

# **Newry, Mourne and Down District Council LDP 2035 Review of employment strategy**

Newry, Mourne and Down District Council

02 April 2025

# **Lichfields is the pre-eminent planning and development consultancy in the UK**

**We've been helping create great places  
for over 60 years.**

**[lichfields.uk](https://lichfields.uk)**

# Contents

<b>1.0</b>	<b>Introduction</b>	<b>5</b>
<b>2.0</b>	<b>Policy Context</b>	<b>7</b>
	Regional Development Strategy (2010)	7
	Strategic Planning Policy Statement for Northern Ireland (2015)	7
	Planning Policy Statements	8
<b>3.0</b>	<b>Employment land</b>	<b>10</b>
	Preferred Options Plan	10
	Assessment of employment requirement	11
	Labour-force assessment	14
	Assessment of employment supply	17
<b>4.0</b>	<b>Recommendations</b>	<b>24</b>

## Figures

Figure 3.1 Delivered and undeveloped economic land by settlement	20
--	----

## Tables

Table 3.1 RDS Employment Land Evaluation Framework	10
Table 3.2 Employment land requirement	12
Table 3.3 Employment land requirement (with allowance)	13
Table 3.4 Population growth in NMD between 2020 and 2035.	14
Table 3.5 Economic activity and unemployment rates for the 16-64 and 65+ cohorts	15
Table 3.6 Economic activity and unemployment rates for the 65+ cohort	15
Table 3.7 NMD Economic land summary table	18
Table 3.8 Summary of land identified as being of “good quality and prime for development” by settlement	21
Table 3.9 Site assessment criteria	22

## 1.0 Introduction

- 1.1 In accordance with the Planning Act (Northern Ireland) 2011 and the Planning (Local Development Plan) Regulations (Northern Ireland) 2015, Newry, Mourne and Down District (NMDDC) is currently preparing its Local Development Plan (LDP). This will cover the period from 2020 to 2035 and will comprise of two separate elements:
- 1 Plan Strategy (PS) which will set out the vision, objectives, growth strategy and strategic policies for the Council area. It will address the economic, social and development issues of the area by indicating where development should take place and what form it should take.
  - 2 Local Policies Plan (LPP) which will build on the PS and provide more localised and detailed policy and proposals, including settlement limits and zones.
- 1.2 Having completed the first stage of the LDP process, ‘Initial Plan Preparation’, NMDDC is now progressing towards publication of a draft PS for consultation.
- 1.3 As part of the initial stage of plan preparation the Council has developed an evidence base relating to relevant topics that are to be addressed by the PS. This initially informed the preparation of the Preferred Options Paper (POP) which was subject to consultation between June and August 2018. The POP contained a series of options for dealing with key issues in the district, as well as the Council’s justification for its proposed approach.
- 1.4 In order to assist the Council in respect of the on-going plan-making process, Lichfields has been appointed by NMDDC to review of the background work undertaken to date and provide advice in relation to the emerging employment elements of the PS.
- 1.5 This report specifically draws on the following employment-related elements of the evidence base:
- 1 **Employment Space Demand 2022 – 2035 (UUEPC, Updated Analysis November 2023):** Provides an estimate of future demand for employment space within the council area to assist with the Council’s LDP.
  - 2 **Employment Land Supply Study for Newry, Mourne and Down District Council (CBRE, August 2022):** Provides a review of current market supply and demand for property assets.
  - 3 **Economic and Land Monitor (December 2020):** Relates to the availability of land for industrial and economic development across the District in those sites identified as existing and proposed industrial/economic development land in the two extant Development Plans (Ards and Down Area Plan and Banbridge, Newry and Mourne Area Plan).
  - 4 **Economic Development Strategy:** Forms part of the Council’s Spatial Growth Strategy and sets out how much land is needed for economic development and where it is to be located.
- 1.6 In reviewing the evidence that has been prepared to date, we have sought to assess its constancy with the Strategic Planning Policy Statement (SPPS) and Regional Development Strategy (RDS), identify any gaps or shortcomings in the evidence base, and make

recommendations on any additional work that might be required to ensure that the PS accords with the tests of soundness.

1.7 The report is structured as follows:

- **Section 2:** provides an overview of the relevant policy background within Northern Ireland that is relevant to the preparation of the PS for NMDDC;
- **Section 3:** contains a review of the evidence base relating to the PS economic and employment land strategy; and,
- **Section 4:** sets out our recommendations.

## 2.0 Policy Context

- 2.1 This section sets out the planning framework that forms the policy basis for this study. It provides a summary of the relevant planning documents and provides the context for future policies relating to economic development and employment land zonings.

### Regional Development Strategy (2010)

- 2.2 The Regional Development Strategy 2035 (RDS)<sup>1</sup> is the spatial strategy of the Executive, which provides the long-term policy direction and strategic spatial perspective for planning in Northern Ireland. The RDS has a statutory basis under the Strategic Planning (Northern Ireland) Order 1999.
- 2.3 Section 3 of the RDS provides Strategic Guidance in the form of:
- 1 Regional Guidance (RG) which applies to everywhere in Northern Ireland and is presented under the three sustainable development themes of Economy, Society and Environment; and,
  - 2 Spatial Framework Guidance (SFG) which is tailored to each of the five geographical components of the Spatial Framework.
- 2.4 The RDS provides strategic guidance at RG1 to help ensure “*an adequate supply of land to facilitate sustainable economic growth*”. It contains an Employment Land Evaluation Framework, which sets out a three-stage process for identifying employment land allocations as part of the LDP preparation process, as follows (see also Table 3.1):
- 1 **Taking Stock of the Existing Situation:** An initial assessment of the ‘fitness for purpose’ of the existing employment land portfolio;
  - 2 **Understanding Future Requirements:** An assessment of the quantum of employment land required across the main business sectors during the development plan period; and,
  - 3 **Identifying a ‘new’ portfolio of sites** based on qualitative appraisal. As part of this stage authorities are required to confirm which sites are to be retained, replaced or released, and identify any gaps in the portfolio.
- 2.5 The RDS states that employment land should be accessible and located to make the best use of available services whilst avoiding areas at risk of flooding, where possible. It also states that the focus will be on larger urban centres and regional gateways, in order to take advantage of their locations on the regional transport network.

### Strategic Planning Policy Statement for Northern Ireland (2015)

- 2.6 The Strategic Planning Policy Statement for Northern Ireland (SPPS)<sup>2</sup> sets out the framework for planning across Northern Ireland, including in relation to the preparation of LDPs. It has a statutory basis under Part 1 of the Planning Act (Northern Ireland) 2011.

---

<sup>1</sup> Department for Regional Development, Regional Development Strategy 2035, (2010)

<sup>2</sup> Department of the Environment, Strategic Planning Policy Statement for Northern Ireland (SPPS): Planning for Sustainable Development, (2015).

2.7 Paragraph 3.3 of the SPPS requires planning authorities to deliver on all three pillars of sustainable development when formulating policies, including the economic aim to promote *“economic recovery and balanced growth”* and to tackle disadvantage by *“ensuring economic considerations are accorded appropriate weight in plan preparation”*. It also states that the planning system should focus on the needs and aspirations of society such as *“facilitating sustainable housing growth in response to changing housing need (including delivery of social and affordable homes)”* (paragraph 3.3).

2.8 The SPPS sets out six strategic objectives at Paragraph 6.82 for facilitating economic development through the planning system, which apply specifically to employment land in the B use classes:

- 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 nature and scale;
- 4 Support the re-use of previously developed economic development sites and buildings where they meet the needs of particular economic sectors;
- 5 Promote mixed-use development and improve integration between transport, economic development and other land uses, including housing; and,
- 6 Ensure a high standard of quality and design for new economic development.”

2.9 The SPPS states at paragraph 6.92 that a fundamental role for LDPs is *“to ensure there is an ample supply of suitable land available to meet economic development needs within the plan area.”* In order to do this, the same paragraph states:

*“LDPs should offer a range and choice of sites in terms of size and location to promote flexibility and provide for the varying needs of different types of economic activity. Account should also be taken of factors such as accessibility by all members of the community, connectivity with the transportation system (particularly public transport), the availability of adequate infrastructure, the specialised needs of specific economic activities, potential environmental impacts and compatibility with nearby uses including the operational requirements of existing or approved economic development.”*

## **Planning Policy Statements**

2.10 The SPPS states at paragraph 1.9 that the existing Planning Policy Statements will be cancelled when all 11 councils have adopted a new Plan Strategy for their area. In the interim, a transitional period will operate when councils will apply existing policy contained within the PPS documents. Paragraph 1.11 of the SPPS states that when a council adopts its Plan Strategy, existing policy retained under the transitional arrangements shall cease to have effect.



## **Planning Policy Statement 4: Planning and Economic Development (2010)**

- 2.11 This Planning Policy Statement 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. It seeks to facilitate and accommodate economic growth in ways compatible with social and environmental objectives and sustainable development.
- 2.12 The objectives of this Statement are to:
- 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, size and location;
  - 3 Sustain a vibrant rural community by supporting rural economic development of an appropriate nature and scale;
  - 4 Support the re-use of previously developed economic development sites and buildings where they meet the needs of particular economic sectors;
  - 5 Promote mixed-use development and improve integration between transport, economic development and other land uses, including housing; and,
  - 6 Ensure a high standard of quality and design for new economic development.
- 2.13 PPS4 states at Paragraph 4.21 that development plan proposals will need to meet economic development needs, by using the following measures:
- 1 Designate/zone an ample supply of land available to meet identified economic development needs in a range of sites offering a choice of size and location, to accommodate a wide and flexible range of development opportunities;
  - 2 Safeguard existing economic development land where it remains suitable for continuation or expansion of this use;
  - 3 Designate/zone where appropriate areas for mixed use development, to include residential and economic development use that also forms part of the land supply;
  - 4 Identify areas where Business Use Class B1(a) uses are acceptable; and,
  - 5 Reallocate existing (developed or undeveloped) economic development sites for alternative use where the potential future use for economic development purposes is not considered realistic.
- 2.14 Paragraph 4.21 also requires the particular types of economic development use that will be permissible within any designated/zoned site or within mixed-use areas to be specified.

### 3.0 Employment land

3.1 The promotion of a strong economy is a key policy objective of the Northern Ireland Executive. As detailed in Section 2, the SPPS requires authorities to promote “*economic recovery and balanced growth*” and “*ensur[e] economic considerations are accorded appropriate weight in plan preparation.*”

3.2 The RDS requires LDPs to include “*an adequate supply of land to facilitate sustainable economic growth*”. It contains an Employment Land Evaluation Framework which provides a three-stage process for identifying employment land allocations as part of the LDP preparation process. This is summarised in Table 3.1 below:

Table 3.1 RDS Employment Land Evaluation Framework

Stage	Task
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 undertaken in order to identify the ‘best’ employment sites to be retained and protected whilst also identifying sites that should be clearly released for other uses.
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.
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.

Source: RDS

3.3 Drawing on the policy position contained within the SPPS and the RDS, this section provides an overview and review of the approach that has been taken by NMDDC in respect of the facilitation of job creation by ensuring the provision of a supply of land that is suitable for economic development.

### Preferred Options Plan

3.4 The NMD POP set out a number of economic objectives, including the aim of “*creating jobs and promoting prosperity*”. To do this, it sought to:

- 1 Facilitate the creation of 9,213 new jobs by 2030;
- 2 Recognise and accommodate entrepreneurship and innovation by attracting new firms and accommodating new and expanding indigenous business; and,
- 3 Facilitate Newry to capitalise on its role as the South Eastern City Gateway and Warrenpoint as a local hub and major port.

- 3.5 These objectives are aligned with the RDS framework for sustainable economic growth and recognition of the need for a co-ordinated approach to the provision of services, jobs and infrastructure. They also reflect the SPSS policy aspirations for the promotion of sustainable economic development and provision of a generous supply of land suitable for economic development in order to facilitate job creation.
- 3.6 The Employment and Economic Development Preparatory Study (July 2015) indicated that up to 9,213 jobs would be required in the NMD area between 2015 and 2030, approximately 80% of which were expected to be provided in the service sector. The Study went on to conclude that, based on the estimated number of jobs required in manufacturing and services, between 166 and 169ha zoned land was required. It recommended that the higher figure would offer greater flexibility and that the focus of the zoning for employment land “*should be in the hubs which will take the largest share*”.

## Assessment of employment requirement

- 3.7 The extension of the LDP period to 2035 has necessitated a reworking of the employment target and employment land requirement. The Employment Space Demand 2022-2035: Updated Analysis (Ulster University Economic Policy Centre, November 2023) and Employment Land Supply Study (CBRE, August 2022) both address the issues relating to the anticipated employment growth and employment land requirement. Critically, the UUEPC work takes account of the post-COVID-19 recovery and the impacts of on-going geo-political uncertainty, as well as the revision to the LDP time period. It identifies the following two growth scenarios which identify a growth of between 7,740 and 9,440 jobs over the period between 2022 and 2035:
- 1 **Baseline:** A policy neutral position where higher interest rates and inflation and pressures on public spending contribute to sluggish rates of growth for much of the 2020s and employment continues to grow to a rate of 78% in Northern Ireland against the backdrop of a tight labour market – resulting in the creation of an additional 7,740 jobs in NMD over the LDP period; and,
  - 2 **Upper:** Based on the assumption that a series of public investments and private sector productivity improvements give rise to higher growth rates – resulting in the creation of an additional 9,440 jobs in NMD over the LDP period.
- 3.8 The report states at paragraph 26 that:
- “The Baseline jobs outlook is stronger than the original 2020 forecast because the pre-pandemic recovery proved stronger than anticipated (especially in 2019) and the employment rebound from Covid-19 more rapid.”*
- 3.9 The report goes on to indicate that the baseline scenario would necessitate the delivery of an additional 281,400sqm employment space whilst an additional 335,400sqm would be required under the upper scenario. It notes that under both scenarios, there will be a demand for additional general office, small business workspace and R&D space. In this regard, it differed to the 2015 study by identifying a lower level of future growth in manufacturing sectors. This would impact on the associated floorspace and land requirements.

- 3.10 Not all of this additional growth would require new space as a proportion of the new employment could be absorbed within existing space. Based on an assumed absorption rate of between 10% and 20% the analysis concluded that, under the baseline scenario, the employment space demand would decrease to between 225,100sqm and 253,300sqm between 2022 and 2035. The UUEPC did not translate this figure to a specific employment land requirement.

### Translating UUEPC floorspace estimates to land requirements

- 3.11 It is important to achieve a clear understanding of the total quantum of land that is required to meet the future employment needs going forward, in order to ensure that emerging needs can be accommodated. Drawing on the analysis undertaken by UUEPC, we have translated the identified requirement for between 225,100sqm and 253,300sqm floorspace to a land requirement. In so doing, we note that the figures provided by UUEPC in Table 3 of its report (Total Employment Space Demand Change by Business Use) relates to all employment-generating uses and not just those within B Class sectors – i.e. it also includes:

- 1 Between 3,840sqm and 4,320sqm town centre uses such as retail and food & beverage establishments;
- 2 Between 30,080sqm and 33,840sqm of hotels; and,
- 3 Between 8,160sqm and 9,180sqm of fitness centres, leisure and cultural uses.

- 3.12 It also includes between 27,840sqm and 31,320sqm of mixed B Class floorspace, which Appendix 4.2 of the UUEPC report shows as incorporating a range of B Class and non-B Class activities.

- 3.13 Based on an analysis of the UUEPC report, we estimate that there is a need for between 161,300sqm and 187,100sqm of B Class employment floorspace in NMD between 2022 and 2035. Assuming that a gross area of 1ha is required to develop 10,000sqm of city/town centre office space (equal to a plot ratio of 1.0) and that 1ha is required to develop 4,000sqm of non-town centre offices and industrial/ warehousing/distribution space (equal to a plot ratio of 0.4), we estimate that between 41.0ha and 46.1ha B Class employment land is required to accommodate the quantum of employment floorspace that has been identified by UUEPC as likely to come forward over the LDP period.

- 3.14 Additional land would also be required to accommodate the other employment-generating floorspace that falls outside of the B Class sectors, but that assessment is not within the scope of this report.

Table 3.2 Employment land requirement

	High: 10% capacity absorption	Low: 20% capacity absorption
Employment floorspace (sqm)	187,079	166,292
Employment land (ha)	46.1	41.0

Source: Employment Space Demand 2022-2035: Updated Analysis (UUEPC, November 2023) / Lichfields analysis

- 3.15 In estimating the overall requirement for employment land, it is also appropriate to make an allowance for a flexibility margin. This is designed to ensure that the effective operation

of the local economy is not undermined by a shortage of employment land. It is therefore intended to:

- 1 Provide for a margin of error given the uncertainties in the forecasting process;
- 2 Allow developers and occupiers a reasonable choice of sites;
- 3 Make allowance for delays in some zoned sites coming forward; and,
- 4 Have regard to the potential loss of existing employment sites.

3.16 A common approach is to make an allowance that is equivalent to the average time for a site to gain planning permission and be delivered, typically about two years. This is increased to an allowance of three years to provide a basis by which an allowance might be made to compensate for any future losses of employment land. As illustrated below, this gives rise to a requirement for between 50.4ha and 56.7ha employment land between 2022 and 2035.

Table 3.3 Employment land requirement (with allowance)

	High: 10% capacity absorption	Low: 20% capacity absorption
Employment land (ha)	46.1	41.0
Flexibility margin (ha)	10.6	9.4
Total land requirement	56.7	50.4

Source: Employment Space Demand 2022-2035: Updated Analysis (UUEPC, November 2023) / Lichfields analysis

3.17 As set out below, this requirement equates to between 31% and 35% of the quantum of undeveloped employment land in NMD in 2023, such that there is significantly more than sufficient land to meet accommodate the expected level of B Class employment growth that is expected in the authority area.

## Review of approach adopted

3.18 The UUEPC analysis was based on “forecasts from the UUEPC Spring 2023 Economic Outlook and subsequent research on likely employment scenarios under different investment plans for the City and Growth Deals in NI.” It does not appear to have taken account of past trends of employment growth or the delivery of employment premises, or any consideration of future growth in the labour market or the number of workers that will be available to fill the expected new jobs. Whilst a review of econometric forecast represents an important basis to determine future requirements, it is important to set this in the context of an understanding of the deliverability of the anticipated level of growth (based on an understanding of the economic context and past trends) and the availability of a local labour force to fill the new jobs. In respect of these points, we note that:

- 1 The UUEPC report states that an additional 14,652 jobs were created in the NMD area between 2001 and 2022 – an average of 698 per annum. If rolled-forward over the 13 years between 2022 and 2035, this would equate to an additional 9,074 jobs, a figure that falls between the baseline and upper scenarios identified above. This provides evidence of the deliverability of this level of employment growth.
- 2 Neither the UUEPC nor the CBRE report contains any commentary on past change in employment floorspace or the delivery of new employment land. This means that it is not possible to frame the assessment of future employment floorspace and land

requirements in the context of an understanding of the scale of historic growth and the extent to which delivery rates would need to increase (or potentially fall) in order to accommodate the identified future needs. As detailed below, the Council's Economic Land Summary table indicates how much zoned land was developed between 2018 and 2023. This provides an important trend-based indication of future employment land needs.

- 3 The analysis contained in the UUEPC report appears to be based on solely the baseline econometric forecasts. It does not appear to have regard to any "policy-on" adjustment, i.e. to reflect local policy objectives and circumstances that might not have been reflected in the high-level forecasting. We would recommend that, as part of additional work to inform the LPP, NMDDC should undertake a detailed review of the distribution of growth by sector and assess that in the context of local knowledge of each sector and any specific growth initiatives or developments that might give rise to a different (and potentially) higher level of employment growth in each sector.
- 4 In considering the floorspace and land requirements associated with the identified level of employment growth it is important to have regard to the fact that, within the context of an overall increase in employment, some sectors might suffer a contraction. However, it does not follow that a reduction in employment would result in the release of floorspace or land, nor that any surplus premises or land could be repurposed for other employment uses. It is not clear from the UUEPC report what approach has been taken in respect of the netting off of job and employment losses. However, this could be addressed through the flexibility margin identified above. Furthermore, the quantum of available employment land is such that there is significant capacity to accommodate any additional employment land could be readily accommodated.

## Labour-force assessment

3.19 In addition to considering econometric forecasts as a basis for future employment-land requirements, consideration should also be given to a labour-force assessment in order to ascertain whether there is consistency in the strategic approach in respect of the provision of housing and land for employment growth. The approach taken to this assessment is to calculate the projected population change in the area and then identify how many of those people will be of working age. Applying the economic activity and unemployment rates will then allow us to identify the number of additional workers that will reside in NMD over the LDP period. Consideration could then be given to commuting trends to ascertain the number of jobs that will be supported by that level of population growth.

3.20 A review of the NISRA 2018-based population projections indicates that the population of NMD is expected to increase by 11,010 persons (+6.0%) between 2020 and 2035. This comprises of the following:

Table 3.4 Population growth in NMD between 2020 and 2035.

Age cohort	Male	Female	Total
0-15	-1,962	-1,841	-3,803
16-64	+1,189	+13	+1,202
65+	+6,558	+7,053	+13,611
16+	+7,747	+7,066	+14,813

Age cohort	Male	Female	Total
Total (all ages)	+5,785	+5,225	+11,010

Source: NISRA 2018-based population projections / Lichfields analysis

3.21 Critically, this shows that the population growth is being driven by a substantial growth in the number of older people. This is consistent with the demographic trends that are evident elsewhere in Northern Ireland and the UK.

3.22 The implications of this profile vary depending on whether we apply economic activity and unemployment rates for the 16-64 and 65+ cohorts or a single set of rates of those aged 16+. Given the lower level of projected growth in the 16-64 age cohort and the low economic activity rates that relates to the 65+ cohort, application of the separate rates gives rise to a low level of increase in the working population – an additional 2,181 workers, as illustrated in Table 3.5:

Table 3.5 Economic activity and unemployment rates for the 16-64 and 65+ cohorts

		Change	Economic activity rate	Economic activity	Unemployment rate	Working population
Male	16-64	+1,189	85.3%	1,014	2.2%	992
	65+	+6,558	15.4%	1,010	0%	1,010
	<b>Total</b>	<b>+7,747</b>		<b>2,024</b>		<b>2,002</b>
Female	16-64	+13	75.7%	10	2.3%	10
	65+	+7,053	2.4%	169	0%	169
	<b>Total</b>	<b>+7,066</b>		<b>179</b>		<b>179</b>
Total	16-64	+1,202		1,024		1,002
	65+	+13,611		1,179		1,179
	<b>Total</b>	<b>+14,813</b>		<b>2,203</b>		<b>2,181</b>

Source: Lichfields assessment of NISRA 2018-based population projections, NISRA economic activity by gender and Local Government District and NISRA labour market structure by Local Government District

3.23 By contrast, application of the single 16+ rate results in a much higher level of increase in the working population (+9,739), as illustrated in Table 3.6. The reason for this is because this approach applies a much higher economic activity rate for the large number of additional people in the 65+ cohort.

Table 3.6 Economic activity and unemployment rates for the 65+ cohort

		Change	Economic activity rate	Economic activity	Unemployment rate	Working population
Male	16+	+7,747	72.8%	5,640	2.1%	5,521
Female		+7,066	61.1%	4,317	2.3%	4,218
<b>Total</b>		<b>14,813</b>		<b>9,957</b>		<b>9,739</b>

Source: Lichfields assessment of NISRA 2018-based population projections, NISRA economic activity by gender and Local Government District and NISRA labour market structure by Local Government District

3.24 The 2011 census reported a total net out-commuting of 8,145 people from the NMD area. This equated to 11.5% of the workforce population of NMD at that time. Applying this rate to the figures set out above gives rise to the following numbers of jobs being supported by each scenario:

- 1 Separate rates: +1,930; and,
- 2 Combined 16+ rate: +8,619.

3.25 This compares with the conclusions of the UUEPC work which identified an increase of between 7,740 and 9,440 jobs over the LDP period.

3.26 The single rate approach is clearly well-aligned with this rate whilst the approach that applies separate rates give rise to a level of employment growth that is very considerably lower. However, whilst it is reasonable to assume that the economic activity rate amongst the 65+ cohort might rise in the future – as a result of increased life expectancy and changes to the state pension age – it is unlikely that it would reach the average level of all people over the age of 16. As a consequence, we consider that application of the single 16+ rates would:

- 1 Over-estimate the level of economic activity amongst the older population; and,
- 2 Over-estimate the future increase in the number of economically active people that is likely to be associated with the projected population growth.

3.27 In considering the level of future employment growth, it is helpful to have regard to the direction of past employment trends. A review of BRES data on employee jobs in the NMD area between 2011 and 2022 (the most recent year for which data has been published) identifies a 23% increase in the number of employee jobs (+11,638 / +895 jobs p.a.). Over the same period, there was a 0.8% increase (+913) in the number of people aged between 16 and 64 and a 36% increase (+8,328) in the number of people over the age of 65. The total population over the age of 16 increased by 6.95% between 2011 and 2022. Future trends in population growth mirror these past trends and imply that the working age population will increase by only a small amount in comparison to the 65+ age cohort which will increase significantly. The fact that past population growth has been lower than employment growth highlights an imbalance that exists between job growth and population growth. This indicates that the level of job growth associated with the separate economic activity rates (as detailed in paragraph 3.24(1) above) would not result in an imbalanced strategy within the LDP.

3.28 The analysis set out above suggests that there was not a linear relationship between population increase and employment creation. This indicates that the strong employment trend has been driven by factors other than local population growth and that the future employment growth will follow a similar pattern in this regard.

3.29 It should be noted that, if replicated over the LDP period, the past employment growth would equate to an additional 11,635 jobs. Of note is the fact that between 2020 and 2022, the number of employee jobs increased by 3,010 (i.e. c.1,000 p.a.), suggesting that the growth in the first few years of the LDP period is above average.

3.30 In the light of this evidence, we would not recommend reducing the projected level of employment growth to reflect the demographic-led scenario; conversely, we would not recommend a further increase in the level of housing provision over and above the level that identified in the accompanying housing need and supply review.



## Assessment of employment supply

- 3.31 Having identified future employment growth and the need for additional floorspace and land to accommodate the expected growth, it is necessary to assess the suitability of the existing stock of employment land and premises to meet the identified need. As detailed in the Employment Land Evaluation Framework, this comprises of two elements, as follows:
- 1 Assessment of the fitness for purpose of the existing employment land portfolio (Stage 1); and,
  - 2 Identification and appraisal of land and premises to meet the future needs that have been identified (Stage 3).

### Economic Land Monitor

- 3.32 The Economic Land Monitor (December 2020) provides a high-level review of the availability of land on sites that have been identified as existing or proposed industrial/economic development lands in the Ards and Down Area Plan and Banbridge, Newry and Mourne Area Plan. It represents a point-in-time assessment. The economic land summary table provides a settlement-by-settlement overview of the amount of zoned land that was developed between 2020 and 2023, and the amount that remains undeveloped. This partly updates the Economic Land Monitor.
- 3.33 The information contained within the Economic Land Monitor includes:
- 1 Type of site (existing/proposed);
  - 2 Site size;
  - 3 Amount of land that has been developed/remains undeveloped;
  - 4 The type of business use on site (defined by use class) and the proportion of site area/floorspace given to each use class; and,
  - 5 Other relevant information such as key site requirements and details of any planning permissions that have been granted on each site.
- 3.34 The Monitor does not provide any qualitative or quantitative assessment of each site or any commentary on its on-going suitability for employment purposes (or, in the case of undeveloped sites, for future development).
- 3.35 The Economic Lands Summary Table 2018-2023 identified a total of 385.77ha zoned employment land, of which:
- 1 194.87ha was developed in 2018;
  - 2 203.39ha was developed in 2020 – i.e. 8.52ha developed between 2018 and 2020, equivalent to 6.42ha per annum; and,
  - 3 225.59ha was developed in 2023 – i.e. 22.2ha developed between 2020 and 2023, equivalent to 7.4ha per annum.
- 3.36 30.72ha employment land was developed between 2018 and 2023, over 77% of which was located in Newry and Downpatrick, with Downpatrick alone accommodating over half of all employment land development in these years.

- 3.37 Given its status as the only city within NMD and with by far the largest amount of developed and undeveloped economic land, the level of recent development in Newry has been comparatively limited. It was spread across five sites with only one of these accommodating a sizeable amount of development (5.13ha at Carnbane/Cloughanramer Road (NY63)). Two other sites each accommodated c.1ha development (1.3ha at Carnbane Business Park (NY65) and 1.02ha at Loughway (NY70)). The remaining two sites each accommodated a small amount of development (0.27ha at Carnbane South (NY66) and 0.18ha at Carnbane Industrial Estate (Main Portion)). As a result of this limited level of past growth, Newry retains a very considerable amount of undeveloped economic land. Based on the level of development between 2018 and 2023 (1.58 ha per annum), Newry has an employment land supply of 57.2 years.
- 3.38 By contrast, Downpatrick accommodated considerably more development between 2018 and 2023 and now has a much smaller supply of undeveloped land. Three sites were developed in Downpatrick with almost all of the growth (13.18ha) being at Down Business Park, Belfast Road<sup>3</sup> (COU 12). The remainder was at Cloonagh Road and Brannish Road (DK15) (2.56ha) and Downpatrick (Ballydugan Road Existing Land) (0.26ha). When viewed in the context of the past success in terms of the development of economic land, the residual undeveloped economic land at Downpatrick may not be sufficient to meet future needs within the town. Assuming that past levels of development (3.2ha per annum) continue in the future, there is an employment land supply of 6.6 years in the town. This should be reviewed as part of the LPP to ensure that a longer-term supply can be maintained.
- 3.39 Crossgar accommodated the third highest amount of economic development between 2018 and 2023 – 2.6ha on one site at Ballynahinch Rd (COU11) and the remaining 0.27ha at Lands at Kilmore Rd Crossgar (IPA1). Although limited in overall quantum, this did represent an increase in developed economic land. There is just 0.3ha undeveloped economic land in Crossgar – equivalent to a supply of 0.5 years, based on past trends. Again, it might be appropriate to review this as part of the future preparation of the LPP.
- 3.40 There was a very small amount of economic development in Kilkeel between 2018 and 2023 (0.19ha at Moor Road/Newcastle Road West (KL21)) and no development at either Newcastle or Crossmaglen. In the case of Newcastle, this is because there was no undeveloped land remaining. This is likely to be a function of its environmental constraints.
- 3.41 Overall, however, based on a review of past trends, NMD has an employment land supply of 26.5 years. Moreover, the supply represents between 3.5 and 4 times the identified employment land requirement for the LDP period, as set out in Table 3.2. As such, there is no evident risk that the future need for employment land could not be met.

Table 3.7 NMD Economic land summary table

	Developed 2018 (ha)	Developed 2020 (ha)	Developed 2023 (ha)	Developed between 2018 and 2023 (ha)	% change	Undeveloped 2023 (ha)
Newry	112.06	113.04	119.96	7.9	7.0%	90.35
Downpatrick*	26.21	28.91	42.21	16.0	61.0%	21.25

<sup>3</sup> Invest NI serviced site with access onto the A7 which may make it more attractive to those businesses that meet Invest NI criteria

	Developed 2018 (ha)	Developed 2020 (ha)	Developed 2023 (ha)	Developed between 2018 and 2023 (ha)	% change	Undeveloped 2023 (ha)
Newcastle	1.11	1.11	1.11	0	0.0%	0
Warrenpoint/ Burren	24.09	26.31	26.5	2.41	10.0%	13.84
Kilkeel	9.07	9.26	9.26	0.19	2.1%	19.79
Ballynahinch	5.49	5.59	6.14	0.65	11.8%	5.35
Crossmaglen	1.1	1.1	1.1	0	0.0%	2.3
Bessbrook	3.07	3.07	3.07	0	0.0%	0
Crossgar*	1.18	3	4.05	2.87	243.2%	0.3
Ardglass	0.63	0.63	0.63	0	0.0%	1.46
Newtownhamilton	0.36	0.36	0.36	0	0.0%	0.46
Annsborough	3.58	3.58	3.58	0	0.0%	0.89
Jonesborough	1.6	1.6	1.6	0	0.0%	0
Shrigley	3.5	3.5	3.5	0	0.0%	2.89
Ballyhornan	1.82	2.33	2.52	0.7	38.5%	1.3
<b>Total</b>	<b>194.87</b>	<b>203.39</b>	<b>225.59</b>	<b>30.72</b>	<b>15.8%</b>	<b>160.18</b>

Source: Lichfields review of NMDDC Economic Lands Summary Table 2020-2023

\*Includes sites identified as part of ADAP countryside proposals

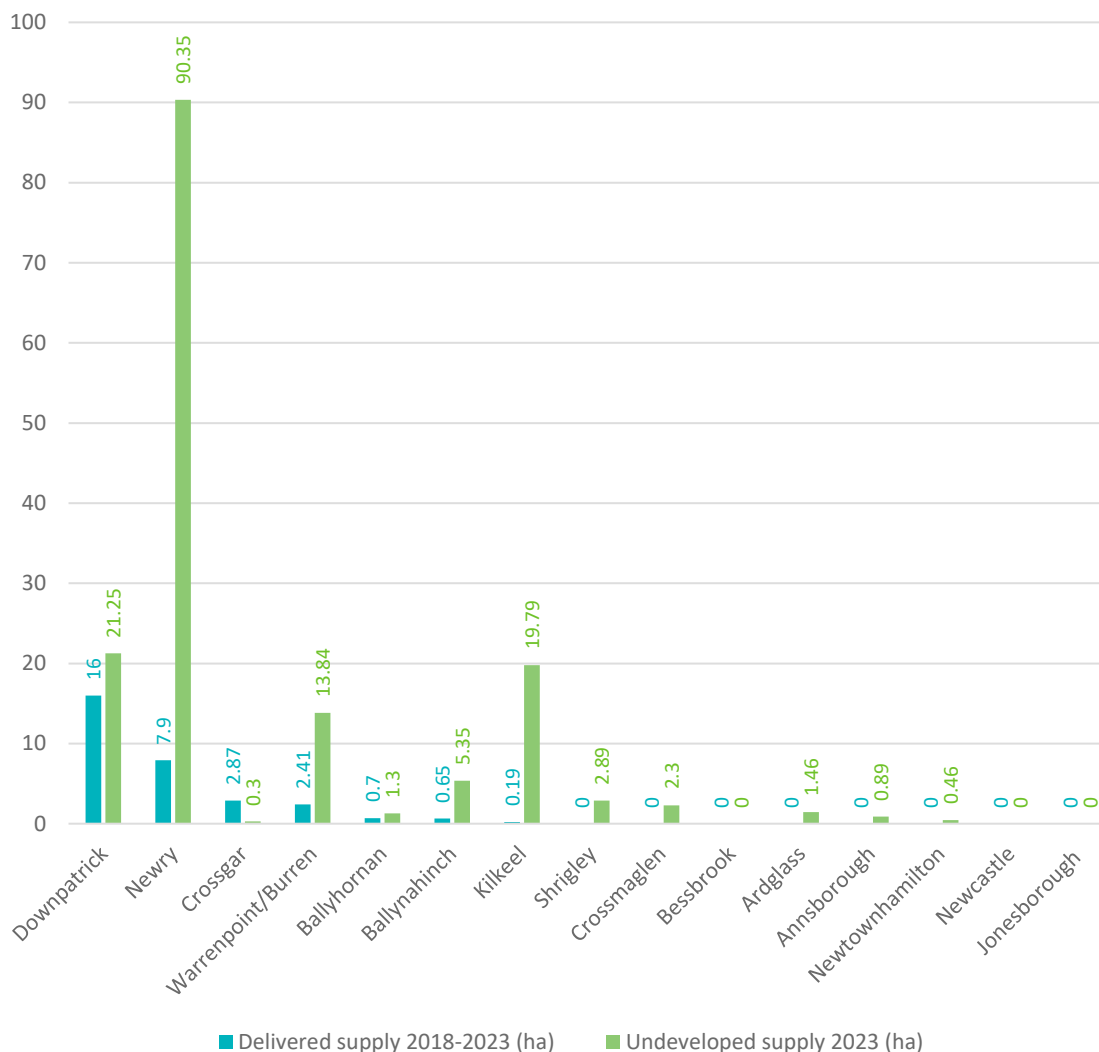
- 3.42 Figure 3.1 provides an illustration of the amount of undeveloped economic land by settlement in comparison to past development rates. It shows that there is comparatively limited choice, particularly for any business that wishes to locate outside of Newry. Going forward, NMDDC may wish to consider options to increase the distribution of available employment land. We consider that the LPP would provide an appropriate vehicle by which to undertake this review.
- 3.43 Although clearly not applicable to employment land, the HEF provides a useful overview of the sustainability of settlements and their capacity to accommodate new development<sup>4</sup>. Over 80% of undeveloped economic land is located in Newry, Kilkeel and Downpatrick – all of which achieved HEF scores of 17 or 18 out of 18<sup>5</sup>. A further 19.2ha is located in Warrenpoint/Burren and Ballynahinch, both of which achieved HEF scores of 16 out of 18<sup>6</sup>. Even though the undeveloped economic land is concentrated into a small number of settlements, this highlights the sustainability of the distribution. However, as detailed below, consideration of the distribution of undeveloped economic land should be set in the context of the assessment of quality/market demand. Table 3.8 shows that none of the undeveloped land in Kilkeel and only a small proportion of land in Warrenpoint/Burren and Ballynahinch was categorised as being of good quality and prime for development. This points towards a further concentration in the distribution of potential future development opportunities. We recommend that NMDDC reviews this as part of the LPP preparation process.

<sup>4</sup> A detailed analysis of the HEF is contained in the accompanying *review of housing strategy* report

<sup>5</sup> Or 12.5 or 15 out of 15, based on the alternative scoring mechanism

<sup>6</sup> Or 10 out of 15, based on the alternative scoring mechanism

Figure 3.1 Delivered and undeveloped economic land by settlement



Source: Lichfields review of NMDDC Economic Lands Summary Table 2018-2023

### Employment Land Study for Newry, Mourne and Down District Council

3.44

The Employment Land Study for NMDDC was prepared by CBRE and provides an audit of existing zoned developed and undeveloped lands, office and industrial accommodation across the Council area. The specification section of the report states that:

*“We have been asked by Newry, Mourne and Down District Council to provide an audit of existing zoned developed and undeveloped lands, office and industrial accommodation including total size of accommodation location, type, value, quality, demand for such and fitness for purpose, in the Newry, Mourne and Down District Council area.”*

3.45

The report provides a commentary on the office and industrial land markets, before offering an assessment of the sites contained within the NMD Economic Land Monitor Report 2020. For each site, the report provides the following details:

- 1 The total site size and the area that remains undeveloped.
- 2 CBRE's recommendation on its suitability /fitness for purpose.
- 3 Its strategic priority, which is set out in the form of a RAG (Red, Amber, Green assessment) based on the strength of the market, as follows:
  - a Red: land which CBRE considered to have limited demand for development in the short term;
  - b Amber: land which were found to have current and future potential demand; and,
  - c Green: prime land for which CBRE considered there to be a strong market.

3.46 Critically, however, the report focused on the market demand for each site and did not provide any comment on the underlying suitability or quality of each site. Whilst these factors are likely to have had an influence on market demand, they should be assessed separately.

3.47 The conclusion of the CBRE report was that there was 107.77ha undeveloped land across NMD that was of “*good quality and prime for development*” (paragraph 6.3). This figure, which represented the quantum of land that was categorised as “green priority”, accounted for 59% of the total quantum of undeveloped land. It was distributed as follows:

Table 3.8 Summary of land identified as being of “good quality and prime for development” by settlement

	Undeveloped area (ha)	% of total
Newry	88.27	81.9%
Downpatrick	18.34	17.0%
Ballynahinch	0.96	0.9%
Warrenpoint/Burren	0.2	0.2%
<b>Total</b>	<b>107.77</b>	<b>100.0%</b>

Source: Lichfields review of Employment Land Study for NMDDC

3.48 Of the 107.77ha land identified by CBRE as being of “*good quality and prime for development*”, c.20ha has now been developed such that 87.85ha is still undeveloped. Given that the LDP period has been extended to 2035, it will be important to reassess whether this is sufficient to meet this identified requirement for employment land (noting that this is not specified in the evidence), having regard both to the quantum and distribution of employment land. We understand that CBRE is currently undertaking a update to its previous report.

3.49 This update should consider whether the RAG assessment contained in the initial CBRE assessment has changed in the time since the assessment was undertaken. This re-assessment should have regard to current market conditions and the status of each site at this time. This is important given the conclusion of the UUEPC report regarding the comparative demand for office-based activities and the reality that not all employment sites would necessarily be appropriate for all employment uses. This might therefore have an effect on the approach that is to be taken in respect of the zoning of individual sites.

3.50 In addition to assessing whether the overall quantum of land is sufficient to meet future needs to 2035, it will be important to ascertain whether there is an adequate supply of land for each use class. Whilst the Economic Land Monitor considered the proportion of each

site and floorspace that was in use by Use Class, neither report drew any conclusions on the suitability of any site for different employment purposes.

### Commentary on site assessment

- 3.51 Going forward, we consider that a qualitative assessment of each site should be undertaken, drawing the following considerations into a transparent scoring matrix:

Table 3.9 Site assessment criteria

Criteria	Key Considerations
Access	Road access Public transport access Pedestrian/cycle access
Site context	Proximity to residential area/community facilities Buildings quality and condition (if applicable) Brownfield/greenfield status (undeveloped area only) Adjoining uses Proximity to infrastructure
Environment	Landscape and environmental designations TPOs Topography Contamination Flood risk
Market strength	Levels of market demand

- 3.52 Given that the Employment Land Evaluation Framework makes reference to establishing a qualitative site appraisal criteria to determine which sites meet the occupier or developer needs, we consider that this additional analysis would be important in ensuring compliance with the approach required by the RDS. However, we anticipate that this review could appropriately be undertaken as part of the LPP preparation process.
- 3.53 The scoring results for each site – together with a qualitative commentary – should be set out and consideration should be given to the continued appropriateness of each site identified for future employment use/development; this is particularly relevant in the case of sites that score badly.
- 3.54 In so doing, however:
- 1 A site that is identified as being “poor” against a single criterion should not necessarily be classed as a “poor” site overall. Some criteria may be regarded as more important than others in determining a site’s suitability for existing employment uses or possible future development.
  - 2 The role of any sites that score badly should be carefully considered, particularly those that are currently occupied. It does not follow that these should automatically be released or redeveloped for alternative purposes, as such sites may still perform an important contribution to the local economy.
  - 3 The assessment process in itself does not necessarily provide a complete picture of the local significance of certain sites. For example, a site could be assessed to have the potential to satisfy particular business and sector needs (i.e. which can be important

reasons for retaining the site) even if it does not perform well against conventional site assessment criteria.

- 4 In accordance with the requirements of PPS4, further clarity is required as to the specific types of economic development use that will be permissible within any zoned site or within mixed-use areas.
- 5 To that end, mixed use areas that include an element of economic development uses are encouraged by PPS4 and it is permissible for such sites to form part of the land supply. However, any mixed use sites that do not include key site requirements for economic development should not be included in the land allocation.
- 6 The views of landowners will be of particular importance when considering the potential role of zoned land. The deliverability of any undeveloped zoning is an important consideration going forward. If a site has been historically zoned but not delivered to date, it should not be assumed that it will necessarily come forward in the future. A review of its potential deliverability and viability should be undertaken.
- 7 Any specialist needs, for example relating to Warrenpoint Port or Kilkeel Harbour should be specifically examined and provided for.

### **Approach to the loss of employment land**

- 3.55 In setting out the strategy for the development of employment land, the LDP should also have regard to potential future losses. This is important in ensuring that sufficient land can come forward over the LDP period and existing employment premises and zoned land can be protected, whilst also ensuring that there is sufficient flexibility to ensure that any sites that are no longer suitable for employment uses or development can be reused for alternative purposes.

## 4.0 Recommendations

4.1 Drawing on the analysis set out above, we would make the following recommendations:

- 1 Updated analysis of employment demand should be undertaken as part of the LPP preparation and, if necessary, additional provision should be made for sites to reflect any changes in the requirement.
- 2 As part of this review at LPP stage particular consideration should be given to whether there is need for additional employment land at Downpatrick in relation to the scale of past trends and the level of zoned land.
- 3 The identified employment land requirement for the LDP period represents a net additional figure. It is important to make an allowance for any losses that might result from the redevelopment of existing sites for non-employment purposes; this might require an additional provision of new sites over and above the identified requirement.
- 4 Neither the UUEPC nor the CBRE reports or the Economic Monitor provide any evidence on past losses. It will be necessary to ascertain expected future losses (based on a review of past trends) in order to ensure an adequate gross supply.
- 5 Non-B Class activities can make an important economic contribution in terms of job creation and GVA generation. When assessing any proposals for non-B Class uses on land that has been zoned for employment purposes or has been used for such activities, consideration should be given to the economic impact of such uses. Again, a detailed policy in the LPP could provide a criteria-based approach to address this.





**Birmingham**  
0121 713 1530  
birmingham@lichfields.uk

**Edinburgh**  
0131 285 0670  
edinburgh@lichfields.uk

**Manchester**  
0161 837 6130  
manchester@lichfields.uk

**Bristol**  
0117 403 1980  
bristol@lichfields.uk

**Leeds**  
0113 397 1397  
leeds@lichfields.uk

**Newcastle**  
0191 261 5685  
newcastle@lichfields.uk

**Cardiff**  
029 2043 5880  
cardiff@lichfields.uk

**London**  
020 7837 4477  
london@lichfields.uk

**Thames Valley**  
0118 334 1920  
thamesvalley@lichfields.uk

@LichfieldsUK

**lichfields.uk**