



Derry City & Strabane
District Council

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DERRY CITY & STRABANE DISTRICT COUNCIL

LOCAL DEVELOPMENT PLAN (LDP) 2032



DRAFT PLAN STRATEGY

EVB Paper 10: City / Town Centres, Retailing, Offices, Leisure & Other Uses, December 2019

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DERRY CITY AND STRABANE DISTRICT COUNCIL

LOCAL DEVELOPMENT PLAN (LDP) 2032



EVIDENCE BASE 10: City / Town Centres, Retailing, Offices, Leisure & Other Uses

This Document is one in a series, which comprises the evidence base that informs the preparation of the Derry City and Strabane District Local Development Plan (LDP 2032) Plan Strategy.

It builds upon the suite of thematic Topic Papers prepared and published alongside the LDP Preferred Options Paper (POP), which established the May 2017 baseline position and identified the key issues that need to be addressed by the LDP.

This City/Town Centres, Retailing, Offices, Leisure & Other Uses Evidence Base paper updates the baseline POP position and sets out the evidence base that has informed the strategy, designations and policies within the draft LDP Plan Strategy. Evidence has been informed by feedback from public consultation, discussions with Elected Members, input from statutory consultees, stakeholder groups, from other Departments within the Council, liaison with adjoining Councils and through the iterative Sustainability Appraisal process.

The Evidence Base is published as a 'supporting document' in accordance with Article 15(a) of the Planning (LDP) Regulations (NI) 2015.

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1.0 Introduction to Paper

- 1.1 The information presented in this paper will assist the Council in developing an informed and innovative approach to setting clearly defined strategic aims and objectives and policy in relation to Planning and City / Town Centres, Retailing, Offices, Leisure and Other Uses in the District, as well as considering their implications for other developments and land uses.
- 1.2 This paper will provide the evidence base information to assist the Council in considering how the LDP can facilitate development related to town centres and retailing / other main town centre uses over the plan period. This will enable the Council to begin to:
- make informed planning decisions, particularly within the plan making context;
 - consider baseline information which will inform planning policy making at local level; and
 - understand the link between national policy, regional policy and the development of other strategies such as the Inclusive Strategic Growth Plan 2017 – 2032 (SGP).
- 1.3 This paper will provides information on retail capacity within the District, in terms of existing provision and any need for further retail developments either in the city / town centres, district or local centres or edge-of-town. The paper will also consider the need for retail-related services and offices, as well as LDP policies for managing them.
- 1.4 It will take account of the Regional Development Strategy (RDS), the Strategic Planning Policy Statement (SPPS), the Inclusive Strategic Growth Plan – Our Community Plan (CP) the Sustainability Appraisal themes and other DCSDC objectives relating to town centres and retailing.
- 1.5 In support of preparing a strategy and policies for this topic a ‘Retail Capacity and Town Centre Health Check Study’ for the District was commissioned in order to provide an up-to-date evidence base in support of the PS.
- 1.6 The retail study assessed the capacity for additional floor space for convenience and comparison goods during the LDP plan period, carried out health checks on our town centres and district centres, made a high level assessment of leisure provision, carried out a comparison study with other retail centres and also provided policy recommendations.
- 1.7 GVA (now known as Avison Young) were appointed to complete the ‘Retail Capacity and Town Centre Health Check Study’ and they employed Juno Planning to complete the town centre health checks. The final reports were received by Council in September 2019. The reports contain detailed analysis and findings in relation to retail capacity and town centre health and are represented as accompanying documents to this paper and should be

considered as a key evidence source in the preparation of the draft Plan Strategy. The main findings are summarised at relevant locations of this report.

- 1.8 Consideration was also given to additional relevant retailing and town centre information available from previous reports and strategies including the One Plan, Derry-Londonderry Retail Study, Ebrington Development Framework and Strabane Town Centre Masterplan. These studies were also taken into account in the preparation of the 'Retail Capacity and Town Centre Health Check Study'.

2.0 Legislation and Regional Policy Context

- 2.1 Relevant Legislation is provided by The Planning Act (Northern Ireland) 2011 and The Planning (Local Development Plan) Regulations (Northern Ireland) 2015.
- 2.2 The Planning Act (Northern Ireland) 2011: Under Part 2, Paragraph 21 Council must make an annual report to the Department. The annual report must contain such information as is prescribed as to the extent to which the objectives set out in the LDP are being achieved. This may include retail information.
- 2.3 The Planning (Local Development Plan) Regulations (Northern Ireland) 2015: Under Part 6, 'Annual Monitoring Report and review of a Local Development Plan', Paragraph 25, Council must prepare an Annual Monitoring Report for submission to the DfI. The annual monitoring report must specify housing and economic development land supply, as well as such other issues as appear to the council to be relevant to the implementation of the LDP. Depending on resources and work pressures, this may also include information on retailing. Under Part 6, Paragraph 26, Council must carry out a review of its LDP every 5 years.
- 2.4 The Regional Policy Context is provided by the Regional Development Strategy (RDS) 2035, the Strategic Planning Policy Statement (SPPS) and regional Planning Policy Statements (PPSs).
- 2.5 Regional Development Strategy 2035 (RDS): The RDS sets out the spatial strategy of the Executive and places a statutory duty on the LDP to 'take account' of it. As part of its Spatial Framework, the RDS emphasises the significant role which Derry has to play as the Principal City of an expanding North West region and the importance of Strabane town as a Main Hub. The North West is defined as the Council Districts of Derry and Strabane, extending into Donegal. Derry is a key cross border and international gateway providing access to the North West Region and has the capacity and potential for strong retail and office growth. Strabane is strategically located, close to the Donegal border and will benefit from the improvement of the A5 Corridor. The specific section of the RDS relating to the North West has Spatial Framework Guidance relating to the economic development of the region:
- 2.6 *SFG6: Develop a strong North West:* Derry is well suited to provide a regional level of service to much of western Northern Ireland and a substantial part of Co Donegal. It also states that given its peripheral location, transport, energy and telecommunication connections are important to the economic and social fabric of the region.
- 2.7 *SFG7: Strengthen the role of Londonderry as the principal city for the North West:* Regeneration of the city should continue and Derry should be the North West's focus for administration, shopping, commerce, specialised services, cultural amenities and tourism. The One Plan has identified a number of key

regeneration sites including Ebrington and Fort George – adding 17ha of development land.

- 2.8 *SFG8: Manage the movement of people and goods within the North West:* Efficient transport infrastructure is important in promoting a successful economy. A number of points are highlighted:
- Enhance transport linkages across the region, to and from air and sea ports and the distribution of traffic from and between transport corridors.
 - Manage travel demand within the North West.
 - Improve the public transport service.
 - Integrate Land Use and Transportation.
 - Manage the efficient movement of freight.
 - Provide better accessibility to the central area of the city.
- 2.9 Strategic Planning Policy Statement 2015 (SPPS): The SPPS is the main policy and guidance. It aims to support and sustain vibrant town centres across Northern Ireland, through the promotion of established town centres as the appropriate first choice location of retailing and other complementary functions, consistent with the RDS. A town centres first approach for the location of future retailing and other main town centre uses should be secured. A sequential approach should be adopted in Local Development Plans (LDPs) and when decision-taking. Robust and up-to-date evidence in relation to need and capacity should be used to make informed decisions on applications and LDPs. A range of diverse uses should be protected and enhanced in the town centre such as leisure, cultural and community facilities, housing and business. High quality design should be promoted in town centres and accessibility should be maintained and improved to and within the town centre.
- 2.10 Planning authorities must adopt a town centre first approach for retail and main town centre uses. In preparing LDPs councils must undertake an assessment of the need or capacity for retail and other main town centre uses across the plan area. Councils must also prepare town centre health checks and regularly review these (preferably at least once every five years). As part of this evidence base LDPs should include a strategy for town centres and retailing, and contain appropriate policies and proposals that must promote town centres first for retail and other main town centre uses.
- 2.11 In relation to retail impact, the SPPS states that “all policies and proposals must ensure there will be no unacceptable adverse impact on the vitality and viability of an existing centre within the catchment, and meet the requirements of policy elsewhere in the SPPS”. The SPPS clarifies that applicants should undertake a “full assessment of retail impact as well as need”, and that decisions must be informed by “robust and up to date evidence”. The SPPS specifies that factors to be addressed in a retail impact and assessment of need include:
- the impact of the proposal on trade and turnover for both convenience and comparison goods traders, and the impact on town centre turnover overall for all centres within the catchment of the proposal;

- the impact of the proposal on existing committed and planned public and private sector investment and investor confidence in the town centre(s);
- the impact of the proposals on the delivery of the planned / allocated sites and LDP strategy;
- the impact on the vitality and viability of existing centres including consideration of the local context. This should take into account existing retail mix and the diversity of other facilities and activities;
- cumulative impact taking account of committed and planned development, including plan commitments within the town centre and wider area; and
- a review of local economic impacts.
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2.12 Planning Policy Statement 5 (PPS5) Retailing and Town Centres: Published in June 1996, PPS 5 set out DOE's Planning Policy for Retailing and Town Centres. PPS 5 has been superseded by the publication of the SPSS in 2015. In it the Department recognises the value and importance of established shopping areas in town, district and local centres, and is therefore committed to protecting their vitality and viability. Under this policy, town centres will be the preferred location for major comparison shopping and mixed retail development proposals. Consideration will be given to the development plan. Out of centre comparison or mixed retailing will only be permitted when an applicant has demonstrated that all potential town centre sites have been thoroughly assessed and that the development satisfies a list of criteria including assessment of the effect on existing centres.

2.13 Derry Area Plan (DAP) 2011: Section 8 relates specifically to commerce and states that Derry is the principal retailing centre for the City Council Area and for the neighbouring areas of Limavady and Strabane and for parts of Donegal with the provision of major facilities such as Foyleside and Richmond centres. Retailing outside the central area is concentrated in District Centres at Lisnagelvin, Northside, Springtown and Rath Mor. *Policy COM 1 Role of the Commercial Core* advises that the Department will seek to strengthen and consolidate the Commercial Core of the City as the principal focus for shopping in the district. Outside the commercial core retailing is provided in a hierarchy comprising the District Centres, Local Centres and corner shops in descending order of scale.

2.14 *Policy COM 2 District Centres* states that their primary role is to provide locally accessible convenience goods without undermining the vitality and viability of the city's commercial core. *Policy COM3 Local Centres* sets out that local scale shopping providing convenience goods to meet local need within major residential areas will normally be acceptable at an appropriate scale which ensures the vitality and viability of the commercial core is not undermined. Under *Proposal COM 1 New Local Centres*, the Department defines 6 Local Centres at:

- Buncrana Road East,
- Buncrana Road West (2),
- Lower Galliagh Road,

- Ballyarnett, (*this has not been constructed)
- Crescent Link

Under Para 8.9 'Retail Warehouses, Leisure and Hotel', the DAP states adjacent to the local centre at Crescent link, provision has been made for a development incorporating retail warehousing of no more than 12,000 sqm (gross), hotel and leisure unit. The Premier Inn opened at Crescent Link in November 2012.

- 2.15 In conjunction with Section 8, Section 15: Central Area sets out the development strategy for the heart of the city. Section 15 also specifies the policy requirement for Office development within the Central Area. *Proposal CA 4: Office Development* designates Clarendon Street as an Office Development Area within the Central Area. Dacre Terrace and Ebrington Terrace (Waterside) are also designated areas.
- 2.16 Office development will be accepted within the Commercial Core as will change of use proposal from housing to office within the defined areas. Furthermore *Policy CA 2 Location of New Build Office Development* sets out that new build offices will not normally be approved outside the Commercial Core to restrict dispersion of office jobs away from the Commercial Core. *Policy CA1 Office Development in Vacant Property* encourages the re-use of vacant of vacant property above street level within the Commercial Core for office and business purposes.
- 2.17 Strabane Area Plan 1986-2001: A general objective of the Plan for the town centre is to retain and consolidate the existing commercial core and to facilitate the provision of a wide range of facilities by encouraging new development and stimulating commercial activity. Abercorn Square is traditionally accepted as the focal point of the town centre from which the principal shopping streets radiate. Abercorn Square, Castle Street, Market Street, Main Street and the eastern end of Railway Street are the principal shopping areas while the remainder of Railway Street, Butcher Street, Castle Place and the central part of Main Street have a lesser, though developing, retail significance. These latter areas are typified by a mix of uses including retail, office, service, industrial and residential uses which serve to compliment the main shopping area.
- 2.18 The policies and proposals in relation to shopping and commerce are summarised as follows:
- New shopping development will be concentrated within the defined town centre to support the continued viability of the central shopping core, except in situations where small local shops are required to serve local need;
 - Large scale retail development will not be acceptable outside the defined town centre;
 - The Department will encourage the redevelopment of vacant sites and the refurbishment of run down premises;
 - All new development and refurbishment of existing premises shall be carried out to a high standards of design.

- 2.19 In relation to office development, the Strabane Area Plan states that offices are spread throughout the town centre and nowhere are they a predominant land use. Existing provision varies from upper floors of retail outlets to converted properties and to purpose built relatively modern buildings such as County Buildings in Barrack Street. The town centre will continue to be an important office location and most locations within it are likely to be acceptable for change of use, subject to shopping and housing policies. Ground floor conversions along principal shopping streets will be discouraged. Plan objectives for office and public buildings can be summarised as:
- New office development and office conversions will be acceptable in most town centre locations subject to shopping and housing policies.
 - Office conversion will not normally be acceptable in housing policy areas.
 - The Department will encourage the refurbishment of premises in Bowling Green for office use.
 - New office development and conversions will be expected to meet high standards of design.
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- 2.20 Land suitable for mixed business uses was identified to the east, west and north of Dock Street (1.1ha) and at the Western end of Railway Street (2.2 ha). Such uses include light industry, small starter units, storage, offices or some specific retail uses.
- 2.21 Whilst it is acknowledged that both plans adopted a ‘town centres first approach’, publication of the SPPS in 2015 appears to have strengthened this. **Inclusive Strategic Growth Plan: Our Community Plan.**
- 2.22 The new style of LDP provides a unique opportunity for the Council to genuinely shape the district for local communities and will enable them to adopt a joined up approach, incorporating linkages to other functions such as regeneration, local economic development and community planning. The Local Government Act introduces a statutory link between the Community Plan (CP) and the LDP, in that the preparation of the LDP must take account of the CP. It is intended that the LDP will be the spatial reflection of the CP and that the two should work in tandem towards the same vision for the Council area and our communities and set the long term social, economic and environmental objectives for the Council area.
- 2.23 In preparation of the Council’s Community Plan, a number of thematic working groups were set up to take account of the key issues. Retailing fell under the Economic Pillar Thematic Working Group. Under Outcome 9: ‘We are more entrepreneurial, creative and business ready and have grown our economic base’, reference is made to Retailing. The Principal Action was to ‘develop a retail strategy for Derry City and Strabane’, with a sub action of ‘Establishing Retail Development partnership with relevant Internal and External Stakeholders to develop a detailed retail strategy and implement in accordance with the Local Development Planning Process’.

- 2.23 The published plan, the Inclusive Strategic Growth Plan: Our Community Plan, identifies Derry and in particular, the Walled City as a special cultural and historic city quarter, featuring many historic buildings and supported by museums, arts venues and speciality retail and hospitality premises.
- 2.24 The structure of the proposed Strategic Growth Plan is the deliver key outcomes under the economic, environmental, and social pillars. The outcomes set out targets and objectives as well as key actions.
- 2.25 A number of the outcomes and associated actions are relevant to this chapter. They are as follows:
- Economy**
- Enterprise & the Economy:
 Outcome: We prosper through a strong, sustainable and competitive economy
 Action: Maximise job creation and investment opportunities in our City and Town Centres, regionally significant regeneration sites and rural areas.
 Action: Develop more Grade A office accommodation.
- Tourism, Arts & Culture
 Outcome: We live in the cultural destination of choice
 Action: Develop and promote our heritage assets - in particular managing the Walled City to realise its full potential
 Action: Scope the potential of a regional gallery/museum hub being located in the City with relevant partners
 Action: Develop a maritime museum and archive at Ebrington.
- Environment**
- Physical & Environmental Regeneration
 Outcome: We live sustainably - protecting and enhancing the environment
 Action: Deliver a new Local Development Plan and local planning policies to provide a framework to support sustainable social, economic and environmental growth and development of the City and District.
 Action: Prepare a development and conservation spatial framework and masterplan for both Derry City Centre and Riverfront and Strabane Town Centre to provide high quality design and regeneration and investment.
 Action: Progress the development of regionally significant regeneration sites in Ebrington, Fort George, Derry City Centre and Strabane Town Centre in collaboration with government and private sector partners.
- 2.26 The SGP also sets out a number of key projects that it envisages will deliver the key objectives of the plan. The projects that are relevant to this chapter are as follows:
- Major Private Sector Commercial & Retail Developments
 - Ebrington Phase 1 Grade A office accommodation. Maritime Museum. Hotel & Tourism Development
 - Ebrington phase 2 Mixed use commercial & residential development
 - Fort George site remediation & development
 - Development of Fort George & major regeneration sites in Derry City Centre & Strabane
 - Multimodal transport hub Waterside

- New Public Realm, Derry City Centre
- Hotel Development
- Strabane Town Centre Public Realm

Other Strategies/Masterplans

- 2.27 The 'One Plan' was a regeneration plan for the city, developed by the former government regeneration body, known as Ilex. One Plan set a target to provide 1,100 additional retail jobs in Derry between 2010 and 2020, driven by a larger and richer economy. The report put retail jobs at 8,450 in 2010. A target of an additional 2,500 knowledge sector jobs and 500 administrative and governance jobs between 2010 and 2020 is set in the Plan. The plan saw potential for central government jobs to be decentralised which could have been a catalyst in attracting other office led professional services. Key sites such as Fort George or Ebrington were identified as ideal locations for these sectors.
- 2.28 Ebrington Development Framework (EDF): In January 2016, the DOE Minister, Mark H Durkan granted outline planning approval for the regeneration of the former Ministry of Defence (MoD) site at Ebrington in Derry. The proposal is for a range of uses including museum and heritage, creative industries, education, research and development and hotel and leisure. It is the largest single regeneration site in Derry.
- 2.28 The EDF seeks to achieve an integrated approach to the development of Ebrington and suggests that the site could provide a niche retail development opportunity with consideration given to markets (craft/specialist/artisan /organic/fashion) which would draw people into the city, particularly at weekends. Local retail provision to support and enhance existing retail on Spencer Road/ Clooney Terrace could also be considered and this could include some convenience retail. Retail development should only be considered where it serves Ebrington's immediate needs or if it enhances the city centre offering.
- 2.29 In relation to Office Development, Invest Northern Ireland have indicated the following key areas of demand for office space for potential FDI inward investors and their property requirements:
- Call Centres;
 - IT/Technology;
 - Business and Professional.
- 2.30 Their analysis has highlighted a demand in Derry for Grade A space in the range of c.5, 000 – 7,000 square feet to meet demand from the IT/Technology and Business & Professional Services sector. The EDF believes that Ebrington is ideally located to capitalise upon this shortfall in provision. The EDF believes that it is the best site in the city for future Grade A office space, with excellent transport links, social / recreational amenities and footfall.

3.0 Background and Statistical Data

3.1 The 'Retail Capacity and Town Centre Health Check Study' sets out much of the most up-to-date background and statistical data available for the District. The key data is summarised in this chapter.

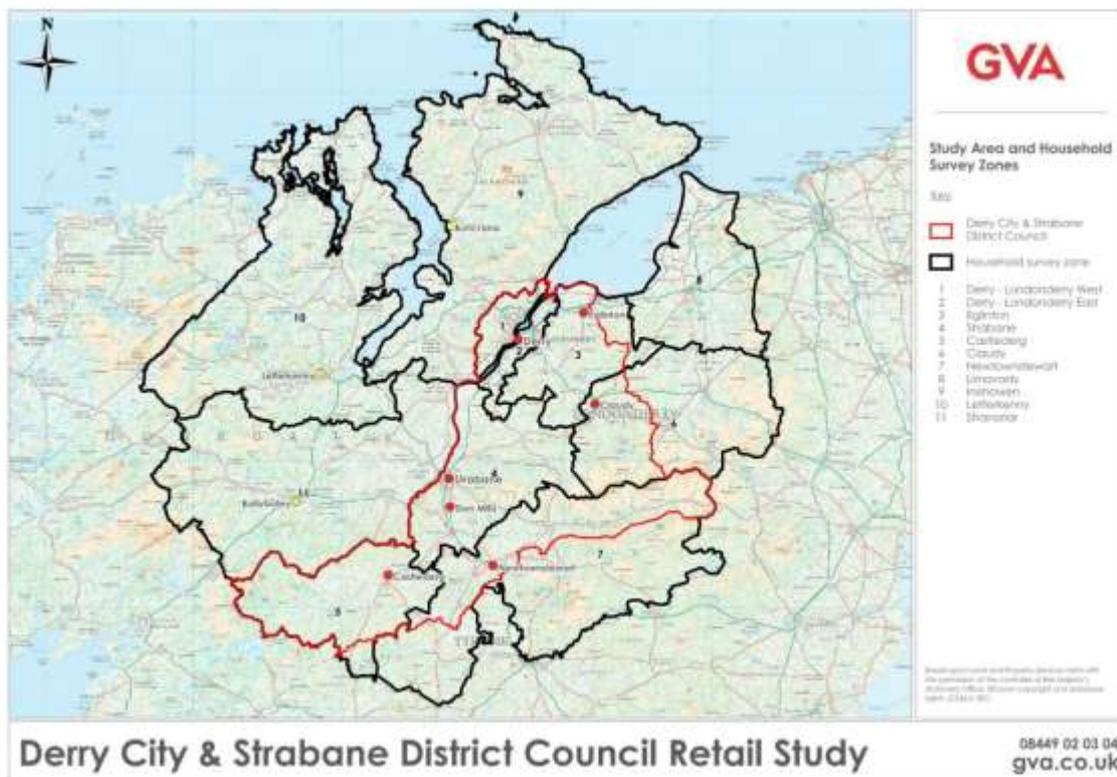
3.2 The 'Retail Capacity and Town Centre Health Check Study' contains a more detailed overview of key data and findings. This part of this evidence paper sets out the key findings in terms of data based on the following headings:

- Assessment of Need for Retail Floorspace
- Retail Hierarchy and Healthcheck Assessments

Assessment of Need for Retail Floorspace

3.3 A household survey was commissioned to understand shopping patterns across the Council and wider hinterland. This included locations within the Republic of Ireland, given the level of cross-border shopping trips occurring. This study area comprised 11 zones, with zones 1-8 located within Northern Ireland based on postcode sector geography. Zones 1-7 broadly comprise the extent of the Council area as shown below.

Figure 1: Study Area



3.4 Adopting Experian population projections, it is anticipated that the population within Zones 1-7 is anticipated to grow by 0.93% in the period between 2018 and 2032, increasing from 180,106 to 181,781.

3.5 In the period between 2018 and 2032, convenience goods expenditure is expected to increase from £391.9m to £399.9m, representing an increase of

2032	£126.5m	£66.1m	£60.3m	5,886sq.m
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- 3.10 In terms of comparison goods, across the Council area, the assessment has found that forecast capacity is anticipated towards the end of the Plan period (after 2027). It is anticipated that this may allow for the development of new floorspace within the Derry-Londonderry city area, to reflect current retailing/shopping trends.
- 3.11 Two additional sensitivity analyses were also completed. The first relating to a potential Brexit 'hard border' and the second to reflect population growth set out within the Council's Preferred Options Paper. The first exercise indicated that there would be no significant change to potential capacity for convenience floorspace given the limited cross-border shopping trips occurring at this time. The difference for comparison goods is however significant, indicating the reliance on inflow of non-food spending from the Inishowen area of the Republic of Ireland in particular. Within this scenario, assuming a 70% drop in cross-border shopping trips, the identified floorspace capacity from above (Table 2) disappears, with there being negative residual expenditure available at each test year 2018 (-£49.3m), 2022 (-£90.5m), 2027 (-£62.4m) and 2032 (-£34.3m).
- 3.12 Within the second scenario, population growth of +2,000, +5,000 and +10,000 was tested over the Plan period. For convenience goods, this did not significantly alter the findings of the assessment with there still projected to be no capacity across any of the test years. For comparison goods, the findings indicate that capacity from 2027 to 2032 would increase further at each year, allowing for new retail floorspace to be developed. Within the 10,000 population growth scenario, this would rise from 2,350sq.m in 2027 to 5,222sq.m and from 5,886sq.m in 2032 to 10,504sq.m.
- 3.13 In terms of qualitative matters, the household shopping survey results and levels of market share indicate that most areas benefit from a good access to a range of options for both main-food shopping and top-up shopping. This is demonstrated by the location of facilities and survey, whereby most residents shopped within the same zone or the neighbouring zone.
- 3.14 In respect to comparison deficiency, the assessment and healthchecks have identified that Derry-Londonderry benefits from a good range of shopping offer. The strength of the city in drawing in significant levels of inflow demonstrate this and the household survey shopping results support these conclusions. Improvements could be made in relation to the shopping environment and ensuring the quality of space, in terms of suitable units and location, is available to attract the form of retailers currently absent to compete better with locations such as Belfast city centre.

Retail Hierarchy and Healthcheck Assessments

- 3.15 Town centre healthchecks have been undertaken across the main centres within the Council area; Derry-Londonderry; Strabane; Castlederg;

Table 5: Health Check Strabane Town Centre- Diversity of Uses

Retail Trade Group	Outlet Numbers	%	% UK
Convenience	10	4.76	9.67
Comparison	74	35.24	38.38
Service	85	40.48	38.54
Vacant	41	19.52	12.24

The health check exercise identified the following key findings:

- The number of convenience and comparison units remains broadly similar to the last GOAD review completed in 2016.
- Service units comprise the majority of use within the town centre at 40.48%, followed by comparison units at 35.24%. These are broadly consistent with UK average figures.
- Vacancy levels are 19.52% which are considerably higher than Northern Irish and UK average levels. The 2018 healthcheck covered areas that are now increasingly peripheral within the town centre, where vacancy rates are high. This should be borne in mind in terms of establishing future boundaries for the town centre.

4.0 Preferred Options Paper Stage

4.1 The research findings contained in earlier evidence papers, together with Members views and advice from the relevant parties/consultees informed the options put forward in the preferred options paper. They have which have been subjected to Sustainability Appraisal (incorporating Strategic Environmental Assessment) as part of the Preferred Options Paper (POP) process. The DCSD Preferred Options Paper put forward a number of options relating to key areas associated with City / Town centres, retailing, offices, leisure and other uses. They were considered under the following headings:

- City / Town Centres – generally
- Retailing Capacity
- Derry City Centre
- Strabane Town Centre
- Local Towns – Castledearg, Newtownstewart, Claudy

B - City / Town Centres - generally	Strong focus on existing centres whilst constraining District Centres and outer / arterial sites	Balance – focus is on existing centres plus potential limited development in District Centres	Support existing centres but with growth in District Centres and outer / arterial sites
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Option 1

4.2 Has a strong focus on the existing centres of both Derry and Strabane (and the local towns), whilst constraining the District Centres and outer / arterial sites, thus eventually forcing the retail and other services to locate within these central areas, thus revitalising them.

Option 2

4.3 Is a balanced approach, encouraging the existing centres to re-invent themselves as multi-use locations including retailing / leisure / night-time economy / office and residential urban-living, but also possibly allowing some limited development in District Centres, in line with the ‘town centres first’ and ‘sequential’ approach.

Option 3

4.4 Would attempt to support the existing centres but also make provision for growth in District Centres and outer / arterial sites.

SA – Sustainability Appraisal Summary

4.5 Option 1 would be economically sustainable in the long-term with regards to support for the existing centres but could be unsustainable in constraining the District Centres and the outer/arterial sites, as well as curtailing the overall retail investment in Derry or Strabane.

4.6 Option 2 scores best in terms of built environment, accessibility and also economically in the short to medium term.

- 4.7 Option 3 would be a short term economic ‘fix’, also popular socially but in the longer term would be economically negative and damaging to the built environment and the central areas.
- 4.8 The Council’s Preferred Option was Option 2: Balance – focus is on existing centres plus potential limited development in District Centres.

C - Retailing Capacity	Existing amount of provision is adequate, generally across Derry and Strabane and retail types	To allow growth of retail supply generally	Monitor retail capacity and plan for sustainable, phased growth
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Option 1

- 4.9 Considers that the overall amount of existing provision in Derry and Strabane is generally adequate, in line with the thrust of most of the existing retail studies, especially in food / convenience shopping, as well as comparison floorspace and also ‘bulky goods’ shops; therefore, no further retail expansion is required.

Option 2

- 4.10 Is to generally allow the supply of retailing to expand across the District’s main settlements, letting the market forces determine the amount the District can support. This would involve maximising ‘investment opportunities’, developing sites within the existing centres, but also probably in the outer sites.

Option 3

- 4.11 Is to monitor retail provision and plan for sustainable phased growth. Dependent on the outcome of the new LDP Retail Capacity Study, and particularly in regard to the District’s future increases in population and also in ‘spending power’ over the LDP period, the Council will consider whether there is need for additional land to accommodate that retail growth. This could be in food /convenience or comparison shopping or in locations for bulky goods. Whilst the priority will still be on ‘town centre first’, there could be opportunities for expansion of District Centres and even peripheral sites on the edge of the town centres. Therefore, whilst, this option does not provide for any additional lands within the commercial core / town centre boundaries, if it appears over the LDP period that retail development cannot be accommodated with these areas, then retail development can be considered in District Centres and sustainable edge of centre locations, based on a sequential approach.

SA – Sustainability Appraisal Summary

- 4.12 Option 1 was seen as neutral on all three aspects of the Sustainability Appraisal.
- 4.13 Option 2 was considered socially neutral and negative on economic and environment.

- 4.14 Option 3 was considered neutral for social with slightly more positive for the economy with more negative impacts on the environment.
- 4.15 The Council's Preferred Option is Option 3. This option will monitor retail provision and plan for sustainable phased growth, thus ensuring that an adequate amount of retail development can be facilitated, over time, in the city and towns in sustainable locations to promote a vibrant retail economy.

D - Derry City Centre	Evaluate the existing Central Area & Commercial Core within Cityside and Waterside, clarifying / simplifying their definitions / roles and adjusting their boundaries if necessary	Retain the existing Central Area plus a compact Cityside focus for commerce	Expand the overall central areas within Cityside and Waterside
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Option 1

- 4.16 Would be to substantially maintain the extent of the existing central areas within the Cityside and the Waterside. However, it would be proposed to clarify and simplify the meaning of the terms Central Area and Commercial Core particularly as they relate to the policy term 'city centre', with appropriate changes to the boundaries as necessary. The Retail Capacity Study, the City Centre Health Check and consultation as part of the Council's City Centre Strategy would be important in determining the exact approach and limits.

Option 2

- 4.17 Would be to maintain the existing Central Area on both Cityside and Waterside, along with a compact city focus which would see the 'Commercial Core' boundary reduced by removing the Waterside Streets from it, thereby focusing development within the Primary Retailing Streets surrounding Foyleside Shopping Centre and Quayside Shopping Centre and possibly including Carlisle Road, Shipquay Street, The Diamond, Bishop Street, etc. to revitalise the vibrancy of the traditional city centre.

Option 3

- 4.18 Would be to seek growth/expansion of the Central Area within the Cityside and Waterside to incorporate edge-of-centre sites and thus provide additional opportunities for retailing and commercial uses. This option would also seek to grow / expand the 'Commercial Core' to incorporate sites such as Fort George and Ebrington to facilitate opportunities for a diverse range of compatible 'town centre' uses, to accommodate investment within a wider 'central area' of the city.

SA – Sustainability Appraisal Summary

- 4.19 Option 1 was seen as neutral on all three aspects of the Sustainability Appraisal, there being positives and negatives. Overall, whilst there is uncertainty of the detail, this option is likely to be positive in the longer term on economic performance, socially diverse uses and a positively-managed built environment.
- 4.20 Option 2 was considered socially neutral and slightly negative on economic and environment aspects.
- 4.21 Option 3 was considered neutral for social with slightly more positive for the economy, especially in the short term, with more negative impacts on the environment as the investment is diluted into a larger area.
- 4.22 The Council’s preferred option is Option 1: Evaluate the existing Central Area & Commercial Core within Cityside and Waterside, clarifying / simplifying their definitions / roles and adjusting their boundaries if necessary

E - Strabane Town Centre	Maintain existing Strabane Area Plan Town Centre boundary, subject to detailed re-evaluation of boundaries	Contract the existing Town Centre boundary to a more compact form.	Expand Town Centre boundary to beyond the Bypass / Camel’s Hump area
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Option 1

- 4.23 Would be to largely maintain the existing Strabane Area Plan Town Centre Boundary at its current size, subject to a detailed re-evaluation of the boundaries. This is a relatively large town centre boundary which incorporates the large retail development (edge of boundary) in proximity to the by-pass.

Option 2

- 4.24 Would be to contract the existing Town Centre boundary to a more compact form, focussing development around the traditional town centre streets.

Option 3

- 4.25 Would be to expand the Town Centre boundary to include the Camel’s Hump area. This site is currently outside the town centre boundary and beyond the development limits of Strabane. Inclusion of this site within the town centre boundary would significantly enlarge the town centre and bring it closer to the border with Lifford.

SA – Sustainability Appraisal Summary

- 4.26 Option 1 scores positively socially, as it would maintain the existing society and environmentally it would maintain and protect the existing landscape and built and cultural heritage, as investment eventually ‘fills’ into the redevelopment

areas such as Canal Street and Railway Street, joining up the traditional and new ‘town centre’ areas. A boundary re-evaluation would also be positive in all aspects, making it more up-to-date and fit-for-purpose.

- 4.27 Option 2 scores positively socially and environmentally particularly as it would concentrate future development in the smaller core area. Economically, there may be medium-term benefits as investment focuses on the older traditional streets. However, over the longer-term, there may not be adequate sites for retailing uses and investment maybe lost from Strabane, or even pressure for town centre uses on outer / arterial sites, thus harming the town centre.
- 4.28 Option 3 scores negatively in terms of the environment as it uses extra green fields, close to the river. Economically, over the longer-term, an extension of the town centre beyond the by-pass may be beneficial for the economy of Strabane and the District overall, as it maximises the opportunities of cross-border commerce and trading. However, there is uncertainty about this aspect and the danger that the larger town centre would further dilute the town centre investment and further damage the traditional streets, thus being negative socially and environmentally.
- 4.19 The Council’s preferred option is Option 1: Maintain existing Strabane Area Plan Town Centre boundary, subject to detailed re-evaluation of boundaries

<p>F - Local Towns – Castledearg, Newtown Stewart, Claudy</p>	<p>Retain the compact Town Centre boundary for Castledearg and define compact Town Centres for N’Stewart (existing designated town) & Claudy (proposed new town)</p>	<p>Do not define Town Centres for Castledearg, Newtown Stewart or Claudy</p>	
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Option 1

- 4.20 Is to retain the compact Town Centre boundary for Castledearg and define compact Town Centres for Newtown Stewart (existing designated town) and Claudy (proposed new town). Newtown Stewart and Claudy do not have defined town centre boundaries. Whilst there has not particularly been pressure for out-of-centre or large retail uses in these small towns, defining compact town centres for all three could help sustain these settlements by directing retail / service provision within the traditional main streets thereby ensuring a concentration of their vitality and vibrancy as service centres.

Option 2

- 4.21 Would be to have no defined Town Centre designation for Castledearg, Newtown Stewart or Claudy. As there has not particularly been pressure for out-of-centre or large retail uses in these small towns, therefore, there may be no need for a defined town centre. However, the absence of a town centre might

make it difficult for the Council to resist ‘town centre uses’ in inappropriate peripheral sites in the future. These local towns may also lack a focus, for retail, commerce, mixed-use and for place-making. The locations of retailing/services would be determined on a site by site basis with no direct focus for development within the commercial centre of these towns.

SA – Sustainability Appraisal Summary

- 4.22 Option 1 was scored as having a mix of neutral and positive with a very positive economically and mixed environmentally.
- 4.23 Option 2 was scored as being slightly more negative, socially, environmentally and economically as a lack of town centre would dilute any likely investment in that town.
- 4.24 The Council’s preferred option is Option 1: Retain the compact Town Centre boundary for Castleberg and define compact Town Centres for N’Stewart (existing designated town) & Claudy (proposed new town).

POP Responses

- 4.25 A considerable number of responses were received relating to retailing, Derry city centre, towns centres and town centre uses within Derry City and Strabane District Council and the wider Region. Retailing, or matters related to retailing, were raised in 21 separate consultation responses, whilst town centres or matters relating to town centres was raised in 29 separate responses. A number of issues were raised on multiple occasions. Responses were received from Government Departments such as DFI, Invest NI, NIHE, Councillors/Elected Representatives, retailers and retail representations groups such as Retail NI, representatives of Foyleside, Crescent Link, and Kennedy Retail Park amongst others, as well as community groups such as Foyle Civic Trust and Inner City Trust as well as interested parties such as Translink. There were also responses from members of the public. Responses have been summarised into key areas as follows:

Town Centre first

- 4.26 There were a number of representations in the relation to the principle of locating retail to the town centre first. Bodies such as Retail NI, Inner City Trust, as well as elected representatives and individual members of the public strongly supported the approach to adopt a town centre first approach. There was also a representation from a planning agents representing business interests putting forward the view that this approach was over restrictive and did not allow growth of retail in suburban areas like Drumahoe.

Retail Capacity Study

- 4.27 We had a number of representations relating to the need for a retail capacity study. Dfi and a number of planning agents highlighted the necessity of the preparing such a report.

Retail Hierarchy

- 4.28 Retail NI believe that there is no need to alter the hierarchy of centres as per DAP 2011 and these should be retained. Owners of
- 4.29 Representatives of Crescent Link believe that it needs re-assessed and it that it should be included in hierarchy.

Out-of-town retailing and retailing in industrial parks

- 4.30 Inner City Trust believe that comparison goods and retail warehousing has been detrimental to the vitality of the city. Other individuals believe that out-of-town retailing is not conducive any more. There was some support for retail in industrial estates, especially in association with workshop units where products are made and sold on-site etc.

Impact of Brexit

- 4.31 An elected representative believed that consideration should be given to potential impact of future events i.e. Brexit on retail here.

Need for glossary of terms

- 4.32 Retail NI believed that a full 'Glossary of Terms' needs to be included as part of the Local Plan Policies providing a tool for defining and interpreting new forms of retailing and retail centres over the plan period. No definition provided on what constitutes a 'District Centre'.

Derry City Centre boundary

- 4.33 Representations received on this topic supported a strategy of revising the boundaries of Derry city centre. Representations were received from North West Development Office, elected representatives, planning consultants acting on behalf of developers, Retail NI.
- 4.34 Whilst there was broad support of the re-evaluation of commercial core and central area, there was differing views on the final form of this.
- 4.35 NWDO and some planning agents supported a simplified, compact city centre. Other planning agents favoured a retention of existing boundaries. Other responses were in favour of clarifying/simplifying their defined roles and adjusting their boundaries if necessary.
- 4.36 There was calls for new LDP to be consistent with the SPPS, in that it should refer to 'City Centre' and 'Primary Retail Core'.

Need for Leisure use in City Centre

- 4.37 Foyleside and Retail NI highlighted the need for leisure use in the city centre. The city centre needs a leisure facility within the commercial core and a wider choice of daytime/evening leisure options within the retail core. The introduction of commercial leisure developments, arts and restaurants in town centres will encourage people to stay after the traditional 5pm close. Foyleside identified

an opportunity site opposite Foyleside shopping centre i.e. the East Car Park, the coach park and the former tourist information centre

Opportunity sites within City Centre

- 4.38 Retail NI believe that there is a need to consider redevelopment opportunity sites in response to edge-of-town and out-of-town development. Landowner identified opportunity sites such as vacant site adjoining bus station at Foyle Street, Ebrington Site, Queen's Quay, Foyleside East and William Street Car Park.

Derry City Centre-General

- 4.39 Inner City Trust believed that the City Centre needs to be the catalyst for regeneration given its role and connectivity. Vision needed for Derry City Centre. One that captures the rich heritage of the walled city, culturally vibrant with a balance of footfall, tourism, retailing and increased levels of high quality offering. Needs be footfall for retailers, tourism is improved and night time economy. Moving University into city centre should be considered.

Strabane Town Centre boundary

- 4.40 Like Derry, respondents welcomed the approach to re-evaluate town centre boundary. The developer involved in the Three Rivers Project supported an expansion of town centre to include their site. Retail NI took different view in that they believed that the project was speculative, contrary to Policy, and in the Flood Plain. They supported a consolidation of the boundary.

Local Towns

- 4.41 NIHE do not see the need for defined town centres for Claudy or Newtownstewart.

District Centres

- 4.42 Comments relating District Centres were received from DfI, Retail NI, as well as owners and/or planning agents representing locations such Springtown, Crescent Link, Lidl (Buncrana Rd), and Kennedy Retail Park in Strabane. There was also feedback from community groups such as the Outer North Neighbourhood Partnership.
- 4.43 DfI and Retail NI cautioned against any expansion of District Centres and sought to ensure approach is consistent with paragraph 6.276 of the SPPS. Retail NI also stated that the existing District Centres in both the Waterside and Cityside have headroom in respect of unimplemented planning permissions and account would need to be taken of these in respect of future retail growth, capacity and need.
- 4.44 Crescent Link, Lidl (Buncrana Rd), and Kennedy Retail Park in Strabane want to be classified as District Centres in the new LDP. Comments also received relating to extent of current centres and in particular the view that constraining boundaries of designated Centres with too few development opportunity sites will cause a tension between 'in centre' and 'out of centre' development

opportunity sites will undermine the ability of the Plan to deliver its growth targets.

- 4.45 One District Centre owner commented that with the exception of the Waterside, all district centres on the west bank are trading marginally and are vulnerable to closure.

Local Centres

- 4.46 A convenience retailer and planning consultant believed that LDP should set out a planning framework which is supportive of modern, Local Convenience. They also believed the LDP should encourage appropriate flexibility to accommodate modern petrol forecourts and local shopping facilities on main roads and it should be recognised that such facilities will more often than not be beyond the boundaries of designated centres.

Consideration of POP responses

- 4.47 Whilst there was a range of opinions put forward at POP stage, there was broad support for the options as outlined above. There was a clear indication from consultation responses at POP stage that the Council needed to underpin the options with a robust and up-to-date evidence base. This was recognised by Council through the commissioning and completion of a Retail Capacity and Town Centre Health Check Study' to support the preparation of the Draft Plan Strategy and Local Policies Plan stages of the LDP.
- 4.48 The preferred options therefore remained unchanged at this stage. The subsequent consideration of the above points is detailed under the Draft Plan Strategy Stage of this paper.

5.0 Key Considerations

The Retail Sector

- 5.1 The retail sector struggled in recent years as falling wages, rising interest rates and inflation squeezed household discretionary spending. As a result, retail sales have been slowing and with weak consumer confidence, spending is likely to remain subdued in the short term. There are some positive signs however, with inflation beginning to ease and wages finally starting to grow, and if this continues it should improve the outlook for the sector.
- 5.2 Falling sales combined with rising operational costs and wider structural changes within the sector have continued to place immense pressure on retailers. Mid-market retail in particular is being squeezed as mid-market operators struggle to offer a compelling proposition on value or quality. There have recently been a wave of CVAs being entered into or considered by big retail names including Carpetright, House of Fraser, New Look, Select and Mothercare, which are following the collapses of businesses such as Toys R Us and Maplin.
- 5.3 High end and value retailers have tended to fare much better with value retailers in particular benefitting from the squeeze on incomes and many are still expanding their portfolios. This is particularly evident in the grocery sector with the strong growth and expansion of the discounters such as Aldi and Lidl.
- 5.4 Retail rental growth in the UK has been weak for some time and rents have been broadly flat over the last year. The market has failed to return to its 2008 pre-financial crisis peak and growth remains highly polarised. Rental growth for prime assets is contrasting with falling rents for more secondary units/ locations. Forecasts suggest retail rental growth is likely to remain subdued for the foreseeable future given weaker spending and increased cost pressures on retailers.
- 5.5 The retail sector is continually evolving as retailers try to keep pace with changing consumer behaviour and wider trends. Retail is becoming more of a quasi-leisure activity with the overall experience becoming an integral part of a shopping trip.

Retail Expenditure and Sales Efficiency

Retail Expenditure Growth

- 5.6 Set out below are the latest retail expenditure forecasts from Experian's Retail Planner, dated December 2017.
- 5.7 Comparison goods spending is expected to grow at a much higher rate than convenience goods spending over the period to 2035. For comparison goods, expenditure growth per head was 3.6% in 2013, increasing to 5.2% in 2015 and 5.0% in 2016 according to Experian. Following a forecast growth of 2.3% in

2017 Experian forecast lower growth in 2017 and 2018 (of +0.9% and +2.1% respectively) and then annual average growth in comparison goods spending is expected to be around of 3.2% pa between 2020-2024.

- 5.8 For convenience goods, spending declined every year in real terms between 2008-2015 with a small increase of +1.0% in 2016. Looking forward, Experian estimate that there will be no growth in 2017 and a further decline in 2018 and 20189 (of -0.6% and -0.2% respectively). Between the years 2020-2036 Experian forecasts a very small improvement in spending of +0.1% pa.
- 5.9 To put these forecasts into historical context, comparison goods growth averaged 4.2% pa over the last 40 years, with stronger growth of 5.2% pa over the last 30 years and 5.6% pa over the last 20 years. Convenience goods growth has been much weaker, averaging 0.4% pa over the last 40 years and 0.3% pa over the last 20 years.

Online Spending

- 5.10 Online retailing continues to grow, being driven by smartphone technology, with modern consumers always connected. Online sales now account for c.17% of total retail sales and continue to rise. This is undoubtedly impacting on physical store requirements, although retailers recognise the value of the physical stores in terms of brand awareness, experience and in the fulfillment of online sales.
- 5.11 Internet spending and other forms of sales which are not derived from physical floorspace need to be taken into account when undertaking retail studies. Special Forms of Trading ('SFT'), includes all types of non-store retailing (internet, markets and mail order) and in 2015 was equivalent to 13.4% of total retailing (15.6% for comparison goods and 9.2% for convenience goods). In 2021, Experian predict that non-store sales (SFT) will reach 18.3% of total retail, growing steadily to around 19.6% by 2035.

Sales Efficiency Growth

- 5.12 The sales efficiency growth rate represents the potential ability of retailers to increase their productivity and absorb higher than inflation increases in their costs (e.g. rent, rates and service charges) by increasing their average sales densities. Applying a turnover 'efficiency' sales density growth rate is a standard approach used in retail planning studies and has been used in this study in accordance with good practice.
- 5.13 Following the weak or negative overall sales growth during the recession and the growth of online shopping, many retailers have struggled to increase or maintain sales density levels and, together with other financial problems, this has led some retailers into administration. As a result sales density growth is now significantly lower than the high rates seen during the boom of the latter half of the 1990s and first half of the 2000s.
- 5.14 The trend towards the demolition of inefficient stores and the provision of more modern stores with higher and more efficient sales densities is expected to result in less scope to increase comparison goods sales densities in the future.

- 5.15 Scope for increased sales densities is even more limited for convenience goods because the majority of foodstores already drive high sales efficiencies. An efficiency growth rate of +1.2 pa between 2018 and 2026 is recommended by Experian and these assumptions inform our approach.

Internet Growth and Multichannel Retailing

- 5.16 The online shopping population is reaching saturation, with over 40m online shoppers in the UK expected by 2017. Future growth in the market is likely to come from increased spend driven by new technology and improved delivery options. Changes in technology are driving sales with the expansion of tablet devices which provide a better browsing experience. According to Verdict, in most sectors the average spend per trip is 64.5% higher on a tablet than a laptop/ PC3.
- 5.17 Click and collect is forecast to be one of the most significant drivers of growth, with a rise of 62.7% in click and collect purchases expected between 2013 and 2018. The service provides physical retailers with an important benefit over pure internet operators and creates opportunities for making additional purchases when customers collect orders from stores.
- 5.18 The growth in online sales has implications for bricks and mortar stores as it potentially reduces the need for so many outlets. However, trends indicate that online and in-store shopping channels are becoming more blurred as shoppers increasingly research items online or in stores before making purchases. According to Verdict, in 2012 61% of shoppers researched goods online before purchasing in store, and some 38% of customers researched goods in store before buying online. (Source: Verdict: Online and Remote Shopping, E Retail in the UK (August 2013).
- 5.19 These trends, combined with the importance of 'click and collect' highlight that physical stores will still have a significant role in the multichannel shopping environment, although their size and format will differ from traditional stores. The advantages of physical stores, in terms of the shopping experience, service and immediacy of products in a showroom setting, will see a network of key stores remain a fundamental component of retailer's strategies to provide an integrated multichannel retail proposition.

Changing Retailer Requirements

Space Requirements

- 5.20 The retail sector has undergone significant changes over the last decade which has fundamentally altered how, where and when we shop. This has had major implications for retailers' space requirements, which combined with the recent recession, has changed the retail landscape of our towns and cities.
- 5.21 During the recession retailers' margins were squeezed, whilst other costs continued to rise and a raft of multiple and independent retailers either collapsed or have significantly shrunk their store portfolios. The decline in the amount of occupied retail space in town centre locations has not typically been

offset by new retail developments. Many town centre schemes have been put on hold or significantly scaled down in size, and with 'fairly weak' expenditure growth forecast in the medium term, retailers are expected to remain cautious about store expansion.

- 5.22 The growth of the internet means that retailers no longer need stores in every town to achieve national coverage. Many retailers are therefore focusing their development programmes on the provision of large flagship stores in strategic locations, supported by smaller satellite stores and transactional websites. The larger flagships accommodate full product ranges whilst smaller stores offer more select ranges, supplemented by internet kiosks allowing access to the full range. This offers many advantages to retailers including lower property costs, more efficient logistics and being able to open stores where there is a high level of demand despite there being space restrictions.
- 5.23 This polarisation of retailing will result in larger dominant centres continuing to attract key retailers (where space is available), with medium sized centres potentially struggling to attract investment. Local, or neighbourhood, centres should be less affected by this trend and are likely to retain their attraction for top-up and day-to-day shopping. In addition to national multiple retailers, all levels of centre in the retail hierarchy accommodate local independent traders. Such traders face pressure from both the internet and national multiples and have found that success lies in being able to offer a product or service not available elsewhere, or a level of customer service which marks them apart from mainstream retailers. Indeed, this level of differentiation can mark a town out as a specialist in a certain area of retailing.

Out-of-Centre Retailing

- 5.24 Retailers are opting to develop stores in the most strategic and cost effective locations, with a notable resurgence of out-of-centre destinations, which offer benefits of lower rents, larger retail units and in most cases, free car parking.
- 5.25 Many traditional town centre retailers have developed out-of-town store formats, including John Lewis, who now operate a portfolio of 'At Home' stores in out-of-centre locations, as well as other retailers such as Next (Next Home, Next Home and Fashion) and TK Maxx (TK Maxx and Homesense formats).

The Role of the Town Centre

- 5.26 In recent years, much has been made of spiraling vacancy rates in town centres and the pressures the traditional high street is under. While it is true that the changing role of high streets is an issue for retailers and society alike, it is important not to overplay the woes of the channel. High streets remain the most visited locations, with 82.1% of consumers having shopped there in the past 12 months. Moreover, these shoppers visit, on average, more than once a week. Indeed the high street retains much strength. It is the predominant location of many leading brands.
- 5.27 The challenge is that, as the biggest location, the high street has the most to lose from the growth of new areas particularly neighborhood, malls and online.

It will be the smaller town centres which lose out and particularly those also under pressure from uneconomical rates and rents charges and difficulty providing parking facilities.

- 5.28 With new channels springing up and fighting for a share of shopper spend, some town centres will grow, some will stagnate and some will become smaller or obsolete. However, overall the high street will remain a hugely significant channel for retail for the foreseeable future and one that retailers can't afford to blindly dismiss.
- 5.29 An on-going transference of spend from physical locations to online means retailers have to change the way they approach each of the physical channels. In many ways, retail parks enjoy the best synergies with the internet. With lower rents and easier access, retail park stores can be used to provide showrooms to complement a retailer's online experience. They are also more practical for fulfilling click and collect orders, and even dispatching stock for home delivery. However, few retailers are yet to exploit this in a way consumers appreciate.
- 5.30 Neighborhood stores also fit well into a multichannel strategy. They can be used for small, local shops to 'top up' larger online orders and to fulfill click and collect orders although the latter obviously presents some logistical issues.
- 5.31 High streets face the most difficult task in adapting to an 'online world'. In order to survive and thrive, they need to focus on what they can offer that's different, such as the enjoyment of the shopping experience, or the ability to physically interact with products and retailer brands.
- 5.32 As retail evolves so do the places where retailers are looking to open stores and expand. Expansion no longer means automatically looking through vacant town centre units. Demand for new neighborhood stores in ultra-convenient locations, set against a lack of supply, has led to a huge increase in unit change of usage in order to create new retail space. The grocers in particular have repurposed old pubs, houses and offices. Retail park stores are also changing, with demand for ever larger spaces in reverse. Instead, spaces are being sub-divided and sub-let to drive sales per square foot.

Retail Sector Trends

Food and Grocery

- 5.33 The top four supermarkets (Tesco, ASDA, Sainsburys and Morrisons) continue to dominate the market and represent approximately 69.5% of the total convenience market (Source: <https://www.kantarworldpanel.com/en/grocery-market-share/great-britain> (April 2018)). Although this has fallen from 73% in 2014.
- 5.34 With vast store networks and online offers, their coverage reached peak levels in recent years. However, combined with weaker spending on convenience goods, the transfer of trade online and the rise of the discounters (ALDI and Lidl), expansion plans have been put on hold and the top four retailers have diverted investment to cutting prices on goods rather than increasing the

quantum of floorspace in their larger store portfolios. Indeed, space within some larger format stores is being sub-let to restaurants and other retailers. An example of this is Sainsburys with Argos concessions in a number of its stores.

- 5.35 The development of smaller store formats for top up food shopping has become increasingly popular in response to consumers seeking to reduce waste by moving from weekly shops to more frequent smaller shops. As a result, many of the main operators are expanding their smaller concept stores - Tesco Express, Sainsbury's Local, Little Waitrose, Marks and Spencer Simply Food etc.
- 5.36 The value/ discount retailers are continuing to expand, having gained considerable market share during and after the recession. Aldi and Lidl have both succeeded in attracting customers who are looking to trade down in price but not quality, and between 2011 and 2016, Aldi has increased its market share by three and a half times, from 4.8% to 7.3% Over the same period, Lidl's market share has risen from 3.6% to 5.4%. It is notable that Aldi do not have a presence in Northern Ireland but have considered in recent years entering the market if there are opportunities to do so.
- 5.37 Food retailers are also continuing to develop online offers to meet increasing consumer demand for convenient food shopping, much of which is still fulfilled through existing store networks. Click and collect services are expanding into the grocery sector with some retailers developing 'drive-thru' collection points for picking up online orders.

Clothing and Footwear

- 5.38 In 2017, Verdict estimated that the clothing and footwear sector would represent 15.9% of total retail spend (a marginal increase from 15.2% in 2012). The proportion of clothing sales rose to just over 20% by 2017 as browsing services improve.
- 5.39 Low levels of consumer confidence in addition to high prices are expected to keep clothing and footwear sales volumes low. Premium and luxury brands will continue to maintain their consumer appeal, whilst growth from value retailers will become more subdued as they seek to ensure their profitability.

Premium and Luxury Goods

- 5.40 More affluent consumers have been able to maintain a higher level of personal and discretionary spending during the recession and therefore the premium and luxury goods sector has remained relatively strong. There is still high demand for premium brands and goods across all retail sectors, from clothing and accessories to high tech items.
- 5.41 In response to this trend, Verdict predict that the premium sector of the UK department store market (e.g. Harrods and Selfridges) will account for 43% of total department store expenditure in 2017 as midmarket department stores

(e.g. John Lewis, House of Fraser and Debenhams) expand designer and luxury goods ranges.

Electricals

- 5.42 The electrical sector has suffered as a result of the recession as households cut back on 'big ticket' items combined with the shift of spending online. Since 2008 the proportion of electrical spending which takes place online has more than doubled to 43% (Source: Verdict: UK Retail Review and Sector Forecasts to 2017). Casualties in the sector include Comet and Jessops, along with Best Buy who exited the UK market.
- 5.43 Growth remains strong however for smaller, high tech items such as tablets and premium electrical goods, with retailers such as Apple and John Lewis continuing to do well. There is also demand for 'value' ranges of electrical goods, much of which has been captured by the supermarkets. Over the medium-term at least, sales of big-ticket items are likely to remain subdued.

Homewares

- 5.44 Growth in the more traditional part of the homewares market (such as furniture and floorcoverings) is heavily reliant on the housing market and has been weak in recent years. Growth is expected to remain subdued, but will improve as the housing market strengthens. The softer end of the homewares market (i.e. smaller more decorative items), has been more resilient as consumers look at cheaper ways to refresh their homes.

Music, Video and Books

- 5.45 Technology is removing the need for physical stores as consumers can now download/ stream music and films directly. As a result the music and video sector has shrunk significantly with negative growth in retail spending. Over three quarters (78%) of music and video sales are now online and Verdict predicts that by 2017 online sales will account for 90% of the market.
- 5.46 The book sector has in recent years been heavily influenced by the growth of e-reader devices (e.g. Kindle), although this growth appears to be weakening. By 2018 it is estimated that around three-quarters of book sales will be via the internet and, of this market, around half will be attributed to digital sales (i.e. eBook readers such as Kindle). However, for the first time in several years, the high street bookseller Waterstones returned to profit in 2016/ 2017.

Food and Beverage

- 5.47 The food and beverage sector has been an important growth area with the last five years in particular seeing very strong growth in the number of F and B outlets in retail locations. F and B is seen as a key driver of footfall and important to increasing dwell time and spend. Today as much as 20% of shopping centres can be dedicated to F and B whereas previously it was less than 10%.
- 5.48 There are however signs that the F and B market may be reaching saturation with the last 12 months seeing almost a halt on new acquisitions and some

operators are even exiting sites, including Jamies, Prezzo, Byron, Wagamamas. In this sector new concepts are constantly emerging though and there still seems to be an appetite for unique/ alternative offers, particularly from local and independent businesses.

Northern Ireland Trends

- 5.49 The Northern Irish retail market is facing the same sort of challenges as the rest of the UK - economic, political and structural, although the border with the Republic which will remain part of the EU adds an additional layer of complication surrounding any Brexit agreements.
- 5.50 The Northern Irish economy performed slightly better than expected in 2017 although growth was undoubtedly held back by Brexit uncertainty. The retail sector in Northern Ireland has benefitted from the favourable exchange rate and cross-border trade which helped off-set some of the slowdown in consumer spending. There were several new entrants to the Northern Irish retail market, and some relatively new retailers such as Smiggle, Hotel Chocolat and Oliver Bonas have been increasing their footprint.
- 5.51 Reflective of wider trends in the retail sector as a whole, activity in Northern Ireland has been primarily focused on the prime/ key centres such as Belfast, Derry-Londonderry, Newry, Bangor and Newtownabbey. In prime locations, where vacancies are low, rents are starting to move up, however secondary centres are finding the market more challenging.
- 5.52 Value retailers are also doing well in Northern Ireland with expansion programmes continuing and the Food and Beverage sector has also performed well although the market may be starting to cool with some operators reducing their acquisition programmes and a few are exiting sites. Some operators are still expanding though, including Nandos, Freshii and Bunsen Burger.
- 5.53 Prime rental growth in Northern Ireland is largely being driven by schemes such as Donegal Place in Belfast and Bloomfield Place in Bangor. Outside the prime locations rents have struggled and MSCI figures show overall average rental growth for standard retail units in Northern Ireland was flat at just 0.2% pa, which compares with 1.4% for the UK. This is however skewed by London and the South East, as figures for the rest of the UK excluding these areas, show a marginal decline in standard retail rents of -0.2% pa in 2017. Average equivalent yields for Northern Ireland retail properties were 5.6% in Dec 2017, which is in line with the average equivalent yields of 5.7% across the rest of the UK (excl London and the South East). Figures for the retail warehouse sector in Northern Ireland show average rents declined by 2.9% in 2017 and equivalent yields were around 150 basis points higher than for standard retail at 7.1% in Dec 2017.
- 5.54 Development activity within the Northern Irish retail market has been limited with a 100,000 sq ft extension to the Quays Shopping Centre, Newry being the only notable development. The development pipeline is limited, although there

- 5.60 Closures have not been confined to the city centre, with Crescent Retail Park experiencing significant closures in recent years including Mothercare and Toys 'R' Us, whilst Primark have vacated the Lisnagelvin District Centre.

Retailing and Other Town Centre Uses in Industrial Estates

- 5.61 There has been a trend towards retailers and other town centre uses such as professional offices and leisure uses locating in industrial estates. In Derry this is particularly evident in industrial estates such as Pennyburn and Springtown. It has also been noted in Strabane. These businesses may be paying lower rents and rates, which makes industrial estates attractive, however this may be at the expense of affecting and eroding city and town centres. Furthermore they also provide free and convenient car parking.

The impact of Brexit/Euro rate

- 5.62 It is clear from evidence gathered for the Retail Study that both Derry and Strabane receive a significant amount of cross border trade, particularly for comparison goods. The impact of Brexit/Euro rate will be significant in this region.

- 5.63 Even at this stage the impact of Brexit remains unclear. It has already had a significant effect on exchange rates and it is possible that more cross border shoppers are travelling to NI, as they are currently receiving a more favourable rate. It is currently unclear as to what extent Brexit will have an impact on retailers, for example will large multiples pour their efforts into EU stores, such as those in Letterkenny, as opposed to non-EU stores in Derry or Strabane? What impact will that have on retailing within the District? The long term impact remains to be seen. Individual stores, as well as shopping centre owners may put expansion or refurbishment on hold.

Offices

- 5.64 The office market continues to provide a limited amount of available Grade A office space in a number of locations throughout the city as well as the potential to provide more, on a demand-led basis. Whilst major office development is primarily dealt with under the economic development chapter, it is acknowledged that there is an inter-relationship between the location of offices and the performance of town centres. The low level of convenience stores within Derry as compared to the national average may point to lack of employees in the city usually generated by the presence of large employers in office locations.

- 5.65 There remain a strong hub of professional offices in areas such as Clarendon Street in Derry, though it has been noted that there is worrying trend of such uses relocating to peripheral locations such as industrial estates.

Leisure

- 5.67 A high-level leisure assessment was undertaken to assess leisure provision across the Council area. Leisure expenditure is expected to continue to rise over the Plan period (by 16%) and whilst retail trends move towards shopping being more than a retail experience but also a quasi-leisure experience, it will be important to harness this potential.
- 5.68 The leisure analysis identified some potential to improve the leisure offering within Derry city centre. In addition to food and beverage, this includes the cinema provision, family activities and bingo and gambling facilities. These improvements, particularly if located in areas of high footfall, could further strengthen and support the retailing function of the city centre.

Comparator City Analysis

- 5.69 A comparator city analysis was completed to identify differences in other locations that might further improve the vitality and viability of Derry-Londonderry city centre. This review considered Belfast, Galway and Dundee.

The key findings were:

- The city is performing modestly in retailing terms with a reasonable mix of national multiple and independent presence. Broadening this offer to maximise dwell times by adding further leisure and tourist attractions like Belfast and Dundee would further improve this performance.
- The city benefits from the presence of good infrastructure in the form of a local Airport but investment in road and rail to further improve connectivity will be important to harness growing tourism potential. In contrast, the likes of Dundee now boasts a new railway station as part of the wider Waterfront redevelopment and includes a 120 room Sleeperz Hotel at upper levels.
- Improvements to way-finding, public realm and open space and the evening economy offer further potential to generally improve dwell times, with consequent benefits for increasing visitor expenditure. Dundee's Waterfront is undergoing a transformational change which (once complete) will essentially extend the city centre offer from its traditional pitch to this location. A key part of this areas masterplan includes new public parks and improved way-finding, helping to make connections with other parts of the city centre and encouraging visitors to spend longer overall.

- Charity shops are chipping away at the ‘destination’ value of the city centre.
- The city centre needs a point of difference in relation to its retail offer. More niche/specialist retailers should be encouraged in the ‘Cathedral Quarter’.
- The city needs at least four new large floorplate retail units to service demands. Opportunities are limited within the city walls, but the car park along Foyle Street is one such option.
- The University should be encouraged to look at locating new campus facilities in the heart of the city centre.
- The current rating system does not help the city centre and needs reforming. More stimulus is needed for retailing and hospitality firms.
- Many of the national multiple retailers within the city centre are known to be trading at UK average levels, which is encouraging.
- Any city centre boundary has to encourage town centre uses co-locate so that they can reinforce each other for the vitality and attractiveness of the city centre.
- Defining a primary retail core with the aim of restricting the amount of non-retail uses would be self-defeating. There is no justification for this.
- Waterside does not function as part of the city centre and should be a separate centre.
- Crescent Link Retail Park fulfils a District Centre role and should be identified accordingly in the LDP.
- Needs and demands across the city region are not sufficient to sustain an unrestricted retail offer at the city’s retail parks, without significant detriment to the city centre.
- Some form of role for retail parks within the network and hierarchy of centres could work, but this should be subservient to, and properly aligned with a city centre first strategy.
- Plan needs to clarify what would be considered acceptable in the city centre. No sites available in the city centre suitable for food retailers.
- In terms of capacity, if quantitative need can’t be established then as long as there’s no impact on the city centre applications should be considered favourably.
- Should direct comparison growth away from district centres.

6.7 City centre workshop took place on the 23rd May 2018. The attendees were: City Centre Initiative, DCSDC Regeneration team, and NWDO

The following issues were raised:

- changing nature of retail
- impact of out-of-town shopping and internet on town centres
- support of mixed use and all-day uses to improve vitality of city centre. Encourage food and beverage, service uses, office, residential and leisure in city centre
- office workers within town centre help to sustain café, restaurants, bars and convenience retailers.
- link between tourism and sustaining city centre

- opportunity to create zones or quarters within the city centre like ‘Cathedral Quarter’ in Belfast.

Summary of Member’s Views

6.8 In preparation of the draft PS, the views of Members were sought and taken into in the preparation of the chapter and policies. In many ways the views reflect the broader views coming through the stakeholder events. The main views are summarised below:

- The city centre should not operate purely for retailing but rather needs to be for mixed uses including leisure, offices and residential.
- The tourism and historic selling points of the city centre need protected, (primarily the City Walls and the Guildhall), and careful consideration given to what would constitute appropriate development adjacent to these assets.
- The city centre needs to become more attractive to all, outside of traditional working and shopping hours and be more inviting in the evenings e.g. with fewer solid metal shutters and more shop front lighting/displays at night time.
- Out of town or edge of town retail needs carefully balanced with the possible effect on the vitality and viability of town centres.
- Strabane should operate as a market town offering a unique service and avoid providing the same offering as every other town.
- It is important that there is active connectivity and linkage between the Retail Park and the traditional town centre in Strabane.

Draft Plan Strategy Consideration

6.9 All relevant policy and guidance has been considered in the development of the Retailing and Town Centre section for the LDP PS. This section acknowledges the importance of town centres, not only for being the focus of retail, economic growth and interaction, but also for the role they play in providing social hubs for a number of uses and being the focus of service provision.

6.10 In this respect, the proposed strategy of the LDP will reflect the regional strategy as set out in the RDS and the SPPS (see Evidence Base for further detail). The strategy has also been influenced by the aims of the District’s Strategic Growth Plan. We have also taken account of the POP representations, Member’s inputs and consultee responses in reaching the conclusions in the strategy and policy wording of the PS.

6.11 In addition to the above key considerations, a Retail Capacity and Town Centre Health Check Study for the District was commissioned in order to provide an up-to-date evidence base in support of the PS. The retail study assessed the capacity for additional floor space for convenience and comparison goods

during the LDP plan period, carried out health checks on our town centres and district centres, made a high level assessment of leisure provision, carried out a comparison study with other retail centres and also provided policy recommendations. As well as the findings of the study, the policy recommendations took into account key policy and material considerations as set out above.

- 6.12 Principally due to existing commitments, it has been anticipated there is no capacity for convenience floorspace over the entire plan period up to 2032. There is an indicative negative capacity of -6,195sqm. The main commitments are at Artnz and Springtown in Derry and Three Rivers in Strabane.
- 6.13 In terms of comparison goods, across the Council area, the assessment has found that forecast capacity of 5,886sqm is anticipated towards the end of the Plan period (after 2027). It is anticipated that this may allow for the development of new floorspace within the Derry city area, to reflect current retailing/ shopping trends.
- 6.14 The study finds that Derry 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.
- 6.15 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. The report recommended that it is important that Derry city centres remains a major regional centre and for the policies to ensure that any potential further out of centre retail and/or commercial leisure development does not undermine its role in the hierarchy.
- 6.16 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 believes its 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 in the opinion of the study performing a role commensurate with the town centre definition outlined in the former PPS5.
- 6.17 The study found that Strabane, Castlederg, Newtownstewart and Claudy all contain a broad mix of uses and are performing roles commensurate with a 'town centre' and therefore supports their inclusion in the network.

- 6.18 The study found that Lisnagelvin, Northside, Rath Mór and Springtown are performing the role of a District Centre. It noted that Springtown suffers from having a large store vacant and has recommended that its place in the network and hierarchy should be closely monitored.
- 6.19 The status of Crescent Link was considered in the study. The study found that it was difficult in terms of the role and function its plays to describe Crescent Link as a District Centre. In summary, the study found that District Centres should be the focus for everyday shopping and remain complimentary to the role and function of the town centre. Crescent Link performs a different role in terms of its draw and its food offering; it is a commercial centre – mainly bulky goods provision with a secondary local centre level provision as was envisaged in the DAP 2011. Changing this would affect the city centre and nearby District Centres. Similar conclusion could be drawn to consideration of other locations as District Centres, such as Lidl Bunrana Rd and Kennedy Retail Park. These stores and/or locations do not perform the role and function of a District Centre.
- 6.20 The boundaries of the Derry and Strabane town centres were looked at. The Study found that the currently defined commercial core (with possible minor amendments and excluding Waterside) would form an appropriate basis for defining the spatial extent of Derry City Centre, in accordance with the SPPS. A PRC was recommended that it should cover key streets around Foyleside and Richmond Centre, as well Waterloo Place and part of the Strand Rd. For Strabane, the study found that the existing town centre limit, with some minor contractions, as shown in SAP 2001 would form an appropriate basis for a new boundary. It recommends a PRC at covers both the Pavilion Retail Park etc. areas and the traditional town centre at Castle Place, Castle St, Market St and Main St.
- 6.21 Other findings in the study relate to the leisure uses, where the analysis identified the potential to improve the offering within Derry city centre. These uses could include more cinema provision and family based activities.
- 6.22 It has been noted that there are differing views in relation to the strategic direction of retailing and town centres arising from representations, as well as from the Retail Study. It should be noted that whilst LDP strategy has given significant weight to the majority of the findings of the study, there is one key area which will not be carried forward into the PS. This relates to the proposed removal of Waterside form the city centre and its proposed designation as a town centre in its own right. It is recommended that part of the Waterside will be retained in any new city centre boundary and the extent and scale of this will be decided at LPP stage.
- 6.23 In summary, the LDP Retailing and Town Centre Strategy will closely align with the RDS and SPPS by adopting a “town centre” first approach to retailing and other town centre uses. It will set out a network of centres, known as the retail hierarchy, with Derry city centre at the top of this hierarchy. Retail developments will be directed towards the centres as per the retail hierarchy, with city centre

the first option and a sequential test will be applied for proposal based on the retail hierarchy. Out-of-centre development will only be permitted when all options on sequential test have been exhausted and that it has demonstrated that the proposal will not adversely impact on existing centres.

- 6.24 Key to the strategy will be the promotion of Derry city centre as the regional focus for shopping, business, entertainment, leisure and cultural activity. This is in line with the RDS and is key to meeting the ambitions of the SGP, as well as City Deal. There will be recognition that development opportunity sites may be required in the city centre to ensure the viability of the town centre first approach and to provide choice for a mixture of uses. Furthermore the Retail Study has identified capacity for comparison shopping floorspace at the later period of the LDP and as such it could be considered that there will be scope for additional floorspace in the city centre.
- 6.25 Strabane town centre is also recognised as a key component in retail strategy of the District and this is confirmed by the decision to identify a Primary Retail Core in the town.
- 6.26 It is proposed that at LPP stage of the LDP that we will define boundaries of the PRC and city/town centres. The recommendations of the study relating to the rationalisation and contraction of Derry and Strabane, with the exception of the exclusion of Waterside from the city centre, will be accepted. It is felt that, on balance, that the inclusion of areas such as Strand Road (beyond Queen's Quay) and Camel's Hump, would dilute the role of the town centre.
- 6.27 In relation to District Centres, the Strategy accepts the recommendation of the study and whilst it is recognised that Crescent Link has elements that are consistent with a Local or bulky goods Centre, the view would be that Crescent Link should not be described as a District Centre, and it would have a detrimental impact on the existing / proposed hierarchy. Furthermore, SPPS does not provide a role commensurate with that of Crescent Link in its network and hierarchy and any proposal to introduce such a role would be contrary to regional retailing policy. The strategy also agrees with the recommendation of monitoring the performance of Springtown in relation to its status as a District Centre.
- 6.28 The Strategy will also ensure that a variety of retailing needs are met by designating Town Centres, District Centres, and Local Centres as well as acknowledging existing facilities in villages and settlements.
- 6.29 The Retail Study has not identified any quantitative capacity for convenience retail floorspace over the plan period. As such the LDP will not seek to identify additional land for retail outside the city centre of Derry or town centre of Strabane. However policy provision will allow for consideration of the qualitative offer in the District, provided there is no adverse impact on existing centres.

Resultant draft Plan Strategy designations and policies

- 6.30 Having taking the above into account the draft Plan Strategy is proposing a suite of 2 designations and 10 policies in relation to City / Town Centres, Retailing, Offices, Leisure and other main town centre uses.
- 6.31 Designation HC 1 (see Table 6) sets out the proposed hierarchy of centres in the District. This is consistent with the SPPS and appropriate to the District.

Designation HC 1: Proposed Hierarchy of Centres	
City Centre	
Derry, with Primary Retail Core (PRC)	
Town Centres	
Strabane, with Primary Retail Core (PRC), Castlederg, Newtownstewart and Claudy	
District Centres	
Lisnagelvin, Northside, Rath Mór, Springtown	
Local Centres	
Local Centres within Derry and Strabane: Small groups of shops and services, servicing day-to-day needs of immediate local area.	
Village and Small Settlements	
Small groups of shops and services, servicing day-to-day needs of these settlements.	

Table 6: Proposed Retail Hierarchy

- 6.32 Designation DOS 1: Development Opportunity Sites within Derry City Centre and Strabane Town Centre. This designation takes into account the need to provide reasonable alternatives in the town centres, taking account of the sequential nature of the ‘town centre first’ approach of the LDP. At the Local Policies Plan (LPP) stage, Development Opportunity Sites, to facilitate a mixture of uses including retail, office, leisure, cultural and residential uses, will be identified through a ‘call for sites’ exercise. When identified, these sites will ensure that there is a supply of adequate opportunities within the centres in support of the *town centre first approach*.
- 6.33 Policy RP1-Town Centre First: This is a new up-front policy, which makes clear the order of preference which proposals for retail and other main town centre uses will be considered. This is in accordance with the SPPS. DAP 2011 and SAP 2001 were silent on this issue, other than referring to compliance with PPS 5, which was superseded by SPPS.
- 6.34 RP2- Derry Primary Retail Core (PRC) and City Centre: 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. Therefore a policy that confers support for retail development within the PRC is appropriate. DAP 2011

identified primary retail frontages with the aim of limiting non-retail uses and therefore there was a similar focus as the SPPS in terms of maintaining the primacy of this area as the focus for shopping in the City. This policy accords with the SPPS and also takes account of previous role of similar area in the DAP 2011. It will also introduce a number of policy considerations in relation to quality and purpose of new developments. The policy also recognises local circumstances, in that development opportunities may be challenging to deliver in the Historic Core of the City Centre, especially to meet the requirements of larger stores, and may be more suited to edge of town/district centre sites. The extent of the boundaries will be decided at LPP stage.

6.35 RP3- Strabane Primary Retail Core (PRC) and Town Centre: As with Derry, there is a recognition that within its catchment area, Strabane Primary Retail Core will be at the top of its sequential order of preference. Like the DAP 2011, the SAP 2001 had a Primary Retail Frontage identified. A similar policy to RP2 is proposed, with one key difference being that the primary of Derry City Centre is protected via a test to demonstrate that there will be no significant adverse impact on the viability and vitality of the Derry City Centre. The extent of the boundaries will be decided at LPP stage.

6.36 RP4-Town and District centres uses: In other Town Centres, and in District Centres, there will be a presumption in favour of retailing and other town centre uses, provided the sequential test has been applied and there is no significant adverse effects on the PRC, the scale and type of proposal is compatible and the proposal reinforces the vitality of the centre. This is line with 'town centre first' approach of the SPPS. The policy also recognises local circumstance, in that 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. This policy will supersede Com 2 in the DAP 2011. The extent of the boundaries will be decided at LPP stage.

6.37 RP5 Local Centres: Retail development of an appropriate scale and type will be supported by this policy in accordance with the Retail Hierarchy and sequential order of preference. There are a number of consideration to be applied relating scale, type, appearance and access by various modes of transport. The extent of the boundaries will be decided at LPP stage.

RP6- Villages and Small settlements: Retail development of an appropriate scale and type will be supported by this policy in accordance with the Retail Hierarchy and sequential order of preference. Similar criteria as RP5, will be applied, with an additional requirement to locate new facilities within central locations.

6.38 RP7- Retail development in the Countryside: Retailing will be directed towards the centres in the retail hierarchy, in accordance with the SPPS. As an exception small specialised forms of retail will be allowed in the countryside.

This policy sets of the parameters of this and is consistent with SPSS. It will also consider when filling stations will be allowed in the Countryside.

- 6.39 RP8- Alternative use of shop units in PRC and in other centres: 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.
- 6.40 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. This picks up on previous policies in DAP 2011 and SAP 2001, whilst recognising the changing nature of town centres, which was raised through the Retail Study and other stakeholder engagement in the preparation of the PS. Beyond the PRCs a more flexible approach will be adopted.
- 6.41 RP9 - Out of Centre development: In certain circumstances, there may be retail and other 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. The findings of the Retail Study have not identified any need to recommend that specific out of centre locations are identified for retail development in the LDP.
- 6.42 In all cases, the SPSS 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.
- 6.43 This policy will also reflect the SPSS direction, in that failure to address the requirements of the sequential test is sufficient grounds for refusal.
- 6.44 This policy recognises that there current retailing areas that don't fall within the retail hierarchy, such as commercial parks. The policy clarifies that new development in these locations will be subject to the requirements of the policy, if proposals other those already permitted under their permissions are proposed.
- 6.45 RP10- Other main town centre uses: This policy clarifies the intention to direct other town centre uses, besides retail, to the order of preference in the retail hierarchy. There has been evidence of such uses appearing in out of centre locations and this policy provides clarity in terms of the overall strategy of promoting a 'town centre' first approach.

- 6.46 Overall all relevant legislation, policy, consultation responses, representations and Member's views have been considered in the formulation of the strategy, designations and policies contained in this chapter of the LDP.

7.0 Sustainability Appraisal

7.1 Throughout their formulation, the policies contained within the City / Town Centres and Retailing Chapter have been subject to an ongoing internal sustainability appraisal (SA). This is in addition to the wider external SA, conducted by Shared Environmental Service as part of the wider suite of impact assessments/appraisals required under the Planning Act (Northern Ireland) 2011. The internal appraisal was carried out with the fourteen objectives of the external appraisal in mind (refer to the SA report for more information).

7.2 The process of sustainability appraisal aims to ensure that a council's approach towards City / Town Centres and Retailing is the most sustainable of all reasonable options available i.e. having considered any reasonable alternatives. In the case of City / Town Centres and Retailing Chapter policies, no reasonable alternative has been identified. Policies are consistent with the aims of the RDS and SPPS.

7.3 With regard to the degree of sustainability of each the resulting proposed policies, this is outlined below:

Policy RP1-6, 8 & 10: RP1 Town Centre First, RP2 Derry Primary Retail Core & City Centre, RP3 Strabane Primary Retail Core & Town Centre, RP4 Other Town & District Centres, RP5 Local Centres, RP6 Village & Small Settlements, RP8 Alternative Use of Shop Units in PRC and Other Centres, RP10 Other Main Town Centre Uses

7.4 The policies were predicted to deliver negligible or no effects against most of the sustainability objectives but positive outcomes were also predicted for several of the social, economic and environmental objectives.

7.5 Minor positive outcomes were predicted for the social objective to improve health and wellbeing based upon the policies helping to provide meeting places for positive social interaction across different settlement tiers, which should help to reduce social isolation but at the same time improve people's access to local facilities and services. Significant positive outcomes were predicted for delivery of the social sustainability objective to strengthen society for similar reasons. The approach of the policies across tiers would also help to reduce any inequalities there may be across settlements. The policy also refers to the complementary use of vacant units for cultural uses.

7.6 Significant positive effects were also predicted for delivery of the economic objective to enable sustainable economic growth. These positive outcomes were predicted based upon the policies making the best use of location and helping to provide a range of job types across all tiers and in urban and rural areas. The overall approach of the policies would help to make a more attractive location for investors, visitors and residents by facilitating the most appropriate locations for retail based on their type and scale. This should help to maintain

and enhance local vibrancy and vitality as well as help to create hubs for business. In addition, the policies would help to encourage active travel, which could also help maintain local footfall. Minor positive effects were predicted for another of the economic objectives, to manage material assets sustainably based upon the policies encouraging best use of existing infrastructure i.e. appropriate locations, and avoiding development into areas that may not be fit-for-purpose. In addition, derelict land may be developed.

- 7.7 Positive outcomes were also predicted for delivery of the environmental objective to encourage active and sustainable travel based upon the town centre first approach of the policies and then other centres, where active and sustainable travel routes and hubs are most likely to be located. The policies should enable efficient access to local facilities and services by encouraging appropriate facilities and services and directing people to these locations where active and sustainable travel routes are most likely to also be located. In the long term, there are likely to be significant positive outcomes for delivery of this objective. Significant positive outcomes were also predicted against the historic environment and cultural heritage objective. Positive effects were based upon the policies requiring the appropriate consideration and conservation of the historic character and setting, with any new proposals expected to be compatible. The policies could help to protect local distinctiveness by retaining and protecting local historic/cultural features/assets, for example through the reuse of vacant buildings and features. This approach could help to enhance the historic and cultural environment resource within the Council area with potential.

RP7 Retail Development in the Countryside

- 7.8 The policy was predicted to have a narrow scope with negligible or no effects predicted across the majority of the social, economic and environmental sustainability objectives.
- 7.9 Minor positive outcomes were predicted for delivery of the social sustainability objective to strengthen society based upon the policy enabling provision of appropriate retail development to rural communities, where social interaction and use of shared space can be provided. This approach could bring positive benefits to rurally located people by reducing their need to travel for services/facilities as well as enabling social contact.
- 7.10 Minor positive outcomes were also predicted for delivery of the economic sustainability objective to enable sustainable economic growth based upon the policy facilitating best use of location and helping to make a local area more attractive to residents, visitors and investors. It is noted that there may only be a few applications submitted each year and these may be seasonal but for the individuals and/or families involved, they are likely to be very important.
- 7.11 A draft Habitats Regulations Assessment (HRA) has also been undertaken and published for consultation with the Draft Plan Strategy. It similarly determines

possible adverse effects on the integrity of European sites (Special Areas of Conservation and Special Protection Areas) as a result of the policies within the LDP. This assessment also includes Ramsar sites under the provisions of the Ramsar Convention. Please refer to the full HRA document for full details.

8.0 Equality Impact Assessment

- 8.1 Section 75 of the Northern Ireland Act 1998 requires that public authorities have due regard to the need to promote equality of opportunity and good relations between persons of a particular religion, political opinion, race, age, marital status, sexual orientation or gender. It also includes people with disabilities or those with primary responsibility for the care of a dependant, such as an elderly person. These are known as 'Section 75' groups.
- 8.2 The policies contained within the City / Town Centres and Retailing Chapter have been subject to an equality impact assessment (EQIA) to ensure no adverse impact on these groups.
- 8.3 The hierarchy of commercial/town centres, development opportunities and control policies could result in differing levels of accessibility to retailing and leisure related services for the identified groups: Religious Belief, Political Opinion, Gender and Disability. Having said that, town centres tend to be relatively neutral areas. District Centres tend to be located in areas that can be perceived to be neutral also.
- 8.4 By concentrating retail and other town centre uses in town centres, they will be more accessible for everyone including those without a car who are dependent on public transport; such as elderly people and people with living with a disability.
- 8.5 Policy RP 9 states that out of centre developments should be accessible by a choice of transport modes that will reduce the overall amount of cars. This further increases the inclusiveness for those with transport difficulties.

9.0 Rural Needs Impact Assessment

- 9.1 The Rural Needs Act 2016, requires District Councils and other Public Authorities to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans, and when designing and delivering public services.
- 9.2 To 'have due regard' means that a public authority must consciously consider the needs of people in rural areas. How much 'due regard' depends on the circumstances and, in particular, on the relevance of rural needs to the decision or function in question. The greater the relevance and potential impact for people in rural areas, the greater the regard required by the duty.
- 9.3 Throughout the formulation of the draft Plan Strategy, there has been consideration of the impact of each policy approach on the rural area, relative to the urban area and policies have been amended where it was deemed appropriate to do so.
- 9.4 Proposed policies pertaining to Retailing and Town Centres reflect the overall thrust of the dPS in that development is directed to appropriate locations within the City and, secondarily the Main Town with some smaller scale retail uses permissible in the 'rural' settlements (commensurate with their position in the settlement hierarchy). This has a variety of positive and negative impacts on the rural area. Outside of Derry and Strabane, there are 45 other rural settlements, which could accommodate appropriate scale development to serve the needs of the local community. Therefore it is concluded that equitable provision has been provided for rural areas.

10.0 Appendix 1: Overview of retail planning history in District

Recent Approvals – Implemented			
Location	Reference	Description	Planning Status
Springtown Shopping Centre Northland Road, Londonderry.	A/2010/0802/F	Non Compliance with condition 2 of previous application A/2003/0966/F -To change use of area outlined in red from non-food convenience goods, bulky comparison goods and/or retails service use to the display and sale of convenience goods, as defined in Class 1 of the Planning (Use Classes) Order Northern Ireland 2004	Permission Granted 01/10/2013
Unit 1 Crescent Link Retail Park, Crescent Link Road, Londonderry	A/2010/0493/F	Extension of existing Homebase unit to facilitate the reconfiguration and creation of a new class 1 foodstore with mezzanine floor, underground car park and associated works	Permission Granted 29/01/2013
Faustina Retail Park, Land at Buncrana Road & Templemore Road Londonderry	A/2005/0049/F	Modifications to the main customer access/egress and parking layout approved under consent Ref.A/2001/1224/F	Permission Granted 28/07/2005
Faustina Retail Park Land at junction of Buncrana Road and Templemore Road Derry	A/2013/0542/F	Modifications to layout and elevations of 7 non-food units and drive thru and associated parking layout approved under A/2001/1224/F as consistent with A/2005/0049	Permission Granted 29/10/2014

Recent Approvals – Live & not implemented			
Location	Reference	Description	Planning Status
Arntz Belting Company Ltd site, Pennyburn Pass and former Eurocentre West site, Derry	A/2014/0629/F	Amended scheme for proposed mixed use regeneration of the Arntz Belting Co. Ltd and Eurocentre West site to provide; 4 no retail warehouses (totalling	Permission Granted 19/02/19 Permission Expiry 19/02/24

		4,459 gross sq m) Medical Building (totalling 6,901 gross sq m) with car parking in a semi-basement, Superstore (totalling 5,574 gross sqm) associated car parking, Restaurant, Self Service Filling Station, servicing and landscaping with access/egress via Pennyburn Pass and Pennyburn Industrial Estate Road – Decision Pending.	
Retail Park (comprising former Budget DIY store, Harry Corry and former Xtra Vision) 183- 185 Strand Road, Derry	LA11/2015/0124/F	Change of use of the former Budget DIY for the sale of convenience and comparison goods. Associated development works to Retail Park to include demolition of former Xtra Vision unit, alterations to elevation of former Budget DIY unit and Harry Corry unit, provision of garden centre, reconfiguration of car parking, landscaping, boundary treatment and associated site works.	Permission Granted - 12/04/2016. Permission Expiry 12/04/2021
Land at junction of Railway Street and Park Road, Strabane Co. Tyrone.	LA11/2015/0423/F	Erection of a freestand restaurant with associated drive thru, car parking, landscaping and associated works. Installation of 2no. COD with associated canopies and external play area.	Permission Granted - 12/08/2016 Permission Expiry 12/08/2021

Recent Approvals – Permission expired & not implemented			
Location	Reference	Description	Planning Status
Lands occupied by Niche Drinks, 10 Rosstown Road	A/2012/0261/O	Demolition of buildings, mixed use re-development to include food superstore with ancillary non-food, business innovation centre and retention of existing former school building as creche, access from Rosstown Road, car parking, servicing and associated landscaping (re-advertised, amended description).	Permission Granted 24/03/2014 Permission expired and not implemented
Lands at no 1 Aileach Road bound by Northland Road and Aileach Road Springtown Londonderry	A/2013/0513/F	Demolition of existing property and erection of 2 no retail units(1 no convenience and 1 no mixed retailing) and associated car parking, landscaping and site works	Permission Granted 09/03/2015 Permission expired and not implemented

Recent Refusals			
Location	Reference	Description	Planning Status
Tesco, (Faustina Retail Park) - Land at the junction of Buncrana Road & Templemore Road, Londonderry	A/2004/0976/F	Proposed food store, car parking and servicing arrangements, landscaping, access and associated development works	Appeal Dismissed 26/02/2014 Permission Refused 28/03/2014
Tesco, (Faustina Retail Park) - Land at the junction of Buncrana Road & Templemore Road, Londonderry	A/2009/0212/F	Amended description, amended drawings and receipt of further information: Erection of food superstore, Home Shopping facility (Dot Com), ATM, CHP, non-food retail unit, car parking, servicing arrangements, landscaping, modification to access and associated developments	Appeal Dismissed 26/02/2014

Faustina Retail Park 35 Bunrana Road County Londonderry.	A/2013/0012/F	Construction of 2no. retail units and general site works.	Permission Refused 03/07/14, Appeal Withdrawn 10/05/2016
Lands off Bunrana Road (H2 Lands)	A/2006/0180/O	Site for food store, associated storage offices and other ancillary facilities including service yard & car parking - Additional Environmental Information received.	Application Withdrawn 03/04/2017
Lands at Gransha/Caw roundabout Londonderry fronting onto Madams Bank Road (A515) & Clooney Road (A2) BT47 6TB	A/2011/0226/F	Food Superstore and 100 bed hotel with associated access. (including a new roundabout on Gransha Park) and car parking, servicing arrangements, landscaping, general site works and demolition of left hand entrance building at the entrance to the Gransha Estate. (Additional Environmental information received).	Application Withdrawn 09/03/2016
Crescent Link (Sainsbury's) - Lands to the east of Crescent Link and north of Sevenoaks, Londonderry	A/2010/0240/O	(Re-Advertisement – Revised proposal with amended drawings, P1 and Environmental Statement received) Construction of a retail store (gross floorspace 7,700 sq metres) (Class A1), petrol-filling station, and associated highway, footpath, landscape and other works and improvements.	Application Withdrawn 07/12/2016
Crescent Link - Lands to the east of Crescent Link and north of Sevenoaks, Londonderry	A/2010/0241/O	(Re-advertisement – Revised proposal with amended drawings, P1 and environmental statement received) Mixed use development including offices, live-work units, housing, retail,	Permission Refused 06/01/2017

		restaurants, cafes, cinema, gymnasium, crèche, family entertainment and associated highway, footpath, landscape and other works and improvements.	
Drumahoe Industrial Estate, Drumahoe Road, Drumahoe, Londonderry	A/2009/0689/O	Major mixed use regeneration development to include recreation, retail and healthcare facilities.	Permission Refused on Appeal 11/09/2014

Applications Pending			
Location	Reference	Description	Planning Status
Undeveloped land to the East of Kilfennan Link Roundabout and 100m North East of No.20 Crescent Link Derry BT47 5AB	LA11/2019/0263/F	Erection of a supermarket, associated car park, and amended access of approval A/2004/0879/F. Landscaping and site works.	Consultations Issued
Part of vacant premises at 6 Springtown Drive Derry BT48 0LY and vacant site to the southeast bounded by Springtown Road and Buncrana Road	LA11/2018/0189/F	Erection of supermarket, access road from Springtown Road, provision of car parking, landscaping and associated site works (relocation of existing Lidl supermarket at 24 Buncrana Road - existing building to be retained but retail use to be extinguished.	Consultation Issued
Lidl Store 24 Buncrana Road Derry BT48 8AB	LA11/2018/0277/F	Change of use from food supermarket to class B4 storage with ancillary trade counter	Consultation Issued
1 Rosstowney Park & 10 Rosstowney Road Waterside Londonderry	LA11/2018/0343/F	Demolition of all buildings on site and construction of replacement convenience shop, off	Consultation Issued

Co. Londonderry BT47 5NR		licence, two hot food units, petrol filling station and associated access, parking and servicing arrangements (amended description)	
Unit 1 Springtown Industrial Estate Derry	LA11/2019/0290/O	Proposed redevelopment to provide site for a 25,000 Sq. Ft. retail Class 1 - food (15,000 Sq. Ft. sales area), 200 car parking spaces with vehicular access off Springtown Road.	Neighbour Notification 24/04/2019 Neighbour Notification Expiry