



Comhairle Ceantair
Lár Uladh
Mid Ulster
District Council

MID ULSTER

Economic Development Policy Review

February 2016

Purpose: To provide members with an opportunity to consider existing planning policies as they pertain to Economic Development and to consider the need for alternative policies in light of the forthcoming Local Development Plan.

Content: The paper provides information on:

- (i) **The Context of Economic Development in Mid Ulster and existing planning policies**
- (ii) **Mid Ulster District Council (MUDC) objectives for Economic Development and the linkages between the MUDC objectives for future growth and the Sustainability Appraisal, Regional planning policy and Strategic Planning Policy Statement objectives**
- (iii) **Consider existing policies and consider preferred and alternative policy options for Economic Development within the Local Development Plan**

Recommendation: That the Planning Committee notes the findings and considers how this paper shall be used to inform the Preferred Options Paper (POP) and strategic policies in the Local Development Plan (LDP)

1.0 Introduction

1.1 The purpose of this paper is to inform the Planning Committee of current planning policies associated with economic development and assess whether or not they are fit for purpose against the Council's objectives regarding the promotion of economic development and whether they need to be tailored to meet local circumstances through the new Local Development Plan (LDP) 2030.

1.2 This paper contains an assessment of how existing planning policies relevant to economic development take account of the Regional Development Strategy 2035 (RDS 2035), the Strategic Planning Policy Statement (SPPS), Sustainability Appraisal themes and the MUDC economic objectives through the proposed LDP objectives.

Legislative Context

1.3 Article 5 of the Planning Act (Northern Ireland) 2011 states that the creation of planning policy as part of the Plan Strategy must be done with the objective of furthering sustainable development and in so doing, must take account of policies and guidance issued by OFMDFM, DOE and DRD. Examples of such policies and guidance are, the Regional Development Strategy (RDS) 2035 and the Strategic Planning Policy Statement (SPPS).

2.0 The Objectives

(a) Mid Ulster Council

2.1 Position Paper 1¹ outlined a number of key policy objectives that will assist the formulation of the new LDP. Of these objectives, there are a few which relate to the promotion of economic development and these are highlighted below.

1. To build Cookstown, Dungannon and Magherafelt as economic and transportation hubs and as main service centres for shops, leisure activities, public administrative and community services including health and education. These are the most populated places and the town centres are the most accessible locations for people to travel including those without a car.
2. To facilitate the creation of 12,000*** new jobs by 2030 at a variety of locations where they are accessible to all members of the community, including those without a private car.
***figure has been lowered to 8,500 as per Position Paper 3, p.19
3. To promote diversity in the range of jobs recognising the importance of employment in the primary sector (agriculture, forestry and mining), secondary sector (industry and manufacturing) and the tertiary sector (administration, commerce, retailing and tourism).
4. To recognise and accommodate entrepreneurship, innovation for large, medium and small firms by attracting new firms and accommodating expanding businesses
5. The need to recognise the importance of self-employment and home working, particularly in rural locations.

2.2 The following objective of the LDP does not specifically mention the promotion of industry and employment but the general thrust of it can read across to the economic sector, particularly with relation to industries and economic enterprises in rural areas.

- To provide for vital and vibrant rural communities whilst protecting the countryside in which they live by accommodating sustainable growth within the countryside proportionate to the extent of existing rural communities.

(b) Sustainability Appraisal (SA)

2.3 A sustainability appraisal is a systematic process which must be carried out during the preparation of a Local Development Plan in order to promote sustainable development by assessing the extent to which an emerging plan will achieve required environmental, economic and social objectives. In June of 2015², the Council received a paper outlining what the objectives of this process

¹ Position Paper one, population and Growth, September 2014, Mid Ulster.

² Sustainability Assessment Incorporating Strategic Environmental Assessment, Mid Ulster District Council, June 2015.

would be. With specific reference to **economic growth** and according to the SA, current and future planning policies should take account of the need to;

1. Encourage new business start-ups and opportunities for local people
2. Improve business development and enhance productivity
3. Improve the resilience of business and the local economy
4. Promote growth in key sectors
5. Promote growth in key clusters
6. Enhance the image of the area as a business location.

2.4 Another key objective of the SA is to promote **employment** for everyone in the District. Accordingly, current and future planning policies need to;

1. Reduce short and long term employment
2. Provide job opportunities for those most in need
3. Help improve wages

2.5 In the promotion of **investment**, the SA states that future planning policies must also;

1. Encourage indigenous business
2. Encourage inward investment
3. Make land and property available for business development

2.6 A further objective of the SA is to increase **efficiency of movement** and accordingly, future planning policy should;

1. Reduce commuting
2. Increase the accessibility of work to public transport and walking and cycling routes
3. Improve access between key employment areas and key transport interchanges
4. Encourage rail and water based freight movement

(c) Regional Development Strategy (RDS) and Strategic Planning Policy Statement (SPPS)

2.7 The RDS provides an overarching strategic planning framework to facilitate and guide development in Northern Ireland. It sets out its objectives in terms of economic, social and environmental aims in order to achieve sustainable development. It has clear overarching objectives for the development of economic land and these have been fully considered when formulating the objectives of the SPPS.

2.8 The SPPS is a statement of the Department's policy on planning matters that should be implemented across Northern Ireland and it was formally adopted in September 2015. It has been agreed with the Northern Ireland Executive and its objectives have been judged to be in general conformity with those of the

RDS. The regional strategic objectives are contained within the SPPS in relation to industry and employment are as follows

1. Promote sustainable economic development in an environmentally sensitive manner
2. 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
3. Sustain a vibrant rural community by supporting rural economic development of an appropriate scale and nature;
4. Support the re use of previously developed economic development sites and building where they meet the needs of particular economic sectors. This will promote regeneration, create a more attractive environment and promote sustainable development by reducing the need for green field sites to be developed.
5. Promote mixed use development and improve integration between transport, economic development and other land uses such as housing.
6. Ensure a high standard of quality design for new economic development.

3.0 Consideration and Assessment of Planning Policy Statement 4 (PPS4)– Planning and Economic Development

3.1 PPS 4 was adopted in November 2010 and supplementary guidance relating to policy PED 8 was issued in October 2012.

3.2 The purpose of this section is to assess the effectiveness of PPS 4 in more detail and to consider the following;

1. Do the policies of PPS 4 accord with the objectives of the SPPS and the LDP growth strategy (Paper 1) in relation to economic development and employment?
2. Whether or not the policies need to be tailored to local circumstances and how can planning facilitate economic development within the confines of the SPPS and the LDP Growth Strategy?

3.3 Research carried out for the Council by Oxford Economics supports the evidence that Mid Ulster is dependent upon the manufacturing, construction and agricultural sectors for employment. The report also shows that these sectors are not projected to grow significantly across Northern Ireland in the years 2014-2024³. The performance of these sectors will heavily influence job creation within Mid Ulster so their projected downward growth trends are a concern for the district and therefore given that approximately 27.5% jobs in the district are within the manufacturing sector there is a need to ensure that

³ Oxford Economics, Mid Ulster District Council Consultancy Support for Social, Economic and Environmental Data Analysis, p.39

landuse planning can support this sector in a sustainable manner while meeting local circumstances.

- 3.4** In contrast, the report suggests that the main growth between 2014 - 2024 will be in the information / communication and professional and administrative service sectors⁴. These sectors are currently under represented in Mid Ulster and therefore it is also important for planning policy to consider how it can encourage their growth in order to secure job growth in the anticipated absence of significant growth among the traditional employment sectors.

Economic Development Workshop

- 3.5** In considering and assessing the policy approach to be taken in Mid Ulster in relation to economic development a workshop was held with members and council officers to explore the current planning policy within PPS4 and discuss where it may need to be tailored to meet local circumstances. There was a general consensus at the workshop that Mid Ulster requires planning policy that allows economic development to grow in the district provided it meets the General Principles such as environmental, noise, amenity and traffic impacts.
- 3.6** With regards to development in settlements there was general consensus that there should be sufficient flexibility within the policy to allow for proposals to be developed on sites zoned for that purpose in the plan and that any other proposals be determined on their merits. At the workshop there was discussion on the role of economic development in Mid Ulster and the desire to ensure that the Plan allows for such development in settlements in a manner that is less perspective than PED1 currently is. For example the workshop questioned the cap placed on floorspace for business use within villages and small settlements at 200q.m and suggested that proposals coming forward in these locations should be assessed on their merits taking account of general planning considerations. It was recognised that outside of towns and cities and some other settlements that business uses were not appropriate and that they should be restricted in those areas.
- 3.7** With regard to development in the countryside the discussion focused on the predominance of economic development in the countryside in Mid Ulster and the fact that so many 'home grown' industries have taken firm roots in this area. With regard to new build economic development it was generally considered that there should be more flexibility provided the infrastructure can cope with it and there is no unacceptable impact on the environment. It was felt that the current policy within PPS4 does not recognise the role of self-employed industry within Mid Ulster and the fact that approximately 12% of the population within the district are self-employed. In this context it was felt that the policy should be more flexible with regard to the expansion of existing self-employed type

⁴ As above, p.40

industry for example There was a general consensus that planning policy should allow for the development of for example a workshop next to an existing house where a tradesman for example wished to set up his operations rather than having to find an rent premises in a town that was not immediately accessible to him and perhaps not where his customer base is located. With regard to Policy PED 2, 3 and 4 there was a consensus that the policy should support the expansion of existing economic development rather than it being an exception. In relation to Policy PED 5 there was a consensus that it is too restrictive and that each case should be determined on its merits. The policy within PPS4 was also considered quite restrictive in relation to storage and distribution development which was not considered to be necessary in the Mid Ulster context.

- 3.8** With regard to small rural projects and Policy PED6 the workshop discussed the implication of this policy in the context of local circumstances and it was generally concluded that PED6 is too onerous and greater flexibility was needed. These needed to be re worded to provide a greater number of exceptions (e.g. favourable consideration to proposals which would not create amenity issues - ICT companies for instance). It was felt that the policy should be more permissive for start-up business and that enterprises that have site specific reasons for developing at a particular location should be looked upon favourably e.g. a Natural Springwater factory.
- 3.9** The workshop also included a discussion on the current zonings within the three Area Plans and whether they are acceptable and whether there are other locations at which we would wish to consider additional zonings. It was suggested at the workshop that landowners are reluctant to release land for industrial purposes because they would prefer to hold out for better prices which would be available if the land was sold for other uses such as housing. The outcome of the discussions on zonings is considered further at the end of this paper.

ECONOMIC DEVELOPMENT IN SETTLEMENTS – PPS4 Policy PED1

- 3.10** Policy PED 1 of PPS4 seeks to keep the bulk of economic development within settlement limits. The policy aim of keeping B1 development within the town centre areas is something which is also reflected in the SPPS (para 6.85). By adopting this approach, PPS 4 seeks to keep the significantly high level of employment and services associated with this type of development, within the main hubs, and more specifically in town centres. This is in conformity with the first economic objective of the growth strategy in paper 1, namely to grow the main hubs as centres for services, shops and public administration because they are the most accessible locations for people to travel to and thus reduce the need to travel, in line with sustainability objectives.

- 3.11** The acceptability of economic uses within smaller settlements is also in accordance with the provisions of the SPPS (para 6.86). This recognises the need to balance the growth of the hubs with continued stimulation and promotion of smaller settlements which also play a vital role in the rural community. Policy PED1 is a very detailed and prescriptive policy when compared to the policy contained within the SPPS. It is interesting to note for example that the SPPS does not place a cap on the class B1 floorspace for example within villages and small rural settlements whereas PED1 states that proposals are limited to a maximum of 200 sq.m. PED 1 arguably therefore sets out a stricter policy test than the SPSP requires.
- 3.12** As shown earlier in this paper, Mid Ulster needs to consider how planning policy can encourage the promotion of information / communication and professional and administrative service sectors in line with research documented in the Oxford Economics report. It is felt that this policy makes some provision for this by allowing the approval of B1 uses within town centres. Perhaps, given the projected downturn in manufacturing, greater flexibility can be given to the acceptability of these uses on zoned industrial land, where it would normally be expected that industry and manufacturing enterprises would be located. However, it is felt that this is something which can be achieved through the key site requirements for each industrial zoning because PPS 4 states B1 uses will be acceptable on zoned land “when specified in a development plan.” and this is something that would be considered at the LPP stage.
- 3.13** Paper 3 has shown that the uptake of zoned land in the main hubs has been relatively poor. For example, of the 227Ha of zoned economic land in the 3 plan areas, only 37 has been taken up, leaving a surplus of zoned land of 190 Ha.⁵
- 3.14** Bearing this in mind, perhaps one area where PED 1 could be supplemented in order to provide more conformity with the objectives of the SPPS would be to make specific mention of the acceptable nature of brownfield / previously developed sites for economic development within towns. PED 1 states that industrial development (B2, 3 & 4) within towns should be focussed on zoned land and that if development is to be located elsewhere, then it must be judged on its own merits. However, as has been shown in paper 3, uptake of zoned land is poor. Therefore, if development is not going to be overwhelmingly focussed on zoned land (for reasons explored in paper 3) it may be appropriate for planning policy to state that the use of brownfield / previously developed sites for such development is acceptable in an attempt to redirect economic development towards such sites and serve to steer vacant or underused land towards reuse and create more attractive environments, in accordance with the SPPS (para 6.93). It is felt that the strategic policy contained within the SPPS does simplify the policy somewhat and this is considered to be a good thing. Moving forward it is therefore contended that there are a number of options for economic development in settlements as set out below.

⁵ Position Paper 3, Economic development and Employment, Mid Ulster District Council, February 2015, p. 8

OPTIONS

- 3.15 OPTION 1** - Adoption the existing policy approach of Policy PED1. Whilst this approach takes account of the RDS, SPPS and sustainability objectives the policy is considered overly restrictive for development within settlements and it is also considered to be a long and unnecessarily detailed policy. It is felt that this policy approach does not meet the local circumstances within Mid Ulster and that it should be tailored and simplified to do so while still according with the SPPS.
- 3.16 OPTION 2** – An alternative policy approach would be to develop a simplified policy approach that would allow for economic development within settlements in towns and cities where it is on zoned land and elsewhere it would be determined on its merits. Within villages and small settlements this simplified approach would seek to ensure that development would be of a suitable scale nature and design and be in accordance with the General Principles. This approach would remove the floorspace cap on Class B1 business use in villages and small settlements and would instead ask that such proposals be of appropriate scale for the village/small settlement.

Preferred Option

- 3.17** Option 2 is considered to be the preferred option. While it meets the objectives of the SPPS and the LDP objectives in terms of keeping economic development within the main hubs and to a lesser extent the smaller towns in an effort to promote sustainability it also allows for development on its individual merits where it accords with the general planning principles. This is important in Mid Ulster in order to cater for the local circumstances of the district. It is suggested that the wording of a more simplified policy could be as follows:
- **Within towns and cities development proposals on land zoned for such purposes will conform with the Plan. In all other cases proposals will be determined on their individual merits. Within villages and small settlements proposals that are of an appropriate scale, nature and design and subject to meeting the general planning principles, such as compatibility with nearby residential use, will be given favourable consideration.**

ECONOMIC DEVELOPMENT IN THE COUNTRYSIDE – PPS4 Policies PED2, 3, 4 5 and 6

- 3.18** PPS 4 operates a presumption against the emergence of new economic development in the countryside. Policy allows for expansion of existing enterprises, redevelopment of existing enterprises, small rural projects closely linked to a settlement limit and also for major economic development which will

have regional economic benefits and which can't be located in a settlement limit for site specific reasons.

3.19 This approach accords with the growth strategy outlined in paper 1 which called for growth to be focussed on the hubs but also recognises the importance of self-employment and homeworking in rural locations. By allowing existing rural enterprises to expand and redevelop, PPS 4 acknowledges the need to support existing rural businesses; however the policy stops short of permitting completely new economic enterprises or buildings to spring up in rural areas, hence ensuring the uniqueness of the countryside is preserved and protected. This accords with the SPPS objective to promote sustainable economic development in an environmentally sensitive manner and also with the rural economic objectives of the SPPS, which state that the re use of existing buildings along with redevelopment and expansion proposals, will provide the best options for rural development (para. 6.87 & 6.88).

3.20 PPS4 contains a number of policies relating to development in the countryside whereas the SPPS deals with this matter in a much more concise manner while still retaining the necessary ability to control such development. PPS4 contains five separate policies regarding the countryside dealing with new development, expansion, redevelopment, major development and small rural projects. The SPPS strategic policy states that the guiding principle for policies and proposals for economic development in the countryside is to facilitate proposals likely to benefit the rural economy and support rural communities while protecting or enhancing rural character and the environment, consistent with strategic policy elsewhere in the SPPS. It specifically states that farm diversification, the re-use of rural buildings and appropriate redevelopment and expansion proposals for industrial and business purposes will normally offer the greatest scope for sustainable development and it recognises that such proposals may occasionally involve the construction of new buildings where they can be integrated in a satisfactory manner. Similar to the current approach of PED2 of PPS 4 the SPPS states that in the interests of rural amenity and wider sustainability objectives, the level of new building for economic development purposes outside settlements must be restricted and it goes on to set out the exceptions to this as follows:

- A small scale new build economic development project outside a village or small settlement where there is no suitable site within the settlement. An edge of settlement location will be favoured over a location elsewhere in the rural areas subject to normal planning considerations.
- A proposal for major or regionally significant economic development where a countryside location is necessary because of size or site specific requirements. Such proposals should be able to demonstrate a significant contributions to the regional economy and be otherwise acceptable, particularly in terms of their environmental and transport impacts. The

SPPS also states that an edge of town location should normally be favoured over a location elsewhere in the rural area.

3.21 The policy approach taken in the SPPS is different to PPS4 insofar as it is much more simplified. Policy PED 3 and 4 are essentially dealt with in paragraph and the two bullet points above. There is a subtle difference in the approach to expansion in the SPPS in that it refers to appropriate redevelopment and expansion proposals whereas PED 3 and PED4 are much more detailed and refer to set criteria where it is a major expansion and redevelopment is dealt with separately. PED 4 is also more restrictive in the approach taken to the redevelopment of an established industrial or business site for storage and distribution stating that it will only be permitted in exceptional circumstances. PED4 also goes on to explain when the redevelopment of economic sites in the countryside for alternative uses and indicates what would be acceptable but excludes retail in this. The policy approach of Policy PED5 is dealt with in the SPPS in relation to major industrial development in the countryside is dealt with in the SPPS in the context of refer to a major or regional significant proposal.

Are the current PPS4 Countryside Policies Achieving Their Aims?

3.22 PPS 4 was introduced in November 2010. Therefore, in order to ascertain how successful the above policies have been in resisting new businesses in the countryside, it is necessary to look at the rural industrial approval figures for Mid Ulster since the policy was introduced.

3.23 Between November 2010 and March 2015, there were 124 industrial approvals (excluding mineral development) in Mid Ulster. Of these 124 approvals, there appear to be only 7 which relate to completely new economic / industrial enterprises or storage areas in the countryside. That is to say, there have been 7 approvals granted for an economic or storage use in a rural area, where no established enterprise existed before. These applications are laid out below;

APPLICATION REFERENCE	PROPOSAL	DATE APPROVED
H/2009/0098/F	Retrospective application for commercial timber workshop	22 NOVEMBER 2010
I/2011/0392/F	Erection of building for the purpose of making steps, handrails and gates for the applicants ground works business including storage of machinery	17 OCTOBER 2012

H/2013/0388/F	Proposed redevelopment of former petrol filling station site to builders compound and store	15 APRIL 2014
H/2013/0478/F	Proposed storage shed for gates, railings and prefabricated products	2 DECEMBER 2014
M/2013/0578/F	Proposed industrial/light engineering shed to be built on site of approved equestrian shed to include relocation of roadside industrial fencing	12 DECEMBER 2014
H/2014/0152/F	Proposed self-contained single storey detached garage for car workshop for restoration of classic vehicles	6 FEBRUARY 2015
M/2014/0377/F	Proposed retention of existing shed and tower to be used for the processing and drying of birch tree products	31 MARCH 2015

3.24 In the course of assessing an application, there may be material considerations which will cause policy to be afforded less weight or the policy tests to be relaxed in certain specific circumstances. These scenarios can explain how approval can be granted for development which on the face of it, would appear to be contrary to policy. However, there are only seven approvals which appear to relate to completely new industrial or storage development in rural areas, out of a total of 124 approvals (less than 6%) and this would suggest that rural economic policies in PPS 4 have either restricted planning permission being granted for new rural economic enterprises, or that there is no real undue pressure in this area, or such proposals have not been coming forward due to how the policy is currently framed.

Potential Policy Changes for Countryside

3.25 As outlined above, the policy within PPS4 and indeed within the SPPS does not allow for completely new economic development to take place in the countryside, unless in a set of pre-determined scenarios, and it is also restrictive in terms of expansion of existing developments. Whilst this is admirable in terms of the need to protect and preserve the countryside in the interests of sustainability, it does not reflect the local circumstances in Mid

Ulster and the fact that there is already a proliferation of existing rural enterprises operating across the District, with certain areas experiencing a higher concentration than others, nor does this policy position recognise that home grown industries and businesses are a very important aspect of employment generating and economic prosperity in the area.

- 3.26** By supporting rural businesses, those who currently live and work in the countryside will be able to continue to do so. For many rural dwellers, rural industry is a means of supplementing employment gained from primary sectors such as agriculture. The stimulation of rural industry therefore, can be a key factor in allowing such people to continue this trend and can thus promote a wider diversity of jobs (including those in primary sectors), in accordance with the growth strategy.
- 3.27** In areas where there is a high concentration of existing rural industry, it could be argued that rural character has already been altered or indeed in some cases undermined. Therefore, to continue to prohibit new business start-ups in these areas in the interests of protecting the intrinsic value of the countryside is counter intuitive. By allowing for those who live in the rural area to for example obtain permission for a new build workshop type development next to their house will facilitate start up business and will allow mean that for example tradesmen or artisans etc. do not have to try to rent property within towns or settlements which perhaps is away from their customer base. Such new build workshops would of course need to be small in scale, ancillary to the dwelling, in keeping with the character of the locality, meet with infrastructural requirements and not have an unacceptable impact on neighbouring amenity. Most of these considerations will be included within the General Principles of the LDP and therefore do not need to be addressed directly within this policy.
- 3.28** The need for a policy in Mid Ulster that allows for an expansion of an established economic development is something that has been identified as a policy to cater for local circumstances. Currently Policy PED3 includes criteria that makes expansion more exceptional than normal (where it complies with other general planning criteria). It is considered that the approach taken in the SPPS is less restrictive in this regard. The argument has also been made that PED 5 and PED 6 are too restrictive and should allow for more flexibility so that proposals be determined on their merits. With specific reference to PED 6, it has been argued that the tests in this policy are too onerous for the applicant and that these should be either removed entirely or reworded to allow a greater number of exceptions for developments which will, for instance, have limited amenity impacts. A more permissive policy such as this would encourage more start-up businesses in the rural area.
- 3.29** PED 6 could therefore be made more flexible by allowing the policy tests (a) – (c) to be set aside for businesses which will not cause any amenity issues or will not have any environmental impacts such as noise, emissions, smell etc.

Examples of such include office based technologies such as ICT and car sales. Such proposals will still be required to meet the general planning criteria.

OPTIONS

- 3.30 OPTION 1** – Adoption of the existing Policies PED 2- 6 within PPS4 is a possible option for Mid Ulster however it is felt that these policies are overly restrictive for the district and are actually more restrictive in some ways to the strategic policy contained within the SPPS. It is considered that the adoption of the policy approach within PPS4 would not be tailored to meet the specific circumstances of the district. The current policy therefore should be tailored to the local circumstances while according with the objectives of the PPS. It is contended that adoption of the current policy as it is framed would hamper Mid Ulster in striving to meet the economic objectives or the LDP.
- 3.31 OPTION 2** – Adoption of a policy approach whereby Policies 2-6 are tailored and simplified taking account of the SPPS is an alternative approach. It is considered that in relation to economic development in the countryside there is no need to have such a plethora of separate policies and that indeed PED2 could actually removed and that all of the policies could be amalgamated into one policy for the countryside. This policy approach could address the local need to make the policy more flexible for those who live in the countryside and wish to gain permission for a workshop type development ancillary to their homes. It would also allow for extension to an established economic development as the normal practice rather than the exception.

Preferred Option

- 3.32** It is recommended that Option 2 be adopted as the preferred approach for Mid Ulster as could be worded in a more simplified manner to replace Policies PED 2-6 as follows:
- **Proposals for economic development in the countryside will conform with the Plan where they represent firm and not speculative proposals and do not harm the established character of the rural area and where they comprise:**
 - **provision of a small workshop accommodation for self-employment ancillary to a dwelling;**
 - **expansion within the curtilage of an established economic development use which is of an appropriate scale and nature;**
 - **off-site expansion of an established economic development use, including existing premises extending beyond the curtilage, where it is demonstrated that relocation of the enterprise is not possible for operational or employment reasons and the proposal makes a significant contribution to the local economy and will not undermine rural character;**

- redevelopment of an established economic development use or re-use of a existing redundant non-residential rural building;
- a new building as part of a farm diversification scheme where a redundant farm building is not available or there is no suitable building available on the farm;
- major industrial proposals where it is demonstrated that the proposal will make a significant contribution to the regional economy and where it is demonstrated that due to its size or site specific requirements it needs a countryside location. Where there are no site specific reasons an edge of town location will be favoured;
- development of a small rural community enterprise/centre, enterprise or economic development outside of a village or small settlement where the use will be associated with the settlement. Where practicable edge of settlement location will be favoured

3.33 It is felt that the adoption of the amended and simplified policy suggested will provide a platform for a sound economic development in the district in a sustainable manner and in all cases each proposal will always have to comply with the General Principles.

RETENTION OF ZONED LAND AND ECONOMIC DEVELOPMENT USES – Policy PED7

3.34 The main thrust of PED 7 is to protect land which has been zoned for economic development from development which would erode that use. The policy does not differentiate between zoned areas of existing industry and zoned areas of proposed industry. Un-zoned areas of existing industrial development (or areas which were last used for that purpose) are also protected, although there is a wider range of scenarios where alternative development is acceptable on these sites.

3.35 This policy approach accords with the growth strategy as outlined in Position Paper 1 which says that growth in the main hub towns will be promoted. The majority of zoned land is located in the hub towns. Table 1 of Position Paper 3 shows that 67% of all industrial zonings are located within the 3 hub towns. Therefore, in protecting these zonings as sites for economic growth, PED 7 is protecting the ability of the hub towns to grow. In doing this, PED 7 is also facilitating job creation by ensuring an adequate supply of economic land, in line with both the growth strategy and the SPPS. Para. 6.89 of the SPPS also purports the argument that zoned land should be protected.

3.36 PED 7 is also found to be in accordance with the economic objectives of the SA. By protecting economic sites and ensuring an adequate supply of economic land, the reputation of the area as a good business location is enhanced, increasing the potential for inward investment and job creation. Likewise,

safeguarding the availability of economic land will lead to local jobs being created and growth in key clusters being promoted, all of which are objectives of the SA.

- 3.37** It should be noted that the availability of zoned economic / industrial land is something which has been an issue in Mid Ulster. It was suggested at a recent workshop that landowners are reluctant to release land for industrial purposes because they would prefer to hold out for better prices which would be available if the land was sold for other uses such as housing. This may explain the low levels of uptake on current zoned industrial land as outlined in position paper 3 (190 hectares still remaining out of a total of 227 zoned). This is not something which planning policy can address but the Preferred Options Paper stage of the plan process can be used to explore the likelihood of various pieces of zoned land being released and an evaluation of zonings can take place based on this information.

Is Policy Achieving its Aims?

- 3.38** A desktop spatial search has been carried out on all the areas of existing and proposed industry in the 3 main hubs of Cookstown, Dungannon and Magherafelt. These searches show that there have only been a few instances of planning permission having been granted after November 2010 (since PPS 4 was introduced) for alternative development other than industry or business uses on these sites.
- 3.39** In Cookstown, a small extension has been approved to an existing dwelling located within Area Plan zoning I4 but given the fact that the dwelling is already located on the site, it does not represent a loss of proposed industrial land. Zoning I7 has been extensively developed as a veterinary practice but this was approved in 2001, long before current policy was in place, or even before draft PPS 4 was released for public consultation.
- 3.40** In Dungannon, Area Plan zonings DI 04 and DI 05 have been approved for housing development. The principle of housing development on DI04 was initially approved prior to PPS 4 being introduced in its final form but the approval at DI 05 was approved after the introduction of PPS 4. Ballynasaggart Business Park, a site zoned as existing industry, has had approval granted for a crèche which cannot be classified as business or industry use.
- 3.41** In Magherafelt, a crèche has been granted planning permission on a site of existing industry at Station Road, although this was granted before November 2010.

3.42 It would seem therefore that PED 7 is performing satisfactorily in terms of protecting sites of existing or proposed industry from development which would erode that use. Apart from one site in Dungannon, there is no evidence of planning permission being granted for development which would result in the loss of proposed industrial land. Likewise, apart from the Ballynasaggart Business Park in Dungannon, there are no instances of any existing sites of industry being the subject of planning permission which would erode the industrial use.

Potential Policy Changes

3.43 Position Paper 3 suggested that any policy review of PPS 4 would examine whether sufficient protection is given to existing sites of industry. It is felt that sites which are zoned as existing industry are sufficiently protected by PPS 4. PED 7 makes no difference between sites which are zoned as proposed industry or existing industry. Therefore, development which would result in loss of industrial uses at these sites are strictly prohibited in the same way as sites of proposed industry.

3.44 As outlined earlier, desk top spatial searches carried out show that from all existing industry zonings in main hubs as per the 3 Area Plans for Mid Ulster, only one development which would result in the loss of existing industrial land has been granted planning permission in the lifetime of PPS 4. This supports the idea that PPS 4 and PED 7 in particular provides sufficient protection for areas of existing industry. Areas of existing industry which are not currently zoned may be more vulnerable to alternative development. In these areas, under the existing policy PED7 there are a wider range of scenarios wherein the development of a site for a use which will replace an existing industrial use is acceptable. It is considered that in Mid Ulster protection of the zoned land is important unless the alternative use being proposed brings with the important community benefits. Furthermore, redevelopment of unzoned land but that which was last used for economic development is also important but it can bring with it environmental benefits in some cases and where it is not requiring protection for employment purposes.

OPTIONS

3.45 **OPTION 1** - Adoption of the existing policy approach of Policy PED7 is an option moving forward. This approach is strict in how it is formulated and ensures a high level of protection. It also accords with the strategic position of the SPPS but is perhaps a slightly stricter test.

3.46 **OPTION 2** - The simplification and tailoring of Policy PED7 is an alternative option. Adoption of this approach would accord closer with the strategic policy contained within the SPPS particularly in allowing for alternative proposals to be developed in scenarios where they would offer community or environmental

benefits. This approach could also cater for a situation where within the settlement change of use of existing economic development land or land last used for that purpose may be permitted where there is no need to protect it for employment purposes and redevelopment of the land would result in environmental benefits. Where sites of existing industry are operational and are deemed to be worthy of being protected as a source of employment, then these sites can be zoned as sites of existing industry in the LDP.

Preferred Option

3.47 It is recommended that Option 2 be adopted. Such an approach will allow for sufficient protection of the existing and unzoned land while still allowing for scenarios where the land could be developed for an alternative use provided the benefits outweigh its loss. It is considered that the policy approach of Option 2 could be worded along the following lines:

- **Proposals which will result in the loss of land zoned for economic development (existing or proposed) will conflict with the plan unless it is demonstrated that there are important community benefits. Elsewhere within the settlement change of use of existing economic development land or land last used for that purpose may be permitted where there is no need to protect it for employment purposes and redevelopment of the land would result in environmental benefits.**

DEVELOPMENT INCOMPATIBLE WITH ECONOMIC DEVELOPMENT USES- Policy PED8

3.48 PED 8 seeks to safeguard existing or approved economic development uses from incompatible development that would prejudice future operations. It is designed to avoid approval being granted on industrial land, without adequate consideration being given to surrounding enterprises. The policy refers to “sensitive industrial enterprises” which require contaminant free environment in which to operate such as pharmaceutical industries, food processing or the production of medical products and the negative impact which excessive dust, odour, or traffic generation can have on such industries. The supplementary guidance advocates a 3 policy test approach in such scenarios;

- Is the proposal in the vicinity of an existing or approved sensitive industrial enterprise
- Is the proposal incompatible with the existing or proposed use
- Would the proposal prejudice the future operation of the existing or proposed use

Does Policy Meet Objectives?

3.49 The policy is obviously designed to protect existing industry and the jobs which they provide. This is in keeping with the aims of the SPPS (particularly para

6.90), the growth strategy in paper 1 and the SA, all of which aim to provide employment, promote economic prosperity and to increase the resilience of our economy.

Potential Policy Changes

- 3.50** One area of concern which would arise from an initial reading of PED 8 is that it would prohibit new industry from being approved if it impacted negatively upon existing or approved industry, regardless of the economic benefit that the new industry would produce. For instance, if a new industry would offer significantly greater employment than an existing nearby industry, yet it the former would impact negatively on the operation of the latter, then it would be unlikely that the new proposal would gain approval. However, the clarification provided in the supplementary guidance eases these concerns by stating that the economic benefit derived from the new industry opposed to that from the existing industry will be an important material consideration. The dominance of the agri-food industry in Mid Ulster is something that the Council would wish to ensure remains and therefore it is felt that a policy needs to be in place to ensure that these industries are protected from incompatible development.

OPTIONS

- 3.51 OPTION 1** - Adoption of the policy approach of Policy PED 8 in its current form. There is no evidence to suggest that this approach is not working or providing sufficient protection of existing economic development uses. It is felt that this approach would also accord with the strategic position of the SPPS and would provide a robust policy to protect those uses which require is.
- 3.52 OPTION 2** – Adoption of a policy approach that was more flexible in relation to the nature of the economic use it is applied to. For example the policy could be adapted to only address those uses that may require protection e.g. pharmaceuticals or agri-food industry. The downside of this approach is that there may be other uses that could be impacted on depending on what the new use being proposed is. In some cases the future expansion of a business could be impacted on by the perception of the impact of a new use introduced into an area. It could therefore be argued that this is not a reasonable alternative as it would not provide a sufficient degree of protection.

Preferred Option

- 3.53** The preferred option is Option 1. Adoption of this approach will ensure that sufficient protection is provided in circumstances where compatibility is a potential issue for an economic development use. Adoption of this policy approach could be worded as follows:

- **A proposal for development in the vicinity of an existing or approved economic development use that would be incompatible with this use or that would prejudice its future operation will not accord with the Plan.**

GENERAL CRITERIA FOR ECONOMIC DEVELOPMENT – Policy PED9

- 3.53** It is considered that Policy PED9 contains all of those planning considerations that will be contained within the General Principles and therefore is essentially a repeat of the issues that would be considered in the determination of any planning application irrespective of the use being proposed e.g. compatibility, amenity impact, impact on natural and built heritage, flood risk, noise, emissions, road safety, traffic, access, site layout and design, boundary treatment, integration. Indeed Paragraph 6.91 of the SPPS states that “all planning applications must be assessed in accordance with normal planning criteria, relating to such considerations as access arrangements, design and environmental considerations.” This means that as well as satisfying the criteria stipulated by the policy for the relevant category of economic development, all proposals must also meet general criteria such as those outlined above.
- 3.54** It is therefore suggested that there is no specific need for a separate planning policy to deal with these issues within the context of economic development and that these issues will be contained within the General Principles of the LDP.

4.0 Conclusions

- 4.1** Economic development is an important source of employment in Mid Ulster. Between 2011- 2013, the amount of jobs available in Mid Ulster grew by 2,368, or 5.2%.⁶ This is second only to Belfast in terms of absolute job creation and by far and away the highest of all Districts in terms of relative increase in jobs, as the table below will show. These figures show a healthy rate of job growth in Mid Ulster, which has taken place during the lifetime of PPS4. Given that around 27.5% of all jobs in Mid Ulster are manufacturing jobs compared to the NI average of just under 11%⁷, it is safe to assume that a large proportion of these new jobs have been in the manufacturing sector and are therefore dependent upon planning policy relating to industry and industrial land i.e. PPS 4. However, research carried out shows that the manufacturing sector is unlikely to grow significantly in the next 10-15 years and therefore it is important for policy to also promote the growth of office based service sectors, which it is felt can be achieved through this policy, if reflected primarily by the local policies plan. It is clear from this paper that there are aspects of the current operational planning policy within PPS4 that need to be tailored to address the local circumstances described earlier in the paper. The options presented of course will have to be tested and assessed in the context of Sustainability Appraisal

⁶ DETI census of employment 2013, 31st July 2014 , p. 8

⁷ DETI Census of employment 2013, 31st July 2014 – P. 3 and spreadsheet entitled Census District Council Area SIC2007 Section

and Strategic Environmental Assessment and only after that can it be decided which options should go forward to the Preferred Options Paper (POP).

4.2 In addition to evaluating the approach to be taken to economic development planning policy in Mid Ulster the workshop held with member and officers also discussed the location of industrial development in the rural area within Mid Ulster. Discussed centred on how these areas could be considered and addressed within the new LDP. It is felt that in In addition to the control mechanisms contained within the operational planning policy for the district there are a number of location in countryside where protection of industrial uses could be considered. These areas could offer opportunity for future expansion. In order to pursue this approach through the LDP there would be an option create Rural Industrial Policy Areas. The purpose of these would be to facilitate employment uses however for all other uses the provisions of the normal rural policy would apply. Following consideration of the discussions at the workshop the following areas could be considered as possible candidates for Rural Industrial Policy Areas:

- The Creagh
- Area around Sandvik between Ballygawley and Cabragh
- Ballygawley
- Fivemiletown
- Newmills
- Edendork
- Castledawson Interchange
- Tamnamore
- Ardboe
- Ballygawley

4.3 As with the operational planning policy it is recommended that prior to candidate locations being put forward for public consultation within the POP this approach must be further considered in relation to Sustainability Appraisal and Strategic Environmental Assessment and only after that can it be decided which options should go forward to the Preferred Options Paper (POP).

5.0 Recommendations

5.1 The policy options, including the preferred options, contained within this Paper together with the candidate options for Rural Industrial Areas within this paper are subjected to Sustainability Appraisal/Strategic Environmental Assessment, before any final decisions are made on which will go forward for public consultation in the Preferred Options Paper.