and South Tyrone Area Plan 2010

- 3.5** The Plan Strategy includes strengthening the role of Dungannon as the principal administrative, trade and employment centre within the borough and to consolidate Coalisland in its role as the second largest settlement. It also aims to protect and extend existing industrial and business areas where they are within easy access of the urban population. In summary the strategy is to retain the provision of industrial sites and opportunities for work and trade across the Borough whether it is in towns, villages, or the countryside. In terms of implementing this strategy, the Plan zoned 75 hectares of land for industrial and business use at Dungannon across five sites. Four of these sites are located within Dungannon and the fifth is at the industrial estate at Granville some three kilometres south west of Dungannon. Granville is the Borough's strategic location for industrial development where 40 hectares are zoned and is the focus of Invest NI's landholdings in the district. In Coalisland, 19 hectares of land are zoned across two sites (Appendix 2 and Appendix 3).

Table 1: Uptake of Industrial Zonings in Mid Ulster 2014

Settlement	Total Area Zoned (Hectares)	Developed (Hectares)	Remaining (Hectares)
Cookstown	65.57	13.95	51.62
Loughry Agrifood	12.40	0.97	11.43
Ardboe	9.20	4.31	4.89
Sub Total	87.17	19.23	67.94
Dungannon	75.25	11.24	64.01
Coalisland	17.76	4.91	12.85
Sub Total	93.01	16.15	76.86
Magherafelt	11.43	0.09	11.34
Maghera	10.85	0.97	9.88
Bellaghy*	0.56	0.17	0.39
Castledawson*	0.84	0.0	0.84
Creagh	19.33	0.0	19.33
Draperstown*	2.03	0.31	1.72
Tobermore*	2.12	0.0	2.12
Sub Total	47.16	1.54	45.62
Grand Total	227.34	36.92	190.42

*DOE Planning Survey 2014 * Industrial Land Use Policy Areas.*

- 3.6** As in Cookstown, a substantial portion (82%) of zoned industrial land remains undeveloped (Table 1) with no development having taken place at sites DI 03 and DI 04 (Appendix 3). There are however planning commitments on all or part of the sites including non-industrial uses on site DI 05 such as a nursing home, social housing, new Bunscoil school and open space. At Granville, most of Invest NI's 21 hectares has either been sold or leased to their clients.

The two zoned sites in Coalisland located at Farlough Road and Gortgonis Road have experienced little development.

3.7 In addition to zoned land, the Plan identified 5 sites as existing industry in Dungannon town:-

- Killyman Road Industrial Estate Moy Park;
- Tyrone Brick;
- Tyrone Crystal;
- Dungannon Enterprise Park;
- Ballysaggart Business Complex.

3.8 There are also 4 sites identified as existing industry in Coalisland which include:

- Derryvale Industrial Estate on Farlough Road;
- Coalisland Enterprise Centre;
- Washingbay Road;
- Gortgonis Road.

As with Cookstown if the Council may wish to afford full protection to this land for economic purposes it should be zoned as economic land.

Magherafelt Area Plan 2015

3.9 The Plan Strategy includes the designation of additional industrial land that is accessible to major transport routes and the district population particularly in areas of social and economic deprivation. Lands are zoned for industry in the two towns – Magherafelt and Maghera - and at the Creagh. A total of 42 hectares of land are designated across the whole of the district for industrial use - 11.4 hectares are zoned within Magherafelt town and 5.4 hectares within Maghera. Approximately 19 hectares of land has been zoned for industry adjacent to the existing Creagh Business Park which is owned by Invest NI and lies off the A6 just outside the small settlement of Creagh. In the remainder of the district land is designated as Industrial Land Use Policy Areas in the four villages of Bellaghy, Castledawson, Draperstown and Tobermore (Appendix 2 and Appendix 3)

3.10 As the Magherafelt Area Plan was only adopted in 2011, the take up of zoned industrial land has been small – less than 4%. There are also pockets of vacant or undeveloped land available within areas identified as existing industry within Magherafelt, Maghera and the four villages. Creagh Business Park is a 22-hectare serviced site owned by Invest NI, where approximately 12 hectares have been sold or leased to Invest NI clients. The existing site is considered to be sufficient to meet future needs for the next 5-10 years. All sites at Invest NI's other land holding at Station Road Industrial estate, Magherafelt have been sold off.

3.11 In Magherafelt key locations identified as major areas of existing industry: -

- Station Road Industrial Estate
- Aughran Road Industrial Estate

- Ballyronaon Road including Council Office
- Moneymore Road

This is also supported by major areas of industry at the Creagh, Maghera and the villages. The conclusion will be full protection through economic zonings should be afforded to major areas of existing industry in the towns and the Creagh. Further consideration will be needed to determine what protection should be offered to sites within individual villages.

4.0 Mid Ulster Socio Economic Profile

- 4.1** In order to assess the provision of economic development land over the plan period it is necessary to consider the present picture of business and the labour market across the district. In examining the situation reference is made to the regional situation for the purpose of comparison and providing a context. Firstly the nature of industry and employment in Mid Ulster is examined in terms of existing employers, where particular strengths may be and the possibility of weaknesses when we consider those areas most affected since the downturn in the economy in the last seven years. The labour market is examined in terms of the number of the economically active population that are in employment and those who are claiming benefits. Finally there is a consideration on the skills and qualifications within the population and how that relates to the type of employment that will drive the future economy.
- 4.2** As outlined in Oxford Economics' report 'Mid Ulster Socio Economic Profile', commissioned for the Mid Ulster Council, the global recession has significantly impacted on the UK and NI economies. Since 2008, the outputs from the construction sector in Northern Ireland have fallen by 30%, the numbers claiming unemployment benefit have increased by 161%, and many businesses report a decline in access to finance. In summary, Northern Ireland's position economically is significantly different than what it was in the years between the turn of the century and the onset of the recession. The report suggests that in the years to come (up to 2024) the construction sector will experience the most significant employment gains and that the most significant employment losses will be in the areas of manufacturing and public administration.
- 4.3** Job market recovery has been slow and, similar to trends in the UK overall, growth is likely to be concentrated in exportable sectors like professional, scientific & technical and administration services, offsetting job losses in manufacturing and the public services. This shift towards a more service-sector oriented economy will have significant implications for those with no or low skills, the unemployed youth and those in long-term unemployment or long-term inactive. As the labour market rebalances towards a more private sector, there may be opportunities for growth in areas such as new technology, care industries and tourism sectors.

The Existing Employment Base

- 4.4** In providing employment, Mid Ulster has a higher proportion of jobs in manufacturing than the regional average. This is a key strength of the new Council area and it has proved to be more resilient than other sectors such as construction which has been seriously affected by the downturn. Within the district over a quarter of all jobs are in manufacturing compared to a regional average of fewer than 11%. The presence of regionally important sand and gravel and clay resources within the District has meant that mining and quarrying is a significant employer along with associated concrete production such as Lafarge Cement in Cookstown and Creagh Concrete in Ardboe and companies specialising in the manufacture of mining and quarrying machinery such as Sandvik and Terex. As well as a portfolio of companies having grown up around the quarrying and construction sectors, food manufacture and the agri-food business is also well represented in the district, such as Linden Foods, Moy Park, and Karro (Vion) Foods. Service jobs are comparatively lower in proportion than the Northern Ireland average (Tables 1 and 2). The role of any future Local Development Plan in addressing unemployment and low incomes through a generous supply of economic development land should not be underestimated.
- 4.5** The spread of a large number of employers in manufacturing throughout the district is a key strength of the new Council area. However in addition to such large firms businesses are typically small in size and the district also has higher levels of self employment and such small businesses may require guidance and support to grow and open new markets (Oxford Economics). Jobs in manufacturing are particularly important to male employment accounting for 41% of all male employment in the district (Table 3).
- 4.6** Jobs in the construction sector, particularly in Magherafelt, have been seriously affected by the downturn and numbers continue to decline with 9.5% in 2011 to 7.95% in 2013, but like manufacturing it is still higher than that for the region (4.25%). The low figures in construction overall are reflective of the current state of the economy at a national level. It is therefore important that major construction projects such as the NI Community Safety College at Desertcreat are realised.
- 4.7** Service jobs also form a lower proportion than the Northern Ireland average (Table 2 and Figure 1) with 63% in Mid Ulster compared to 83% for NI. Most of these jobs are in the wholesale/retail trade/motor repairs where the workforce is mainly female (53%) and of which 61% are part-time. However, most women work in health/education/administration jobs accounting for just over 46% of all jobs occupied by women and more than half of these work part-time. Overall, women are employed in 47% of all jobs in Mid Ulster (Table 3).
- 4.8** Overall Mid Ulster shows a more balanced spread of jobs across the three sectors than that for the whole of the region – its relatively high proportion of jobs in manufacturing being particularly notable, however manufacturing will have a lesser role to play in future economies and it is anticipated that specialised and exportable scientific/technical services will become the

economic drivers. This is a relevant factor in ensuring a generous supply of suitable site through the development plan process.

Table 2 Jobs by Industry 2013

	Total No of Jobs	% Jobs in Manufacturing	% Jobs in Construction	% Jobs in Services
Mid Ulster	47,858	27.5	7.95	63
NI	691,501	10.85	4.25	83.5

Source: DETI Northern Ireland Census of Employment 2013

Figure 1 Proportion of jobs by industry – Mid Ulster and Northern Ireland Comparison

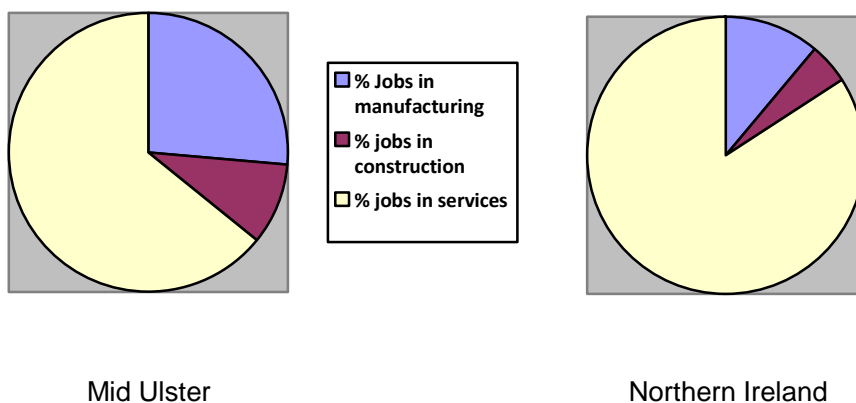


Table 3 Employee Jobs for Mid Ulster at 2013

	Male Full Time	Male Part Time	Male	Female Full time	Female Part Time	Female	Total
Manufacturing	9,951	474	10,425	2,154	586	2,740	13,165 (27.5%)
Construction	3,075	186	3,262	353	193	546	3,808 (7.9%)
Wholesale and retail trade; motor repairs	3,199	1137	4336	1910	3,023	4,932	9,268 (19.4%)
Health,	2,262	871	3134	4499	5952	10,449	13,585

education and administration							(28.4%)
Other	2,882	1,287	4,176	1,660	2,204	3,867	8,032 (16.8%)
Total	21,369	3,955	25,324	10,576	11,958	22,534	47,858

Source DETI Census of Employment 2013

Mid Ulster Labour Market

- 4.9** In terms of the broad picture of economic activity in the District, Mid Ulster is reflective of the levels at a regional level. The 2011 census records show the percentage of those who are economically active as being in employment to be 66.8% and the number of the economically active group who are unemployed as 4.7%, which is slightly below the Northern Ireland average. The claimant count rates have steadily increased from 2007 and the onset of the economic recession (Figure 2). It can be seen that the Mid Ulster area consistently outperforms the regional claimant unemployment rate. The claimant count rate at October 2014 for Northern Ireland was 4.4%. For each of the three Mid Ulster Districts, the figures were 3.2% for Cookstown; 2.9% for Dungannon and 3.1% for Magherafelt. According to Oxford Economics, for the claimant unemployment rate to return to pre-recession levels would require getting 2,500 of the unemployed back into work.

Figure 2 Claimant Count Averages (percentage) 2005 – 2013 (Source DETI)

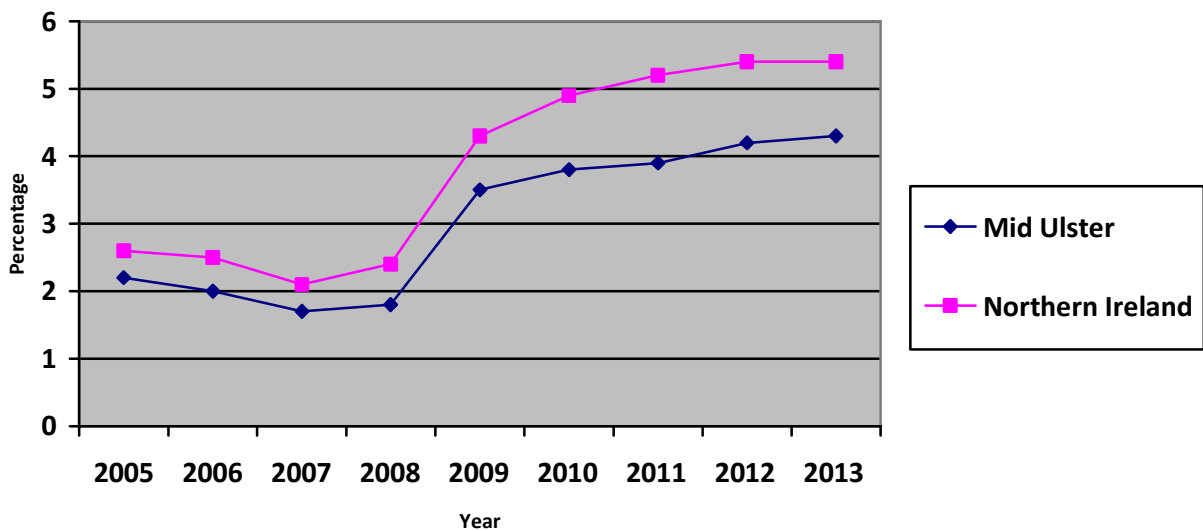


Table 5 Economic Activity of the Population (16-74 year olds) in 2011

	Economically Active				Economically Inactive
	Total	Unemployed	Long-Term Unemployed	Never Worked	Total
NI	66.22% (62%)	4.96%	44.98%	16.81	33.78%
Mid Ulster	66.82%	4.68%	43.53%		33.18%
Cookstown	65.37% (59%)	4.70%	45.97%	17.00	34.63%
Dungannon	67.48% (60%)	4.88%	41.65%	19.19	32.52%
Magherafelt	67.29% (63%)	4.37%	43.59%	43.59	32.71%

Source: - NISRA Census 2011. Figures in () are from 2001 Census.

- 4.10** There is also a higher proportion of people in self employment than there is for Northern Ireland generally - around 12% for Mid Ulster and around 9% for Northern Ireland – which is indicative of the strong entrepreneurial spirit present in the area.
- 4.11** In common with the regional situation, over one quarter of the unemployed are in the 16 – 24 age bracket and so it would appear that young people leaving school and further and higher education are finding it difficult to find employment in the District. Mid Ulster has a relatively high proportion of its population under the age of 16 and while these individuals have the potential to contribute to the local labour force it is important that they are equipped with the necessary skills and qualifications necessary for those areas of work that are likely to grow in the future(Oxford Economics).
- 4.12** There are levels of deprivation in the Council particularly in regard to employment. The NI 2010 Multiple Deprivation Measures indicate that Coalisland North and South and Ardboe, Stewartstown and Maghera were the most deprived in Mid Ulster in terms of employment. Since 2001, the unemployment rates for the districts have fallen slightly from between 5% and 6% to just below 5%. However there are areas within Magherafelt having the lowest unemployment rate of the three districts, unemployment is higher than average in Glebe 2 (8.10%) and Town Parks East 2 (7.70%) in Magherafelt town. Economic activity rates have also improved particularly in Cookstown and Dungannon with the average for the new Mid Ulster Council similar to the regional average (Table i Appendix 1).
- 4.13** As of 2014, N Ireland had higher proportion of long term unemployed (33%) compared to 30.5% for the UK as a whole. The equivalent figure for Mid Ulster was 28%. New employment opportunities are better aligned with well-educated/recently trained individuals and are unemployed for shorter periods (Oxford Economics). The absence of skills and experience that comes with being in long term unemployment makes it more and more difficult to find employment and presents a challenge for the future of the economy.

Skills Profile

- 4.14** It is anticipated that future economic growth will transition towards high value added exportable activities and if Mid Ulster is to participate in this direction it will have to supply a suitably skilled and qualified workforce.
- 4.15** Education has an important role in promoting economic well-being. Better education improves access to employment opportunities, raises productivity and creativity and promotes entrepreneurship and technological advances. In addition it plays a very crucial role in securing economic and social progress and improving income distribution. Since 2001, the proportion of people aged 16 years old and over who had a degree or higher qualification has significantly increased compared to a much more modest reduction in the proportion that had no or low (1-4 O Levels/CSE/GCSE or equivalent) qualifications (Table 6). This would suggest that the opportunities for those who already have qualifications have improved whereas there is little opportunity for advancement for those with low or no qualifications.
- 4.16** Furthermore, Mid Ulster has the highest average proportion of its working age population with no qualifications (31.6%) compared to any other council area in Northern Ireland (DETI & Oxford Economics). For education, skills and training, Coalisland North and South, Ballysaggart, Glebe 2 Magherafelt and Drumglass all experience higher deprivation rankings under the 2010 Multiple Deprivation Measures. Such statistics may point to the need to consider access to and attendance at educational facilities. Land use planning can assist in that regard by providing suitable sites for centres for education and training. As pointed out in Oxford Economics' report on the council area, a more highly educated workforce is needed to increase export potential and allow higher value added activities to grow which rely on more capital and skills rather than more labour.

Table 6 Qualifications of Population over 16 years of age in Mid Ulster in 2011

Aged 16 & Over	Degree or higher qualification %	No or low qualifications %
NI	24.0 (15.8)	40.63 (41.64)
Mid Ulster	20.72	43.00
Cookstown	18.88 (11.1)	45.37 (47.86)
Dungannon	21.17 (13.74)	41.79 (44.94)
Magherafelt	21.67 (13.36)	42.64 (44.33)

Source: Census 2011, NISRA. Figures in () are for 2001.

5.0 The Need for Future Employment Opportunities

- 5.1** As set out in PPS 4 Planning and Economic Development, an estimate of the amount and the location of land required to ensure an ample supply of suitable land is available to meet economic development needs. To quantify the land needs three different approaches have been used: -
- past trends in take-up of land for economic development purposes;
 - population growth and numbers in employment;
 - 70% reduction in the economically inactive.

Approach 1: Market approach based on up take of land

- 5.2** Based on the amount of land developed to date (Section 3.0), the average take up of land zoned in the Cookstown Area Plan since adoption in 2004 has been 1.9 hectares per annum, suggesting that 29 hectares will be needed up to 2030. In the Dungannon & South Tyrone Area Plan, the average uptake since 2005, equates to 1.8 hectares per annum suggesting that some 27 hectares are required up to 2030. The Magherafelt Area Plan, being the most recently adopted of the three plans, has only had a take up of 1.5 hectares in total since the plan's adoption in December 2011. If we were to apply a take up rate of 1.5 ha for every three years that would result in a requirement of 7.5 ha of economic/ employment land for Magherafelt District. However it would not be reasonable to estimate Magherafelt's future needs based on the take up rates of only three years. The previous area plan for Magherafelt district covered the period 1976 – 1996, published in mid 1978. That plan zoned some 12 ha for industrial development in Magherafelt town, 10.2 of which was developed prior to the publication of the current plan. Therefore in the 33 year period (start 1979 – end 2011) the rate of take up of zoned land was 0.3ha per annum, suggesting 5ha would be needed in Magherafelt in the next 15 years.
- 5.3** However, the problem of applying such a broad-brush approach is that recognition is not given to disparities between take up on different zonings. For example, take up tends to be greater on zonings where Invest NI has intervened to provide serviced sites. The Invest NI industrial holdings also tend to be more attractive to investors because they are closest to the main communication corridors. Invest NI advise that in relation to their own land needs in the three main towns the situation is as follows:-
- The land at the Creagh should be adequate to provide for their clients' needs in the short to medium term. It is therefore unlikely that they will be seeking additional land whilst the plan is being prepared but depending on demand may seek the inclusion of further land in a future review;
 - In Cookstown their land holding is limited however they consider the other land zonings should be adequate to cater for demand over the foreseeable future;
 - In Dungannon, most of Invest NI's holdings are committed and awaiting development. It is clear that a siting industrial land close to

this population centre, and the M1 motorway could provide a successful location for future zonings.

In relation to zonings under private ownership it is difficult to make an assessment based on take up because it is reliant on both a willing buyer and a willing seller. Accordingly, the consultation process should be used to try to establish whether existing zonings would be on the market for economic development.

Approach 2: Traditional Employment led model

5.4 To estimate the number of jobs required, a methodology has been used based on economic activity, unemployment rates and the latest (2012-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 2030. The economic activity rates etc for each existing district in 2011 have been added together and averaged to give a figure for the new Council area. An unemployment rate of 4% has also been assumed.

5.5 Thus the following economic activity rates from the Census 2011 have been used:

Cookstown = 65.37%

Dungannon = 67.48%

Magherafelt = 67.29%

Mid Ulster = **67%**

5.7 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 8,185 (Table 7). This is lower than the estimated figure of 12,000 jobs suggested in the Population and Growth paper as it used earlier 2008 - based population projections which were largely influenced by net migration which have not continued post 2008.

**Table 7 Estimated number in employment in Mid Ulster 2015-2030
16 – 74 age group**

	1	2	3
	2015	2030	Jobs created Option 2A (2-1)
Population Aged 16-74 (using NISRA population projections)	102,421	115,147	

Economically Active Population (67%)	68,622	77,148	
The number in employment (less 4% unemployment rate)	65,877	74,062	8185

Columns 1 and 2 indicate the numbers in employment at the start and end of the plan period if the current rates of economic activity (as accounted for above) were to continue. The figure in column 3 is the difference in employment levels over the plan period.

Option 3 An assessment of the need for economic land based on achieving a 70% economically active working age population.

- 5.8** In January 2014 the Department of Enterprise, Trade and Investment with the Department for Employment and Learning published *Enabling Success - Driving social change through economic participation: a strategic framework to tackle economic inactivity*. The goal for the strategic framework is to contribute towards a stable and competitive employment rate of over 70% by 2023 through a reduction in the proportion of the working age population classified as economically inactive. That document defines working age as 16 – 64. In order to calculate the number of jobs needed is not easy as there is no uniform data source. Therefore it is necessary to make a number of assumptions which are set out in the step by step approach below:-

Assumption 1:

Population aged 16-64 in 2015 (NISRA 2012 projection) = 91,368

Assumption 2:

The economic activity rate remains at 67% (Census 2011)
for the 16-74 age group can be applied to the 16-64 age group = 61,216

Assumption 3

The 70% DETI DEL target is applied to the 16-64 age group = 63,958

Therefore,

The number of jobs need in 2015 = 2,742

Assumption 4

Population aged 16-64 will rise by 2030 (NISRA 2012) = 99,571

Resulting in an increase = 8,203

Assumption 5

70% of the rise of 16-64 will be economically active = 5,742

Assumption 6

The number of jobs needed to be created before 2015
(Assumption 3 + Assumption 5) = 8,484

- 5.9** In examining this approach closer it is clear that the assumption that 67% of the 16-64 age group are economically active is an underestimate as it is skewed by activity rates in the 65-74 age group. However, this most probably balances out against the pressure to be placed on people to work longer in line with an increasing state retirement pension age. A benefit of this approach is it addresses a methodological deficiency in the traditional model (option 2) which implicitly requires growth in the primary sector, which is highly unlikely. More importantly, the estimate generated that 2742 jobs are needed now is broadly in line with the Oxford Economics study and results in a figure slightly higher than the traditional employment model (approach 2) and suggests a much greater need than past take up.
- 5.10** In determining which figure to adopt it should be reiterated that any calculated figure is sensitive to economic changes and changes to NISRA population projections i.e. the difference between 2008 based and 2012 based projections. Accordingly any target set should be a minimum and kept under review. For the purposes of this exercise it is advised option 3 provides the best approach and that the target should be set at providing economic development land to facilitate the creation of **at least 8,500 new jobs**.

6.0 Allocating Economic Development Land

- 6.1** In determining how much economic development land needed it is assumed that all new jobs will be in the secondary and tertiary sector. Growth in the primary sector is unlikely given that long term past trends suggest employment has been in decline. In Mid Ulster much employment is still based in engineering and the more traditional style industries and it is anticipated that this sector will still have a major role to play, complemented by office based and knowledge based employment.
- 6.2** A survey of employment on industrial estates in Omagh and Strabane (Planning Service, 2006) suggests that for every hectare of operational industrial land, 50 jobs are provided. This figure has been supported by earlier studies in Craigavon and was used as a basis for quantifying industrial needs in the Cookstown and Dungannon Area plans. It also complements parking requirements. Assuming 8500 new jobs were to be provided on economic zonings this would mean that a **minimum of 170 hectares is needed**.
- 6.3** The benefit of setting a target of a minimum of 170 hectares of economic development land is that it has a large degree of flexibility built within it. It implicitly assumes all new jobs will be on zoned land, which will not be the case. Increases in employment can also occur in town centres, and other mixed use areas and other buildings within the town and as a result of home working and farm diversification. Employment densities in existing buildings and in terms of land use may also increase. Oxford Economics identifies that

many new jobs will be knowledge based. In England where call centres can occupy much of an industrial estate employment densities of 200 jobs per ha are common (Belfast Metropolitan Area Plan background studies). Accordingly 170 hectares will inevitably result in a degree of over zoning allowing the plan to provide a choice of sites at different locations and of different sizes to encourage economic growth.

- 6.4** In considering how these sites should be allocated across settlements, the RDS makes it clear that the hubs should be the focus of growth should be in the main hubs and clusters. Dungannon, Cookstown and Magherafelt form a cluster of two main hubs and a local hub, although it does exclude zonings in other locations. Given the three major towns are good locations in terms of connectivity to the main transport routes, and access to labour and consumer markets these should take the lion's share of allocation. Given a minimum figure has been set it is suggested that this be distributed between the three towns based on one of the three options (All figures rounded) .

Option One: Equal Share

Provide each of the towns an equal share aiming to provide around 55-60 hectares minimum in each town. The benefit of this approach is that it treats each location with an equality, thus recognises that the full potential of Magherafelt as an employment location has not been fully met.

Option Two: Hinterlands and Catchment

Assuming the former council districts broadly coincided with their hinterlands it is possible to proportion growth providing regard to catchment. In Mid Ulster the former districts equated as 27% Magherafelt, 41% Dungannon and South Tyrone and 32% in Cookstown (2011 Census). This broadly equates to 45 ha for Magherafelt, (41%), 70 ha for Dungannon and 55 ha for Cookstown.

Option Three: Population of Town

The updated town populations is not available from NISRA as of yet. Based on the 2001 Census 10,566 people lived in Cookstown, 10,983 people lived in Dungannon and 8289 people lived in Magherafelt. Apportioning growth on this basis suggests that 60 hectares should be allocated to Cookstown, 60-65 for Dungannon and 45-50 hectares for Magherafelt. This can be updated when NISRA publishes the information in the spring time.

- 6.5** Given that each option would provide a generous supply it is suggested that these options could be included in the Preferred Options Paper for public consultation. In looking at existing land supply, if the economic zonings in Dungannon and Cookstown for their intended purpose, the number of jobs desired would be delivered. However, it does appear that land supply in Magherafelt, even taking into account the zoning in the Creagh, appears to be in short supply. Although again this supply should be more than sufficient to meet short term needs.

- 6.6 The small towns also have a role to play in providing employment. However, because there needs are smaller attaching a figure an allocation is more difficult. Invest NI suggest that in their experience it becomes viable to provide an Industrial estate at around 12 Hectares, which may provide a bench mark to review provision of the sites. It is not required to zone sites in the villages, and regional policy gives some lee way for small rural enterprises to be developed in the countryside outside of villages where there is no land available. Often this can provide a better solution as it allows residents of the village some separation from economic development uses. .

7.0 Locations of Individual zonings

- 7.1 From the study it appears that certainly for the short to medium term it appears there is sufficient land zoned. This is a view shared by Invest NI who are not currently looking to purchase land in Mid Ulster. This means that there is not a need to bring forward additional land at the Plan Strategy stage, which means it should be possible to prepare a Draft Plan more quickly. However, questions still remain as to whether all of the sites are deliverable in terms of their being a willing seller and someone necessary to invest in any infrastructural requirements. It is therefore advised that a full review of existing sites is undertaken for the Local Policies stage of the Plan process. To aid this, existing land owners should be asked whether they are prepared to release their land for economic development at market value and the Preferred Options Paper used to call for alternative sites, which may be evaluated in the second stage of the plan process.
- 7.2 Dungannon and South Tyrone Borough Council have lobbied for an enterprise zone to be created at the Ballygawley interchange. Whilst the plan in itself cannot deliver an enterprise zone, which offer financial incentives, it can zone land for enterprise, i.e. economic uses. Road interchanges offer an opportunity due to their connectivity into the road system. However, whether Ballygawley is a wise location is open to debate due to the low numbers of people living in that area, to provide workers. To bring such a proposal forward it would also be necessary to review the status of Ballygawley as a settlement, the levels of housing provided and the investment in social infrastructure the Council and other government bodies are willing to invest here. This said there is no reason why this idea could not be included in the Preferred Options Paper so that Members can evaluate the response. The same could also be applied to the Castledawson Road about which could provide an option for future zonings to serve Magherafelt. This location would in some ways be better because of its connectivity to the public transport system and closeness to Magherafelt, therefore not requiring the same degree of public investment in infrastructure.

8.0 Conclusion and Key Findings

8.1 This paper has provided an indication of the ability of the existing Area Plans to deliver the anticipated number of jobs required up to 2030. With the boom years of construction and manufacturing now in decline and cuts in the public sector recently announced, local economies may need to focus on growth in other sectors such as professional services, information and communications (Oxford Economics, 2014). If more jobs will be found within the service sector and town centre businesses, the amount of land required for economic development uses may be less than estimated. It is also evident that to diversify employment in Mid Ulster also requires more highly skilled individuals which are currently relatively underrepresented in the economy and particularly amongst the unemployed (Oxford Economics, 2014).

8.2 A summary of the key findings are as follows:-

- (i) Mid Ulster has a strong manufacturing base, which whilst experiencing job loss in the recession will still continue to be a major source of employment. This will be complemented by jobs in the sectors which will provide the bulk of future employment with a growth of opportunities in knowledge based industries.
- (ii) The Council should be seeking to facilitate the provision of 2500 -3000 jobs in the short term to meet current needs. This need can be met on existing zonings.
- (iii) In the medium to long term the Council should be seeking to facilitate the creation of at least 8,500 jobs equating to a need for 170 hectares of economic land. This objective should be presented for public consultation in the Preferred Options Paper.
- (iv) How this should be apportioned between Magherafelt, Dungannon and Cookstown is a matter that should be presented in the Preferred Options Paper for public consultation. Each of the hub settlements should at least have a provision of 45-50 hectares. Following consultation the economic objectives should be finalised together with the allocation for publication of the Draft Plan Strategy.
- (v) A review of policies contained in PPS4 should be undertaken identifying options for policy revisions for member consideration. This should include further consideration of whether sufficient protection is afforded to existing industrial sites. The findings should be presented in the Preferred Options Paper to inform industrial policies to be included in the Plan Strategy.
- (vi) There is a need for a full evaluation of the deliverability of existing zonings. The Preferred Options Paper should be used to test whether the owners of existing zonings are willing to provide their land for economic development and whether there are any other land owners

willing to provide land. An evaluation of sites will be undertaken before final zoning are included in the Local Policies and Proposal Plan.

- (vii) The option of creating an economic zoning at Ballygawley interchange and Castledawson interchange should be included in the Preferred Options Paper for public comment. No commitment to this as of yet should be given.

Appendix 1 The Employment Land Evaluation Framework (RDS 2035)

Stage 1 Taking stock of the existing situation	An initial assessment of the 'fitness for purpose' including the environmental implications of the existing employment land portfolio. This is principally in order to identify the 'best' employment sites to be retained and protected and identifying sites that should clearly be released for other uses.
Stage 2 Understanding Future Requirements	Quantify the amount of employment land required across the main business sectors during the development plan period. This is achieved by assessing both demand and supply elements and assessing how they can be met in aggregate by the existing stock of business premises and by allocated sites. Account should also be taken of turnover of existing sites due to relocation or closures. Both short/ medium term and strategic provision need to be considered in this process.
Stage 3 Identifying a 'New' portfolio of sites	Devise qualitative site appraisal criteria to determine which sites meet the occupier or developer needs. Confirm the existing sites to be retained, replaced or released, and any gaps in the portfolio. In this allocation, consideration should be given to previously used sites, and in the reallocation, the environmental impact of one site relative to others should be included. The results of Stage 2, together with this site appraisal should provide a robust justification for altering allocations for employment land.

Uptake of Industrial Zonings in Cookstown District (hectares)

Site Ref. No.	Location	Total Area	Developed	Remaining 2014
I 1	West of Sandholes Rd	26.72	8.24	18.48
I 2	East of Sandholes Rd	2.68	2.68	0
I 3	Southeast of Sandholes Rd	6.6	0.55	6.05
I 4	Land Between Coagh Road and Old Coagh Road	17.85	1.08	16.77
I 5	Land south of Coagh Road	4.90	0.68	4.22
I 6	Land east of Unipork Factory, Molesworth Road.	6.30	0.20	6.10
I 7	Land opposite Unipork Factory, Molesworth Road.	0.52	0.52	0
I 8	Loughry Agrifood Site	12.35	0.97	11.38
	Ardboe Business Park	9.19	4.16	5.03
	TOTAL	87.11ha	19.08ha	68.03ha

Uptake of Industrial Zonings in Dungannon and South Tyrone Borough (hectares)

Site Ref. No.	Location	Total Area	Developed	Remaining 2014
DI 01	Granville Industrial Estate	40.15	7.38	32.77*
DI 02	Coolhill, south of Moy Park and Killyman Road, Dungannon	15.57	3.53	12.04
DI 03	Far Circular Road	7.15	0	7.15
DI 04	Adjacent to Tyrone Crystal,	4.86	0	4.86

	Coalisland Road, Dungannon			
DI 05	Ballygawley Road, Dungannon	7.52	0.33	7.19
CI 01	Farlough Road	8.19	2.57	5.62
CI 02	Gortgonis Road	9.57	2.34	7.23
Total		93.01	16.15	76.86 (available 44.09)

* although land remains undeveloped in Granville Industrial Estate it is committed to an end user.

Uptake of Industrial Land in Magherafelt District (hectares)

Site Ref. No.	Location	Total Area	Developed	Remaining 2014
MT 26	Station Road	0.9	0.09	0.81
MT27	Ballyronan Road, Magherafelt	1.9	0	1.9
MT 28	Ballymoghna Road, Magherafelt	5.0	0	5.0
MT 29	Ballymoghna Road, Magherafelt	3.63	0	3.63
MA 10	Glen Road, Maghera	1.25	0	1.25
MA 11	Moneysharvan Road, Maghera	4.16	0.97	3.19
BY 10	Deerpark Road, Bellaghy	0.56	0.17	0.39
CN 06	Bells Hill Road Castledawson	0.84	0	0.84
DN 10	Magherafelt Road Draperstown	1.25	0	1.25
DN 11	East of Cahore Road, Draperstown	0.84	0.31	0.53
TE 07	Lisnamuck Road	2.12	0	2.12
COU 10	Creagh	19.3	0	19.3
Total		41.75	1.54	40.21

**INDUSTRIAL LAND
MONITOR 2014**

Bellaghy

-  Settlement Development Limit
-  Industrial (Landuse Policy) Area
-  Major Area of Existing Industry
-  Industrial Policy Area Now Developed



1:4,000

BY10

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**INDUSTRIAL LAND
MONITOR 2014**

Castledawson

-  Settlement Development Limit
-  Industrial (Landuse Policy) Area
-  Major Area of Existing Industry
-  Industrial Policy Area Now Developed



1:5,000

CN06

**INDUSTRIAL LAND
MONITOR 2014**

Draperstown

-  Settlement Development Limit
-  Industrial (Landuse Policy) Area
-  Major Area of Existing Industry
-  Industrial Policy Area Now Developed



1:5,000

DN11

DN10

**INDUSTRIAL LAND
MONITOR 2014**

Tobermore

-  Settlement Development Limit
-  Industrial (Landuse Policy) Area
-  Major Area of Existing Industry
-  Industrial Policy Area Now Developed



1:4,000

TE07

**INDUSTRIAL LAND
MONITOR 2014**

Magherafelt

-  Settlement Development Limit
-  Land Zoned for Industry
-  Major Area of Existing Industry
-  Land Zoned for Industry Now Developed



1:14,000

MT26

MT27

MT28

MT29

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**INDUSTRIAL LAND
MONITOR 2014**

Maghera

-  Settlement Development Limit
-  Land Zoned for Industry
-  Major Area of Existing Industry
-  Land Zoned for Industry Now Developed



1:8,500

MA11

MA10

MA10

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**INDUSTRIAL LAND
MONITOR 2014**

Creagh

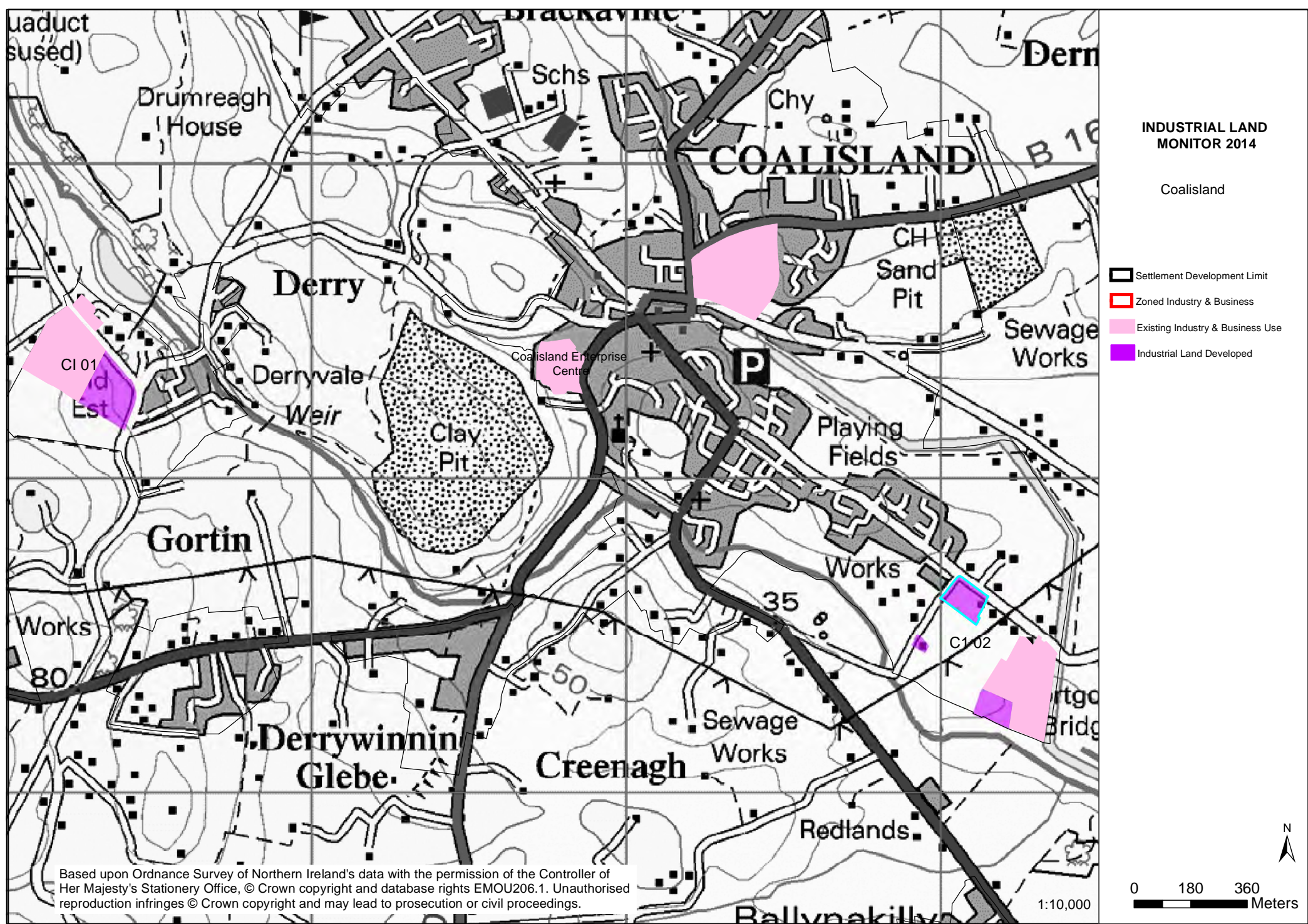
-  Settlement Development Limit
-  Industrial (Landuse Policy) Area
-  Major Area of Existing Industry
-  Industrial Policy Area Now Developed



1:5,000

COU10

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**INDUSTRIAL LAND
MONITOR 2014
Ardboe**

-  Settlement Development Limit
-  Zoned Industry & Business (DSTAP)
-  Existing Industry & Business Use
-  Industrial Land Developed



1:6,500

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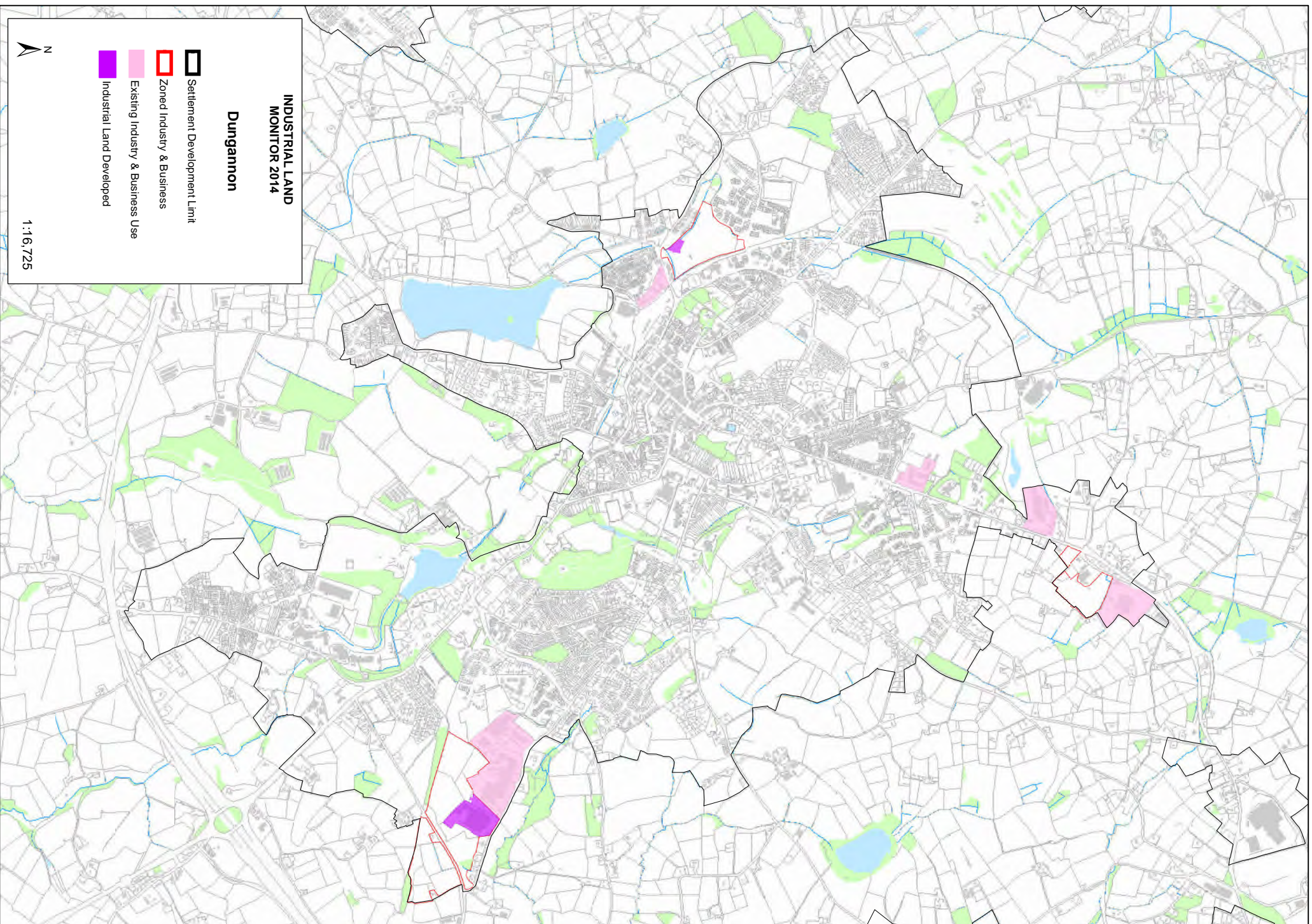
**INDUSTRIAL LAND
MONITOR 2014
Cookstown**

-  Settlement Development Limit
-  Zoned Industry & Business (DSTAP)
-  Existing Industry & Business Use
-  Industrial Land Developed







1:17,000

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**INDUSTRIAL LAND
MONITOR 2014**

Dungannon

-  Settlement Development Limit
-  Zoned Industry & Business
-  Existing Industry & Business Use
-  Industrial Land Developed



1:16,725