
Derry City & Strabane District Council

Retail Capacity and City/Towns Centres Study –

Part 2: Recommendations on Centres, Uses and Planning Policies

November 2018

Contents

1.	Introduction	3
2.	A network and hierarchy of centres	4
3.	Recommendations on spatial extent of centres and the primary retail core	9
4.	Appropriate uses within the hierarchy of centres and other locations, including matters to be taken into account for decision taking	15
5.	An appropriate threshold for the assessment of retail impact and need	20
6.	Recommendations for a future retail strategy	22

1. Introduction

- 1.1 The results of this Retail / Centres study is presented in two parts; The Part 1 report presents the findings of the quantitative and qualitative surveys and analysis. This Part 2 report sets out the recommendations in relation to the various centres, the appropriate uses and the planning policies to manage those uses.
- 1.2 Arising from the retail capacity study and health checks, this report sets out our advice on factors that are relevant to the preparation of an appropriate planning policy response and associated various designations for the Council's LDP.
- 1.3 The scope of this policy response was defined in the Invitation Document (paragraph 3.4) and is also covered by Regional Strategic Policy in the SPPS, paragraph 6.272 onwards. In summary, this section will therefore include policy recommendations in relation to:
- A network and hierarchy of centres, including respective roles and functions
 - The spatial extent of centres and primary retail cores
 - Appropriate uses within the hierarchy of centres and other locations, including matters to be taken into account for decision taking
 - An appropriate threshold for the assessment of retail impact and need in relation to applications for retail uses
 - A strategy for retailing within Derry-Londonderry city centre and Strabane town centre arising from the retail capacity study findings

2. A network and hierarchy of centres

Definitions

- 2.1 Paragraph 6.277 of the SPPS states that LDP's should, "*define a network and hierarchy of centres – town, district and local centres, acknowledging the role and function of rural centres*".
- 2.2 Defining a network and hierarchy of centres should be informed by their respective roles and functions. As such, we would refer to the centre health checks undertaken at Section 4 of the study. Reference has also been made to LDP POP Evidence Base papers EVB 7 City & Town Centres and EVB 8 Retailing.
- 2.3 The SPPS does not contain specific definitions for the different tiers of the hierarchy. However, the extracts below are of relevance.
- 2.4 Paragraph 6.267 states that, "*Town centres...provide a wide variety of retailing and related facilities, including employment, leisure and cultural uses.*"
- 2.5 Footnote 57 at paragraph 6.629 clarifies that 'town centres' includes both city and town centres. It should be noted that when the SPPS refers to 'town' centres and 'town-centre first' and that wherever the word 'town' is used in this context, this refers equally to 'city 'centre in the case of Derry city, throughout this document.
- 2.6 Footnote 58 at paragraph 6.271 defines 'main town centre uses' as including, cultural and community facilities, retail, leisure, entertainment and businesses.
- 2.7 The Regional Strategic Objectives (paragraph 6.271) for town centres are to, "*protect and enhance diversity in the range of town centre uses appropriate to their role and function, such as leisure, cultural and community facilities, housing and business*".
- 2.8 Paragraph 6.276 states that, "*Planning authorities should retain and consolidate existing district and local centres as a focus for local everyday shopping, and ensure their role is complementary to the role and function of the town centre.*" (GVA underlining)
- 2.9 In the absence of specific definitions to rely on in the SPPS, the glossary of terms provided by the now replaced Planning Policy Statement 5 (Retailing and Town Centres) also remains of some relevance. In respect of the definition of Town Centres, District Centres and Local Centres, PPS5 states the following:

"Town Centre - for the purposes of this PPS town centre refers to city centres and town centres which provide a broad range of facilities and services and which fulfil a function as a focus both for the community and for public transport."

"District Centre - Groups of shops, separate from the town centre, usually containing at least one food supermarket or superstore and non-retail service uses such as banks, building societies and restaurants."

"Local Centre - Small groupings of shops, typically comprising a general grocery store, a sub-post office, occasionally a pharmacy and other small shops of a local nature."

The primary role of district centres is referred to in the Derry Area Plan (adopted 2011) as being "...the provision of locally accessible convenience goods."

- 2.10 Similarly, local centres are described as follows, *"The primary function of a Local Centre, which normally takes the form of a cluster of several small shops, is the provision of convenience needs to meet a local need"*. Community and other neighbourhood uses are also described as being acceptable at these locations.
- 2.11 There are no specific centre definitions provided within the Strabane Area Plan 1986 – 2001 (adopted 1989). The role and functions of centres identified within this plan are covered below, under policy context.

Policy context

- 2.12 A hierarchy was defined in the Derry Area Plan 2011 (adopted May 2000) at paragraph 8.1 as comprising the Commercial Core of Derry – Londonderry, District Centres, Local Centres and corner shops in descending order of scale.
- 2.13 Derry – Londonderry is referred to as the *"principal retailing centre for the City Council Area and for the neighbouring areas of Limavady and Strabane and for parts of Donegal."* It goes on to state that *"Its regional role has been confirmed and enhanced in recent times with the opening of major facilities such as the Richmond, Quayside and Foyleside Centres"*. Derry – Londonderry is therefore identified as the highest order centre in the Derry Area Plan.
- 2.14 It is also worth noting the SPPS where it states (at paragraph 6.268) that *"The Regional Development Strategy also highlights the need to strengthen and secure the role of Derry/Londonderry as the principal city for the North West"*.
- 2.15 The Derry Area Plan goes on to confirm four district centres at Lisnagelvin, Northside, Springtown and Rath Mor. The physical extent of district centres are not defined anywhere in the plan. It proposes six new local centres at Buncrana Road East, Buncrana Road West (2), Lower Galliaugh Road, Ballyarnett and at Crescent Link, which we understand were identified to support new housing development. The intended role and functions of district and local centres have already been covered above, under 'definitions'.
- 2.16 Of relevance to this study, the Strabane Area Plan 1986 – 2001 (adopted 1989) defines Strabane as the 'District Town' and three 'Local Towns' at Castlederg, Sion Mills and Newtown Stewart. In terms of roles and functions, *"Within the District, Strabane is the dominant retail and commercial centre. While on the one hand, its sphere of influence does not extend over the whole District since a considerable area to the north is served by Londonderry and large areas to the south are served by Omagh, on the other hand, its shopping facilities provide a service beyond the plan areas into Co. Donegal. The Local Towns accommodate varying levels of shopping and commercial facilities relative to the needs of their hinterland, with Castlederg being the most important in terms of the number and range of facilities provided."* (paragraph 14.1)

Recommendations

2.17 Our recommendations on a network and hierarchy of centres are set out below.

Figure 10.1 – Network and Hierarchy of Centres	
1. City Centre	
Derry – Londonderry	
2. Town Centres	
Waterside, Strabane, Castlederg, Newtownstewart, Claudy	
3. District Centres	
Lisnagelvin, Northside, Rath Mor, Springtown	
4. Local/Village Centres	
Local Centres within Derry – Londonderry: Small groups of shops and services, servicing day-to-day needs of immediate local area.	
Village Centres and Small settlements: Small groups of shops and services, servicing day-to-day needs of these settlements.	

- 2.18 This study identifies that **Derry – Londonderry City Centre** continues to perform as an important town centre. It is the largest shopping centre in the Council area with a wide range of shops and other entertainment, leisure and cultural uses, and is accessible by walking, cycling or public transport (as well as by car). The household survey findings reinforce its regional role, serving a wider area than the District itself.
- 2.19 Conversely, this study has also identified where the city centre is not performing as well against certain indicators of vitality and viability, including deficiencies in its offer. In the period since adoption of the Derry Area Plan, a number of competing retail locations (both within and out with the district) have also either emerged, or strengthened their offer.
- 2.20 The RDS highlights the need to strengthen and secure the role of Derry – Londonderry as the principal city for the North West and, a strong and vibrant city centre should be at the heart of this, in accordance with the town centres first approach in the SPPS. Prioritising the city centre should therefore be a key objective of the LDP.
- 2.21 Accordingly, it is important for Derry – Londonderry City Centre to remain the major regional centre and for policies to ensure that any potential further out of centre retail and/or commercial leisure development does not undermine its role in the hierarchy.
- 2.22 Having regard to the health and composition of **Waterside**, the study finds that it is performing a town centre role, albeit one which is distinct from the city centre. The study does not therefore support the retention of a Central Area/Commercial Core designation (or similar) that combines Waterside with the city centre, as it does not function as part of the city centre. It does however provide a broad range of facilities and services which are found in the definition of 'main town centre uses' in the SPPS and which function as a focus for the local community. It is therefore performing a role commensurate with the town centre definition outlined in the former PPS5.

- 2.23 Depending on progress with the North West Transport Hub proposals and the pace of redevelopment at Ebrington Barracks, the question of Waterside's inclusion as part of the defined city centre can obviously be reviewed during the next LDP process.
- 2.24 The study finds that **Strabane, Castledearg, Newtownstewart and Claudy** all contain a broad mix of main town centre uses and are performing roles commensurate with the town centre definition in the former PPS5. This study therefore supports their inclusion as town centres within the network.
- 2.25 Strabane is the dominant town within the Council area, with findings from this study underlining its important role as a main service centre and with cross-border retailing being a significant part of its overall role and function.
- 2.26 Whilst Castledearg, Newtownstewart and Claudy are smaller, more compact settlements, they each provide a range of important services and facilities for all of their respective communities and in certain cases, for surrounding villages also. This supports their designation as town centres.
- 2.27 As set out within the now replaced PPS5, District Centres typically contain groups of shops that are separate from the town centre and are often anchored by a larger foodstore offer, as well as providing other non-retail services and in some cases community and business facilities also. As set out in the SPPS, these centres should be complementary to the role and function of town centres. In this regard, the study finds that centres which are performing this role and function are all found in Derry – Londonderry, specifically **Lisnagelvin, Northside, Rath Mór and Springtown**. Springtown clearly suffers from having a shopping centre that is almost entirely vacant and its place in the network and hierarchy as a district centre should therefore be closely monitored with this in mind. Finding occupiers for these units would undoubtedly help to reinforce its place within the network.
- 2.28 It is also worth noting that the study finds that Lisnagelvin district centre should be confined to the covered shopping centre and immediately adjoining retail and service uses to the north. Lisnagelvin Retail Park, which is located to the west, is physically separated by the A6 Dungiven Road, the main arterial route into Derry – Londonderry from the south east. There is an underpass connecting the two, however it is not particularly inviting or conducive to encouraging linked trips and they appear to operate as distinct shopping locations. Furthermore, the retail park, comprising large free-standing retail warehousing and currently occupied by Next, Matalan and TK Maxx, does not necessarily fit with the characteristics of a district centre or, it could be said, complement the role and function of the city centre.
- 2.29 The Derry Area Plan identified six new local centres, all within areas of proposed housing growth. From this list, the study has found that only Crescent Link has yet been delivered, with Bunrana Road East currently under construction.
- 2.30 Whilst it could be said that Crescent Link caters for local shopping needs in the form of the Tesco Express and M&S Simply Food offer, these shops form part of a much wider retail park which caters for mostly car-borne trade. Indeed, the findings of the household survey are that the Tesco Express and M&S Simply Food are drawing £9.2M of expenditure from zone 1 (i.e. west of the River Foyle), being 39% of their total turnover.

- 2.31 There are other services present at Crescent Link which could be described as being consistent with a local (or even district centre) offer in the form of food and beverage uses, a gym, a pharmacy and a currently vacant bank. However, as with the food shopping offer, these services should be looked at in the context of the wider retail park offer and the findings of the household survey as noted above. They are part of a retail park which is drawing trade from across many parts of the entire study area.
- 2.32 In a physical sense, these uses are also spread across the retail park, rather than being arranged as a defined centre in their own right. In that sense, they are indistinguishable from other uses present and are advertised as forming part of the retail park. The SPPS states that local (as well as district) centres should be a focus for everyday shopping and remain complementary to the role and function of the town centre. In light of the observations above, it is difficult to square a local (or even district) centre designation at Crescent Link retail park with regional strategic policy advice in the SPPS.
- 2.33 Within the confines of this study, it has also been found that local centre designations should be considered within Derry-Londonderry at Whitehouse Retail Park Buncrana Road, Centra Buncrana Rd, Racecourse Road, Greenhaw Road, Tullyally Ardmore Road, Hatfield Creggan Rd, Trench Rd, Da Vinci's Culmore Rd, Drumahoe, Co-Op Galliagh and Creggan shops Central Drive. All of these locations comprise small groupings of shops and services, catering for local shopping needs. There may be a number of other locations within Derry and possibly Strabane that would merit consideration at LPP stage. The exact location and extent of such local centres is a matter for clarification at the LPP stage.
- 2.34 Village and small settlements could be included in the retail hierarchy as they often are the location for very small scale day to day shopping needs of these settlements and their immediate hinterlands.
- 2.35 We also recommend that the Council considers adding definitions for the network of centres as part of any glossary within the LDP, as this will assist with future reviews of the LDP and for development management purposes.
- 2.36 It is noted that there are a number of existing out-of-centre shopping locations, both within Derry and Strabane. These include retail parks such as Crescent Link and Faustina Retail Parks. There are also a number of convenience shopping nodes that have evolved outside any existing centres such as Iceland/Lidl on Buncrana Rd, Derry and Home Bargains, Melmount Rd, Strabane. There is also retail presence within existing industrial/business parks, which includes a mixture of bulky goods, small scale convenience, A2 office, leisure and service uses.
- 2.37 It is recommended that these areas sit outside the retail hierarchy as out-of-centre development as they do not meet the description of any of the tiers in the hierarchy.
- 2.38 Recommendations on the spatial extent of centres identified within the above network, together with associated development management policies, follow below.

3. The spatial extent of centres and the primary retail core

3.1 Recommendations on the spatial extent of the suggested network and hierarchy of centres above, will be in the form of OS based plans at LPP stage. The actual extent and detailed boundaries is a matter for the Council to decide at its LPP stage.

3.2 Factors which have been taken into account in the recommendations that follow are set out below:

- Our vitality and viability health checks and detailed analysis of various centres.
- Our observations in relation to the definition of various centres that make up the network and hierarchy of centres, as set out above. Town centres in particular should reflect a mix of uses that generate high footfall, such that all of these uses then reinforce each other.
- Defining a town centre boundary confers support in principle (within that boundary) for retail and main town centre uses.
- Going by the definitions in the SPPS, the spatial extent of a town centre will mark the threshold beyond which the sequential, impact and needs tests will then be engaged.
- Consideration should be given to land and buildings that would fall immediately beyond a town centre boundary i.e. edge of centre sites. Edge of centre locations are to be preferred to out of centre locations when applying the sequential test.
- Consideration should be given to affording appropriate opportunities for a centre to sustain and, where supported by planning policy, enhance its status in the network.
- The primary retail core of a town centre should lead the order of preference when applying the sequential test, as set out in the SPPS.
- Defining the primary retail core of a town centre can be used to ensure that proposals (within the core) are of a certain quality and appearance that would reinforce its status in the hierarchy of preferred locations for main town centre uses. It can also be used to control the nature and scale of non-retail uses which might otherwise undermine the retailing function of the primary core and in doing so, ensure that shopping continues to be the dominant use.
- District, Local and Village Centres are not defined as 'town centres' within the SPPS, nevertheless they can form part of the network and hierarchy of centres. Related policies can therefore set out appropriate uses within these centres, consistent with their defined role and function.
- Other centres (beyond city and town centres) do not appear within the SPPS defined order of preference for applying the sequential test, albeit they can form part of the network and hierarchy of centres in recognition of performing a specified role and function.

Derry–Londonderry City Centre

3.3 As noted in earlier sections, the Derry Area Plan defines a Central Area and within that, a Commercial Core. Associated policies are set out for the Central Area (section 15) and the Commercial Core

(section 8), albeit there is no specific development management policy for the central area other than recognising the important role that a diverse and vibrant central area plays in the life of the city (policy CA 1). This policy context has been taken into consideration as part of the recommendations below, in particular:

- That the commercial core is noted as containing the traditional concentration of retailing and other town centre uses,
- Policies confer support for retail, local services and office uses which strengthen and consolidate the role and function of the commercial core, in particular as the principal focus for shopping in the district and,
- Conversely, proposals that would prejudice the vitality and viability of the commercial core will be resisted.

3.4 This study finds that the currently defined commercial core (with possible amendments as specified below and excluding Waterside) would form an appropriate basis for defining the spatial extent of Derry – Londonderry City Centre, in accordance with the SPPS.

3.5 The currently defined central area covers a much wider area and includes many uses that are destinations in their own right, without necessarily having any affinity or obvious relationship with retail and other main town centre uses within the commercial core. This is particularly the case for the concentration of retail uses within the northern part of the central area around Strand Road. As set out above, the high footfall resulting from the mix of uses within a town centre should mean that all of these uses reinforce each other. This cannot be said for a number of uses currently located within the central area, in the same way that it can for uses within the commercial core.

3.6 Possible amendments to the commercial core, as a basis for defining the city centre boundary, should consider the following:

1. The North West Regional College could mark an appropriate northern boundary to the city centre.
2. Logically extend the south western part of the boundary to follow the route of the city walls. Of note within this extended area would be the Cathedral (an important focal point within the historic walled city) and a car park which currently serves the city centre and is also identified in the Area Plan as a redevelopment opportunity site.
3. Contract the boundary at its most southerly point close to the roundabout of the B507/A2, being a logical gateway point into the city centre.

Derry–Londonderry City Centre Primary Retail Core

3.7 According to the SPPS (as set out above), the purpose of defining a primary retail core is based on affording these areas primacy when applying the sequential test, whether that be for development management, or development planning purposes (the latter associated with the allocation of sites in an LDP).

3.8 As set out in the Derry area plan, the identification of a primary retail core (or similar) can also be used as a mechanism for ensuring that retail uses are both maintained and allowed maximum opportunity to develop within a town centre. This can be achieved by specifying acceptable proportions of non-retail uses within these areas.

- 3.9 In the case of Derry – Londonderry city centre, it is our opinion that any such definition should be centred on promoting the vitality and viability of the city centre, thereby providing high quality and accessible retail services in the first instance, but also other appropriate city centre uses that would help achieve these aims.
- 3.10 The Derry Area Plan defines Primary Retail Frontages for the purposes of managing the level of non-retail uses. It lists the locations that make up these frontages, however they are not represented on any plans or maps. A number of these traditional primary shopping areas have contracted in recent years however, some of these areas still provide a variety of independent and specialist retailers.
- 3.11 Combined with a number of national multiples found in the Foyleside and Richmond Centres (as well as the linking Primark store on Newmarket Street), this concentration and variety of retailers attracts substantial numbers of shoppers and visitors, bringing spin-off benefits for the wider City. As some of the traditional prime shopping areas have contracted, other types of non-retail businesses have taken up this space no doubt hoping to draw trade from people visiting these busier parts of the city centre. The same thing has happened, albeit to a far lesser extent, within the Foyleside and Richmond Centre, and in some respects this should be encouraged, as it complements the retail offer and can help extend dwell time. There is a need however to ensure that the vitality and visual appeal of the city centre's strongest performing shopping areas are not diluted by an over-representation of non-retail businesses, particularly where such uses lack the visitor attraction or weaken frontages, for example. It is a fine balance between maintaining an appropriate context within which prime shopping uses can flourish, whilst not unduly stifling investment in other supporting uses.
- 3.12 For the purposes of defining a primary retail core as set out in the SPPS, the study therefore finds that it should be centred on at least the following locations:
- Foyleside Centre
 - Richmond Centre
 - Shipquay Street
 - The Diamond
 - Ferryquay Street
 - Newmarket Street
 - Waterloo Place
 - Shipquay Place
 - Strand Road (in part)
- 3.13 Combined, these locations currently function as the strongest shopping areas within the city centre, as evidenced by the pedestrian footfall counts. They also offer a logical shopping circuit within the city centre, again as evidenced by the pedestrian counts.
- 3.14 Recommendations on related development management policies which might be considered for a primary retail core are set out further on.

Strabane Town Centre

- 3.15 As noted in earlier sections, the Strabane Area Plan defines a Town Centre limit and within that, Shopping Frontages. Associated policies are set out within parts 3 and 4, with the latter devoted entirely to Strabane as the District Town.
- 3.16 This policy context has been taken into consideration as part of the recommendations below, in particular:
- The Town Centre limit defines the outer boundary of the area considered to be suitable for town centre uses consistent with the objective of retaining and consolidating a well-defined central area.
 - Conversely, there is a presumption against town centre uses outwith this defined boundary, in particular large scale retail development.
 - Abercorn Square is traditionally accepted as the focal point of the town centre from which the principal shopping streets radiate. Surrounding streets are typified by a mix of uses including retail, office, services, industrial and residential uses which serve to complement the main shopping area.
- 3.17 The town has undergone significant changes to its shopping offer since the Area Plan was adopted in 1989. The vast majority of these changes have been focussed on the north western part of the currently defined town centre limit. Asda relocated to a new store on the eastern side of Railway Street, with land on the western side being redeveloped to provide retail warehouse units namely, the Lesley and Strabane Retail Parks. Land immediately adjacent to Asda's south east has also been developed in the form of modest retail and commercial units, known as Pavilion Retail Park and a McDonalds restaurant has also recently opened nearby.
- 3.18 The Lesley and Strabane retail parks are fully let and contain a number of national multiples, as well as a stand-alone Costa Coffee. Together with the Asda store and adjacent Pavilion retail park, these developments have significantly strengthened the town's shopping offer. They are locally important and exert cross-border influence on shopping patterns, as evidenced by findings from the household survey. They have also consolidated much of the town's prime shopping offer into the north western part of the currently defined centre.
- 3.19 There has been a corresponding contraction of retail uses within the traditional town centre going by the defined shopping frontages in the area plan. Certain fringe locations, such as parts of Main Street and Railway Street for example, now include non-retail uses, albeit a number of these are still in commercial use and consistent with a town centre location. There has also been significant public sector investment in the likes of the Alley Arts Centre and Library, with related public realm improvements.
- 3.20 Railway Street connects the traditional heart of the town centre with the Asda and adjacent retail parks. Whilst the shopping offer along this street has become fragmented, it still contains a mixture of mostly commercial uses, thereby linking the two main shopping areas to some extent. As set out in other sections, efforts should focus on improving the propensity for visitors to make linked trips between these two areas via Railway Street, in particular from the Asda/retail parks into the traditional heart of the town centre.

- 3.21 The Canal Basin, SCORE site and neighbouring properties/land remain a key opportunity within the town centre. Depending on site assembly, this area could potentially offer a better opportunity to improve linked trips between the traditional town centre and the retail parks, particularly if these sites can be regenerated to provide new town centre uses.
- 3.22 Taking the above factors into account, the study therefore finds that the existing town centre limit as shown in the area plan would form an appropriate basis for defining the spatial extent of the town centre. Some contractions to the boundary should be considered as shown, as these areas do not appear to share an obvious relationship with the town centre, principally as they are mostly in residential use.

Strabane Town Centre Primary Retail Core

- 3.23 The policy context for defining a primary retail core is explained above and applies equally to Strabane town centre.
- 3.24 The Strabane Area Plan defines shopping frontages within the town centre limit for the purpose of managing the level of non-retail uses and to avoid an over concentration of dead frontages. At the time of the plans adoption, the balance was described as being 'generally good'. As set out within the town centre health check, this balance has seen growth in the level of non-retail uses, particularly outwith the traditional shopping core of Main Street (in part), Market Street, Castle Place and Castle Street, but also within some of these locations as well.
- 3.25 Nevertheless, these areas still include a decent variety of retail uses, selling both convenience and comparison goods, and comprise independent traders as well as some national multiples. Some of these retailers present an alternative shopping experience that differentiates them from the 'big box' format at retail park locations and should be encouraged as they enhance the vitality and visual appeal of the town centre.
- 3.26 Since adoption of the area plan, the Asda superstore and retail parks have been developed, all of which are fully let and occupied by national multiple retailers, with the Pavilion retail park catering more for smaller local/independent retailers. As noted above, this is a strong retail offer and exerts some cross-border influence over shopping habits. It would therefore be logical to include these locations within any primary retail core. For the purposes of defining a core (as described in the SPPS), the traditional heart of the town centre should be afforded equal status, even if the retail offer has been diluted in parts.
- 3.27 The study therefore finds that a primary retail core should be centred on the following locations:
- Lesley retail park
 - Strabane retail park
 - Asda
 - Pavilion retail park
 - Abercorn Square

- Castle Place
- Main Street (in part)
- Castle Street
- Railway Street (in part)

3.28 Recommendations on related development management policies which might be considered for a primary retail core are set out further on.

3.29 Other recommendations for the remaining centres in the network and hierarchy have been considered. These have been informed by the centre healthchecks. The recommendations will be published at Local Policies Plan (LPP) Stage.

4. Appropriate uses within the hierarchy of centres and other locations, including matters to be taken into account for decision taking

4.1 Policy recommendations below apply a sequential approach to the identification of preferred locations for new retail development and other main town centre uses, in line with RSP in the SPPS. They also provide suggested policy guidance to assist the assessment of proposals for retail and other main town centre uses at different locations throughout the Council area.

DM1 – Town Centres First Policy

4.2 This study recommends an up-front policy that makes clear the order of preference in which proposals for retail and other main town centre uses will be considered. In accordance with RSP in the SPPS, LDP's must adopt a town centre first approach.

4.3 Paragraph 6.282 sets out the order of preference, which prioritises town centres in the first instance. Town Centres are defined as including both city and town centres. In defining a network and hierarchy of centres, the SPPS (at paragraph 6.277) states that it should include district and local centres also. This study finds that several district and local centres should be included within the network, in recognition of the role and function they provide within their respective communities. In which case, it would be appropriate in our opinion, for these centres to be afforded similar priority in the order of preference when considering proposals for retail and other town centre uses. As set out in 6.289 of the SPPS, it is open for applicants to demonstrate why sequentially preferable sites are not suitable or viable.

4.4 As such, a town centres first policy would support the principle of proposals for retail and other town centre uses in the following order of preference:

- Town Centres (including city, town, district and local / village centres)
- Edge of town centre
- Out of centre locations that are or can be made accessible by a choice of public transport modes

DM2 - Derry – Londonderry city centre and Strabane town centre

4.5 As set out in the SPPS, the identification of a primary retail core is in recognition of its place at the top of the sequential test order of preference. This study has made recommendations in relation to the spatial extent of a primary retail core for Derry – Londonderry and Strabane.

4.6 On a related point, the Derry Area Plan identifies primary retail frontages with the aim of limiting the amount of non-retail uses within these areas, thereby seeking to maintain its primacy as the focus for shopping within the city centre. The Strabane Area Plan adopts a similar approach in relation to its shopping frontages. As evidenced by the town centre health checks, both Derry – Londonderry and

Strabane have seen a contraction of prime shopping areas since the adoption of each plan and in the case of Strabane, a shift of the prime pitch to include northern parts of the town centre also.

- 4.7 The success of these centres depends not just on the quantity and quality of shopping uses in each, but also the appearance of the shopping environment, taking account of their individual character and encouraging strong pedestrian routes connecting the prime shopping areas.
- 4.8 As such, this study finds there would be merit in an appropriately worded policy that confers support for retail development within the primary retail cores of Derry – Londonderry and Strabane, having regard to the following considerations:
1. The quality of the proposals in relation to their commercial attractiveness and standard of design.
 2. Reinforcing the retail vitality of the shopping streets in the core.
 3. Whether the proposal has addressed the use of upper floors and how these may be put to, or brought into beneficial use (if not used for retail purposes) to help enhance the character of the area.
 4. The creation of safe and attractive pedestrian environments with associated improvements to the public realm.
- 4.9 Elsewhere within Derry – Londonderry city centre and Strabane town centre, planning permission for retail development should be supported having regard to the following considerations:
1. In the case of proposals within Strabane town centre, it should be demonstrated that there will be no significant adverse impacts on the vitality and viability of Derry – Londonderry city centre, in recognition of its primacy within the suggested hierarchy of centres.
 2. Proposals should demonstrate that they will be satisfactorily integrated into the centre and are compatible, in terms of scale and type, with the character and function of the centre.
 3. Proposals should reinforce the retail vitality and improve the appearance of the centre, including public realm.
- 4.10 Development opportunities can be challenging to deliver in historic and traditional town centres, especially to meet the requirements of larger stores, and may be more suited to edge of town centre sites. Development in these locations should however benefit and must not compete with the centre in question. They should demonstrate strong integration with the town centre in terms of appearance and in particular, pedestrian connections in the form of linked trips. As such, planning permission may also be supported for retail development on sites which adjoin the boundary of Derry – Londonderry city centre and Strabane town centre, or can form an effective extension to these centres, and if it can be demonstrated that no suitable sites are available within the centre itself in question, and subject to the above considerations (1 to 3).

DM3 - Other town and district centres

- 4.11 Within other town and district centres, this study finds that planning permission should be supported for retail development in recognition of their important role in providing shopping and services in locations well served by public transport and subject to the following considerations:
1. There will be no significant adverse impact on the vitality and viability of any other city or town centre.

2. Proposals should demonstrate that they will be satisfactorily integrated into the centre and are compatible, in terms of scale and type, with the character and function of the centre.
 3. Proposals should reinforce the retail vitality and improve the appearance of the centre, including public realm.
- 4.12 As with Derry – Londonderry city centre and Strabane town centre, development opportunities may be challenging to deliver in the other town and district centres, especially to meet the requirements of larger stores, and may be more suited to edge of town/district centre sites. Development in these locations should however benefit and must not compete with the centre in question. They should demonstrate strong integration with the town centre in terms of appearance and in particular, pedestrian connections in the form of linked trips. As such, planning permission may also be supported for retail development on sites which adjoin the boundary of other town and district centres, or can form an effective extension to these centres, and if it can be demonstrated that no suitable sites are available within the centre itself in question, and subject to the above considerations (1 to 3).

DM4 – Local and Village Centres

- 4.13 Within or on the edge of local and village centres, this study finds that retail development of an appropriate scale and type should be supported, where this would reinforce its role and function within the network and hierarchy of centres.
- 4.14 In our opinion, proposals should be assessed having regard to the following considerations:
1. The ability of proposals to satisfactorily integrate into the centre.
 2. Whether or not the proposal is compatible, in terms of scale and type, with the character and function of the centre.
 3. That the proposal makes a positive contribution to the shopping environment and appearance of the centre.
 4. That the proposal would not have a significant adverse impact on any other centre within the network and hierarchy.
 5. That the proposal is accessible by public transport, foot and cycle.

DM5 – Out of Centre development

- 4.15 In certain circumstances, there may be retail proposals that justify an out of centre location, for example to meet the needs of an expanding population or where a gap in provision can be proven.
- 4.16 The findings of this study have not identified any need to recommend that specific out of centre locations are identified for retail development in the LDP.
- 4.17 In all cases, the SPPS makes clear that a sequential test should be applied to planning applications for retail uses that are not in an existing centre and are not in accordance with an up-to-date LDP. For similar applications that are above a threshold of 1,000sq.m, a full assessment of retail impact, as well as need, is also required, including applications for extensions which would result in the overall development exceeding 1,000sq.m. The matter of an appropriate threshold is addressed separately below.

- 4.18 The SPPS continues that failure to address the requirements of the sequential test is sufficient grounds for refusal in themselves. Similarly, permission should be refused where impact on one or more of the criteria (for assessments of impact and need) at paragraph 6.290 is considered significantly adverse, or where on balance is judged to be harmful.
- 4.19 In the case of assessing proposals for retail development in out of centre locations, the findings of this study do not suggest that any variance from the terms of SPPS as set out above would be justified.
- 4.20 In addition to these considerations, all such proposals should also be assessed in accordance with the normal planning criteria referred to at 6.292 of the SPPS, namely transportation and access arrangements, design, environmental and amenity impacts.

DM6 – Alternative use of shops in primary retail cores

- 4.21 Policies could continue to limit the amount of non-retail uses within primary retail cores, in particular where these would lead to the significant loss of retail floorspace and associated clustering of non-retail uses, and where this would present dead frontage during daytime hours.
- 4.22 Whilst the aim of such a policy would be to protect the important retailing function of these areas, it should also recognise the benefits of a wider range of complementary service, leisure and other community uses. A more flexible approach to the introduction of complementary uses that support the main shopping function, extend dwell time and encourage activity into the evening could therefore be considered.
- 4.23 Supplementary guidance could be used to detail an approach that is tailored to different parts of each primary retail core, in recognition that each centre is different in terms of the current mix of uses and how well it is meeting current needs. In general however, this study finds that all such proposals should be assessed having regard to the following considerations:
1. The scale of shop unit involved at ground floor level, insofar as the primary retail core should seek to retain appropriately sized units for a range of retail needs, in particular larger floor-plates which are often more challenging to accommodate in historic city centres such as Derry – Londonderry.
 2. The proposal is for an appropriate commercial or community use which would complement the character of the primary retail core and would not be detrimental to its vitality or viability.
 3. The amount of non-retail uses across the entire frontage in question, as a result of approving the change of use proposed. This could be limited to a specific amount.
 4. The amount of consecutive non-retail uses that would result from permitting the change of use. Again, this could be limited to a specific amount.

DM6 Alternative use of shop units in other locations

- 4.24 Beyond the primary retail core of town centres and in other centres that make up the network, a more flexible approach to change of use applications could offer a suitable approach. In district and local centres for example, former shop units may also be suitable for business use, bringing vacant units back into positive use and employment close to where people live. A growing trend is to reuse vacant shops for leisure use (such as gyms) or residential.

4.25 These types of proposals should have regard to the following considerations:

1. The impact on the character and vitality of the centre in question.
2. Whether the proposal would be compatible with the character of the area.
3. Whether the proposal would result in the loss of premises suitable for small business use.
4. Whether there is a justification to retain the unit in shop use to meet local needs.
5. Where residential use is proposed, whether the development is acceptable in terms of external appearance and the standard of accommodation created.

DM7 Other main town centre uses

4.26 In accordance with the SPPS, this study finds that proposals for other main town centre uses (as defined at footnote 58 on page 101) should also be directed, in the first instance, to centres within the network and hierarchy of centres recommended above.

5. An appropriate threshold for the assessment of retail impact and need

5.1 The SPPS sets a default retail impact and need threshold of 1,000sq.m gross. It also states that where appropriate, the planning authority may choose to apply a lower threshold taking into account local circumstances such as the size, role and function of their town centres. Equally, a higher threshold may be considered appropriate, but must not exceed 2,500 sq.m gross.

5.2 Pursuant to this, the study has considered the question of an appropriate threshold with reference to:

- The scale of proposals relative to town centres
- The existing vitality and viability of town centres
- Cumulative effects of recent developments
- Whether town centres are vulnerable
- Likely effects of development on any town centre strategy; and
- Impact on any other planned investment

5.3 Having regard to these considerations, the study finds that it would be appropriate to apply the default threshold of 1,000sq.m gross in the SPPS. The study does not find any justification for increasing the threshold primarily as a result of:

- The potential cumulative effects of extant out-of-centre planning permissions for food and non-food retail development
- The increasing rise in sales and market share from the internet
- The importance of prioritising investment on potential development sites in Derry-Londonderry City Centre and Strabane Town Centre in particular, such that these centres can continue to compete effectively; and
- The lack of available units in the primary retail cores capable of accommodating the requirements of national multiple operators, which in turn can lead them to seek locations out with a town centre.

5.4 There may be cases where an assessment of retail impact and need for proposals of less than 1,000sq.m gross would be justified and this should be at the discretion of the planning authority. For example, the scale of a proposal relative to centres within its primary catchment area might dictate that such an approach would be appropriate. Equally, there are moderately sized convenience store formats operated by national multiples that are below the default threshold (of 1,000sq.m gross) but whose turnover can be significant. Again, in certain cases, it may be considered necessary for the planning authority to retain control in respect of the consideration of impacts and request that appropriate assessments are undertaken.

5.5 In all cases, it is of course important to stress that the assessment of impact and need should be undertaken in a proportionate and locally appropriate manner, commensurate to the scale of

development proposed. This would typically be agreed between the applicant and planning authority during the pre-application stages.

6. Recommendations for a future retail strategy

- 6.1 It is important that Derry – Londonderry City Centre does not stand still if it is to continue to compete effectively with other destinations and retain its primacy within the network and hierarchy of centres. The same principle applies to Strabane Town Centre also.
- 6.2 In the first instance, recommendations on a strategy should be informed by the retail capacity study findings. The Part 1 report sets out these findings and can be summarised as follows:

- Within the Derry – Londonderry city area, there is no forecast residual expenditure potential to support new convenience retail floorspace throughout the Plan period, assuming all commitments are implemented. If not all of the commitments are implemented, within the latter years of the Plan period, some capacity is anticipated to become available.
- The same forecast scenario for convenience retail applies to the Strabane area where the total turnover potential is lower than the benchmark turnover. This deficit in residual expenditure will only increase if the Camel's Hump commitment is implemented.
- Within the Derry – Londonderry city area, there is no forecast residual expenditure potential to support new comparison retail floorspace at the base year (i.e. 2018). However, by 2022 this deficit reduces to a nominal amount and importantly, by 2027 there is a surplus of +£31m and by 2032 this rises to +£51m. Based on average sales density figures, this generates a capacity of approximately 3,430sq.m new floorspace in 2027 and 5,071sq.m in 2032.
- Within the Strabane area, once the Camel's Hump commitment is factored in, there is no forecast residual expenditure potential to support new comparison retail floorspace at the base year and this position does not change across the Plan period.
- Based on the Derry – Londonderry city centre health check and an initial review of allocations from the Derry Area Plan and representations made to the LDP POP, there would appear to be sufficient opportunities that could potentially support identified needs for new retail floorspace over the emerging plan period (to 2032). Where possible, suitable opportunities should be encouraged within or on the edge of the proposed primary retail core. In summary, such opportunities might include the following locations and are shown on map 1b:

1. Foyleside Shopping Centre East car park, coach park and former tourist info centre

- 6.3 Representations made by Foyleside Shopping Centre to the LDP POP highlighted a specific opportunity to redevelop the site opposite the centre, being the East car park, the coach park and former tourist information centre. It was stated that redevelopment of this area could facilitate the provision of retail space to meet demand for large scale retail users, introduce leisure uses and address the frontage onto the River Foyle. It goes on to highlight the need for a leisure facility within the city centre and a wider choice of daytime/evening leisure options.
- 6.4 This opportunity is strategically located immediately adjacent to our recommended primary retail core and the River Foyle, which is major waterfront asset for the city centre. As set out within representations,

the opportunity site appears to be of a sufficient scale to accommodate the needs of large scale retail users and the introduction of leisure uses would further drive footfall and extend dwell time within the city centre. Whilst it would be logical for any redevelopment to provide direct pedestrian links into the existing Foyleside Centre, it could be expected that a general increase in footfall and activity would also help to revitalise the northern parts of Foyle Street, which have suffered in recent years.

- 6.5 Any redevelopment opportunity could potentially extend north to also include the adjacent Orchard House and bus station.

2. Former Austins Department Store

- 6.6 We understand that a planning application has been made to reconfigure the internal layout of this building and form a modest extension to the rear. This is a particularly welcome move. Not only is this building a significant void at a key location within the recommended primary retail core, but it is also an iconic building with a rich heritage in retail for the city. Its reuse, particularly for retail or mixed retail and food & drink uses would help regenerate The Diamond and increase footfall.

3. Surface level car parks

- 6.7 The Derry Area Plan identified various surface level car parks as potential development opportunities within the central area. A number of these remain underdeveloped, notably two along Strand Road and at Bishop Street Within also.
- 6.8 The car park at the southern end of Strand Road (former Victoria Market) lacks frontage to Strand Road itself, but lies immediately adjacent to the recommended primary retail core and has significant frontage to Great James Street, being a key route into the city centre. A mixed use redevelopment of this site could incorporate retail uses at ground floor.
- 6.9 The second car park along the northern part of Strand Road benefits from good street frontage to both Strand Road and Queens Quay also. Whilst shopping uses are more peripheral at this location, a mixed use redevelopment of this site could still incorporate retail uses at ground floor.
- 6.10 The car park on Bishop Street Within lies just to the south of the recommended primary retail core and on a key route into the city centre from the south. Whilst the site opens-up to the rear, it benefits from good frontage to this main route in the city centre and onwards to The Diamond.

4. Quayside Shopping Centre

- 6.11 This shopping centre is situated at the far northern end of the recommended primary retail core. Whilst it is anchored by Tesco, the rest of the centre is in a fairly run-down state with a mixture of discount and charity shops present. Its scale and location, however, presents an opportunity (through redevelopment) to provide reconfigured units of a scale and in an environment which could better meet the demands of modern retailers. It also benefits from a multi storey car park.

5. St Columb's Hall, Newmarket Street

- 6.12 This grand listed building is currently vacant and we understand was formally in use as a theatre/cinema. We understand that proposals were approved in 2013 for restoration of the theatre and the creation of an arts, culture and entertainment centre.
- 6.13 This building may well present challenges for conversion to mainstream retail use, but it would offer something uniquely different from immediately surrounding shops and is ideally situated on one of the busiest shopping routes in the city centre (as evidenced by pedestrian counts).

6. Richmond Shopping Centre

- 6.14 The south eastern part of the Richmond centre presents dead frontage to The Diamond and appears to be under used (at least in part), or in use as offices. The precise extent of this opportunity is not known, however it occupies a strong location within the recommended primary retail core, with extensive frontage that wraps around Shipquay Place and Ferryquay Place, as well as The Diamond.
- 6.15 From a qualitative perspective, whilst the city centre provides a good variety of national multiple and independent retailers, it lacks a high quality department store and its offer of higher brand national multiple comparison retailing is quite limited. Some of the opportunities above could offer the potential to address these deficiencies.
- 6.16 Ultimately, should there not be sufficient sites within the city centre capable of accommodating the identified needs, in accordance with the SPPS, having regard to both the sequential and retail impact/needs tests, sites outside the city centre will need to be considered.
- 6.17 Beyond strictly matters of retail needs and focussing on Derry – Londonderry city centre and Strabane town centre in particular, both of these centres need to be able to support continued development and changes in the 'high street' if they are to successfully compete with increasing competition from out of centre locations and the internet. In our opinion, one of the key strands of a town centre strategy should therefore be to extend dwell time and spend of visitors/residents visiting these centres and in turn, vitality and viability.
- 6.18 Recommendations on key elements that could inform the preparation of a strategy for both centres, as a result of the findings of this study, are set out below:

Derry – Londonderry city centre

1. Review existing unit opportunities in the recommended primary retail core for retail use, including an assessment on the potential for amalgamating existing units to better meet the needs of modern large scale retail users.
2. Identify appropriately located development sites and buildings capable of conversion for hotel use to exploit the economic benefits of this sector to support the vitality of the city centre.
3. Undertake detailed site assessments, involving land owners and other key stakeholders, to present a clear understanding of their availability, viability and suitability to meet the retail deficiencies identified in this study, as well as for other main town centre uses.

4. Given the apparent limited site opportunities to provide for large scale retail and commercial leisure development within the recommended primary retail core, consider promoting the Foyle Street East car park, coach park and former tourist information building for retail-led mixed use development, as put forward in representations to the LDP POP. As noted above, this opportunity might also extend to the north to include the adjacent Orchard House and bus station. With the proposals for a new Transport Hub at the former Waterside Station, this part of the waterfront will become an increasingly important arrival point into the city centre.
5. Engage with landowners and interested parties in seeking to bring forward potential opportunities that help enhance/improve the linkages between the primary retail core and the waterfront, which is a major asset in the city centre.
6. Undertake engagement with retail, leisure and hotel operators who currently have outstanding requirements in the city centre and the owners of potential opportunity sites/buildings.
7. Actively engage with landowners and residential sectors in seeking to create more opportunities for city centre living.
8. Implement measures that would maintain and ideally strengthen the city centre's independent and specialist retail offer.
9. Encourage opportunities to improve the city centre's food and drink offering, in particular at locations that would encourage linked trips with other town centre uses (notably shopping) and extend dwell time into the evening.
10. Prioritise the identification of a suitable opportunity that would have the potential to deliver a new cinema offering for the city centre with associated leisure uses and in close proximity to the recommended primary retail core.
11. Complete an assessment of public realm within the city centre, focussing on those areas that would benefit from new higher quality paving, street furniture and soft landscaping. The Diamond is one such location that would benefit from this, together with a shift away from car dominance and affording greater priority to pedestrian movement.
12. Explore the opportunity for a more regular staging of the Walled City market and other events within Guildhall Square that would help drive footfall in the city centre and extend dwell time.
13. Consider marketing strategies aimed at improving the perception of the city centre, in particular way-finding for visitors and tourists that join up the city's shopping, leisure and cultural offer in a more coordinated way so that they reinforce each other. At present, it is all quite fragmented.

Strabane Town Centre

1. Prioritise redevelopment of the SCORE site for mixed uses (in particular commercial and community leisure uses) and explore opportunities for creating stronger pedestrian routes (and therefore linked trips) with the retail parks/Asda to the north-west by actively engaging landowners in between Dock Street and Park Road.
2. Maintain, and where possible strengthen, the town centre's independent/specialist retail offer.
3. Explore the opportunity for a more regular staging of the Strabane market and other events adjacent to the Alley Theatre that would help drive footfall in the town centre and extend dwell time.
4. Consider relocating the bus station to a location that would actually serve and benefit the town centre.
5. Review existing unit opportunities in the recommended primary retail core for retail use, including an assessment on the potential for amalgamating existing units to better meet the needs of modern large scale retail users.

6. The Mourne River defines the south western boundary of the town centre and is a much under-utilised asset. Consider ways of improving accessibility along the river front to the benefit of the town centre.
 7. Undertake engagement with retail, leisure and hotel operators who currently have outstanding requirements in the town centre and the owners of potential opportunity sites/buildings.
 8. Encourage opportunities to improve the town centre's food and drink offering, in particular at locations that would encourage linked trips with other town centre uses and extend dwell time into the evening.
 9. Complete an assessment of public realm within the town centre, focussing on those areas that would benefit from new higher quality paving, street furniture and soft landscaping. The area around Abercorn Square and along Railway Street are two particular locations that would benefit from this, together with a shift away from car dominance and affording greater priority to pedestrian movement.
- 6.19 With active key stakeholders in place, Derry – Londonderry city centre and Strabane town centre is in a much stronger position to continue seeking opportunities to attract investment and encourage more visitors. It is important that the council continues to work with its partners and relevant landowners to deliver development opportunities to meet identified retail needs and deficiencies in other main town centre uses.