



Derry City & Strabane  
District Council

Comhairle Chathair  
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an tSratha Báin

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DERRY CITY & STRABANE DISTRICT COUNCIL

# LOCAL DEVELOPMENT PLAN (LDP) 2032



## PLAN STRATEGY

Supplementary Planning Guidance (SPG) – Retail and Main Town Centre  
Uses: City/Town Centre First, DRAFT- June 2025

<https://www.derrystrabane.com/subsites/ldp>



**DERRY CITY AND STRABANE DISTRICT COUNCIL**  
**LOCAL DEVELOPMENT PLAN (LDP) 2032**



**Supplementary Planning Guidance**  
**(SPG)**

**Retail and Main Town Centre Uses: City / Town Centre First,**  
**DRAFT- June 2025**

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## APPENDIX 1: Retail Network

## **1. Introduction**

- 1.1 This Supplementary Planning Guidance (SPG) provides additional guidance specific to retail and other town centre development in Derry City and Strabane District Council area (DCSDC). It is intended for applicants, the public, and the Council to assess and deliver planning proposals for retail and other town centre developments within the district.
- 1.2 SPG represents non-statutory planning guidance that supports, clarifies and/or illustrates, by example, policies included within the current planning policy framework, including development plans and regional planning guidance. The information set out in this SPG should therefore be read in conjunction with the existing planning policy framework, most notably the Strategic Planning Policy Statement (SPPS) for Northern Ireland and the DCSDC Local Development (Plan Strategy).
- 1.3 This Supplementary Planning Guidance (SPG) provides further detail and clarity on the interpretation of the suite of retail policies set out in the Plan Strategy.

## **2. What will this SPG cover?**

- 2.1 To aid the effective implementation of relevant retailing policies, the Council considers it prudent to produce this guidance. It is aimed at providing further clarity to landowners, developers and agents. It does not introduce new policy. It aims to ensure that the existing policy is implemented and applied consistently and effectively through the development management process.
- 2.2 The key objectives of this SPG are:
  - Provide clarification and guidance on policies outlined within the retailing and town centres chapter in particular policy RP1 and the 'Town Centre First Approach'
  - To provide greater clarity on the sequential test including suitability, availability and viability and when this is required.
  - To provide greater clarity on impact assessments and assessments of the need for retail and other main town centre uses.
- 2.3 DCSDC encourages and welcomes early engagement with applicants to agree on the scope of any sequential and/or impact test. Applicants are advised to utilise the Council's Pre-Application Discussion (PAD) scheme, where appropriate, to discuss any planning issues and agree on the scope of the assessment at an early stage before the submission of a planning application.



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### 3. Policy Context

#### Regional Planning Policy

- 3.1 **The Regional Development Strategy (RDS) 2035** is an overarching strategic planning framework to guide development providing policy direction about the economy, society and environment. It sets the context for policy and development decisions to achieve sustainable development throughout the region.
- 3.2 It aims to create a thriving retail environment that is economically viable, socially inclusive, and environmentally sustainable.
- 3.3 **The Strategic Planning Policy Statement (SPPS)** (September 2015) outlines regional planning policies to ensure the orderly and consistent development of land in Northern Ireland. It aims to support and enhance vibrant town and city centres by promoting them as the preferred locations for retail and related activities, in line with the Regional Development Strategy (RDS).
- 3.4 The SPPS requires planning authorities to adopt a 'town centre-first approach' for retail and main town centre activities. They must also assess the need and / or capacity for retail and other key town centre uses within the planning area. Local Development Plans (LDPs) are required to include strategies for town centres and retailing, along with appropriate policies and proposals that prioritise town centres for these uses.

#### Local Planning Policy

- 3.5 **The Plan Strategy** is the strategic policy framework for the plan area, covering various topics. It outlines the vision for Derry City and Strabane and details the objectives and strategic policies needed to achieve that vision. It incorporates a set of operational policies, including retail and town centres: It forms the first half of the Local Development Plan (LDP).
- **RP 1 (Town Centre First);** this policy prioritises the Primary Retail Core, city, town, district and local centres for new retail development, followed by edge of centre sites and out-of-centre locations as a last resort. DCSDC will require proposals for retail and other main town centre uses to be considered sequentially so that centre sites are considered before edge of centre and edge of centre before out of centre. Where more than one centre falls within a

catchment area of a proposal, sequential preference should normally be given to the higher order centre, or its edge-of-centre where applicable.

- **RP 2 (Derry Primary Retail Core (PRC) and City Centre);** this policy protects the Primary Retail Core in Derry city centre by focusing retail activities there and discouraging non-retail uses on the ground floor. Planning permission will only be granted to retail outside the PRC should no sites be available within.
- **RP 3 (Strabane Primary Retail Core (PRC) and Town Centre);** this policy is similar to the policy above for applies to Strabane Town.
- **RP 4 (Other Town and District Centres);** this policy covers Castlederg, Newtownstewart, Claudy, and the district centres of Lisnagelvin, Springtown, Rath Mór, and Northside. It permits development in the centres providing it would not adversely affect the city centre or other towns. It requires proposals to demonstrate no negative impact on the town centre's vitality, compatibility in scale and type, and improvements to public realm. Additionally, it may allow planning permission for proposals adjacent to town or district centre boundaries that effectively extend these areas.
- **RP 5 (Local Centres);** this policy allows appropriate scale retail in these areas as long as it would not harm higher tier settlements.
- **RP 6 (Villages and Small Settlements);** this policy allows small scale retail. New developments should be centrally located.
- **RP 7(Retail Development in the Countryside)** states that retail will be directed to centres and that retail in the countryside will be resisted but some exceptions may be appropriate such as farm shops, those serving tourists or recreational facilities and appropriate shops at fuel filling stations, which must be of an appropriate scale to ensure there will be no unacceptable adverse impact on the vitality and viability of existing centres / settlements.
- **RP 8 (Alternative Use of Shops in the Primary Retail Cores and Other Centres);** this policy states that planning permission will be granted for change of use from retail to non-retail within the PRCs, if there will be no significant loss of retail floorspace, it is an appropriate use which complements the character and would not be detrimental to vitality and viability. Non-retail use must not exceed 40% across a frontage nor exceed three consecutive units. It explains when planning permission will be granted for non-retail uses outside the PRC, where vitality of the centre is not affected, it is within a commercial area and is acceptable in appearance. This part of the policy would not be engaged if the retail use to be lost is found to be essential to local needs.
- **RP 9 (Out of Centre Development)** - this policy states permission will only be permitted in out-of-centre locations if it addresses a deficiency to meet needs in its catchment. All potential sites within the edge or identified centre must have been assessed and ruled out. The proposal must not harm the vitality and viability of centres and it must be accessible by transport other than private car. Proposals exceeding 1,000 sqm outside town centres must complete a Retail

Impact Assessment (RIA) and a needs assessment. Within commercial parks, developments are subjected to restricted goods conditions. Applications involving the sale of restricted goods in these locations will only be approved where they meet the requirements in RP 9.

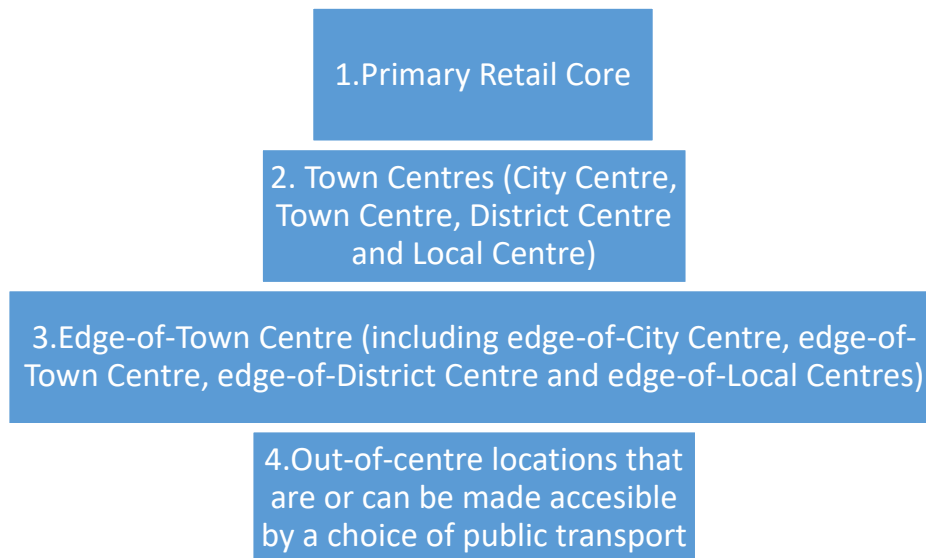
- **RP 10 (Other Main Town Centre Uses);** proposals for other main town centre uses will be subject to the sequential test as set out in RP1 and RP9 and should be directed in the first instance to centres within the network and hierarchy of centres. Main town centre uses include:
  - Offices (both A2 and B1)
  - Cultural and community use
  - Leisure
  - Entertainment.

- 3.6 The **Local Policies Plan** will set out site-specific proposals to the development and use of land in the district. It will contain the local policies, including site-specific proposals, designations and land use zonings required to deliver the Council's vision, objectives and strategic policies, as set out in the Plan Strategy. It will also set out the PRC, city and town centre boundaries. It will be the second and final part of the LDP and is expected to be adopted in 2028.

#### 4. **Town Centres First Approach**

- 4.1 Derry City and Strabane District Council has adopted a City / Town centre-first approach for retail and other main town centre uses. A sequential test will be applied to all applications that are not within an existing centre or edge of centre that would be more appropriate in a higher-tier settlement in that catchment. DCSDC will require proposals for retail and other main town centre uses to be considered sequentially in the following order of appropriate preference as applicable to the specific nature of the proposal and the centre(s) in question.

*Figure 1: Sequential Order of Preference*



- 4.2 The sequential test will direct development to centres before considering an edge-of-centre site. Preference will be given to edge-of-centre land before considering an out-of-centre site. Details on the sequential test and how it applies are outlined in section 5.
- 4.3 Policies RP 2 to RP 6 define the criteria which need to be met for planning permission to be granted within the five tiers of the network of centres. (See Appendix 1)
- 4.4 Policy RP 7 discusses retail development within the countryside and RP9 discusses the criteria for out-of-centre development and when a Retail Impact Assessment (RIA) and needs assessment are required, see section 6.
- 4.5 Policy RP8 controls alternative (non-retail) uses of shops in the PRC and centres. Other uses may be permitted where there is no significant loss of floor space, and it would not harm the viability and viability of the PRC. Non-retail uses may be permitted providing that it does not exceed 40% of the frontage of the entire shopping street and consecutive non-retail uses do not exceed 3. See below for illustrative examples:

Figure 1-Source Belfast City Council



## 5. The Sequential Test

### What is a sequential Test?

- 5.1 A sequential test is an approach that seeks to direct relevant development to the Primary Retail Core or town centres before an edge-of-centre or out-of-centre site is considered. It supports the viability and vitality of town centres by placing existing town centres foremost in both plan-making and decision-making.
- 5.2 The sequential test guides main city / town centre uses to sites within centre locations first. If no centre sites are available, developers may consider an edge-of-centre location. For a site to be considered as edge-of-centre, a default distance threshold of 300 metres from the town centre boundary will apply. Only

when centre locations or edge-of-centre locations are unavailable, can consideration be given to an out-of-centre location. In such cases, the developer will still be required to demonstrate that the proposal will not harm existing centres.

- 5.3 For the purposes of clarity, the precise limits of the centres and PRC will be defined at the LPP stage of the DCSDC LDP, but until that plan is adopted the centres defined in the Derry City Area Plan 2011 and Strabane Area Plan 1986-2001 should be used during the transitional period.
- 5.4 Where it has not been demonstrated that there is no alternative, sequentially preferable sites in the proposals catchment an application will be refused.
- 5.5 Compliance with the sequential test does not guarantee that permission will be granted. The Council will consider all material considerations in reaching a decision including an assessment of the impact and need of the proposal, if appropriate. Where proposals relate to extensions to existing retail development the sequential test will also be applied. This approach is in line with para 6.281 of the SPPS which does not draw a distinction between new development or extensions to existing stores in the application of the sequential test.

#### **When is a sequential test required?**

- 5.6 The sequential test serves to direct retail growth toward town centres, safeguarding their vitality and promoting sustainable development practices. It ensures that developers consider any available sites in urban areas before seeking out-of-centre locations, aligning with the SPPS and RDS.
- 5.7 The policy focusses retail on city or town centre sites or failing that well-connected edge-of-centre locations accessible via public transport or active travel. These sites are centrally situated within the areas that established centres serve, which helps minimise travel. Main town centre should be in locations where customers can make linked trips, enhancing consumer choice and fostering competition. This approach aims to strengthen the vitality and viability of existing centres through the advantages of new developments.
- 5.8 A sequential test is required primarily in the following circumstances where retail development is proposed outside existing centres.
- **New Retail Proposals**  
The sequential test is generally required for new retail developments that exceed 1,000 square meters of gross floor area. This threshold aims to

ensure that larger developments undergo scrutiny to assess their potential impact on existing town centres.

- **Out-of-Centre Locations**

If a proposed retail development is located outside designated town centres or edge-of-centre areas, a sequential test is necessary. The developer must demonstrate that there are no suitable, available and viable alternative sites within or adjacent to the town or city centre that can accommodate the proposal.

- **Change of Use Applications**

For applications proposing a change of use to a retail function in an out-of-centre location, a sequential test would be required.

- **Extensions to Existing Retail Units**

Significant extensions to existing retail units that would increase their size beyond the threshold would also trigger the need for a sequential test, especially if the expanded footprint would impact local retail dynamics. This also applies for edge of centre locations.

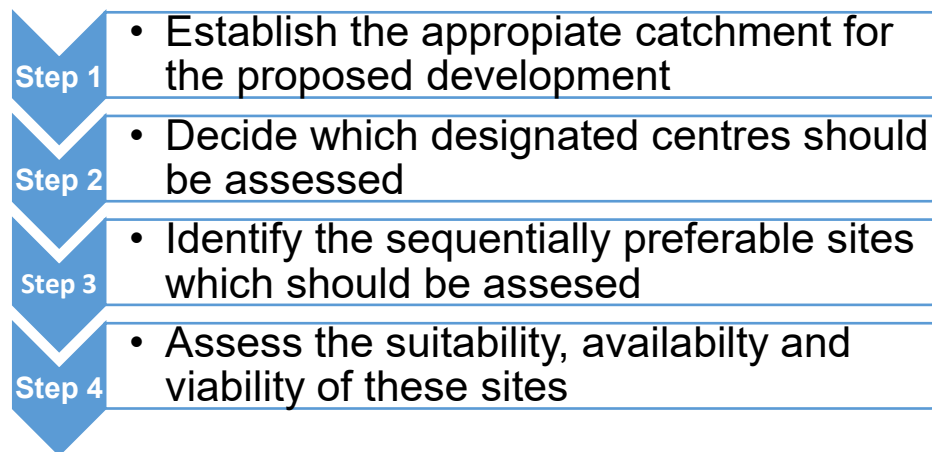
### **Retail Impact Assessments (RIA)**

- 5.9 When proposals are likely to have a substantial impact on the town centre's health or existing businesses, a Retail Impact Assessment will be required. This often goes together with the sequential test. An assessment of the need for development will also require for units above 1,000m<sup>2</sup>, and on a case-by-case basis may be requested for smaller units if local circumstances may mean a greater potential impact; such as the size, role and function of a centre or nearby centres.

### **Carrying out a sequential test**

- 5.10 There are four key steps to follow when undertaking a sequential test:

Figure 2: Sequential Approach Steps



- 5.11 Step 1: Establish the appropriate catchment for the proposed development. The catchment area refers to the area that the proposal aims to serve or attract trade from. This area will differ according to the specific development being proposed. The applicant must determine an appropriate driving distance from the site, considering factors such as the size and type of the development, the market it will operate in, relevant aspects of the business or operational model, and the locations of competing developments.
- 5.12 Catchments should be determined using accurate drive time calculations, usually based on the area served by a 15-minute drive. The appropriate drive times will differ depending on the specific development. For major retail schemes with a gross floorspace of 1,000m<sup>2</sup> or more, the Council suggests a 20-minute drive time catchment. For smaller retail applications under 100m<sup>2</sup>, a reduced 5-minute drive time catchment will apply. It's important to note that catchments may extend beyond the Council's borders and can include other centres outside those boundaries.
- 5.13 Step 2: Decide which designated centres should be assessed. Once an appropriate catchment has been established, it can be used to identify the centres that should be evaluated for sequentially preferable sites, alongside information about the proposed development's type and size. The centres to consider include city / town centres, district and local centres within the DCSDC Council boundary. If the catchment area extends beyond the boundary, other centres will also be considered including those in neighbouring districts (Fermanagh and Omagh, Causeway Coast and Glens, Mid Ulster and Co. Donegal (ROI)) if applicable.
- 5.14 Step 3: Identify the sequentially preferable sites which should be assessed.

The assessment should evaluate sequentially preferable sites, starting with those located within designated centres. If these sites are unavailable, unsuitable or unviable, attention should then shift to viable locations at the edge of the centre / centres. Determining whether a proposal is situated in an edge-of-centre or out-of-centre location will depend on the specific type of development and the site context. To support the vitality and viability of Derry City Centre, retail proposals should primarily focus on the PRC. An edge-of-centre location is generally defined as being within 300 metres from the City centre boundary. For Strabane or the local town centres, the distance will be shorter and depend on any barriers, intervening land uses and the scale of that centre, with the realistic likelihood of 'linked trips' being an important consideration.

#### 5.15 Step 4: Assess the suitability, availability and viability of these sites

The SPPS does not define suitability, availability, or viability, but the Council believes it is essential to clarify these concepts for a more certain application of the sequential test. While the SPPS allows for flexibility in accommodating developments on sites with constrained footprints, such as through creative design solutions like multi-level structures or more efficient trading floors and servicing arrangements, applicants must clearly demonstrate why alternative sites are not available, suitable, or viable.

<p><b>Suitability</b></p>	<p>When assessing the suitability of a site, it is essential to understand its appropriateness and potential market appeal for the required type, scale, and form of development, as well as which needs the site could fulfil. Flexibility in the proposed format and scale of development for the city centre and other areas must also be considered. The following factors are likely to be important in determining whether a site is suitable for development:</p> <ul style="list-style-type: none"> <li>• <b>Policy restrictions:</b> such as designations, protected areas, and existing planning policies</li> <li>• <b>Physical limitations:</b> including access, infrastructure, ground conditions, flood risk, hazardous materials, pollution, or contamination</li> <li>• <b>Potential impacts:</b> such as effects on landscape features and conservation and the</li> <li>• <b>Environmental conditions</b></li> </ul>
<p><b>Availability</b></p>	<p>This pertains to sites that are currently available or are expected to be available for development within a reasonable timeframe.</p> <p>A site is deemed available for development when, based on the best available information (such as searches), there is confidence that there are no legal or ownership issues, such as</p>

	<p>multiple ownerships, ransom strips, tenancies, or landowner operational requirements.</p> <p>If sites unexpectedly become available after a planning application has been submitted, the Council will consider this in its assessment of the application.</p> <p>Applicants must provide evidence of any significant legal or ownership issues that render a site “unavailable”.</p>
<p><b>Viability</b></p>	<p>This test assesses the likelihood of development occurring on a site. Several factors can influence this, including:</p> <ul style="list-style-type: none"> <li>• <b>Market factors:</b> such as surrounding uses, the economic return of existing, proposed, and alternative uses in terms of land values, the appeal of the area, and the level of potential market demand.</li> <li>• <b>Cost factors:</b> including expenses related to site preparation due to physical constraints, any exceptional works required, relevant planning standards or obligations, and the availability of funding or investment to address identified issues or support development.</li> <li>• <b>Delivery factors:</b> such as the developer's own phasing plans, realistic build-out rates for larger sites (including estimated earliest and latest start and completion dates), Section 76 costs, and whether a single developer or multiple developers are involved, along with their size and capacity.</li> </ul>

## 6. Retail Impact Assessment

- 6.1 Policy RP9 states that proposals that have a retail floor-space of 1,000sqm gross and above and which are not proposed in a town / city centre\* will need to be accompanied by a Retail Impact Assessment (RIA) and an assessment of the need for development. Below the threshold, a needs assessment may be requested if local circumstances dictate such as the size, role and function of nearby centres.

\*Town Centre in this case does not include District Centres or Local Centres and as such if proposals come forward in these areas that exceed the 1,000m<sup>2</sup> threshold or are deemed to require one as an exception, as set out above, then they will be required to be accompanied by an RIA and assessment of need.]

- 6.2 Paragraph 6.283 of the SPPS gives Councils the flexibility to set an appropriate threshold for their area so they could for example set the threshold higher than 1,000 square metres allowing larger units to proceed without the need for RIA or needs assessment. An RIA is required for proposals greater than 1,000 sqm and this is deemed appropriate for the district, given that we are focussing development in the city centre, main town and Local Towns and our large rural hinterland depends on thriving centres.
- 6.3 An RIA should consider:
- 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 or centres.
  - the impact of the proposals on the delivery of the planned/allocated sites and the 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.
- 6.4 Whilst the Council acknowledges that there are several different methodologies to carry out a Retail Impact and/or Need Assessment, the Council's preferred method is a Step-by-Step approach. This approach identifies the catchment of the proposal by considering an appropriate drive time and the trade draw within each drive time band. The Council considers this approach to be more transparent and easier to assess as opposed to other methodologies including the market share approach which lacks transparency and may result in longer processing times due to the complexity of the assessment.

### **What is a Retail Impact Assessment?**

- 6.5 An RIA is an evidence-based approach used to evaluate the potential effects of a proposed development on the broader centre hierarchy. Its purpose is to assess the long-term impact of certain out-of-centre and edge-of-centre developments on the vitality, viability, and investment potential of designated centres. This assessment applies to retail and other main town centre uses that are inconsistent with current planning policies and are proposed outside existing

centres. It is crucial that the impacts are evaluated across all centres within the proposal's catchment area, not just those closest to the development. The assessment should also consider centres in neighbouring authority areas, if applicable.

- 6.6 The impact test helps assess whether proposals in specific locations could affect existing, planned, or committed public and private investments, as well as the role of particular centres.
- 6.7 It is for the applicant to demonstrate compliance with the impact test in support of relevant applications. Failure to undertake an impact test could constitute a reason for refusing permission.
- 6.8 The impact test should be conducted in a manner that is proportionate to the scale of the proposed development and tailored to the specific local context. Where possible, it should make use of existing data and evidence to ensure a thorough yet efficient assessment. Ideally, applicants and the local Council should work collaboratively to agree on the scope of the impact assessment, the key impacts that need to be evaluated, and the level of detail required, all before the application is formally submitted. This collaborative approach can help ensure clarity, reduce uncertainty, and streamline the decision-making process.

### When is an impact assessment required?

- 6.9 As per the retail hierarchy outlined in Appendix 1, the below specifies where a sequential test, impact test, or needs test is required for any proposed development within the district.

**City Centre**, (Derry with Primary Retail Core (PRC))- *Not required*

**Town Centres** (Strabane, with Primary Retail Core (PRC), Castlederg, Newtownstewart and Claudy)- *Not usually required, but for a proposal of over 1,000gsm, assessments could be required*, particularly for the three Local Towns, decided on a case-by case basis.

**District Centres** (Lisnagelvin, Northside, Rath Mór, Springtown)- A sequential test is not required, however for a proposal of **1,000gsm or more** both an impact assessment and a needs test are required. Anything below this threshold does not require supporting assessments.

**Local Centres** (Local Centres within Derry and Strabane: Small groups of shops and services servicing day-to-day needs of the immediate local area.)- A sequential test is not required. Anything **over 500 gsm** both an impact assessment and a needs test are required. Anything below this threshold does not require supporting assessments.

**Edge of Centres-** A sequential test is required for a proposal located on the edge of centre along with a retail impact assessment and a needs assessment for proposals **over 1,000gsqm**. Anything below this threshold does not require supporting assessments.

**Out of Centres, including the commercial Parks** - In accordance with Policy RP 9, proposals that have a retail floor-space of **1,000m<sup>2</sup> gross** and above and which are not proposed in a town centre, will need to be accompanied by a retail impact assessment and an assessment of need. This includes applications for an extension/s which would result in the overall development exceeding 1,000m<sup>2</sup> gross external area. The Council may request a retail impact assessment and an assessment of need for development below the 1,000m<sup>2</sup> threshold, taking into account local circumstances such as the size, role and function of nearby centres.

**Village and Small Settlements** (Small groups of shops and services, servicing the day-to-day needs of these settlements) A similar approach as for a local centre will be applied here, where anything **over 500 gsm** requires an impact assessment and a needs test. Anything below this threshold does not normally require supporting assessments.

### Scope of Impact Assessment

- 6.10 The potential impact of new out-of-centre development will be assessed to determine whether it could undermine the viability and role of schemes in more sequentially preferable locations or hinder the ability to attract future development on more central sites.
- 6.11 The case officer may be able to advise on the scope of key impacts to be evaluated and the required level of detail prior to the submission of applications. Typically, the assessment will focus on potential effects on designated centres within the identified catchment area. Following best practice, the assessment should consider impacts over a set period—usually up to 5 years for most projects, or up to 10 years for major schemes.
- 6.12 When proposals are related to a specific type of goods (such as a DIY retail warehouse), it may be suitable to concentrate the impact assessment on that sector. However, the overall impact on the vitality and viability of centres must still be considered. In these cases, suitable conditions will be imposed to limit the development in accordance with the findings of the impact assessment.
- 6.13 If unconditional consent is sought for retail or other uses (for example, with no limitation on net sales area, unit sizes, range of goods and so on) then the

supporting assessment should examine all the potential impacts and policy compliance of the full range of possible permutations which would be permitted under the proposed planning permission.

- 6.14 When assessing the impact of the proposal on existing, committed, and planned public and private investments, a range of factors should be considered, including:
- The current stage of development (e.g., are the projects contractually committed?).
  - The policy significance attached to the investments (e.g., are they key components of the development plan?).
  - Whether there is sufficient demand to support both the proposal and the existing/committed/planned investments.
  - Whether the investments are targeting the same market or competing for key retailers / occupiers.
  - Whether there is evidence of concerns from retailers, investors, or developers.
  - Whether the cumulative impact of both projects could raise significant concerns.
- 6.15 If the catchment area extends into neighbouring Council areas, the Council may seek input from the relevant neighbouring authorities to identify factors that should be considered in the assessment. They may also request relevant information, such as monitoring data, retail and leisure studies, or town centre health check data, to support the process.
- 6.16 The Council's most recent retail capacity and city / town centres study (EVB 10a / 10b) should inform the applicant as a starting point to form any retail impact assessment.
- 6.17 Determining whether the potential adverse impacts are significant depends on local circumstances. For example, in areas with high vacancy rates and low retailer demand, trade diversion caused by a new development could result in a notable negative impact.
- 6.18 While evidence may demonstrate that an edge-of-centre or out-of-centre proposal is unlikely to significantly affect a town centre or small town centre, this does not automatically guarantee planning approval. The Council will need to consider all relevant factors in its decision-making process, including the sequential test and, where applicable, the need for the development.

## 6.19 Retail Impact and Assessment of Need Methodology

### Step 1: Defining the Catchment Area

The identification of the catchment area is a crucial first step in the Retail Impact Assessment (RIA). It determines the extent of trade that will be drawn from the surrounding area and directly influences the assessment of trade diversion and retail impact on competing centres. For proposals located out-of-centre or on the edge of existing centres, the applicant must evaluate the likely catchment area, considering travel distances informed by surveys of similar facilities within the borough.

### Step 2: Establish the Impact Assessment Timeframe

The base year for testing the potential impact should generally align with the year of the application submission. The design year, which reflects when the development reaches a stable and mature trading pattern, is typically taken as the second full calendar year of trading post-opening, though some developments may take longer to establish. This timeframe will help assess both short-term and long-term impacts, especially regarding retail dynamics in the early years of the development.

### Step 3: Examine the ‘No Development’ Scenario

In assessing the proposal, the potential impact of the “no development” scenario must be considered. This doesn’t necessarily assume all centres will experience growth in expenditure for both convenience and comparison goods. The analysis must account for changes in market conditions, including the effects of online shopping and any new infrastructure developments. Additionally, broader long-term trends and shifts in local market dynamics should be incorporated, acknowledging that some retail areas may improve while others may decline, regardless of the proposed development. Therefore, the assessment should evaluate both the baseline scenario and the future potential without the development.

### Step 4: Account for Commitments and Cumulative Impact

Applicants must consider the potential effects of known developments and commitments, considering their likelihood of implementation and the scale and significance of those projects. This cumulative impact assessment should include the consideration of both current and planned developments within the catchment area. The impact of any proposal on planned investments in nearby centres, particularly those outside the scope of an up-to-date local development plan, must also be factored in. Additionally, the positive effects of the proposal, such as investment, job creation, and regeneration, should be weighed against any potential adverse impacts.

### Step 5: Consider the ‘Fall-back’ Scenario

Where relevant, it is necessary to consider the “fall-back” scenario, where an extant planning permission or permitted development rights could allow an alternative

development to proceed if the current proposal is rejected. The likelihood of the fall-back scenario being implemented should be assessed, as it may present a scenario with a lesser impact than the current proposal. When comparing the impacts of different scenarios, it is important to factor in cumulative effects, including the impact of other known developments, rather than focusing solely on the incremental difference between the two options.

### **Step 6: Assess the Proposal's Turnover and Trade Draw**

This step involves evaluating the expected turnover and trade draw of the proposed development, considering comparable schemes and available data on the operator's benchmark turnover for both convenience and comparison goods. It is essential to assess the proposed retail offer in relation to competing destinations and the geographic distribution of these destinations within the catchment area. Applicants should provide a clear and transparent analysis of the expected trade draw, including both percentage and monetary terms.

### **Step 7: Evaluate the Potential Impact on Existing Centres**

A detailed analysis of the potential impact on existing retail centres and facilities should be carried out, considering a range of plausible scenarios. The assessment should divide the study area into zones (e.g., by drive-time band or postcode sector) for a more granular analysis. Additionally, committed developments within the catchment area (those with planning permission and likely to be developed) should be incorporated into the evaluation.

### **Step 8: Quantitative and Qualitative Assessment of Impact**

The likely impact of the proposal should be assessed in both quantitative (e.g., trade diversion, sales impacts) and qualitative (e.g., effects on town centre vitality, diversity, and choice) terms. For smaller proposals, a broad indication of the expected trade draw from various centres and the anticipated consequences for town centres may be sufficient. However, for larger developments, a more detailed and comprehensive assessment will be required, particularly in relation to existing centre health-checks. It is crucial that any out-of-centre proposal demonstrates compliance with the sequential test, need, and impact assessments before being considered for approval. Capacity should not be treated as a target; instead, the applicant must justify the proposal's contribution to meeting retail and leisure needs.

### **Step 9: Examine the Impact on Retail Diversity and Competition**

If the proposal claims to improve the qualitative offer or increase diversity and competition in the market, it is important to assess the current diversity and choice in the catchment area and identify any gaps that the proposal might fill. This involves reviewing existing retailers with similar offers and evaluating the overlap in trade. A retailer's commercial need for a particular location should not be the sole justification

for qualitative need, and the potential impacts on local competition should be fully considered.

### **Step 10: Consider Non-Retail Uses**

While the focus of retail impact assessments has historically been on retail proposals, other town centre uses (e.g., leisure or office developments) may also have an impact. These types of proposals may not be subject to the same level of analysis as retail proposals, but any potential displacement or deflection of occupier demand should still be carefully considered, especially if a key town centre site is earmarked for a specific mix of uses. In such cases, the potential impact on existing businesses and the overall town centre function must be weighed against the positive aspects of the development, such as job creation and regeneration.

This methodology ensures that all relevant factors are considered in a structured, transparent manner, ensuring compliance with planning policies and contributing to well-informed decision-making.

## **7. Needs Assessment**

- 7.1 A needs assessment evaluates the requirements of consumers as well as the demands of retailers, leisure providers, and other stakeholders proposing development within a town centre. According to the SPPS, such an assessment should be appropriately scaled to support the application, incorporating both qualitative and quantitative measures that reflect the sustainably and objectively assessed needs of the local town. It should also take into account existing development plans and designated sites. Typically, a needs assessment will consider projected expenditure growth within the local Council area and the demand for retail or commercial space, subtracting the space accounted for by committed developments.
- 7.2 **Carrying out a needs assessment**
- Defining the catchment area, base year, and design year for the analysis.
  - Estimating the population and available expenditure within the catchment area up to the design year.
  - Projecting the turnover of the proposed development.
  - Assessing the capacity of the development, including space allocated for committed developments.
- 7.3 A qualitative assessment examines the current quality of goods, services, and the retail environment in the catchment area. It evaluates whether the proposed

development will help address any market gaps or deficiencies and/or provide additional choice and competition to benefit the local economy

## **8. Other Town Centre Uses that may be acceptable under Policy RP10**

### **Leisure and Cultural Uses:**

**Cinemas and Theatres:** These can attract footfall and provide additional reasons for people to visit the town centre.

**Art Galleries and Museums:** These can enhance the cultural appeal of the area and support tourism.

**Indoor Sports Facilities:** Facilities like gyms, leisure centres, or bowling alleys can be part of a town centre's leisure offering.

### **Food and Drink Establishments:**

**Restaurants, Cafés, and Bars:** Dining options, particularly those offering a high-quality or unique experience, contributing to the vibrancy of the area.

**Takeaways and Fast Food Outlets:** These can provide convenience and meet the demands of busy town centre shoppers.

### **Financial and Professional Services:**

**Banks, Building Societies, and Post Offices:** These services remain integral to the functioning of town centres.

**Estate Agencies, Solicitors, and Financial Advisors:** Professional services that require a physical presence in the town centre.

### **Health and Wellbeing Services:**

**Medical and Dental Practices:** These types of healthcare services are often compatible with town centre uses.

**Physiotherapists, Chiropractors, and Complementary Health Clinics.**

### **Public Services:**

**Community Centres:** These can be spaces for public meetings, events, or educational purposes.

**Libraries:** A valuable community resource that can complement retail and cultural offerings.

**Tourist Information Centres:** To enhance the tourism footfall.

### **Offices and Business Uses:**

**Small Offices for Startups or Creative Industries:** These can help to diversify the town centre economy and bring in workers during the day.

Co-working Spaces: Flexible office spaces that encourage entrepreneurship and innovation can be a valuable addition.

### **Residential Uses:**

Apartments and Flats: Residential developments above shops or in the surrounding area can help sustain the town centre's vitality by increasing foot traffic and offering accommodation close to amenities. City / Town centre living brings many social and economic benefits and is a cost-effective means of accommodating additional housing and can provide a useful source of affordable rented housing. (Paragraph 16.97 PS)

### **Educational Facilities:**

Private Training Providers or Language Schools: These can contribute to a more vibrant, multi-use town centre.

Adult Education Centres: For classes or courses that draw people into the City/Town centre during off-peak hours.

### **Transport and Parking Facilities:**

Cycle Parking and Bike Sharing Stations: Promoting alternative transport options and sustainability.

Public Transport Hubs or Bus Stops: These are essential for ensuring accessibility to the city/town centre.

### **Pop-up Retail or Temporary Markets:**

Seasonal or Temporary Events: Markets, pop-up shops, or temporary events can add vibrancy and attract visitors to the area.

## **9. Glossary of Terms and Abbreviations**

<b>Capacity</b>	Forecast resident spending within the catchment area, with which to support existing and additional retail floorspace.
<b>Centre(s)</b>	Refers to Derry city centre, Strabane town centre, district centres and local centres which provide a broad range of facilities and services and as a focus for retail and other main town centre uses.
<b>Commercial Centre</b>	Designation of the largest concentration of shopping within a town or small town centre.
<b>District Centre</b>	Large grouping of shops separate from and subordinate to the town centre. They are generally located on routes that are convenient and easily accessible to the local community by all modes of travel. They usually contain at least one food

	supermarket or superstore, a degree of comparison goods shopping, retail services, leisure services and business services.
<b>Edge-of-centre</b>	For shopping purposes, a location within easy walking distance (300 metres) of the City Centre, District Centre or Local Centre.
<b>Gross Floor Area</b>	This is the total floor area of a building measured externally.
<b>Leisure services</b>	Restaurants, cafes, fast food takeaways (eating out); public houses, bars, clubs (socialising with a drink); cinema, theatres and concert halls (entertainment); betting offices, gaming centres, bingo; gyms, leisure centres, swimming venues (recreation) and hotels &.
<b>Local centre</b>	Location typically comprising a general grocery store, a sub post office, hairdressing / beauty salon, café, hot food takeaway, pharmacy and other small shops of a local nature. The primary purpose of a local centre is the provision of conveniently accessible shopping and services for local communities.
<b>Local Policies Plan (LPP)</b>	The second part of the Local Development Plan, the LPP will be prepared by Council following adoption of the Plan Strategy.
<b>Main Town Centre uses</b>	Retail development, Use Class A1 shops, Use Class A2 financial, professional and other services, Use Class B1 businesses, cultural and community facilities, leisure and entertainment.
<b>Net retail area</b>	This is also referred to as sales space and includes the area of the unit which is devoted to the display and sale of retail goods. It includes checkout counters, packing zones, circulation space from check-outs to exit lobby, changing-rooms and information areas. Net retail floorspace is calculated by way of internal measurement to the inner face of the wall.
<b>Out-of-centre</b>	A location outside a centre boundary but within defined development limits.
<b>Prime Retail Frontage</b>	Designation of the busiest shopping streets that normally contain the prime pitches, where conversion to non-retail uses will not normally be permitted at ground floor level.
<b>Primary Retail Core</b>	This designated area within a town centre that is the preferred location for new retail development and investment. The purpose of defining a PRC is to ensure that retail uses are maintained and given the opportunity to develop in the heart of the city or town
<b>Retail Floorspace</b>	Total floor area of the property that is associated with all retail uses in square metres. May be expressed as a net figure (the



	sales area) or in gross (including storage, preparation and staff areas.
<b>Sequential Approach</b>	A planning principle that seeks to identify, allocate or develop certain types or locations of land before others. For example, brownfield housing sites before greenfield sites, or town centre retail sites before out-of-centre sites.
<b>Town / City Centre</b>	Comprise a mix of facilities which perform a broad range of functions relating to retail, leisure, commercial, tourism, residential, community and civic use. At the focus of a transportation network the City Centre affords the population convenient access to a wide range of services.
<b>Viability Assessment</b>	A viability assessment should include the land / site value as a key consideration as to whether development is economically viable. In order to determine applications a realistic understanding of the costs and the value of the development in the local area, as well as the prevailing market conditions, should be submitted. The timing of the assessment will be dependent on the nature and scale of the development proposed.
<b>Vitality and Viability</b>	Vitality is a measure of how busy a centre is and viability is a measure of its capacity to attract ongoing investment for maintenance, improvement and adaption to changing needs. Although no single indicator can effectively measure the health of a town centre, the use of a series of them can provide a view of performance and offer a framework for assessing vitality and viability. Some or all of the indicators can be used

### **Glossary of Abbreviations**

<b>LDP</b>	Local Development Plan
<b>PAD</b>	Pre-Application Discussion
<b>PRC</b>	Primary Retail Core
<b>PS</b>	Plan Strategy
<b>RDS</b>	Regional Development Strategy (2035)
<b>RIA</b>	Retail Impact Assessment
<b>SPPS</b>	Strategic Planning Policy Statement for Northern Ireland (2015)

## **APPENDIX 1**

In the DCSDC context, there are five types of centres in the retail network (proposed network of centres):

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