Appendices

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Quality Standards Control

The signatories below verify that this document has been prepared in accordance with our quality control requirements. These procedures do not affect the content and views expressed by the originator.

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Limitations

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1 INTRODUCTION

1.1 In February 2013, the Department of the Environment (DOE) commissioned a consortium of consultants led by GL Hearn, together with RPD Consulting and MCE Public Relations, to prepare a research report to:

- investigate existing town centre and retail planning policy practice in other jurisdictions, advise on best practice and identify potential implications for Northern Ireland
- undertake an assessment of the current health of designated town centre and review existing and committed out-of-centre retail development
- provide an assessment of town centre and retail trends, specifically considering their impact on Northern Ireland in the short, medium and long term
- undertake a programme of structured stakeholder engagement to inform research and policy recommendations
- provide and evaluate options for town centre and retail planning policy in Northern Ireland, including recommending a preferred approach for future policy direction

1.2 A copy of the brief is provided at Appendix A.

1.3 The report is written against the backdrop of the NI Planning and Local Government Reform, which is relevant to this work, and will result in the creation of 11 new councils with greater power to set policies and determine planning applications at a local level.

1.4 The report is structured as follows:

- Section 2 contains a review of adopted and emerging national planning policy, including key research papers, in Northern Ireland, England, Wales, Scotland and the Republic of Ireland, identifying key themes within that policy. In addition, the way policy is being interpreted in key decisions is also considered.
- Section 3 summarises the on-the-ground health checking undertaken of the designated town centres, as well as providing a review of major out-of-centre retail provision (both existing and with planning permission)
- Section 4 analyses the main retailing trends, specifically considering the implications for town centres in the future and the potential role of planning policy
- Section 5 summarises the stakeholder engagement undertaken, including details of the key outcomes
- Section 6 provides policy options based on the outcomes of the key elements of policy research, health checking, trend analysis and stakeholder views
- Section 7 sets out the recommendations for future town centre and retail planning policy in Northern Ireland.
2. **EXISTING POLICY AND RECENT DECISION MAKING**

2.1 This section provides an overview of town centre and retail planning policy that is currently in place in Northern Ireland, together with a review of the emerging policy. This is followed by similar analysis for England, Wales, Scotland and Republic of Ireland.

2.2 The latter part of the section considers the practical application of these policies and summarises recent key appeal decisions and Court judgments. Finally, relevant planning policy research is analysed.

**Northern Ireland Planning Policy**

2.3 The Regional Development Strategy 2035 (Department of Regional Development, March 2012) sits at the top of the development planning and decision-making hierarchy. There is a requirement for all planning policy and plans made by the DOE to be in ‘general conformity’ with the RDS. Figure 1 below confirms this current structure and relative position of planning policy statements and development plans.

**Figure 1: Hierarchy of Planning Documents**

Regional Development Strategy

2.3.1 The RDS was adopted in March 2012 and seeks to guide future development within Northern Ireland in the period up to 2035. It is intended to ‘provide a long-term policy direction with a strategic spatial perspective’, containing a Spatial Framework and Strategic Guidelines.

2.3.2 Specifically, the RDS is underpinned by eight aims, including:

- supporting strong, sustainable growth for the benefit of all parts of Northern Ireland;
- strengthening Belfast as the regional economic driver and Londonderry as the principal city of the North West; and
- supporting towns, villages and rural communities to maximise their potential.
2.3.3 The Spatial Framework sets Belfast as the regional centre, Londonderry as the principal city in the ‘expanding North West region’ and identifies a number of ‘Main Hubs and Clusters’.

Figure 2: Spatial Framework for Northern Ireland

2.3.4 Whilst the focus of the RDS is primarily on strategic matters, the document includes a ‘Hierarchy of Settlements and Related Infrastructure Wheel’; an arm of this relates to ‘commercial infrastructure’ and ‘outlines patterns of service provision that are likely to be appropriate at different spatial levels including:

- Level 1 (Villages): shop, pub, post office, petrol station
- Level 2 (Urban Centres/Smaller Towns): supermarkets, restaurants, mix of retail facilities
- Level 3 (Regional Towns/Clusters): shopping centres, retail warehouses, range of restaurants
- Level 4 (Principal Cities): department stores, specialist shops, arts and cultural facilities

2.3.5 However, there is no formal way in which any of these different level centres relate specifically to the various town centres in Northern Ireland or the relationship between the Spatial Framework.

Planning Policy Statement 5: Retailing and Town Centres

2.3.6 PPS5 confirms the policy objectives for town centres and retail developments as being:

- To sustain and enhance the vitality and viability of town centres;
• To focus development, especially retail development, in locations where the proximity of business facilitates competition from which all consumers are able to benefit and maximise the opportunity to use means of transport other than the car;
• To maintain an efficient, competitive and innovative retail sector;
• To ensure the availability of a wide range of shops, employment services and facilities to which people have easy access by a choice of means of transport.

2.3.7 Whilst PPS5 confirms that it should take precedence over existing development plans on matters relating to retail planning, it requires future development plans to be consistent in approach. In terms of plan-making directions, PPS5 sets out the following at paragraphs 11 to 13 (with our emphasis):

• Development plans will identify policies for retailing in a specific area and may indicate where new retail development is to be focused and existing provision is to be enhanced. Development plans may, where appropriate identify a primary retail core within town centres. Plans may also identify retail development opportunity sites and the nature and scale of acceptable retail development in appropriate locations may be indicated.
• Development plans may identify locations for different types of retail development. Applications for retail development will not normally be permitted on land zoned for other uses. However, where substantial areas of land are zoned for residential purposes, a suitable site may be identified in the development plan for local shopping facilities in such zoned areas.
• In the course of preparation of development plans an assessment of the health of town centres may be made. This will assist in informing local policies and proposals and may be useful in assessing the impact of out-of-centre retail proposals. Health checks will also provide the basis for future monitoring town centre vitality and viability.

2.3.8 The language used is soft and does not effectively require compliance. Accordingly, the obligations for what development plans are required to cover are limited. Development plans are required to identify policies for retailing in each specific area but, beyond that, there is no explicit obligation for the identification of primary retail cores and retail opportunity sites, or to undertake health checks of town centres.

2.3.9 With regard to town centres, paragraph 14 provides a broad definition:

‘Town centres consist of a mixture of land uses, often interdependent and with a variety of roles. They provide shopping, employment, services and facilities for all the community.’

2.3.10 Town centre uses are noted to include a range of cultural, leisure, social and commercial activity, with specific mention given to shopping as ‘largely underpin[ning] the use and value of town centres and making a major contribution to their vitality and viability’. On this basis, the PPS provides that town centres ‘should normally be’ the first choice for major new retail developments.

2.3.11 Although the approach articulated is not a particularly stringent town-centre first approach to development, it is noted that the PPS includes commitments to protect town centre vitality and viability through ensuring ‘adequate provision of retailing and related facilities’ and undertaking measures to overcome the ‘special difficulties that have faced Northern Ireland’s town centres’. 
Whilst there is reference to the impact on out-of-centre retail development being a material consideration, this is only expressed in relation to smaller town centres which are deemed as potentially being more vulnerable due to their size.

2.3.12 A number of indicators are identified at paragraph 18 as offering a framework for assessing town centre health or vitality and viability, namely:

- accessibility;
- customer views;
- diversity of uses;
- environmental quality;
- pedestrian flows;
- retailer composition and demand;
- retail rents; and,
- vacancy rates.

2.3.13 The DOE are identified as the authority that should carry out health checks ‘where feasible’ as part of development plan preparation.

2.3.14 In terms of the diversity of uses in town centres, paragraph 22 sets out a ‘presumption in favour of development that would make a positive contribution to ensuring that town centres continue to provide a focus for shopping’.

2.3.15 In development management terms, although paragraph 23 provides that applications within primary retail core areas for non-retail uses at ground floor which would result in the loss of a shop may be acceptable, there are exceptions for this including where this would result in a significant loss of retail floorspace, where clusters of non-retail uses would be created and where the area is already dominated by non-retail uses. However, the wording of the policy is such that it cannot be deemed that there is an overall presumption against a loss of retail floorspace.

2.3.16 Paragraph 25 sets out town centres as being the principal location for office, leisure, entertainment, cultural and service uses; however, proposals for development will only be ‘encouraged’ if they do not encroach ‘on the primary retail core, where defined, at ground level’. Paragraph 26 goes on to state that such non-retail uses will be encouraged to locate in town centres but where this is not possible, edge of town centre locations are favoured. The mechanisms for the process of ‘encouragement’ are not identified and whilst it would be reasonable to anticipate this would be done through the development plan, there is no requirement for this.

2.3.17 Measures to improve the quality of the physical environment of town centres are outlined at paragraph 28. In addition to the more obvious measures, it is noted that this also includes
supporting proposals for the ‘provision of an appropriate level of car parking’. Paragraphs 29 and 30 relate to urban design in town centres.

2.3.18 Paragraphs 31 to 34 relate to accessibility to town centres; the two key strands of this are firstly in terms of trying to reduce travel by car but secondly acknowledging that this strategy could conflict with other objectives such as the need to ensure the commercial viability of town centres.

2.3.19 The later part of the PPS sets out development control objectives in terms of regional shopping centres (para. 35), major retail development (paras 36 to 37), comparison shopping and mixed retailing (paras 38 to 40), food supermarket and food superstores (paras 41 to 44), factory outlets (paras 45 to 46) and warehouse clubs (paras 47 to 48). The following points are considered notable:

- Sprucefield is identified as the only out-of-town regional shopping centre but there is considered to be ‘no justifiable need for any new regional out-of-town shopping centres in Northern Ireland.
- Major retail developments are defined as being in excess of 1,000 sqm gross retail floorspace.
- Major retail development proposals outwith the development limits of settlements are deemed unacceptable.
- Town centres are the ‘preferred’ location for major comparison shopping and mixed retailing development proposals. The availability of suitable in-centre sites is identified as an ‘important consideration’ for development proposals located outwith the town centre.
- Out-of-centre proposals for comparison shopping or mixed retailing will only be permitted subject to a demonstration of compliance to various criteria relating to demonstrating qualitative or quantitative need, impact considerations, the sequential approach, transport/accessibility and design considerations.
- The strength of the sequential approach for foodstore development is more limited. Although the role of foodstores in anchoring town centres is noted as often being vital, because of car parking requirements, ‘edge-of-centre sites may provide a preferred alternative’.
- In terms of bulky goods retail, given their space requirements, provision is made to extend ‘favourable consideration’ to retail warehouse proposals of an appropriate scale on suitable edge-of-centre sites, and in exceptional circumstances, out-of-centre sites.
- Given the overlap in characteristics between warehouse clubs and large retail outlets, similar impact, sequential and accessibility criteria are applied to proposals on edge- or out-of-centre locations.

2.3.20 Paragraphs 49 to 56 focus on smaller scale retail and centres. In terms of district and local centres, whilst convenience retail development and shops designed to meet local needs are encouraged, it is noted that the tests of need and impact are applied to both in-centre and edge-of-centre proposals.

2.3.21 In addition, whilst the provision of community functions are supported in local and district centres, there is a presumption in favour preserving against the loss of retail uses. Similar exception criteria are outlined as though that apply to loss of retail from the primary retail core of larger town centres.
2.3.22 The role of local, village and rural shops is acknowledged and a degree of protection imposed, subject to ensuring the scale is appropriate, there are restrictions on goods ranges and development would not threaten the health of defined centres.

2.3.23 In terms of assessing applications for major retail developments (in excess of 1,000 sqm gross retail area) located outside the defined primary retail core, paragraphs 57 to 61 identify the key considerations to which the DOE would have regard to:

- Quantitative and qualitative needs in terms of complementing or addressing deficiencies in the existing shopping provision
- Compliance to the identified strategy for existing centres, particularly in terms of the implications for public investment
- Accessibility implications
- Impact on town centre vitality and viability if the development does or does not take place, in terms of impact on future investment, scale and the role of the centre and impact on vacant properties
- Cumulative impact of retail completions and commitments
- Applicants are expected to submit details of their approach to site selection, projected impacts on existing centres taking account of the cumulative effects and identify the contribution made to resolving deficiencies/complementing existing provision

2.3.24 A glossary of terms is provided which includes definitions of different types of retail provision, order of centre, and the status of sites in terms of edge of centre, out of centre and out of town. There is acknowledgement that the list of terms is not exhaustive on the basis that ‘retailing is a dynamic industry and new forms of retailing may rapidly evolve’.

Draft policy

2.3.25 PPS5 (Draft): Retailing, Town Centres and Commercial Leisure Developments was published in July 2006 by the Department of Regional Development (DRD). This introduced the sequential approach to site selection and also a capacity test to inform the identification/allocation of major retail development sites. The DOE subsequently assumed responsibility of the draft in January 2008.

2.3.26 In 2013, it was announced that the DOE’s approach going forward is to develop new fit for purpose retail and town centre planning policy to be included within a single Strategic Planning Policy Statement (SPPS). The SPPS will ensure that the Department’s planning policies are more proportionate and appropriate for the introduction of the two-tier planning system in 2015 when the majority of planning functions will transfer to local Councils. Accordingly it was advised that the Draft PPS 5 will therefore not be taken forward and will not be treated as a material consideration or carry weight in the determination of planning applications.

2.3.27 The Draft PPS5 document is therefore not reviewed in detail as part of this report.
Development Plans

2.3.28 At present, each of the existing 26 local government districts have some form of development plan in place. Whilst it is beyond the scope of this project to undertake a detailed review of the existing development plans, it is evident that the majority of adopted plans are becoming increasingly out of date, with some adopted nearly 20 years ago and progress on preparing replacement documents has been limited.

Northern Ireland Policy Summary

- The objectives of the current policy include supporting the vitality and viability of town centres, focusing particularly retail development in accessible locations that encourage competition, promote a competitive retail sector and ensure the availability of a range of shops and services by a range of transport means.
- Town centres are defined in broad terms as consisting of a mixture of land uses which provide shopping, employment, services and facilities for all the community.
- Major out-of-centre retail developments in excess of 1,000 sqm are subject to a number of considerations including qualitative and quantitative need, compliance to planned town centre strategy, accessibility, impact on vitality and viability including scale, cumulative impacts and the sequential approach.
- The language of policy does not require strict compliance and as such does not enforce a stringent town-centre first approach.

Planning Policy in the UK and Republic of Ireland

England

2.4 Town centre and retail planning policy in England is defined at a national level by the National Planning Policy Framework (NPPF). Although prepared in support of the now-superseded national planning policy on retail matters set out in Planning Policy Statement 4: Planning for Sustainable Economic Growth (‘PPS4’), the Planning for Town Centres: Practice Guidance on need, impact and the sequential approach (December 2009) (‘PPS4 Practice Guidance) remains a material consideration and is therefore reviewed below.

National Planning Policy Framework

2.4.1 In the introduction to the NPPF, the Government sets out that the NPPF must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning applications. With its adoption on 27 March 2012, it replaced all previous national planning policy statements with immediate effect.

2.4.2 The NPPF articulates an overriding ‘presumption in favour of sustainable development’ (para. 14). In terms of decision-making, this is presumption is to be interpreted as follows:
2.4.3 Paragraph 23 to 27 of the NPPF provides national guidance on retail and town centre planning policies. The NPPF sets out that planning policy should promote competitive town centres.

2.4.4 Paragraph 23 sets out that planning policies should positively promote competitive town centres and provide for the management and growth of centres over the plan period. When preparing local plans, authorities are required to take account of:

- Town centres being the heart of communities and promoting their vitality and viability;
- Define a hierarchy of centres which will be resilient to future economic changes;
- Define town centre and primary shopping area boundaries and set policies which make clear the uses which will be permitted in such locations;
- Promote competitive and diverse town centres which also reflect a centres individuality;
- Recognise the importance of markets;
- Allocate sites to meet the needs for retail, leisure, commercial, office, tourism, cultural, community and residential development. This requires an assessment of the need to expand town centres to ensure sufficient supply of sites;
- Adopt a sequential approach to site identification where there are no suitable and viable sites available;
- Set policies to consider proposals for town centre uses which cannot be accommodated in-centre;
- Recognise that and encourage residential development as being important in ensuring the vitality of town centres;
- Plan positively to deal with town centres which are in decline.

2.4.5 Paragraph 24 states that ‘local planning authorities should apply a sequential test to planning applications that are not in an existing centre and not in accordance with an up to date Local Plan’.

2.4.6 When applying the sequential test, Paragraph 24 states that local planning authorities should require ‘applications for main town centre uses to be located in town centres, then edge of centre locations and only then if suitable sites are not available should out of centre sites be considered’. In the consideration of edge-of-centre and out-of-centre sites, preference will be given to ‘accessible sites that are well connected to the town centre’.

2.4.7 For development not within a defined centre and not in accordance with the development plan, an impact assessment is required where the development is over a proportionate threshold. Paragraph 26 of the NPPF states that if there is no locally set threshold, the default threshold is 2,500 sqm (gross). The impact assessment is required to consider:
• The impact of the proposal on existing, committed and planning public and private investment in a centre or centres in the catchment area of the proposal; and
• The impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made.

2.4.8 A glossary is provided as an annex to the NPPF, this defines main town centres uses as:

Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

Planning for Town Centres: Practice Guidance on Need, Impact and the Sequential Approach

2.4.9 The PPS4 Practice Guidance was prepared with the intention of assisting both applicants and local planning authorities in developing their retail and town centres evidence base, preparing applications and determining such applications. The Practice Guidance is relevant to main town centre uses which are identified as including retail, leisure, offices, arts, tourism and cultural activities.

2.4.10 The early sections of the document focus primarily on plan preparation: the role of evidence base, specifically setting out the purpose of identifying retail and leisure needs; the methodology for identifying need; and developing town centre strategies i.e. the policies that define the scale and form of new retail and leisure development, allocating sites and identifying key opportunities in town centres.

2.4.11 The latter sections focus on development management and the way in which planning applications for retail and other town centre uses are determined. The key issues dealt with are: the sequential approach to site selection and the impact test. In term of the sequential approach: the document provides definitions of in-centre, edge of centre and out of centre, as well as setting out the process for interpreting the status of sites; the requirements around ‘flexibility’ of format and scale; and the criteria of suitability, availability and viability.

2.4.12 With regard to assessing impact, it is confirmed that whilst there is guidance on how to measure it in terms effects on planned investment, vitality and viability and town centre turnover; the judging of relative significance i.e. whether it is acceptable, adverse or significantly adverse is explained as being a matter for determination by the decision maker and is a function of local circumstance. The guidance advocates four considerations when determining the scope of an impact assessment: fit for purpose, avoiding duplication, proportionate in terms of level of detail and focused on the key issues.
2.4.13 A glossary of terms includes definitions of the relevant inputs to impact and need assessments. Terms include population and expenditure forecasts and projections, convenience and comparison goods expenditure, special forms of trading, gross retail and net sales area, retail sales density, design year and floorspace efficiency factors. Further technical appendices provide a step-by-step guidance on quantifying retail need, assessing the scope for other town centre uses and quantifying impact.

Wales

2.5 National retail planning policy for Wales is contained within Planning Policy Wales (November 2012) and is supplemented by advice contained in Technical Advice Notice 4 (TAN 4) – Retailing and Town Centres (November 1996).

Planning Policy Wales (November 2012)

2.5.1 Planning Policy Wales (PPW) sets out the land use planning policies of the Welsh Assembly Government; supplemented by a series of Technical Advice Notes. PPW sets a strategic framework to guide future development and policy interventions. It integrates the spatial aspects of national strategies for social inclusion and economic development, health, transport and the environment.

2.5.2 Chapter 10 of PPW relates to planning for retailing and town centres, and identifies the Welsh Assembly Government’s which objectives are to:

- ‘Secure accessible, efficient, competitive and innovation retail provision for all the communities of Wales, in both urban and rural areas;
- Promote established town, district, local and village centres as the most appropriate locations for retailing, leisure and other complementary functions;
- Enhance the vitality, attractiveness and viability of town, district, local and village centres;
- Promote access to these centres by public transport, walking and cycling’.

2.5.3 PPW encourages retail provision to be located in proximity to other commercial businesses, and facilities for leisure, community facilities and employment, identifying town, district, local and village centres as the best locations for such provision at an appropriate scale.

2.5.4 When determining a planning application for retail, leisure or other uses best located in a town centre, the PPW identifies at paragraph 10.3.1 the following points which should be taken into account by local planning authorities:

- ‘Compatibility with any community strategy or up to date development plan strategy;
- Need for the development/extension, unless the proposal is for a site within a defined centre or one allocated in an up to date development plan;
- The sequential approach to site selection;
- Impact on existing centres;
• Net gains in floorspace where redevelopment is involved, and whether or not it is like for like in terms of comparison or convenience;
• Rate of take up of allocations in any adopted development plan;
• Accessibility by a variety of modes of travel;
• Improvements to public transport;
• Impact on overall travel patterns; and
• Best use of land close to any transport hub, in terms of density and mixed use’.

2.5.5 With regard to the sequential approach, PPW advises which uses would be appropriately located in which level of centre. In particular, uses which need to be accessible to a large number of people, including retailing, major leisure uses (such as theatres, multi-screen cinemas, bingo halls and bowling alleys), offices of central and local government, commercial offices, hospitals and tertiary education facilities are preferably to be located in town centres. Smaller scale retail provision, including appropriately sized supermarkets, leisure facilities, and other facilities such as local health centres, branch libraries, area offices of the local authority and primary schools should preferably be located in district, local and village centres.

2.5.6 PPW further encourages:

• Developers and retailers to be flexible and innovative about formats, design and scale of proposed developments and the amount of car parking;
• Consideration of incremental effects and cumulative effects of recently completed developments, together with outstanding planning permissions and development plan commitments (for major new retail proposals); and
• Retention of an adequate level of provision for food shopping together with post offices and pharmacies in existing town, district and local centres and in villages.

Technical Advice Note 4 - Retailing and Town Centres (TAN 4) 1996

2.5.7 TAN 4 is to be read in conjunction with PPW. TAN 4 provides guidance on how to assess the performance of current retail facilities both in terms of formulating policies for an area and also when considering proposals for new facilities.

2.5.8 TAN 4 requires all applications for retail development over 2,500 sqm gross floorspace to be supported by an impact assessment providing evidence of:

• Sequential site approach;
• Likely economic and other impacts on other retail locations;
• Accessibility by a choice of means of transport;
• Likely changes in travel patterns; and
• Any significant environmental impacts.
Scotland

2.6 Scottish Planning Policy (SPP) sets out the national policy on town centres and retail development. Supplementary guidance is provided in Planning Advice Notes 52 and 59: Planning in Small Towns (1997) and Improving Town Centres (2005) respectively.

Scottish Planning Policy

2.6.1 This is a national policy document and it was published in 2010, consolidating a series of topic specific policy statements into a single, more concise document. The previous retail policy document (SPP8) extended to 44 pages whereas SPP deals with retailing in 13 paragraphs, covering broad topic areas: ‘network of centres’, ‘improving town centres’ and the ‘sequential approach’. This streamlining echoes the experience in England with the move from PPS4 to the NPPF.

2.6.2 SPP promotes town centres as the focus for retail and leisure development and establishes the sequential approach to site selection for retail development. SPP also requires retail impact analysis for retail and leisure developments over 2,500 sqm (gross) – where these are proposed outwith a defined town centre and is not in accordance with the development plan. SPP also establishes that an impact analysis may also be necessary for smaller retail and leisure proposals which may have a significant impact on vitality and viability.

2.6.3 There is no practice guidance in Scotland on retail impact analysis although SPP advises that a ‘broad-based approach’ should be adopted and that it should not be necessary to attempt detailed calculations or forecasts of a sector’s growth.

Consultation Draft Scottish Planning Policy

2.6.4 The Scottish Government are currently reviewing SPP and a draft policy document was published in May 2013 and the consultation period on this ended on the 23 July 2013. In tandem with their review of SPP, the Scottish Government is also undertaking a national review of town centres to scope out potential solutions to the issues faced by Scotland’s town centres and with a view to establishing a measured, long-term approach to town centre regeneration.

2.6.5 In terms of town centres and retail, draft SPP broadly follows the spirit of its predecessor but with a number of noteworthy alterations. Firstly, the policy is titled ‘town centres’ rather than ‘town centre and retailing’, a reflection on the emphasis that the emerging policy gives that town centres are not solely about retailing. Indeed, draft SPP advises that the planning system should promote town centres first for a mix of uses, including cultural and community facilities, retail, leisure, entertainment, recreation, as well as homes and businesses.
2.6.6 With regard to policy delivery, draft SPP advises that planning authorities should prepare a town centre health check to inform development plans and planning applications and that health checks should be regularly updated to monitor town centre performance, preferably every two years. In addition, the draft SPP establishes that planning authorities should also work with partners to develop town centre strategies that will deliver improvements.

2.6.7 In terms of development planning, draft SPP requires development plans to assess how centres can accommodate development and identify a network of centres and explain how they complement each other.

2.6.8 For development management, draft SPP maintains the sequential approach to site selection but widens its scope, advising that it should be used when selecting locations for all uses which generate significant footfall, including retail and leisure uses and public buildings such as offices, libraries and education and healthcare facilities.

PAN 52: Planning in Small Towns

2.6.9 Published in 1997, PAN 52 is somewhat dated although it remains in place as a Planning Advice Note, sitting below national policy in SPP.

2.6.10 PAN 52 recognises the important role that small towns play throughout Scotland, and encourages development plans to define a town’s role in relation to its surrounding area, provide a framework for regeneration and expansion and identify priorities for action.

2.6.11 Local Plans are to promote opportunities for development which increase the economic, social and physical well-being of areas but they should also guarantee the stability required for community, business and investor confidence. In addition, Local Plans should set out the objectives and criteria for influencing the design of new development, in order to protect an area from inappropriate development and to enhance environmental quality.

PAN 59: Improving Town Centres

2.6.12 Published in 1999, PAN 59 is also out of date, no longer corresponding with national policy in SPP. However, PAN 59 reinforces the important role that town centres play in our society, establishing that they must cater for a wide range of people particularly the needs of workers, residents, business visitors, shoppers, tourists and leisure users.

2.6.13 PAN 59 also emphasises the importance of town centre health checks and how health checks will provide a reliable basis for developing town centre strategy and for subsequent positive action to improve the quality and competitiveness of town centres.
Republic of Ireland

2.7 The Department of the Environment, Community and Local Government published ‘Guidelines for Planning Authorities: Retail Planning’ in April 2012 (‘the Guidelines’). The Guidelines sit below the National Spatial Strategy 2002 – 2020 as Ireland’s ‘overarching’ spatial planning framework, which is designed to complement the RDS in Northern Ireland as part of an ‘all-island economy’.

Guidelines for Planning Authorities: Retail Planning

2.7.1 The Guidelines are intended to ‘provide an updated and comprehensive retail planning development framework to guide’ regional and local planning authorities in preparing and implementing planning policy and in the determination of planning applications and appeals, as well as guiding applicants in preparing development proposals.

2.7.2 The Guidelines are underpinned by five key policy objectives which are intended to inform planning authorities in preparing their own policy (para. 1.1). Those five objections are:

- ‘Ensuring that retail development is plan-led;
- Promoting city/town centre vitality and viability through a sequential approach to development;
- Securing competitiveness in the retail sector by actively enabling good quality development proposals to come forward in suitable locations;
- Facilitating a shift towards increased access to retailing by public transport, cycling and walking in accordance with the Smarter Travel strategy; and
- Delivering quality urban design outcomes’.

2.7.3 As part of this, the Guidelines require that retail development ‘must’ follow the settlement hierarchy and should be of an appropriate scale and function relative to the designation of a centre in the NSS, regional planning policy and development plan policies.

2.7.4 Furthermore, the Guidelines clearly articulate a town-centre first approach to retail development through the application of the sequential approach and there is an explicit presumption against large out-of-town retail centres. In addition, in the interests of ensuring competitiveness and healthy town centres, caps are imposed on convenience and warehouse retailing; these caps vary between 3,000 sqm and 4,000 sqm net for convenience retail based on different local authority areas and are subject to specific criteria in five Gateway cities (including Dublin and Cork) for retail warehousing, with a default cap of 6,000 sqm gross.

2.7.5 The Guidelines require Regional Planning Guidelines to define the strategic retail development context for the preparation of development plans. With regard to development plans, the Guidelines are explicit in requiring that policies should be evidence-based to ‘broadly identify the quantity and spatial distribution of future retail floorspace’ in the identified NSS Gateways and their catchments. There is also a specific requirement for cross-border collaboration or co-operation in
the form of joint or multi-authority retail strategies in a number of cases, with allowance made for further joint working beyond these identified authorities.

2.7.6 Separate consideration is given to assessing need for additional retail warehousing; in addition to identifying capacity, and there is a requirement to assess impact of further provision on the health of established centres in the context of existing commitments.

2.7.7 In terms of development management, there is a positive requirement that applications that are in compliance with the planned strategy for a town, having regard to considerations of scale and hierarchy, should be supported. For applications that are not in accordance with policy objectives, particularly supporting vitality and viability, there is a requirement to demonstrate compliance with the sequential approach prior to being approved.

2.7.8 Whilst there is the presumption against large out-of-town retail centres, there is an acknowledgement that 'very large single outlet retail warehouses addressing a regional, if not national catchment, may be considered in larger cities including the NSS Gateways of Dublin, Cork, Galway, Limerick/Shannon and Waterford'.

2.7.9 The final objective of the Guidelines relates to ensuring high quality design in retail development, reflecting the role that good design can have in securing the vitality and attractiveness of town centres.

2.7.10 A number of technical appendices provide detailed guidance on assessing the vitality and viability of town centres, the preparation of joint or multi-authority retail strategies, the assessment of retail floorspace requirements and the assessment of retail impact, together with a glossary of terms.

Summary of town centre policy in other jurisdictions

Table 1: Key policy themes relating to main town centre uses

<table>
<thead>
<tr>
<th>Policy requirement</th>
<th>Scotland</th>
<th>England</th>
<th>Wales</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle</td>
<td>Town-centre first</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Plan making</td>
<td>Local authorities are required to undertake an objective assessment of quantitative need or capacity in terms of primarily retail but also other town centre uses</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td></td>
<td>Local authorities are required to undertake a qualitative assessment or health check of the vitality and viability of centres</td>
<td>(Draft policy: every 2 years)</td>
<td>●</td>
<td></td>
</tr>
</tbody>
</table>

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### Policy requirement

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Scotland</th>
<th>England</th>
<th>Wales</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification of sites by local authorities to <strong>allocate</strong> need over a set period of time.</td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td></td>
<td><img src="#" alt="•" /></td>
</tr>
<tr>
<td>Identification of a <strong>hierarchy or network</strong> of town centres by local authorities</td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
</tr>
<tr>
<td>Identification of <strong>primary shopping areas/primary retail core</strong> in development plan policy</td>
<td><img src="#" alt="•" /></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promoting <strong>diversity</strong> (non-A1 uses inc. leisure, services and residential) within town centre</td>
<td><img src="#" alt="•" /></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### Decision making

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Scotland</th>
<th>England</th>
<th>Wales</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>The requirement for applicants to demonstrate <strong>need</strong> (quantitative and/or qualitative) to justify proposals for retail floorspace outside a defined primary shopping area</td>
<td><img src="#" alt="•" /></td>
<td></td>
<td></td>
<td><img src="#" alt="•" /></td>
</tr>
<tr>
<td>Applicants are required to undertake an assessment of <strong>impact</strong> on the vitality and viability of existing centres</td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
</tr>
<tr>
<td>Applicants are required to demonstrate compliance to the <strong>sequential approach</strong> to site selection</td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
<td><img src="#" alt="•" /></td>
</tr>
</tbody>
</table>

**Recent key town centre and retail decision making**

2.8 The March 2012 Supreme Court judgment at Dundee, relating to an out-of-centre superstore development, considered two key aspects: the interpretation of development plan policy to use a consistent, true or natural meaning of the words; and the consideration of what ‘suitable’ is with regard to the sequential approach.

2.9 On sequential approach, the central issue is the meaning of ‘suitability’. In agreeing with the Council’s interpretation of ‘suitable’ as ‘suitable for the development proposed by the applicant’ rather than ‘suitable for meeting identified deficiencies in retail provision’, the Judgment raises questions over how this relates to the long-standing requirement to demonstrate reasonable flexibility, on the part of both the applicant and the local planning authority. In the case of Dundee, the Judgment acknowledges that the applicant had adopted a flexible approach on issues of format and scale, and fully assessed a smaller scheme on a more centrally-located site. However, whilst contrary to the town-centre first ethos underpinning the then-adopted Scottish policy, the Judgment is seen by the pro-out-of-town development lobby, to reduce the rigour of the sequential approach.

2.10 Although the decision relates to Scottish planning policy, which in any event has now been superseded, on the basis that the sequential approach and its associated components of suitability and flexibility feature prominently in the other jurisdictions, this apparent clarification on the meaning...
of ‘suitability’ is considered to have ramifications for the application of the sequential approach and decision-making across the UK.

2.11 Reflecting the differing circumstances in each application proposal, the direct application of the Dundee decision has been relatively limited. However, the October 2012 decision on an out-of-centre foodstore at Malton, Yorkshire made direct reference to Dundee stating that ‘in terms of any assessments of suitability, the correct approach is to consider whether the site is suitable for the development proposed, not for some alternative development which others may prefer to see on the site’ (para. 28 APP/Y2736/A/12/2174677).

2.12 The Judgment is however not clear cut and is open to interpretation which has been argued at appeal since the Judgment was handed down: logic suggests that local planning authorities seeking to safeguard their town centres should ensure that policies are appropriately worded to remove any ambiguities.

Town centre and retail research

2.13 There has been a significant amount of research undertaken both in Northern Ireland and in the rest of the UK on the role of town centres. The following provides a brief summary of recent and high-profile publications.

2.13.1 The Portas Review: An Independent Review into the Future of our High Streets (December 2011) provided 28 recommendations intended to help create sustainable high streets for the future. These recommendations relate to the following key areas:

- mechanisms for town centre management (Town Teams and Business Improvement Districts);
- promotion and deregulation of markets;
- using business rates to support town centres and particularly small businesses;
- free car parking, review of the Use Class Order;
- inclusion of a presumption in favour town centre development into the NPPF;
- introduce a central government ‘exceptional sign-off’ for all new out-of-town developments;
- mechanisms for greater intervention into town centre landlord practices reduce vacancies and encourage redevelopment;
- requiring larger retailers to mentor smaller businesses and support local high streets;
- promote community involvement in town centres through Neighbourhood Plans and Community Right to Buy;
- run a number pilots to test proof of concept.

2.13.2 Since the report was published, the Government have rejected the recommendation for exceptional sign off. However, a first tranche of funding was provided in 2012 for 12 Portas Pilot towns: Bedford, Croydon, Dartford, Greater Bedminster, Liskeard, Margate, Market Rasen, Nelson, Newbiggin by the Sea, Stockport, Stockton on Tees and Wolverhampton. Recent research
undertaken by the BBC\(^1\) indicates that success of the pilot exercise in these towns has been mixed, with 10 out of the 12 pilot towns suffering from an increase in vacant units in the year since the pilot schemes started.

2.13.3 The **Grimsey Review – An alternative future for the High Street** was published in September 2013, it provides in part a response to the Portas Review and highlights, unlike Portas, the dramatic structural changes facing the retail industry and town centres driven primarily through technological change but also as a result of prevailing economic circumstances and the lack of priority given by Central and Local Government to town centres. Among the conclusions to this report, are the need for a holistic community hub approach to town centres where shopping is just part of the overall offer.

2.13.4 Radical action is concluded necessary by governments to level the playing field to provide conditions allowing town centres to action change, encourage local investment and cut the burden of red tape. This includes dealing with the imbalance created by free and convenient parking serving out of town developments and the parking charges, fines and lack of car parking spaces in town centres. Action on the burden of business rates is also highlighted.

2.13.5 The **High Street Taskforce Report** (Department for Social Development, November 2012) was commissioned following on from the Portas Review, which did not extend to Northern Ireland. The purpose of the taskforce was ‘to review the support the DSD provides to regenerate city and town centres; to consider whether this might be further strengthened in light of the recommended actions identified in the [Portas] Review; consider the proposals being put forward by representative organisations and to ascertain the views of local traders and high street business across the cities and towns of Northern Ireland’.

2.13.6 The report provided seven recommendations including:

- continued investment in public realm improvement scheme, focused on high streets with the ‘highest levels of dereliction’ and the potential to expand the regeneration programme to ‘rural settlements’;
- establishment of ‘Town Teams’ to ‘promote and market the uniqueness and attractiveness of their respective areas’;
- empowering high streets to set up Business Improvement Districts once the necessary legislation is in place;
- DSD to formulate policy proposals for Community Asset Transfer to enable community uses to address vacancies and dereliction;
- Provisional recommendation, subject to a ‘positive evaluation’ of impact, to expand a pilot programme of providing technical advice and direct government funding to ‘design and improve streetscapes and building frontages and promote the areas as shopping destinations’ to major city and town centres, including arterial routes in Belfast;

• Integration/revision of the existing scheme to promote housing at the upper levels of high streets to promote vitality and evening economy in town centres, through the DSD consultation on Housing Strategy.

Conclusion

2.14 It is evident from analysis of existing town centres policy in Northern Ireland and in other parts of the UK that whilst there are a range of issues addressed, there are a number of common themes across the different jurisdictions: namely the town-centre first approach to retail development.

2.15 It is also evident that there has been a significant tranche of research that has been undertaken in recent years on addressing the various issues now facing town centres which have advocated approaches that extend beyond the planning policy framework, such as town centre management structures, car park charging regimes and business rate strategies. In considering future policy approaches for Northern Ireland, these matters are highly relevant.
3 REVIEW OF TOWN CENTRES AND OTHER RETAIL PROVISION

3.1 This section assesses the health of existing town centres as designated in adopted plans. This draws on detailed health checks of selected study towns that are provided at Appendix B, together with data on the composition of these town centres and how they have changed over the last 10 years. The composition data has been obtained from Experian and independent data providers who survey town centres throughout the UK. A summary of the Experian data is contained at Appendix B.

3.2 Figure 3 below shows the study centres reviewed. Health checks for each centre were undertaken in April 2013. In addition, historic data obtained from Experian town centre surveys has been used to establish medium-term trends in relating to the size and composition of the centres.

Figure 3: Health checked town centres

3.3 The Local Government Reform, the Local Government (Boundaries) Order (Northern Ireland) 2012 results in the creation of consolidated administrative groups for the various centres, as set out in Table 2 below. As part of the devolution of power associated with the Planning and Local Government Reform, it will be the responsibility of each new Council to prepare a local planning framework. On this basis, the town centres reviewed as part of this project are considered with regard to the new administrative boundaries.
Table 2:  New administrative boundaries

<table>
<thead>
<tr>
<th>District Council</th>
<th>Town centres</th>
<th>Notable out-of-centre retail provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antrim and Newtownabbey</td>
<td>Antrim</td>
<td>Junction One Shopping Centre, Antrim Abbey Centre, Newtownabbey</td>
</tr>
<tr>
<td>Armagh, Banbridge and Craigavon</td>
<td>Lurgan</td>
<td>The Outlet Shopping Centre, Banbridge</td>
</tr>
<tr>
<td></td>
<td>Craigavon</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Portadown</td>
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<tr>
<td></td>
<td>Banbridge</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Armagh</td>
<td></td>
</tr>
<tr>
<td>Belfast</td>
<td>Belfast</td>
<td>Forestside Shopping Centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Connswater Shopping Centre</td>
</tr>
<tr>
<td>Causeway Coast and Glens</td>
<td>Coleraine</td>
<td>Riverside Regional Centre, Coleraine</td>
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<tr>
<td></td>
<td>Limavady</td>
<td></td>
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<tr>
<td></td>
<td>Ballycastle</td>
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<tr>
<td></td>
<td>Ballymoney</td>
<td></td>
</tr>
<tr>
<td>Derry and Strabane</td>
<td>Londonderry</td>
<td>Crescent Link Retail Park, Londonderry</td>
</tr>
<tr>
<td></td>
<td>Strabane</td>
<td></td>
</tr>
<tr>
<td>Fermanagh and Omagh</td>
<td>Enniskillen</td>
<td>Showgrounds Retail Park, Omagh</td>
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<tr>
<td></td>
<td>Omagh</td>
<td></td>
</tr>
<tr>
<td>Lisburn and Castlereagh</td>
<td>Lisburn</td>
<td>Sprucefield Centre</td>
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<tr>
<td>Mid and East Antrim</td>
<td>Ballymena</td>
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<td></td>
<td>Larne</td>
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<td></td>
<td>Carrickfergus</td>
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<tr>
<td>Mid Ulster</td>
<td>Magherafelt</td>
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<td></td>
<td>Cookstown</td>
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<tr>
<td></td>
<td>Dungannon</td>
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<tr>
<td>Newry, Mourne and Down</td>
<td>Downpatrick</td>
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<td></td>
<td>Newcastle</td>
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<tr>
<td></td>
<td>Newry</td>
<td></td>
</tr>
<tr>
<td>North Down and Ards</td>
<td>Newtownards</td>
<td>Ards Centre, Newtownards</td>
</tr>
<tr>
<td></td>
<td>Bangor</td>
<td>Bloomfield Shopping Centre and Retail Park</td>
</tr>
</tbody>
</table>

Town centres health check review

3.4 As set out in the previous policy review section, there is no defined list of health check indicators provided in existing Northern Irish policy or guidance. Taking into account typical indicators used in other jurisdictions and drawing mainly on the now-superseded English PPS4 health check indicators, the town centres identified within Table 2 above have been reviewed against the following criteria:
• Town centre diversity: assessed in terms of types of uses (by number and, where available, by floorspace), in conjunction with analysis of Experian historic trends.
• Floorspace in edge-of-centre and out-of-centre locations
• Potential capacity for growth or change: analysis of historic trends and identification of key opportunities in terms of vacant sites for expansion or clusters of vacancies which might point towards contraction
• Retailer representation and intentions to change: notable retailers present in the town and identification of any clear gaps in representation/evidence of retailer requirements in centres
• Shopping rents: where available, details of rental levels in the prime shopping areas
• Vacancy rates: identification of ground-floor vacancies and observations on any notable clustering
• Commercial yields: where available, analysis of yield data to provide insight on investor confidence in the centres.
• Pedestrian flows: observation of footfall on main shopping streets to assess vitality and identify main attractors within the centres.
• Accessibility: consideration of opportunities to access the centre by non-car transport modes and provision of car parking.
• Safety and crime: observations, including evidence of CCTV or police presence, vandalism and graffiti, limited to daytime and relating to the town centre only.
• Environmental quality: qualitative assessment of the town centre environment including dominance of traffic, ease of pedestrian movement and details of any recent investment in public realm.

3.5 It should be noted that these criteria are not intended to be exhaustive and the analysis provided within the health checks of these centres is of a strategic nature. The health checks are not full and detailed vitality and viability assessments they are a snapshot of each of the town centres and were prepared primarily to provide a flavour of the current diversity and performance of these centres in Northern Ireland to inform the policy option analysis in this report. The health indicators examined in each centre are:

3.5.1 It was apparent from the centre visits undertaken to prepare the health checks that whilst all of the centres were considered significant, they were of varying size and retailing importance. Diversity was general good and it was notable that unlike many town centres in the rest of the UK, local independent food retailers remain a feature of Northern Irish towns.

3.5.2 Generally the town centres provide good quality and pleasant shopping environments and it is clear that in addition to an important shopping role, the town centres provide a cultural and social focus and administrative and service function to their loyal catchment populations. They are also the focus or hub of public transport.

3.5.3 Overall the town centre health checks did not identify any towns that were performing badly, but equally there was little evidence of any particularly strong performance. There is clearly room for improvement in the vitality and viability of the town centres and a policy stance which seeks to
protect and enhance town centre performance and diversity will contribute to uplifting existing centre vitality and viability.

Trends

3.5.4 Town centre composition data has been obtained from Experian Goad who carry out physical town centre surveys and prepare occupier plans for most town centres in the UK. The data obtained from Experian is in a time series spanning the last decade and enables analysis of the changing composition of town centres. The data collected by Experian includes:

- occupier name;
- retailer/business type.
- number of units;
- categorisation of use (Convenience, Comparison, Service, Vacant, Other);
- floorspace [NB: this is the footprint floorspace of each individual unit, it should not be considered either a net or gross area];
- number of national multiple retailers;

3.5.5 With regard to Goads footprint floorspace, whilst this cannot be taken as either a net or gross floorspace measure, because it is measured on a consistent basis across all centres in the UK, it is a useful benchmarking measure.

3.5.6 Generally the larger centres that Experian cover are surveyed annually however, in Northern Ireland surveys are carried out less frequently (apart from Belfast which is resurveyed at least once a year). Magherafelt, Newtonards and Ballycastle are not currently on Experian's list of NI centres so historical composition data for these towns cannot be reviewed.

3.5.7 Given that the Experian data is collected and analysed on a consistent basis it can be used to benchmark centres against others and to compile averages. Whilst we have done this exercise and the results are summarised below, we would stress that town centre composition is only one aspect of vitality and viability and overall size, composition, number of multiple retailers and vacancy rates whilst helpful to interpreting vitality and viability should not be the sole factor used to determine a town's health. Centres perform a number of roles across a number of levels; whilst retail is important to town centres; it is just one facet of their role.

3.5.8 Figure 4 below establishes the range in size of centres across Northern Ireland. This data represents a combination of 2012 and 2013 data, utilising the most up-to-date information available for each centre to provide a point of comparison and to provide an average figure for Northern Ireland. The complete data is contained at Appendix B.
3.5.9 Belfast is the largest centre by a significant margin at over 340,000 sqm gross.

3.5.10 The majority of centres fall below the national average of 80,170 sqm gross, with only Bangor, Coleraine, Enniskillen, Lisburn, Ballymena, Newry and Londonderry sitting above this threshold.

3.5.11 Whilst the average, based upon all of the NI centres analysed is 80,170 sqm, this average is heavily skewed by the amount of floorspace within Belfast City Centre. An average calculated exclusive of Belfast would be 68,800 sqm. It is notable that the smaller centres are primarily traditional ‘high street’ market town centres which have not been extended or expanded through town centre redevelopment to provide shopping centre schemes, whereas the larger centres in Figure 4 from Bangor onwards have one or more shopping centre schemes within them.

3.5.12 The following figures show changes in Northern Irish town centre composition over the last 10 years, with the final column showing the 2013 UK average. Figures 5 and 7 are related to information on a unit-by-unit basis, whereas Figures 6 and 8 are on a floorspace basis.
3.5.13 The fluctuations in composition in Figures 5 and 6 in part reflects the data used to derive the averages and the fact that data for each centre is not available for every year. On the basis that less than five of the centres were surveyed by Goad in 2010 and 2011, data for these years have not been included.
3.5.14 By comparing Figures 5 and 6 it is evident that convenience goods floorspace is focused in a proportionately small number of larger units, therefore accounting for a higher share of floorspace when diversity is reviewed on a floor area basis. This trend is in line with the wider UK trend and confirms the dominance of larger supermarkets in meeting convenience shopping needs.

3.5.15 In terms of comparison and service floorspace, the proportion of each can be seen to be broadly comparable on a floor area basis. However, it is clear from looking at Figure 5 that service uses take up a larger proportion of town centres by unit number, reflecting the smaller sized units these uses tend to occupy and often the secondary nature of that floorspace. Again, this trend is not out of keeping with the UK average.

3.5.16 Having regard to the significant size differential between Belfast and the other centres in Northern Ireland, and Belfast’s role as a regional centre, Figures 7 and 8 provide the analysis on town centre composition excluding Belfast. This analysis has been prepared to establish whether including Belfast distorts overall diversity trends.

Figure 7: Town centre diversity exc. Belfast (by unit)

Figure 8: Town centre diversity exc. Belfast (by floor area)
3.5.17 However, by excluding Belfast, the trends identified above do not alter significantly. Rather than allowing conclusions on the composition of the other centres, it is suggested that the sheer size of Belfast means that as well as including a significant amount of ‘prime’ floorspace associated with its regional role, it also includes a significant amount of secondary and tertiary floorspace which is not dissimilar to the type of floorspace provided in other town centres across Northern Ireland.

3.5.18 The proportion of other town centre uses in the Northern Irish towns reviewed is notably higher than the UK average. This other category includes transport services, employment and commercial activities, religious buildings, wholesale trade, civic and unclassified buildings.

3.5.19 Having a range of other uses within town centres is, we consider, a positive attribute which confirms that town centres are performing as a hub for a range of activities which attract people into town centres and contribute to overall vitality and viability.

3.5.20 Figures 9 and 10 show vacancy rates by unit number and by floor area respectively across Northern Ireland, against the UK national average (Experian 2013).

3.5.21 Having regard to each Figure, it is evident that the majority of centres have a vacancy rate which exceeds the UK national average. Considering the centres on a unit-by-unit basis (Figure 9) shows that only six centres are below the national average (12%); on a floorspace basis, this increases to seven centres (10% national average).
3.5.22 Analysis of Northern Ireland centres in isolation shows an average vacancy rate of 14.5% vacancy by unit or 11.9% by floorspace. This differential reflects the fact that vacant floorspace includes a disproportionate number of smaller units; a trend that is reflected in the UK more widely.

3.5.23 It should be noted that Craigavon can be considered to represent something of an anomaly in these results, with a negligible vacancy rate. This reflects its status as a planned town centre and is an actively managed asset in a single ownership and as such is more akin to the out-of-centre retail parks outlined in Table 2. Excluding Craigavon from the analysis results in a marginally higher average vacancy rate of 15.1% by unit and 12.4% by floor area.

Figure 9: Vacancy rate by unit numbers
Figure 10: Vacancy rate by floor area

3.5.24 To provide additional comparators for vacancy rates, we have obtained vacancy data for Scotland, Wales and England (excluding Greater London). The table below provides a comparison of the average vacancy rates in Northern Ireland with other UK jurisdictions. Please note that the average Northern Ireland rates shown below include all Northern Ireland centres reviewed by Experian, and not just those centres we have reviewed in our own health checks, hence the averages are on different bases.

Table 3: Vacancy Rate Comparisons

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
</tr>
<tr>
<td>UK</td>
<td>10.56%</td>
</tr>
<tr>
<td>England (exc. Greater London)</td>
<td>11.05%</td>
</tr>
<tr>
<td>Wales</td>
<td>12.34%</td>
</tr>
<tr>
<td>Scotland</td>
<td>10.99%</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>14.5%</td>
</tr>
</tbody>
</table>
3.5.25 This analysis shows that the Northern Ireland vacancy rate is notably higher, both by floorspace and unit numbers, than the UK average. Similarly, it is higher than that the disaggregated figures for England (exc. Greater London), Wales and Scotland.

3.5.26 Figure 11 shows multiple retailer\(^2\) representation across Northern Ireland in 2013. The pink column denotes the UK average (proportion by unit number); the blue columns refer to Northern Ireland average by unit number proportions; and the orange columns refer to Northern Ireland average by floorspace proportions. Three averages are provided for Northern Ireland: one includes all the centres with 2013 Experian data, one excludes Belfast and the final figure excludes Craigavon.

3.5.27 It is notable in the first instance that average for Northern Ireland in all three scenarios is below the UK average. Furthermore it is notable that the exclusion of Belfast does not significantly alter the average for Northern Ireland. Finally, it is notable that by excluding Craigavon which comprised 81% and 96% by unit numbers and floorspace respectively of multiple retailers, the Northern Ireland average is reduced significantly, such that when compared to the UK national average, it is over 10% lower.

\(^{2}\) Experian definition of multiple outlets adopted: being part of a network of nine or more outlets.
Non-town centre retail locations

3.6 In addition to the town centres identified, a number of strategic out-of-centre locations were identified, as set out in Table 2.

3.7 Whilst the brief did not include a specific requirement to review this floorspace, a number of key trends are noticeable:

- Out-of-centre retailing is focused outside larger town centres or on strategic routes (particularly the M1) – e.g. Westwood Centre, Boucher Shopping Park and Park Centre South Belfast.
- Floorplate sizes are typically much larger than within traditional town centres. Only Craigavon Rushmere offers similar quality floorspace.
- In terms of function, the role of the parks is almost exclusively retail. Unlike the rest of the UK, leisure uses such as cinemas and bowling alleys are not commonly found in these locations.
- Whilst some retail parks are dominated by bulky goods retailers, this is not exclusively the case. Sprucefield, Showgrounds in Omagh, Lisnagelvin in Londonderry and Boucher Retail Park and Park Centre in Belfast include a wide range of core comparison, particularly clothing retailers.
- Sprucefield, although not similar to regional shopping centres in the rest of the UK such as Bluewater, Meadowhall, Lakeside or Braehead in its form of development, comprising an agglomeration of large unit retail parks, is acknowledged to be the only floorspace capable of exerting a regional attraction by virtue of its location and M&S as an anchor tenant.
- In the case of Newtownabbey, the Abbey Centre plays a dominant role over the traditional town centre, including service functions, and is augmented by an agglomeration of other bulky goods retail units.
- The Outlet at Banbridge is a dedicated factory outlet shopping centre comprising a large number of smaller units. Vacancy levels within the Banbridge Outlet Centre are high.
- In Belfast, Forestside, Connswater and the Kennedy Centre are modern covered shopping centres in out of town centre locations which are popular and have notable national multiple anchors and retailers. They do not however have the diversity of town centres. Similarly the Bloomfield Shopping Centre on the outskirts of Bangor is a modern covered centre with Marks and Spencer as an anchor store. The covered shopping centre is also supported by an adjoining retail park.
- The Junction One development outside Antrim comprises an outlet centre with a range of national multiple ‘outlet’ and ‘factory’ format stores together with an Asda superstore, retail warehousing and leisure including multiplex cinema.
- Out of centre retail parks and shopping centres have a high proportion of national multiple retailers.

3.8 In addition to these larger standalone retail facilities, the health check work contained at Appendix B highlights that many town centres are characterised by edge-of-centre and out-of-town centre foodstores and retail parks.

3.9 The amount and quality of out-of-centre retailing; and its convenience in terms of accessibility and free car parking are attractive to shoppers. This is evidenced by how busy these facilities are. In addition, there are very few vacancies at the out of centre facilities suggesting a good level of demand for these modern larger space units.
Development Pipeline

3.10 In reviewing out-of-centre floorspace, it is relevant to consider the amount of floorspace in the development pipeline.

3.11 Information provided by the DOE detailing retail-led Article 31 Direction applications is provided at Appendix C this information was compiled in June 2013. The information includes details of retail proposals (and mixed use proposals including retail) that have either been approved or have a direction to approve over the last 10 years. In total, since 2000, there have been 50 Article 31 applications approved, 20 are under consultation and not determined and 18 have been refused or deemed refused. In addition, 31 Article 31 applications are identified as withdrawn.

3.12 A number of themes are discernible:

- The DOE data does not differentiate between in and out-of-town centre applications, however our analysis does reveal the majority are non-town centre locations.
- Out-of-centre supermarket and superstore applications comprise the majority of committed development.
- There has often been considerable lapse in time between the Article 31 direction being applied and a decision being made.
- Within the applications considered, there is evidence of asset management of existing shopping centres and retail parks including extensions and redevelopment.
- Belfast and Londonderry represent the main focus of large out-of-centre proposals in Northern Ireland, although applications have been made throughout the Country.
- Although there are a number of mixed-use schemes that either include or are led by leisure, retail represents the key driver in the majority of schemes identified in the DOE NI information supplied.

3.13 Whilst many of the schemes have been developed out, it is clear there remains a pipeline of commitments. They will have implications for shopping patterns and therefore the health of the nearby centres which will have to compete with this development pipeline.

3.14 Given the number of committed applications and those yet to be decided, mostly for further out of centre development, we consider that further large scale and out of centre development should be carefully considered.

3.15 The out of centre development pipeline contrasted with the limited in centre permission and recent development within Northern Ireland’s town centres does point to a growing imbalance in distribution of retail floorspace which could lead to a dilution of retail functions in town centres if experience elsewhere in the UK were to be borne out.
Conclusions on town centre and retail provision

3.16 The foregoing consideration and analysis of the town centre health checks, historical composition data, out-of-centre retail provision and the development pipeline highlights a number of issues which we summarise in the table below:

Table 4: Town Centre Issues

<table>
<thead>
<tr>
<th>Strengths/Opportunities</th>
<th>Weaknesses/Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Diversity of existing town centres</td>
<td>• Vacancies and potential obsolesce of some floorspace</td>
</tr>
<tr>
<td>• Strong local independent retail offer</td>
<td>• Low and falling retail rents</td>
</tr>
<tr>
<td>• Good quality physical environment</td>
<td>• Amount and profile of out of centre retailing</td>
</tr>
<tr>
<td>• Town centre parking, particularly short stay 'on street' provision.</td>
<td>• Development pipeline</td>
</tr>
<tr>
<td>• Employment uses within town centres</td>
<td>• Limited private sector town centre development/investment</td>
</tr>
<tr>
<td>• Good accessibility and public transport hubs.</td>
<td>• Heavy traffic flows and congestion leads to conflict with shoppers</td>
</tr>
</tbody>
</table>

3.17 Whilst there are positives for Northern Ireland towns, there are weaknesses and threats which indicate that it would be appropriate to have a stronger policy stance on protecting and enhancing town centres, encouraging private sector investment and development and making town centres the focus for not just retail but other significant footfall generating uses.
4 RETAIL TRENDS

4.1 The retail sector is one of the most dynamic sectors of the UK economy and is constantly evolving and adapting in response to consumer and lifestyle trends and other market influences. These trends and influences have and will continue to alter the face of traditional high street retailing and commercial leisure development. Anticipating and being responsive to these trends and influences will be very important to understanding the way in which town centres, many of which have a long history, will be used and potentially developed/redeveloped in future years.

National Trends in Consumer Expenditure

4.2 Over the past 30 years there have been significant changes to the retail sector which have intrinsically changed the way the UK shops. A primary driver of this change has been the growth in both personal income and disposable consumer spending, coupled with population growth.

4.3 Strong retail spending growth has also contributed indirectly to changing the structure of retailing in the UK, particularly through car ownership and mobility generally. The number of car owning households has risen significantly and households are therefore much more mobile and the choice of where to shop is less sensitive to distances travelled relative to other factors influencing choice. In addition, the availability and convenience of parking as well as the cost to park has also influenced consumer choices and retailer and developer locational strategies.

4.4 It must however be acknowledged that the UK economy (and consequent consumer spending) is cyclical in nature and since 2007/2008, the effect of the credit crunch and the economic downturn has had a depressing effect. Whilst there are signs of an economic recovery, the extent of recovery and growth is patchy and the rate of recovery is slow. Furthermore, domestic demand is constrained by high unemployment and rising under employment; with the effect of deep Government spending cuts to balance budget deficits, a greater personal tax burden and rising inflation are all impacting upon real disposable incomes and so consumer spending on retail and leisure goods services are being squeezed.

4.5 As a consequence of the recession, retail spending year on year for the next three to five years is expected to be low and may in certain regions of the UK be negative for some of this period and it is unlikely that the trend based consumer/household spending growth of the past 30 years will be achieved in the medium term.

Home Shopping and Electronic Commerce

4.6 The home shopping sector includes a number of retailing channels including catalogue sales, direct retailing (which includes media adverts, mail/phone ordering and subscription services such as book and music clubs), TV shopping and internet shopping. The home shopping sector has
experienced change in recent years with the growth in internet shopping replacing traditional mail order catalogue shopping which is in decline; this has caused a shift by some current catalogue retailers into e-retailing and the running of concurrent and complementary catalogue and internet site offerings. In addition, there are also pure e-commerce operators such as Amazon which (as yet) has no physical retail space.

4.7 The growth in e-retailing has been dramatic over the last few years albeit from a low base and there is no sign that the e-retail era is going to slow its pace in eating into traditional retailing’s market share. An increasing number of ‘high street’ retailers are now operating transactional websites with recent launches by the likes of IKEA, Oasis, H&M, Superdrug, Waterstones and all of the Arcadia brands. Some retailers already selling on the internet have significantly improved their offering including Asda, Tesco, M&S, B&Q, Wickes and John Lewis Partnership. A consequence of this multi-channel retail model is that national multiple retailers with a physical ‘high street’ presence are seeking to rationalise their existing retail property portfolio to make savings on rent, business rates, wages and other property related costs.

4.8 Online retail sales have seen significant growth and the gain in market share has primarily been at the expense of high street town centre retail formats. Some of the key findings from Verdict’s research report E-retail in the UK 2012 are:

- £1 in every £10 spent in the UK was online in 2011, by 2016 that proportion will shift to £1 in every £7.
- While store retailing will still make up the majority of retail spend, the growth of online will have further ramifications for this channel in terms of the size of a retailer’s store portfolio and what stores are used for.
- The number of online shoppers in the UK increased by 1.4 million in 2011 to 30.7 million people (77% of all internet users).

4.9 Latest research by Datamonitor on e-retail suggests that one in three of the adult population is now a regular online shopper. The medium has become an accepted shopping channel and the advances in mobile technology mean that the purchases can be made ‘on-the-go’ rather than being reliant upon home computing. Online shopping is also considered to be strongly biased towards more affluent social classifications.

4.10 Traditional physical retail floorspace is becoming as much a ‘showroom’ to experience and test potential e-retail purchases, as it is a place to make purchases. The prevalence of mobile technology together with price checking websites and barcode scanning ‘apps’ no longer confines comparative shopping to browsing a number of town centre shops and price sensitive shoppers will if finding the same product cheaper online make an electronic rather than physical purchase.
4.11 The rise of the internet does however also provide retailers, particularly those with niche or specialist offer and independent traders with the opportunity to reach a much wider shopper audience than the catchment area of their physical store or town centres catchment. Trading platforms such as Ebay stores and Amazon Market Place provide opportunities for retailers to get their products online and available to a very large market.

4.12 A further potential gain for town centres is the desire of consumers not to be reliant upon home delivery of the goods they have purchased on-line. Retailers offering a collect in store service or drop off points such as Amazon collection lockers can ensure that town centres continue to achieve footfall and remain viable.

4.13 Furthermore, whilst internet based shopping can have advantages in terms of price, physical retailers offering specialist technical and product advice, a quality service, the opportunity for social interaction and someone to go to should a product go wrong, will remain valued by consumers.

National Trends in Retail Trading Format and Investment

Operators

4.14 The growing trend by national multiple retailers of increased centralisation of services, whereby larger stores serving an extensive catchment are replacing a number of smaller stores as experienced in the DIY and grocery sectors, particularly is likely to continue throughout all retail sectors. This is in response to the desire to achieve increasing economies of scale and also the increasing mobility of customers. New and innovative forms of retailing will continue to require new sites and not all retailers preferred formats are likely to be accommodated in town centres.

4.15 Whilst the ‘town centre first approach’ remains central to national (and local) retail planning policies across all UK jurisdictions, demand for out of town space remains strong. However, as planning for new out-of-centre development space is becoming increasingly restricted, opportunities for out of town retail warehousing has become limited and a general trend is towards smaller retail parks i.e. 50,000 sqft to 75,000 sqft in smaller towns. There has also been a trend toward more active asset management by retail park owners to release existing retail parks from bulky goods restrictions where lower value occupiers such as DIY, carpets and furniture retailers are being replaced by stronger covenant major retailers attracted from central locations to retail parks because of lower overall rents, larger, better configured stores and convenient/free customer car parking.

4.16 Coupled with a UK-wide trend towards increasing dominance of larger centres, and within Northern Ireland, Belfast as the only real regional centre, there has been an increased dominance by multiple retailers with requirements for large shop units (typically 500-2,000 sqm). Multiples have become concentrated within the larger centres which can provide the larger space units these retailers seek.
This in turn makes these locations more attractive to shoppers leading to a polarisation of the retail hierarchy. Increased mobility coupled with consumer spending growth has led to shoppers travelling greater distances to shop in larger centres with the strongest retail (multiple) offer.

4.17 This polarisation is likely to threaten the viability of major department store/comparison goods led retail development in smaller historic town centres. The alternative in many cases will be an appropriate scale foodstore anchored scheme with comparison goods shopping and retail service units to provide a development of sufficient critical mass and quality to retain expenditure, generate new customer inflow and attract key retailers.

4.18 The food and beverage sector is one of the few town centre components which does still continue to show growth, fuelled primarily by coffee shops (e.g. Starbucks, Costa, Café Nero, Harris+Hoole) and family dining operators (Zizzi, Pizza Express, ASK, Wagamama, Gourmet Burger Kitchen). Generally the food and beverage operators will also seek representation out-of-centre on retail and leisure parks.

4.19 This sector, particularly for coffee is not wholly dominated by national multiple chains as independent and very individual artisan coffee shops are beginning to appear. The growth in the number of outlets is primarily opportunity led and high in-centre vacancy rates mean that there is no shortage of product available subject of course to securing planning consents for change of use from A1 retail where required.

4.20 Food and beverage outlets do provide vitality and footfall to town centres but this needs be balanced carefully against loss of retail. However in a marketplace that is changing the contribution of these uses to the social and commercial aspects of town centres and their ability to attract and retain visitors for longer could be positively regarded.

4.21 The commercial leisure sector (cinemas, bingo, health and fitness) is not of itself particularly strong at present although like retailing, in response to market factors some new operators and formats are emerging.

4.22 Within the cinema market, information from the British Film institute for 2011 shows as well as the number of multiplex sites increasing, there was a net increase in the number of traditional cinema openings in the UK. A growing force in the marketplace is the role of a cinema to anchor a group of food and beverage units, creating a destination in its own right and/or as part of a retail scheme.
Development market

4.23 In the period up to 2007, the UK saw a surge in retail-led mixed-use development in our major centres. Most notably these schemes included Liverpool One, High Cross (Leicester), Bull Ring (Birmingham), Princeshay (Exeter) and of course Victoria Square Belfast.

4.24 The credit crisis and following recession of 2007/08 effectively slammed the brakes on town centre development and we have seen very few openings since 2007/08. Those that have been completed such as Westfield London and Parkway Newbury were long committed.

4.25 With some signs of economic recovery in place, we are once again seeing a reawakening of interest in town centre development in the UK. Schemes early ‘out of the blocks’ include Newport (Wales), Coventry and Guildford.

4.26 However, most commentators, including ourselves, do not believe we will see a return to the growth or the development model of the early 2000s for a number of reasons:

- Convincing anchor tenants and multiples to commit to a new scheme has become more difficult and more expensive, requiring significant incentives packages;
- Institutional funding for large schemes that take many years to deliver is very difficult to secure and potentially a thing of the past for one funder alone;
- Planning, planning obligations, land assembly, and CPO remain significant costs and potential delays to schemes going ahead;
- The competition has intensified/consolidated its market position, be that other centres, out of centre locations or of course the internet;

4.27 With a gap in town centre development, this is providing the opportunity for additional out of centre development which is generally less complex and cheaper to deliver, taking up “identified demand” that town centres cannot themselves deliver.

4.28 Where we are seeing some prospects of new town centre development, it is often underpinned by considerable public sector support and risk sharing or taking. We are also seeing smaller, simpler schemes and often with much larger leisure (cinema and food and beverage) elements than we previously saw.

Northern Ireland

4.29 How are we to interpret the current commercial state and prospects for town centres and retailing in Northern Ireland?

4.30 Whilst it is important to recognise that Northern Ireland is not immune to the UK and indeed wider trends that are sweeping through the retailing and leisure markets, there are of course important
local circumstances at play that need to be addressed. We see these commercial and property market aspects as including the following.

4.31 Northern Ireland is a comparatively small commercial market place (circa 1.8 million people). There is therefore a limit to how much floorspace Northern Ireland’s catchment and expenditure can support on its own. That said, Northern Ireland is part of a wider Irish catchment area and depending on exchange rates and the state of respective economies, can draw on the wider catchment beyond the border. Some centres e.g. Derry/Londonderry, Enniskillen, Banbridge, Newry have begun to exploit this.

4.32 However, in commercial terms Belfast is the only true regional shopping centre which has attracted major anchors, national multiples and a major town centre development in the form of Victoria Square.

4.33 Indeed it is the quality and critical mass (75,000 sq m) of Victoria Square which has largely been responsible for introducing higher end ‘aspirational’ retailers into Northern Ireland such as Ted Baker, Reiss, LK Bennett and Hollister, and greatly improved the fashion offering in Belfast city centre.

4.34 Whilst we see signs of some confidence returning, given the established and growing presence of out of centre and internet shopping, we are also seeing leading retailers rationalise their property portfolios, into larger stores in the larger centres for economies of scale and market penetration. This has implications for Northern Ireland’s centres, many of which are neither large enough nor have large enough shop units to attract national multiples.

4.35 Lisney, in their 2013 property review, note that ‘as leases come to an end some of the big High Street names are closing stores, most notably Arcadia who have closed or are in the process of closing a number of shops from their portfolio of fashion fascias, including most recently Dorothy Perkins, Burtons and Evans at Forestside Shopping Centre in Belfast.’

4.36 In relative terms we have seen less town centre development in Northern Ireland in the 2000s than the rest of UK. However, there has been significant out-of-centre development, and there is still a considerable amount of consented but as yet unimplemented out-of-centre space in the pipeline. In effect this is hanging over the market, so that when the beneficiaries of the permissions can secure tenants/viability, these schemes are more likely to be built out than any new town centre schemes.

4.37 With prevailing rental levels being low and yields high, it is evident that for most Northern Ireland centres these factors do not lend themselves to funding new development in what are more costly town centre locations.
4.38 For example even in Belfast where rents are highest, rents on Donegal Place (the traditional prime shopping street in Belfast) fell from a high of £300 psf Zone A in 2008 to around £150 psf Zone A in 2012, with prime yields moving out significantly.

4.39 Moreover, Lisney in their 2013 property review consider there are fewer retailers in Northern Ireland looking for space than in the UK as a whole.

4.40 Lisney comment that ‘2013 has seen a reasonable level of activity across the board so far. There hasn’t been a high number of fashion retailers opening stores with the exception of H&M with new stores in Bangor, Lisburn and Derry, Blue Inc in a number of locations throughout the Province including most recently Forestside and Officers Club opening their first NI stores in Newry and Derry. However, there has been some activity in the sports market with Sports Direct, Lifestyle Sports and Matalan’s new Sporting Pro brand all active within the local market. The discounters are still particularly active with the likes of Home Bargains, Poundworld and Poundstretcher all taking new stores across the Province. There has also been some activity within the restaurant and coffee shop market where we have seen Prezzo, Nandos, Frankie and Bennys and Caffe Nero taking new stores and with very definite requirements for more.’

4.41 The growing impact of e-retailing (forecast to be 14-15% of expenditure by 2016), and in particular the impact on Northern Ireland’s communities needs to be more widely understood. Whilst on the face of it one would expect younger age groups and more rural communities to have a high usage of e-retailing, in practice there are considerable distribution hurdles to be overcome. This in turn creates opportunities for town centres as hubs of the “click and collect” model which is fast developing.

4.42 A key issue across the UK and the subject of many reports (e.g. Portas, Grimsey, NIITRA etc.) is the level and equally importantly the differential impact of business rates on high street retailers.

4.43 Retailers are looking at their total occupational costs, and it is becoming clear that rates even more so than rents are the key to determining viability. Some retailers have reacted by looking at cheaper out of centre locations or more secondary pitches in the larger centres. Arthur Street, Ann Street and Arthur Square are examples of this in Belfast where Jack Wills and Le Creuset have located. In Northern Ireland there is a revaluation in 2015 which holds the prospect of change.

4.44 Notwithstanding the above, our workshop programme, strategic health check assessments and review of benchmarking measures has shown that most Northern Ireland town centres have retained reasonable levels of vitality and viability.

4.45 Looking at vacancy rates, whilst average vacancy rates are above the UK average, the Northern Ireland average as a whole has improved in the last year whether measured by unit or floor space.
4.46 Since the start of the recession, unsurprisingly most centres have seen an increase in vacancies. From our own inspections we consider much of the vacancy is within the secondary/tertiary areas rather than prime retailing frontages. In these centres public and private sectors agencies will need to work together (on some of the policy and related measures addressed later in this report) to work up short, medium and long terms plans to make their centres more attractive, viable with sustainable and most likely with more mixed use futures, i.e. not just focusing on traditional retailing.

4.47 Looking at the reasons why many Northern Ireland towns have remained reasonably vital and viable, at least compared to many in other parts of the UK which have fared worse (e.g. the new towns, seaside towns, and secondary towns close to regional centres), we consider the following factors have been at work:

- Many towns retain a good mix of uses, in particular services within the heart of the centre (e.g. doctors, banks, dentists, solicitor, hairdresser etc.);
- Whilst frequently a bone of contention, most towns have reasonable/good accessibility with on street and nearby surface car parking;
- A visit to the town centre appears to involve a number of linked trips (shopping, business, leisure, meeting, undertaking personal tasks etc.);
- There appears to be a high level of independent and long standing family businesses which are respected and trusted, e.g. for provenance of food or quality of service, ensuring a visit to the town centre remains a pleasant and personal experience, rather than just a functional shopping trip;
- There appears a degree of loyalty to the town centre as being at the heart of the community. Thus whilst out of centre shopping is important, additional trips to the town centre are also important for specialist shops and services;
- Some towns are beginning to find niche markets or their own “brand” identities – cultural, visitation, seaside, gateway to countryside, specialist food etc.

4.48 We believe these local circumstances and cultural characteristics need to be nurtured and developed. It is clear that town centres throughout the UK (and indeed beyond) can only prosper if they offer an experience over and above an average functional shopping trip, which might otherwise be carried out on line or at the out of town retail park.

4.49 In this context, it will be vital to ensure younger as well as older generations also ‘buy into’ a town’s vision/strategy/plan. In this regard the new generation of ‘development plans’ to be prepared by the new local authorities will be a vital community and business tool, as well as a planning document.
5 STAKEHOLDER ENGAGEMENT

5.1 As part of this research study and to inform the study recommendations, a series of workshops with key town centre stakeholders were undertaken across the North to discuss the issues facing town centres and ideas on future policy direction. The following seven workshops were held between 7 to 16 May 2013:

- Tuesday 7 May: Verbal Arts Centre, Derry
- Wednesday 8 May: Coleraine Leisure Centre, Coleraine
- Thursday 9 May (AM): Braid Town Hall, Ballymena
- Thursday 9 May (PM): Gortalowry House, Cookstown
- Tuesday 14 May: The Clinton Centre, Enniskillen
- Wednesday 15 May: The Old Town Hall, Bambridge
- Thursday 16 May: Black Box, Belfast

5.2 The purpose of the workshop sessions were to obtain key stakeholders’ views on the current and future role of town centres and the geographic coverage of the sessions was such that they allowed stakeholders across Northern Ireland to engage in this research. The range of locations also allowed for a geographic spread of views on the health of Northern Ireland town centres to be captured together with views on existing planning policy and its future direction.

5.3 A list of potential key stakeholder invitees was drawn up by MCE Public Relations with input from GL Hearn and RPD Consulting. This list was considered by and agreed with the client. Invitations were issued in most instances by email and post. The invitations comprised a covering letter from the DOE, an explanatory note outlining the arrangements for and content of the stakeholder event and an RSVP invitation. Invitations were followed up with phone calls and emails to confirm receipt and establish attendance. However, some invitations were made directly by phone calls and followed up with an email containing event details.

5.4 The invitees were drawn from key town centre stakeholders including retailers, town centre managers, community representatives, local chambers of commerce, local council officials, trader associations, elected members, representatives from other central Government departments and other interested parties. Invitees were specifically identified having regard to their knowledge and understanding of existing town centre and retail policy operation, in order to ensure a focused group was assembled for each event. A copy of the invitation package and a list of the invitees is provided at Appendix D.

5.5 Attendance at the events was varied, with the smallest event being Cookstown (nine attendees) and the largest event being in Belfast (20 attendees). Whilst these may seem like low attendance levels, it should be recognised that invitations were targeted at key stakeholders with town centre
and policy experience. Those invitees that were not able to attend the events were provided with the contact details of the project team and offered the opportunity to provide written feedback. Similarly, attendees were provided the opportunity to provide post event feedback. Post event and non-attendee feedback was received and this has been fed into the analysis and summary provided below.

5.6 The stakeholder sessions comprised a brief presentation from the project team which explained the background to the study and gave coverage to other relevant matters such as planning reform, existing planning policy, planning policy in other jurisdictions, the health of town centres in the North and economic trends. A copy of the workshop presentation is provided at Appendix D.

5.7 Following the introductory presentation, the workshop attendees were split into small workshop groups, chaired by a member of the project team and with a group discussion taking place, focusing on the following key questions / subject headings:

- What do we know about the ‘health’ of our town centres?
- What is the strategy/plan for our town centres?
- How should the planning system address town centres and retail?

5.8 During the group sessions, the attendees were given encouragement to feedback their views on the issues facing town centres in Northern Ireland and what in their view the future policy direction should be. Across all the events, the attendees were keen to discuss the issues affecting town centres that they represented and the project team secured very good feedback to inform the research.

5.9 A comprehensive record of the stakeholders’ views was recorded at each event by the consultant team and in addition attendees were provided with the project team’s contact details, affording them the opportunity to submit further written feedback after the events. The following sections provide a summary of the key themes and messages expressed by stakeholders at the workshop sessions and in subsequent feedback.

The Future of Northern Ireland Town Centres

5.10 Discussion on the future of Northern Ireland town centres was extensive and the feedback from the workshop groups raised some helpful additional matters which would not have been picked up by the health checks alone. The key and recurring themes from the workshops regarding town centres’ futures are summarised in the list below:

- The need for a ‘level playing field’ for business rates for town centre, out-of-centre and online retailers.
- Business rates are a disproportionate cost.
- Town centres have not been politically important to date.
• The need to avoid the ‘ghost town’ and ‘clone town’ problems experienced in the rest of UK.
• A need to tackle the loss of residential above the shops.
• Town centres need to establish their own unique selling points.
• Challenges with adjacent towns having complementary rather than competing roles.
• The independent sector is strong but there are questions over how long it can be sustained.
• Independent businesses have strong family/generational influence but there is potential for this to fall away over time.
• The apparent strength of the independent sector in Northern Ireland is potentially misleading with many family businesses struggling.
• The role of the internet has not yet been fully felt.
• People still see town centres as a community resource compared with other parts of the UK.
• There has been significant public realm investment but congestion/lack of convenient car parking remains an issue in town centres.

5.11 Generally, the workshop groups expressed views which indicated that town centres were important and their health should not be taken for granted given the potential threats from out-of-centre development, changing consumer preferences and property taxation measures. It was widely acknowledged that, compared to other UK jurisdictions, independent retailing, in particular the food sector was important to the vitality and viability of town centres. This was attributed to family and generational connections with their County and associated loyalties to certain retailers and their ‘home’ town centres. However, the overriding view was that it should not be assumed that this trend would necessarily continue.

5.12 Retailers that attended the workshops highlighted that they did not feel that town centres had been politically important and that decisions on out-of-town developments exemplified this. In addition, the apparent strength of Northern Ireland’s independent sector was considered misleading as many independents were thought to be struggling in the face of competition, rising property and operational cost and as a consequence of prolonged recession.

5.13 Workshop participants discussed car parking issues such as perceptions of a lack of provision, convenience of parking locations relative to shopping streets and the pricing of town centre car parking. This was clearly felt to be a contentious issue, as it is across all UK town centres. However, our health check analysis work has highlighted that parking convenience and provision generally in Northern Ireland’s town centres is relatively good, particularly short stay on-street parking. We do not consider that there is a pressing requirement to address car parking issues at a national retail and town centre policy level.

Governance

5.14 Workshop discussion around the transfer of planning powers and local governance was more focused on the content of the presentation made at the outset of each stakeholder event and the
majority of the stakeholder feedback took the form of questioning rather than clearly expressed views.

5.15 Comments made and questions raised are summarised below:

- There is currently a period of great change with central control shifting to RPA by 2015
- Devolution to 26 authorities to 11 super authorities
- There are questions regarding how local authorities will resource/discharge/skill their new plan making/control responsibilities
- How will it be ensured that new policy is consistently applied by all of the new authorities, will there be co-operation between these authorities?
- How is the ‘silo’ effect of key departments being addressed?
- How will the silo affect impact on local authorities plan making/control roles?
- What will be the transitional powers to local authorities?
- Opportunities/timing for pilot projects/road testing new structures/policy/applications before consulting on new SPPS?
- Will all significant out-of-centre applications still be Article 31?
- Is there political commitment to consult and adopt new policy in face of legal challenge?

5.16 The matters raised in discussions highlight the significance of change that is taking place and the responsibilities and issues local authorities will face with the introduction of the two-tier planning system. There was however a degree of uncertainty as to what the changes would actually mean at the local level; this is evident in the questions raised by the workshop groups.

5.17 The feedback on this issue is wider than the scope of the brief for this project. It is however considered that it is relevant to highlight the potential resourcing and skills issues raised, particularly with regard to the technical and specialist retail planning matter and the transitional arrangements in advance of the adoption of the SPPS.

Plans and Plan Making

5.18 The workshop session raised some interesting issues relating to development plan documents and the plan-making process. These are summarised below:

- There is already a wide range of plans plus new development and community plans to come.
- The importance of development plans having a statutory underpinning.
- Existing plan coverage is good (75% coverage) but most are out of date.
- Is role/importance of development plans fully appreciated and understood?
- Is there commitment to a plan led system and a town centres first system?
- Are there opportunities to ‘fast track’ development plans through the reuse of parts of DSD masterplan as well as more up to date development plans.
- Most development plans are not based on robust evidence base.
- Usefulness/applicability of retail ‘caps’ as per Republic of Ireland
- Has DSD done a Northern Ireland needs assessment recently?
• How are town centres to be defined in development plans (primary core / built up area / retail frontages).
• Should new development plans define a town centre hierarchy?
• How would existing centres be positioned in a hierarchy.

5.19 Of the issues raised, it is noteworthy that there is already considered to be widespread plan coverage; that said, it is considered that those plans have not been prepared on a consistent basis; questions were raised over the robustness of the underpinning evidence base and many of the documents are now out of date in any event. However, it was highlighted that new plans could potentially re-use parts of the DSD masterplan documents and the forthcoming Community Plans. This is considered to be an approach that merits further consideration.

5.20 The issue of hierarchy of town centres and the classification/key characteristics of town centres was raised in the workshops. Related to this point was the question of how the extent of town centres should be physically drawn.

5.21 The preparation of evidence base documents was raised and it was questioned whether a needs assessment (for retail/town centre space) had been undertaken recently for Northern Ireland by the DSD. It is understood that this exercise has not been carried out but it is a valid consideration if local planning documents are to be required to make provision for future needs.

5.22 Overall the workshops confirmed that stakeholders considered that there would be benefits to a plan-led approach and that the adoption of a more stringent town-centre first system would be beneficial to Northern Irish towns; however, some also questioned the practical application of this approach where economic development and employment creation were key objectives.

Development Management Policy

5.23 Issues raised by and discussed within the workshop groups relating to how development can be managed by planning policy followed the broad consensus that town centres should be a focus for retail and other town centre development.

5.24 However, it was accepted that there are tensions with this approach and wider economic development benefits; a balance is required between non-town centre and town centre developments. The issues captured in the workshop session are summarised below:

• How can policy be both flexible and certain?
• Recognise that the time it can take town centre schemes/investment to come forward will inevitably be longer than for out of centre development and be mindful of short term gain over longer term benefit.
• Planning policy should not be such that Northern Ireland diversity/independents are threatened.
• Should there be one set of generic/criteria town centre policies across Northern Ireland or different policies for different types of town?
• Should applicants be required to demonstrate ‘need’ and ‘cumulative need’?
• Is the ‘sequential’ test useful and to what uses should it apply? All footfall generating uses?
• Quantitative and qualitative impact testing
• A retail frontage polices?
• Issue of permitted development rights.
• Economic impact assessments – proof of net additional jobs

5.25 One of the key development management challenges for policy formulation is to have a policy which protects town centres but has sufficient flexibility in certain circumstances to allow other development to take place. Those ‘certain’ circumstances must be clearly set out and subject to tests to establish that harm to overall policy strategy or the key asset (town centres) is not undermined.

5.26 However, related to the need for some flexibility, was the strong desire to protect and wherever possible enhance diversity within town centres, including a policy to protect the independent retail sector.

5.27 Discussion around possible retail and town centre development control tests highlighted, on the one hand, the feeling that a national approach would be helpful but, on the other, that there should be scope to allow local issues to be taken into account by local decision takers. Examples of these local matters included local need assessment, maintaining retail frontages, retail and town centre boundary definition, permitted development options to allow flexibility between appropriate town centre uses and classification of the role and function of centres.

5.28 The workshops also touched on the retail tests of need, sequential approach and impact testing. Wider economic impact assessment and job creation calculations were also highlighted. These were considered valuable in understanding and evaluating proposals but there was concern that these tests were very likely to be technical and would require clear guidance if they were to be correctly interpreted and consistently applied.

Policy Guidance

5.29 Related to the development management and plan-making aspects of the workshop discussion, stakeholders raised issues around the explanation and practical application of the new planning policy and the importance of a glossary or definitions to explain jargon and technical concepts. The issues raised are summarised below:

• What guidance is necessary below statute and policy?
• Guidance from Government departments on planning policy to be taken into account in new development plans.
• Technical guidance on how to prepare development plans, frame and implement various tests (need/impact/sequential) and definitions (boundaries, goods based).
• Defining the component parts of the sequential approach to site selection (available, suitable, viable?).

5.30 It was considered by the workshop groups that if the new policy was to be a streamlining of the existing national policy documents and, like other UK jurisdictions, this would involve the condensing of a number of long documents into a few pages. This streamlining was thought to present the need for some practical detail to supplement and support the formulation of local policy under the national policy framework.

5.31 The guidance should cover technical ‘how to do’ aspects and also provide information for plan making which details the anticipated content of new local plans. It was felt important that if ‘technical’ retail planning tests are to be incorporated into the SPPS, then guidance will be important to assist with interpretation and ‘how to’ guidance for plan makers, decision takers and applicants.

**Current – Transitional arrangements**

5.32 A feature of all the workshops was discussion over the transitional period that would occur when the SPPS is published but where there are no local planning policy documents in place. The relationship between the SPPS and the RDS was also questioned and discussed. The issues raised are summarised below:

- RDS (2035) - development plans, planning policy statements and development schemes are required to be ‘in general conformity with’ the RDS.
- Post 2015 (Planning Act 2011) development plans to ‘take account’ of RDS
- New development plans to have Plan Strategy and the Local Policies Plan.
- Plans to be independently examined by DOE
- ‘RDS is material to the processing of planning applications and it may take precedence over existing development plans and policies particularly where the new guidance is materially different and of significance to a development proposal’
- PPS5 (1996) – current guidance – for another 12 months?
- New SPPS – with town centres and retail policy
- SPPS to ‘take account’ of RDS, but in absence of up-to-date development plans, it will be the most material consideration in identifying what development plans should contain and determining planning applications (along with other material consideration as far as they are relevant)

5.33 Much of the discussion on transitional arrangements was beyond the scope of this instruction. Consideration has been given to the options available in the transitional period for retailing and town centres to ensure a consistent approach is applied.
Conclusions on Stakeholder Engagement

- Targeted invitation to ensure workshop participants were well versed in town centre and policy matters.
- Feedback from the events has been crucial in identifying key issues and challenges for retailing and town centres in Northern Ireland.
- Confirms that town centres are important and policy to protect and enhance their role and function is appropriate.
- The recession and out-of-centre retailing was cause for concern for the health of town centres, particularly the effect on the local independent trader sector.
- New national policy and the changes coming forward from the Review of Public Administration regarded as positive but uncertainty about what this meant and how it might work at a local policy making and decision taking level.
- Consistency will be vital in preparing and applying policy at a local level and the newly formed authorities should co-operate.
- Reflect that town centre development will take longer to be realised than out of centre development and be cautious over short term gain impacting on longer term benefit.
- Plan making discussions highlighted a number of issues and questions. Overall, the workshops confirmed that there would benefits to a plan led approach but acknowledged the production of new plans could be onerous. One option could be to build upon exiting Masterplan documents and the evidence base work which supports them.
- The workshop sessions confirmed that policies to protect and enhance the future role of town centres are appropriate but these must be flexible to the extent that an embargo on any non-town centre development could prevent needed economic development and regeneration.
- The flexibility sought could be achieved through local planning strategy and the framing of tests to examine the acceptability of non-central proposals.
- A need for guidance was identified, particularly to ensure consistent application of policy and to explain the operation of any policy tests that may be imposed.
- Transitional arrangements to deal with circumstance where SPPS is in place but no up to date Local Plan document has been published to set local policy.
6 TOWN CENTRE AND RETAIL PLANNING POLICY OPTIONS

6.1 Before setting out the various policy options we feel could be appropriate for the future policy, it is useful at this point to briefly recap the existing context of and matters influencing the future direction of planning policy in Northern Ireland. These matters can be summarised into a number of categories:

- State of the market
- Reality of the market
- Governance issues and RPA
- Existing skills
- Timescales for delivering planning reform

6.2 Nationally and particularly in Northern Ireland, the appetite of the retail developer market to bring forward in-centre retail development of any significance is very subdued and funding for this type of development is even more restrained.

6.3 The town centre health checks identified limited if any recent in-centre development of any significance which had expanded retail floorspace or overall town centre attraction. The health check analysis work also highlights the out-of-centre development that has taken place and we have referenced by way of planning permissions /Article 31 applications the strong retail development pipeline of out of centre retail permissions yet to be implemented.

6.4 Whilst the funding and development market may return the potential for this development and investment to be directed into town centres given the overhang of out of centre permissions is in our view limited in the short/medium term. Without a strong policy position encouraging town centre developments and a policy which is prescriptive of out of centre development there is little hope it will ever happen.

6.5 Central area sites are acknowledged to be more difficult to develop given likely multiple ownerships and physical and environmental issues which have cost and timescale implications. In contrast, out-of-centre sites are cheaper and easier to bring forward in relative terms. However, whilst relatively easier out of centre development does provide short term economic gain, it can be at the expense of more central development which could have provided generational benefits.

6.6 As highlighted in Section 5, with the exception of Belfast, Derry, Newry, Ballymena, the town centres reviewed are relatively small and are unlikely to provide the catchment and critical mass potential that developers would seek for comprehensive redevelopment schemes. This means that the developments that could come forward are smaller-scale infill opportunities yielding a small number of units, but those could be larger sized units more suited to current retailer specifications.
Such opportunities should be encourage as even these smaller schemes can be a catalyst for further positive changes and strengthening the role of the town centre overall.

6.7 Across other UK jurisdictions, towns of similar size to Northern Ireland's main centres would typically have more national multiple traders. However, these national chains have tended to be the biggest casualties in terms of number of outlets closing during the recession with store portfolio closures (examples Woolworths/Clintons Cards/fashion brands) leading to rising vacancy rates. This has not been as marked in Northern Ireland. The diversity of uses with town centres and the local independent sector is therefore a notable strength of Northern Irish town centres. However, the ability of local independents to survive on reduced margins indefinitely calls into question the longevity of town centres health and the development of the out of centre retail pipeline will lead to negative impacts.

6.8 The shifting governance and merging of local authorities will we consider inevitably lead to conflicts over the definition of a districts town centre hierarchy and decisions regarding the appropriate locations for footfall generating civic and essential services which can support town centres. This was a theme that emerged from the stakeholder sessions (for example no hospitals in County Omagh following the opening of the new hospital in Enniskillen). This will require very careful consideration; guidance should be provided in assisting or recommending an approach to defining a hierarchy of centres and setting out the roles that categories of centres in that hierarchy should perform.

6.9 Similarly a number of feedback points from the stakeholder sessions identified the disjointed working of Northern Irish government departments, including lack of inter-departmental communication and synergy which was regarded at a local level as frustrating, inefficient and sometimes contradictory. As an illustration of the overlap, it is considered that much of the work prepared in the Masterplan documents (DSD) for each town centre, prepared primarily for bidding and funding purposes could be revised into a starting point for the preparation of Local Planning Documents or Development Plans. This would mean that rather than coming from a ‘standing start’ in 2015/2016 when the divested powers come into force, there is an existing document to build upon. It is recommended therefore that consideration is given to the potential for converting existing Masterplan documents to development plans; this would require co-operation across departments and with local government.

6.10 Planning skills are currently embedded within the DOE and necessarily there will be a requirement for training, particularly in the plan-making and development control spheres, at local authority level where previously skills have been based around funding bids. This will present physical and financial resource issues and will also require a lead-in time which presents timescale issues given the impending devolution of plan-making and decision making powers to local authorities.
6.11 In setting out the policy options, this section draws on the key themes identified in the review of existing policy, retail trends, and the stakeholder engagement process.

6.12 The policy areas are split into the principle underpinning town centre and retail policies, then specifically looking at plan-making policies (Tables 5 to 15 – Policy Areas 1 to 10) and decision-making (development control) policies (Tables 16 to 26 – Policy Areas 11 to 20). In addition, options are provided for the transition period during which the new local planning authorities will be developing their own local planning policies.

Principles underpinning national policy making

6.13 The following series of table’s sets out what we consider are the Northern Ireland policy options under each major topic area identified in the preceding analysis. In each table, the shaded text box is our recommended approach. The following, final section draws on these individual recommendations to provide our overall recommendations.

Principle of development

6.13.1 As set out in Section 2, the existing policy structure does not strongly enforce a town-centre first approach to retail and other town centre uses. This is unlike the policy approach in any of the other jurisdictions reviewed.

6.13.2 The town centre health checks confirm that the vacancy rate in Northern Ireland is higher than elsewhere in the UK. Additionally, feedback from the stakeholder sessions raised the following points:

- there was a view that town centres had not historically been viewed as a politically significant issue;
- it was considered that the independent retail sector was not as strong as first perceived from the health check work; and
- the support afforded to town centres by traditional loyalties to specific towns and retailers could not be guaranteed in the future. This is particularly relevant when considered in the context of the retail trends outlined in Section 3.

6.13.3 It is noted that some stakeholders expressed concern that the imposition of policy at a national level might reduce the ability to take local factors into account; as such, there could be benefit in allowing local authorities to determine their stance to town centre matters at a local level.

6.13.4 The table below considers the advantages and disadvantages of both approaches:
Table 5: Town-centre first policy options

<table>
<thead>
<tr>
<th>Options</th>
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<tbody>
<tr>
<td>a. the system is plan-led and this includes the requirement of ‘town-centre first’ for retail and other main town centre uses.</td>
</tr>
<tr>
<td><strong>Pros</strong></td>
</tr>
<tr>
<td>• Ensures most sustainable approach to development by focusing development town centres as the most accessible location</td>
</tr>
<tr>
<td>• All NI Councils have consistent approach and NI on some basis as rest of UK.</td>
</tr>
<tr>
<td><strong>Cons</strong></td>
</tr>
<tr>
<td>• Reduces power of local authorities to make their own policy decisions</td>
</tr>
<tr>
<td>b. the system is plan-led. Local authorities can determine themselves whether they wish to pursue a ‘town-centre first’ approach to retail and other traditionally main town centre uses.</td>
</tr>
<tr>
<td><strong>Pros</strong></td>
</tr>
<tr>
<td>• Allows local authorities to develop their own strategy, having regard to feedback gained in consultation stages</td>
</tr>
<tr>
<td><strong>Cons</strong></td>
</tr>
<tr>
<td>• Inconsistent approach across Northern Ireland may render some areas less attractive to investors.</td>
</tr>
<tr>
<td>• Risks unsustainable pattern of development and real damage to town centres to the detriment of communities</td>
</tr>
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</table>

6.13.5 Taking all these factors into account, it is considered that there is strong justification for adopting a ‘town-centre first’ approach to development. Although it is likely given the threats faced by town centres across Northern Ireland that if the decision on approach was devolved to local authorities, a similar town centre-first approach would be adopted, there would remain a risk of differences across local authority boundaries which might result in development and investment coming forward that could be contrary to the RDS.

Town Centre Evidence Base

6.13.6 There are a number of distinct policy areas which we consider fall within this category including the identification of need or capacity for retail and other town centre floorspace, town centre health checks, the definition of town centre boundaries and shopping frontages and the time period for review of the evidence base.

Table 6: Policy Area 1: Identification of need

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<tbody>
<tr>
<td>a. identify quantitative need at a national level, relative each local planning authority.</td>
</tr>
<tr>
<td><strong>Pros</strong></td>
</tr>
<tr>
<td>• Uniform evidence base across all Northern Ireland to ensure consistency.</td>
</tr>
<tr>
<td>• Cost efficiencies with commissioning a single study.</td>
</tr>
<tr>
<td><strong>Cons</strong></td>
</tr>
<tr>
<td>• Level of detail may not be sufficient to support local-level detail of plan making.</td>
</tr>
<tr>
<td>• Central cost.</td>
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</table>
6.13.7 As set out in Table 2, need or capacity forms the backbone for the evidence base in all other jurisdictions considered. Ireland is unique in the other jurisdictions reviewed in having need or capacity established at a national level; however, as a result, the approach adopted towards the identification of capacity is primarily strategic in nature. The UK jurisdictions devolve this responsibility to the local authority level; as a consequence, the coverage, quality and consistency in terms of age of retail capacity studies varies from local authority to local authority. Having an understanding of what an area requires in terms of retail and other town centre uses in the future is a fundamental element of planning and therefore essential to the plan making process. The policy should recognise that need can be quantitative and qualitative and should be determined having regard to both.

6.13.8 PPS5 includes guidance on indicators that should be assessed as part of a health check; however, there is no formal obligation on the DOE to carry out health checks and certainly no guidance on the frequency with which such health checks should be carried out or updated. The requirement to undertake town centre health checks is embodied in planning policy in Ireland, draft policy in Scotland and in planning guidance in England. However, given the emphasis on town centres having an understanding of vitality and viability is critical to planning policy formulation in all the jurisdictions considered, there is an implicit requirement to carry out regular assessments in order to understand the existing health of town centres and thus be in an informed position to draft robust policies in respect of maintaining and imposing vitality and viability and for other areas of retail planning.

6.13.9 In addition, as outlined in Section 4, the shifting focus of town centres as not just a place for retailing and the increased role of the internet in attracting expenditure away from physical floorspace underlines the importance of regularly reviewing town centres. The options considered in Table 7 below relate primarily to the extent to which the form and frequency of health checking should be controlled at a national level. Given the largely non-technical nature and therefore limited administrative burdens of health checking, Option a. is identified as the preferred option. Whilst it is noted that this reduces the degree of local autonomy in terms of adopting local criteria for assessment, having regard to the nature of indicators identified in other jurisdictions and their broad similarities, it is considered that a nationally-determined list of indicators could also incorporate a ‘local issues’ criterion which would overcome any perceived criticisms.
### Table 7: Policy Area 2: town centre health checks

<table>
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<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
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| a. town centre health checks should be used to determine qualitative need. They should be undertaken in line with nationally-defined criteria and should be updated on a regular basis (at least every five years) in accordance with nationally-set requirements. | • Robust and up-to-date evidential basis on which to plan.  
• Provides qualitative need review.  
• Uniform criteria allow comparison of centres across administrative boundaries. | • Centrally defined criteria may miss local factors that influence town centre health.  
• Regular requirement to update places additional burden on local authorities. |
| b. town centre health checks should be used to determine qualitative need but the criteria for health checking can be defined at a local level. | • Allows local authorities to take account of locally-specific circumstances e.g. strong market or significance of tourism. | • Limits ability to compare performance of centres across administrative boundaries.  
• Health checks could lack necessary level of detail to enable the identification of deficiencies (tick box exercise). |
| c. there is no obligation on local authorities to carry out town centre health checks and qualitative need is not a consideration in the identification need. | • Reduces burden on local authorities. | • Lack of proper evidence base on which to assess need, risks reliance on only quantitative considerations. |

6.13.10 Linked to this point of regular review (Table 8) specifically considers whether national policy should require local planning authorities to update their evidence base within a set time period to ensure it forms a robust basis for plan making and decision taking. The points identified in Section 4 and referred to above are equally applicable to other elements of the evidence base and it is noted that there are burdens associated with any requirement to update; due to the potentially more technical nature of elements of the evidence base, this was an issue highlighted by stakeholders.

6.13.11 That said, it should be made clear that the extent of any evidence base update will in part be determined by the level of development that has taken place in any local authority area. In many cases it may be sufficient to provide only a qualitative update. This can only be determined at the local level and it is important that any national policy provides this level of flexibility; thus enabling local authorities to undertake the level of work that is necessary. On this basis, as set out below in Table 8, Option a. is recommended.
Table 8: Policy Area 3: evidence base review

<table>
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<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
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</table>
| a. local authorities should be required to update quantitative need/capacity every five years as a minimum. This could be based on the initial need being identified through Policy Area 1. | • Robust and up-to-date evidential base  
• Reduces risks associated with the reliability of long-term expenditure growth forecasts. | • Perceived costs and time could mean that authorities only update on a five-yearly basis and do not update as required by the impact of new development on town centres. |
| b. the evidence base review period can be determined locally.          | • Potentially reduces administrative burden for local authorities, particularly in areas with more limited retail activity which are likely to require less frequent reviews. | • Potential for evidence base to become out-of-date, leaving authorities at risk of ad-hoc policy and decision making and accepting proposals in less sustainable locations. |

6.13.12 With reference to the outcomes of the health checks in Section 3 and the retail trend analysis in Section 4, it is evident that non-retail uses are and will continue to be a very important element of town centres, making significant contributions to their overall vitality and viability. Within existing national policy in Northern Ireland, there is no formal requirement to quantify future requirements for non-retail uses; a point that this not unique to Northern Ireland but is also true in most of the other jurisdictions reviewed. The English Practice Guidance acknowledges the less well-established methodology for quantifying need for other town centre uses, particularly leisure uses; furthermore, it should be recognised that because spending on these services is inherently more elastic, the market plays a significant role in determining supply. However, it is also true that these uses are significant trip generators and should where possible be focused in town centres.

6.13.13 Accordingly, under Policy Area 4, it is considered that local authorities should be required to plan for enhancements in other town centre uses but this should not necessarily need to be underpinned by a quantitative evidence base. This takes into account the methodological difficulties associated with such work and also the point identified at the stakeholder workshops that most local authorities will not have the necessary in-house expertise to carry out such work. As set out in Table 9, Option b. is therefore identified as the preferred policy approach.
Table 9: Policy Area 4: planning for other town centre uses

<table>
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<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
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</thead>
<tbody>
<tr>
<td>a. the quantification of need is only required for retail floorspace and does not apply to other traditional town centre uses.</td>
<td>• Methodology for assessing leisure or other town centre needs not well established and less robust.</td>
<td>• Lack of plan-led approach to other town centre uses may result in unsustainable pattern of development or reliance on development control policies to focus development in the town centre.</td>
</tr>
<tr>
<td>b. local authorities can choose to prepare plans and allocate need for other town centre uses that are considered significant.</td>
<td>• Ensures that plans for town centres have necessary diversity appropriate to their function and the catchment they serve.</td>
<td>• Market demand very significant factor in governing other town centre uses. Could result in allocated sites not being deemed deliverable.</td>
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6.13.14 The definition of how town centre boundaries and retail frontages should be designated is only a feature of the English planning policy framework. However, it is closely related to the effective application of the sequential approach to site selection. To ensure consistency of decision making, there is considered to be merit in clearly defining what constitutes the town centre, including a distinction to identify the retail or shopping core at a central level. Recognising the value and importance of local knowledge in applying these definitions to the various centres and in response to issues raised in the stakeholder sessions, this approach is considered to be preferred. The different approaches are considered below in Table 10 under Policy Area 5.

Table 10: Evidence base policy options

<table>
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<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
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</thead>
<tbody>
<tr>
<td>a. national policy sets the principles for the definition of town centre boundaries and primary shopping areas/core retail areas. Local authorities are required to apply these definitions to each designated centre.</td>
<td>• Reduces scope for debate around how boundaries are defined at the application or appeal stage. • Allows local authorities to apply definitions to establish boundaries in advance of local policy being in place and reduces scope for applicants to argue for less sustainable definitions to be used.</td>
<td>• Risks not taking into account local factors and the imposition of inappropriate boundaries to the detriment of specific town centres.</td>
</tr>
<tr>
<td>Options</td>
<td>Pros</td>
<td>Cons</td>
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<tr>
<td>b. there is a requirement set down at a national level for local authorities to adopt their own definitions of town centres and core retailing area and designate accordingly.</td>
<td>• Allows for local level knowledge to inform appropriately defined boundaries.</td>
<td>• Risk in transition stages where local authorities do not have a plan or definition in place - difficulty in determining applications with a vacuum in policy.</td>
</tr>
<tr>
<td>c. there is no formal requirement set out at a national level for local authorities to define the extent of their town centres.</td>
<td>• Reduces burden on local authorities as part of their plan-making requirements. • Allows authorities to adopt a more flexible approach to town centre uses.</td>
<td>• Risks difficulties arising at the development control stage. Limits ability of local authorities to effectively implement a sequential approach to site selection. • Relies on up-to-date allocation of sites to resist applications that do not accord with local authority strategy.</td>
</tr>
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Allocation of need identified

6.13.15 Given PPS5 does not formally require need to be identified, there is no obligation to allocate it within development plan documents. Indeed, during the stakeholder sessions, it was explicitly identified that most development plans are not based on a robust evidence base; accordingly, it is unsurprising that the role of allocating sites was not discussed in significant detail. Having regard to the number of out-of-centre Article 31 applications that have come forward in the last 10 years, it is apparent that there is pressure from developers and applicants to bring forward retail development; however, as noted in the health check information provided at Section 5 and in Appendix B, only limited investment in the form of retail development has gone into town centres. The allocation of sites, in conjunction with the sequential approach to site selection (explored in Policy Areas 16 to 19 below), will therefore play an important role in strengthening town centres.

6.13.16 It is noted that there is no consistent approach in the other jurisdictions in terms of the relationship between the evidence base and the allocation of sites. Table 11 below considers a number of different approaches, namely in terms of the period over which sites should be allocated, to identifying sites in policy. It is noted that in England local authorities are required to allocate the entirety of the identified need across the plan period; however, there are concerns regarding the reliability of longer-term forecasts, the consequent risk of allocating too many sites and the potential dilution of existing town centre vitality and viability if all allocations came forward.
6.13.17 It is recommended that Option b. is pursued. Whilst it is noted that this potentially increases the cost burden on local authorities, it is considered that this option balances the requirement to adopt a plan-led approach to development whilst reducing the risks associated with longer term forecasting, particularly having regard to the potentially greater or lesser impact of the key trends identified in Section 4.

Table 11: Policy Area 6: allocation of need

<table>
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<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. local planning authorities are required to allocate need in full through the identification of adequate development sites for the whole plan period. It must be demonstrated that there is a reasonable prospect that the identified development sites will come forward within the required timeframe.</td>
<td>• Ensures plan-led approach to development.</td>
<td>• Long-term need projections less reliable and may result in over-allocation of sites.</td>
</tr>
</tbody>
</table>
| b. local planning authorities are required to allocate need through the identification of sites for at least the first five years of the plan period. After this five-year period, local authorities will be required to update their evidence base and allocate a further five-year supply of suitable sites. The same requirements of deliverability set out under Option a. applies. | • Up-to-date evidence base upon which to determine planning applications.  
• Reduces the requirement on local authorities to find suitable sites to allocate less reliable predictions of longer-term needs which may not materialise. | • Relies on regular updates of local planning policy which may not come forward. Planning policy risks becoming out of date and not fit for purpose in the determination of planning applications. |
| c. there is no requirement for local authorities to allocate need through the identification of development sites. | • Limits plan making requirements so may enable development plan to be put in place quicker. | • Not plan-led approach, risk ad-hoc development with no clear strategy for a town centre. |

6.13.18 Following on from this policy area is the mechanism for identifying sites. Although it is noted that this did not form a significant issue at the stakeholder workshops and is not an aspect of policy dealt with explicitly in any other jurisdictions. This approach is reflected as Option b. in Policy Area 7 (Table 12).

6.13.19 However, the approach being recommended is introducing a requirement to include retail (and other main town centre uses) sites as part of a larger ‘call for sites’ consultation. On balance, it is considered that although there is an administrative burden placed on the local authority, it would provide a useful insight into both market supply and demand and the availability of sites, specifically in terms identifying them as opportunity sites to be considered for allocation.
Table 12: Policy Area 7: site allocation

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<th>Options</th>
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<tbody>
<tr>
<td>a. local planning authorities should be formally required to undertake a ‘call for sites’ consultation. Sites promoted through this process should form the basis for identifying site allocations.</td>
<td>• Allows better assessment of deliverability of development sites at the outset of plan making. More realistic sites likely to be advanced through the plan process and reduces issues arising at examination stages.</td>
<td>• Further round of public consultation which local authority would have to co-ordinate.</td>
</tr>
<tr>
<td>b. local planning authorities identify sites through the plan making process. They must be able to demonstrate deliverability and are therefore expected to engage with landowners/developers.</td>
<td>• Reduces administrative burden placed on local authorities to sift through sites that are speculatively being promoted and do not accord with plan making objectives.</td>
<td>• Risks local authorities pursuing sites which have limited potential of coming forward for development. • Knock-on implications in terms of effectively planning for development e.g. as applications are received, allocated sites can be dismissed as not deliverable rendering plan making stage irrelevant.</td>
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6.13.20 Policy Area 8 considers the nature and detail of allocations, specifically whether these should include indicative floorspaces. Given the difficulties associated with forecasting need and the potential of changes in retail trends to impact on ‘capacity’, it is considered that, provided the requirement to undertake impact assessment when applications come forward is clearly stated, it is sufficient to allocate sites on a broad-brush basis. This is in line with the approach adopted in Scotland and Wales.

Table 13: Policy Area 8: floorspace allocation

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</thead>
<tbody>
<tr>
<td>a. allocations should include capped amounts of floorspace which would reduce the requirements for applicants progressing planning applications that comply with policy.</td>
<td>• Ensures scale of development that comes forward in an application is in accordance with policy strategy. • Reduces administrative burden at application stage as would remove requirement for applicant (and local authority) to revisit sequential, need and impact considerations (depending on approach adopted to these options).</td>
<td>• If allocation relates to latter part of the plan period or there have been a material change in circumstances, the scale of the original allocation may no longer be appropriate. Limits local authorities’ scope to take other material considerations into account.</td>
</tr>
</tbody>
</table>
b. allocations do not need to specify exact quantum of floorspace. Broad exercise with illustrative/indicative floorspace ranges.

- Allows for a more sensitive design-led approach and allows local authorities to take into account any changes in circumstances since original allocation in assessing what scale of development is appropriate. Has flexibility built in.

- Could attract criticism in terms of the ability of local authorities to demonstrate that they have planned to meet identified need.

Retail Hierarchy

6.13.21 The definition of a clearly reasoned retail hierarchy is an important component in the plan-led approach. It is a feature common to all the other jurisdictions reviewed, albeit it is only in the case of Ireland that the strategic hierarchy is identified in national policy. The stakeholder sessions raised the questions of whether new development plans should define a town centre hierarchy and how that would relate to the existing centres.

6.13.22 Table 14 sets out a number of options for defining a network of town centres. These involve variously more control at the national level in terms of identifying particular towns against more limited control in terms of simply defining categories for local authorities to apply. Having regard to the existing role of the RDS in defining the role of centres and the need to ensure consistency, Option b. is the preferred option. This defines the hierarchy at a strategic level and clearly sets out the role of centres at each level in the hierarchy but devolves the majority of the identification to local authorities, where there is greater understanding of the role and function of specific town centres.
Table 14: Policy Area 9: network of centres

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. centre types are defined at a national level. This could include</td>
<td>• Ensures uniform approach to retail hierarchy</td>
<td>• Lacks flexibility to take into account locally significant factors such as strongly defined</td>
</tr>
<tr>
<td>regional centres, sub-regional centres, town centres, district</td>
<td>• Easier to determine how local policy fits in with RDS and other material considerations</td>
<td>tourist role, the importance of small centres in rural areas etc.</td>
</tr>
<tr>
<td>centre and local centres. No towns are specifically defined as part</td>
<td>• Enables applications that impact across local authority boundaries (and therefore impact on</td>
<td></td>
</tr>
<tr>
<td>of this process: all centres are categorised by the relevant local</td>
<td>a number of centres) to be considered on a level playing field.</td>
<td></td>
</tr>
<tr>
<td>planning authority.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. centre types are defined at a national level and specific towns</td>
<td>• Provides a level of uniformity at a strategic level.</td>
<td>• Potential for variations in the way centres are defined giving rise to confusion, particularly</td>
</tr>
<tr>
<td>are designated in accordance with these categories. Lower order</td>
<td>• Easier to determine how local policy fits in with RDS and other material considerations</td>
<td>for planning applications that raise cross-boundary issues.</td>
</tr>
<tr>
<td>centres of local significance are defined by the local planning</td>
<td>• Affords planning authorities flexibility to take account of local factors when designating</td>
<td></td>
</tr>
<tr>
<td>authority.</td>
<td>non-strategic/lower order centres.</td>
<td></td>
</tr>
<tr>
<td>c. define a network of strategic centres at a national level. Local</td>
<td>• Reduces scope for plans to be advanced which might conflict with e.g. the RDS and so reduces</td>
<td>• Removes power from local authorities to designate their own centres.</td>
</tr>
<tr>
<td>planning authorities are able to identify lower order centres in</td>
<td>any time spent redrafting.</td>
<td></td>
</tr>
<tr>
<td>their own development plan documents.</td>
<td>• Affords planning authorities flexibility to take account of local factors when designating</td>
<td></td>
</tr>
<tr>
<td></td>
<td>non-strategic/lower order centres.</td>
<td></td>
</tr>
</tbody>
</table>
### Options

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| d. adopt the centres specified in the RDS as the network of strategic centres. Local planning authorities are able to identify lower order centres in their own development plan documents. | • Local plans are required to be in accordance with the RDS so would reduce any potential for conflicts arising.  
• Affords planning authorities flexibility to take account of local factors when designating non-strategic/lower order centres. | • RDS designations do not have specific regard to retail planning considerations. |
| e. local authorities are required to define and designate their own hierarchy of centres. This should be done in conjunction with adjoining authorities where there is significant overlap in shopping patterns. | • Puts all power at a local level which could promote greater engagement in the local planning process.  
• Allows local circumstances to be taken account of in determining hierarchy. | • Risk of networks coming forward which have little regard to those in adjoining authorities, creating potential conflicts  
• Reliant on RDS network of centres even though this has not been defined with specific regard to retail considerations. |

### Town centre and retail planning guidance

6.13.23 In all the other jurisdictions reviewed, planning guidance on the interpretation of policy is provided at a national level on retail matters. Whilst the level of detail varies between jurisdictions, there are clear benefits for local authorities and applicants to ensure the correct application of the retail aspects of the SPPS.

6.13.24 Feedback received from the stakeholder sessions included questioning the level of guidance that was required in addition to statute and policy (para. 5.27). Taking into account other issues raised by stakeholders, it is apparent that the introduction of some guidance to address a perceived gulf in technical expertise at a local level as a consequence of devolving plan making powers. On this basis, whilst Option b. in Table 15 below considers the potential of not providing any guidance, this is not the recommended approach.

6.13.25 Accordingly, and in line with the stakeholder comments, the preferred approach is to provide guidance to accompany the SPPS retail and town centre-related policies. Options a. and c. involve different levels of detail within this: the former is more extensive and the latter intended to be a more skeletal guidance which provides a framework for local authorities to adopt their own approach.
6.13.26 On balance, it is considered that detailed guidance will assist the plan-making and decision-taking process by providing local authorities with the necessary support to effectively implement the new SPPS policies. In line with feedback from stakeholders, it is considered important that the guidance is focused on providing technical assistance so that local authorities’ ability to make decisions that take full account of local circumstances is not compromised. Option a. is therefore the recommended approach to the production of guidance.

**Table 15: Policy Area 10: guidance**

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. retail planning guidance is prepared at a national level. This relates to plan making and decision making.</td>
<td>• Ensures best practice across all local authorities.</td>
<td>• Local authorities may not have the necessary skills in house to comply with the guidance and would need to outsource work.</td>
</tr>
<tr>
<td>b. there is no nationally-set guidance. Local authorities can prepare guidance for applicants (decision making) and adopt this at a local level but there is no obligation for them to do this.</td>
<td>• Allows local authorities to take account of local factors in determining the level of detail necessary. e.g. predominantly rural areas will not require the same level of detail as an urban area.</td>
<td>• Risks plan making stages not being underpinned by sufficient robust evidence base. • Potentially problematic when applications are received that are not in accordance with the development plan.</td>
</tr>
<tr>
<td>c. a limited level of guidance is provided at a national level in the form of key definitions rather than prescriptive methodology for plan making and decision taking.</td>
<td>• Provides a framework but does not place onerous burdens on local authorities – allows local authorities to determine the level detail they require but within a best practice framework.</td>
<td>• Risks plan making stages not be underpinned by sufficient robust evidence base.</td>
</tr>
</tbody>
</table>

**Decision making**

6.13.27 Although previous iterations of retail policy in England and Scotland included the requirement to demonstrate that there was a need for the development proposed, only in Wales is a demonstration of quantitative retail need required by current planning policy in determining planning applications. The approach taken to need in Ireland is implicitly somewhat different by virtue of the establishment of caps on the size of retail development appropriate to different locations in the country introducing a further level of control in addition to impact.

6.13.28 Testing quantitative need does not differentiate existing provision by location i.e. there is ability to distinguish between the extent to which existing shopping needs are met by stores located in-centre (sustainable) or out-of-centre (less sustainable). In this sense, a demonstration of quantitative need
is limited and, if it is enshrined as a policy test, it must be framed in the context of how quantitative need relates to impact on town centres.

6.13.29 That said, because of its relationship with the way in which quantitative diversions (impact) are measured, the assessment of quantitative need does not place significant administrative burdens on either the local authority as the determining body or the applicant.

6.13.30 The often more relevant issue is qualitative need. Whilst this cannot be measured in the same way as quantitative need, it is a relevant consideration in determining whether to grant planning permission. It should be clarified qualitative need does not simply mean the presence of different fascias/operators, although the promotion of competition is considered healthy in the context of improving range and choice for shoppers where that is provided within town centres.

6.13.31 Accordingly, Policy Area 11 sets out the options for how need is enshrined in policy. On the basis of the above, the preferred option is to require applicants to provide an assessment of quantitative and qualitative need but that this does not necessarily represent a ‘gateway’ test for determining a planning application. Where quantitative or qualitative need is not demonstrated, the applicant should be required to provide a justification which would be assigned a degree of weight by the local planning authority in balancing the issues when determining the application.

**Table 16: Policy Area 11: demonstration of need**

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| a. a demonstration of quantitative need is required as a ‘gateway test’ for any retail development over a specified threshold outside a defined centre and/or on an unallocated site. | • Ensures no oversupply in development which could potentially damage town centre health.  
• Relevant also in sequential terms. | • Blunt instrument which fails to take into account qualitative or impact considerations. |
| b. quantitative need is a material consideration in the determination of planning applications but it is not necessary to demonstrate need/capacity, provided there is demonstrated qualitative need for the development. | • Useful tool in assisting local authorities’ decision making processes.  
• Relevant also in sequential terms. | • Relies on impact as the key consideration against which to determine a proposal. |
| c. quantitative and qualitative need do not form part of the decision making process. | • Makes policy requirements less onerous – determining applications more straightforward for local authorities and submitting applications simpler therefore encouraging development. | • Relies on impact as the key consideration against which to determine a proposal. |
6.13.32 It is notable that in all other jurisdictions, where proposals come forward outside defined centres or not in accordance with an allocation, there is a policy requirement for applicants to assess impact on town centres. The point of variation is the threshold at which an impact assessment is required. In the case of the other UK jurisdictions, this defaults to 2,500 sqm GEA; however, in England, local planning authorities have the ability to impose lower thresholds within their Development Plan policies.

6.13.33 The table below sets out the the options for impact policies. Whilst Option a. does include a zero threshold scenario, because of the administrative burdens imposed on applicants and in turn local planning authorities, this is not the preferred approach.

6.13.34 It is considered that local authorities should have the ability to determine their own impact thresholds in order to allow account to be taken of local circumstances. However, having regard to the potential policy vacuum, Option b. represents the preferred solution, by imposing a default threshold.

### Table 17: Policy Area 12: retail impact assessment triggers

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>d. include a demonstration of quantitative need as part of an impact assessment requirement</td>
<td>- Need is an accepted component of impact.</td>
<td>- Blunt instrument which fails to take into account qualitative or impact considerations.</td>
</tr>
<tr>
<td>a. all planning applications that are outside an allocated centre and/or not on an allocated site must be accompanied by a proportionate assessment of retail impact.</td>
<td>- Robust approach to out-of-centre development.</td>
<td>- Complex applications will require detailed assessments that local authorities may not have the in-house expertise to review and critically consider.</td>
</tr>
<tr>
<td></td>
<td>- Reinforces the sequential approach to site selection.</td>
<td>- Would mean that all applications, even relatively minor ones, would need to be assessed – administrative implications.</td>
</tr>
</tbody>
</table>
6.13.35 As with the requirement to assess impact, all the other jurisdictions reviewed included nationally-set criteria. In order to ensure proper application of the town-centre first approach to development and eliminate discrepancies across administrative boundaries, it is recommended that the criteria are stipulated at a national level.

6.13.36 However, recognising the local distinctiveness of many town centres articulated in the stakeholder sessions, it is recommended that there is scope for local authorities to identify any additional tests within local level policy. The table below summarises the various approaches to this policy area; Option c. is the preferred approach.

### Table 18: Policy Area 13: impact assessment criteria

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| **a. criteria for assessing retail impact should be set at a national level.** This could include impact on town centre vitality and viability (health), planned investment (including allocations/development plan retail policy objectives), implications for the adopted retail hierarchy (scale), cumulative impact assessment of commitments and competing proposals etc. | • Ensures best practice approach  
• Allows competing schemes in different jurisdictions to be assessed against the same criteria. | • Does not provide local authorities with the scope to include criteria specific to their centres in assessment |
| **b. planning applications above a certain size threshold (determined at a national level) should be subject to a proportionate assessment of retail impact.** Local authorities have the ability to impose a lower threshold in local policy. | • Robust approach to out-of-centre development.  
• Reinforces the sequential approach to site selection.  
• Minor applications would not attract unnecessarily detailed technical work. | • May mean that some smaller schemes are not caught by the requirement but could still have impacts on smaller centres  
• Complex applications will require detailed assessments that local authorities may not have the in-house expertise to review and critically consider. |
| **c. planning applications above a certain size threshold (determined at a local level) should be subject to a proportionate assessment of retail impact.** | • Robust approach to out-of-centre development.  
• Reinforces the sequential approach to site selection.  
• Allows local authorities to impose threshold relevant to the centres within their jurisdiction. | • Authorities will limited resource may impose higher threshold to reduce administrative burdens and then be subject to unsustainable development proposals. |
6.13.37 Section 3 identified a significant development pipeline of retail-led major proposals, all of which have been subject to Article 31 directions. Furthermore, the stakeholder sessions raised the question of whether all ‘significant’ out-of-centre applications would subject to determination by the DOE under Article 31.

6.13.38 Whilst the analysis of the stakeholder sessions confirmed that some issues raised by participants on these wider governance points were beyond the scope of this review, it is considered that the SPPS does represent the opportunity to provide more detailed guidance on the circumstances under which applications will be referred up to the DOE.

6.13.39 Given the wider shift in planning policy to devolve powers to the new local authorities, it is considered that of the two options considered in the table below, preserving the power of local authorities to make decisions at a local level should be given priority.

6.13.40 Option b. below is therefore the preferred approach; whilst this preserves local decision making powers, it also provides the DOE with the ability to call-in applications that raise more strategic issues.

Table 19: Policy Area 14: referral

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. criteria are defined at a local level.</td>
<td>• Allows local authorities to define criteria deemed relevant to their town centres and administrative areas.</td>
<td>• Competing schemes in different jurisdictions will not be assessed against the same criteria – reduce scope for uniformity in decision making i.e. appeal risks.</td>
</tr>
<tr>
<td>c. provide nationally defined criteria but allow local authorities to identify any locally significant indicators through local policy.</td>
<td>• Allows local authorities to define criteria deemed relevant to their town centres and administrative areas. • Ensures best practice approach • Allows competing schemes in different jurisdictions to be assessed against the same criteria.</td>
<td></td>
</tr>
</tbody>
</table>
### Table 20: Policy Area 15: impact gateway test

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. applications above a certain size threshold should automatically be determined at a national level.</td>
<td>• Ensures strategic oversight of applications</td>
<td>• Additional administrative burdens • Time delays for applicants associated with referral • Reduces local authorities’ decision making powers</td>
</tr>
<tr>
<td>b. applications above a certain size threshold should be determined at a local level but should be subject to referral to the DOE.</td>
<td>• Allow strategic oversight where deemed necessary • Reduces administrative implications i.e. only most contentious schemes determined centrally</td>
<td>• Reduces local authorities’ decision making powers</td>
</tr>
</tbody>
</table>

6.13.41 Whilst a town-centre first approach to retail development can be advanced in policy terms, it is possible to provide some scope for flexibility in the local authorities’ abilities to take account of non-retail considerations in making their overall decision on a planning application. This is typified in England, whereby although significant impacts on town centres are material to the consideration of a planning application, local authorities are bound to weigh this in the balance with other material considerations and may conclude the benefits outweigh disbenefits, including impact on existing centres. This represents a departure from previous planning policy in England which identified impact as a ‘gateway’ test i.e. applications which result in a significant adverse impact would be directed for refusal. None of the other jurisdictions considered include impact as a ‘gateway’ test.

6.13.42 Although the stakeholder sessions did not raise this issue specifically, the issue of economic benefits was covered. This implicitly recognises the wider sustainability considerations associated with applications for employment-generating development. Whilst encouraging healthy town centres is clearly an important facet of promoting economic growth, there is a balancing exercise to be carried out by local planning authorities, particularly if it is perceived that the creation of jobs would bring greater overall benefits.

6.13.43 By not introducing impact as a ‘gateway’ test, it does not remove a local authority’s ability to refuse an application on the grounds of adverse impact on existing centres. Accordingly, Option b. in the table below is the preferred approach.
6.13.44 Policy Area 16 sets out the way in which the different tiers of sequential preference are defined. All other jurisdictions include nationally-determined definitions, albeit it is accepted that, in interpreting these definitions on a site-by-site basis, there is scope for different conclusions on the status of a site.

6.13.45 Accordingly, whilst the table below sets out three options, it is considered that Option c. represents the preferred approach by balancing the need for nationally-consistent definitions but allowing local authorities flexibility in how these are interpreted.

Table 21: Policy Area 16: sequential definitions

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. In-centre, edge-of-centre and out-of-centre are defined nationally and relate to a uniform definition of town centre/primary shopping area.</td>
<td>• Allows sites to be defined with only a retail core/primary shopping area boundary in place i.e. time saving</td>
<td>• Ignores the implications of factors such as topography and severance in deciding the status of sites</td>
</tr>
<tr>
<td>b. in-centre, edge-of-centre and out-of-centre are defined by each authority.</td>
<td>• Has regard to local circumstances</td>
<td>• Requires local authorities to define for each identified centre</td>
</tr>
<tr>
<td>c. national definitions are provided but local authorities are extended flexibility in adopting these.</td>
<td>• Combines advantages of options a. and b. and reduces associated disadvantages.</td>
<td></td>
</tr>
</tbody>
</table>

6.13.46 The effective application of the sequential approach is an important component of the town-centre first approach. In the other jurisdictions reviewed, there are no specified sequential thresholds and as a consequence, where retail development comes forward in non-town centre locations, a sequential assessment is required.

6.13.47 Having regard to the town centre health checks, it is evident that there is a significant amount of smaller-format retail stock in town centres. Introducing a threshold of even 100 sqm (gross) would mean that local authorities would lose the opportunity to direct investment to town centres, even if there were premises lying vacant which could accommodate the proposal.
6.13.48 On this basis, whilst the table below considers options for setting a threshold over which applications must demonstrate compliance to the sequential approach, it is considered that the rationale for introducing threshold is very limited and reduces the scope of local planning authorities to promote a town-centre first approach to development.

**Table 22: Policy Area 17: sequential test thresholds**

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| a. any planning application for retail development outside a defined retail core/primary shopping area should be accompanied by an assessment of sequentially preferable sites to demonstrate compliance. | • Enforces town-centre first approach  
• Robust approach and uniform at a national level. | • Requires defined retail core early on in the plan period or risks ad hoc development coming forward.  
• Captures very minor applications and increases burdens for applicants and local authorities.  
• Time implications. |
| b. a nationally set size threshold should determine which applications need to be assessed against the sequential approach to site selection. | • Enforces town-centre first approach.  
• Robust approach and uniform at a national level. | • Difficult to take account of local circumstances e.g. relatively small scheme will have a larger impact on a small centre and may not be covered by a national definition. |
| c. local authorities are able to define a threshold over which applications must be assessed against the sequential approach to site selection. | • Allows local thresholds appropriate to local circumstances to be imposed. | • Lacks uniform approach.  
• Administrative implications of requiring local authorities to justify the locally-set impact thresholds. |

6.13.49 A rigorously defined sequential test necessarily strengthens the town-centre first approach to retail development; part of this involves the criteria against which sequential sites are assessed. The English system includes loose criteria but the onus is on the local planning authorities to interpret these in the way they see fit. A similar approach is adopted in Wales and Scotland.

6.13.50 It is notable that significant debate has arisen recently over the implementation of the sequential approach following the Supreme Court judgment at Dundee (Section 2), most particularly in terms of the degree of flexibility applicants and local authorities are expected to exercise in considering alternative sites. This has yet to be fully resolved in any revisions to policy.

6.13.51 With this in mind, the table below provides two options: the first involves criteria being enshrined at a national level and the latter devolves this to the local level. On balance, it is considered that the advantages associated with ensuring a coherent national approach as a clear signal to investors and developers represents the preferred approach (Option a.).
### Table 23: Policy Area 18: sequential assessment criteria

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. nationally set criteria (e.g. suitability, availability and viability) should form the basis for a sequential site assessment.</td>
<td>• Robust approach and uniform at a national level.</td>
<td>• Potentially places burdens on local authorities to understand factors such as viability in assessing alternative sites.</td>
</tr>
<tr>
<td>b. local authorities can define assessment criteria themselves.</td>
<td>• Places greater plan-making powers with the local authority in terms of policy setting.</td>
<td>• May result in inadequate guidance being adopted at a local level to properly test/assess applications.</td>
</tr>
</tbody>
</table>

6.13.52 As with Policy Area 15, the sequential approach could be adopted as a ‘gateway’ test for applications coming forward outwith town centres. The table below sets out the issues arising with these and in similar terms to impact, it is considered that Option a. represents the preferred approach that would provide local authorities to make an overall judgement on the merits of the application as a whole.

### Table 24: Policy Area 19: sequential gateway test

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. the sequential approach is a ‘gateway test’ i.e. applications that do not comply with the sequential approach should be refused.</td>
<td>• Enforces town-centre first approach.</td>
<td>• Does not have regard to other material considerations so may stifle development even if other factors such as impact is considered to be acceptable/positive.</td>
</tr>
<tr>
<td>b. the sequential approach is a material consideration that should be balanced with all other factors in the determination of planning application.</td>
<td>• Enforces town-centre first approach.</td>
<td>• Undermines the importance of the sequential test in approving development.</td>
</tr>
</tbody>
</table>

### Other town centre uses

6.13.53 Reflecting the degree of diversity identified in the town centre health checks and echoed at the stakeholder sessions, other uses play an important role in underpinning the attractiveness of town centres. This is balanced against the shift in retailing towards non bricks-and-mortar formats, as well as out of the town centre.
6.13.54 Furthermore, it is notable that leisure uses do not form a significant occupier in many of the town centres reviewed.

6.13.55 Whilst it is recognised that the market plays a very significant role in determining where investment is directed in many uses such as hotels and leisure uses, there is clear scope for the planning system to seek to direct this investment into town centres to encourage sustainable development and contribute to town centre vitality and viability. Accordingly, of the options set out in the table below, Option b. is recommended.

### Table 25: Policy Area 20: Promotion of other town centre uses

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. policies focus solely on securing retail in town centres.</td>
<td>• Reduces scope for out-of-centre developments as reaffirms the primacy of the town centre as a retail location.</td>
<td>• Policy mechanisms to secure this can often stifle other uses from coming forward which could be contributing to town centre vitality and viability.</td>
</tr>
<tr>
<td>b. retail is focused towards town centres but other uses such as leisure, services and residential are actively encouraged.</td>
<td>• Enhances town centre vitality and viability, including evening economy.</td>
<td>• Risks retail floorspace being replaced by other non-retail uses, potentially pushing retailers outside the town centre.</td>
</tr>
</tbody>
</table>

### Transition arrangements

6.13.56 The stakeholder sessions identified the patchy coverage of existing local level policy. Given the implementation of the SPPS is programmed for 2015, there is a concern that local planning authorities will not be able to prepare full, up-to-date and evidenced policy in time to meet this date. As such, there is a need for transitional arrangements to cover any potential policy vacuum.

6.13.57 Policy Area 21 considers a number of different approaches. Whilst it is noted that there are disadvantages identified with all options, overall Option d. is considered to offer the best balance in terms of reducing the risks associated with the policy vacuum and limiting the administrative burden on the DOE, whilst still providing local authorities with an incentive to deliver their own policies.

### Table 26: Policy Area 21: saving of existing policy

<table>
<thead>
<tr>
<th>Options</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. local authorities should be required to review all existing policy within a set period of the SPPS coming into force. Where it is compliant to the national objectives, it should be saved as interim planning policy which would be a material consideration in the determination of planning applications. This interim policy will be superseded when the new development plan is in place.</td>
<td>• Ensures no significant policy vacuum.</td>
<td>• Risks local authorities not updating their policy in a timely manner.</td>
</tr>
<tr>
<td></td>
<td>• Ensures considerations within existing policy or guidance is saved where still material.</td>
<td>• Unsustainable development proposals could be advanced in the intervening period.</td>
</tr>
<tr>
<td>Options</td>
<td>Pros</td>
<td>Cons</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>b. the saved policies will expire after a set period. Local planning</td>
<td>• Reduces the risk of local authorities being slow in preparing</td>
<td>• Risks policy vacuum in which unsustainable development proposals could come forward with little recourse for local authorities to refuse.</td>
</tr>
<tr>
<td>authorities will be required to prepare their new development plan</td>
<td>development plans.</td>
<td></td>
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<td>within this time period.</td>
<td>• Ensures considerations within existing policy or guidance is saved where still material.</td>
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<td>• Risks policy vacuum in which unsustainable development proposals could come forward with little recourse for local authorities to refuse.</td>
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<td>c. all existing policies at a local level expire and interim policies</td>
<td>• Introduces uniform approach to development from the inception of the</td>
<td>• Reduces local level control.</td>
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<td>are included within the SPPS to allow decision making to take place</td>
<td>SPPS.</td>
<td>• May not be in sufficient detail and could allow effective decision making.</td>
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<td>• Encourages local authorities to progress their own documents to</td>
<td>• Loses policies that may still be material.</td>
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<td>ensure that local factors can be built into decision making as soon as possible.</td>
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<td>d. the SPPS is sufficiently detailed in terms of the development control tests imposed to be the default in the absence of up-to-date local policy</td>
<td>• Ensures no significant policy vacuum.</td>
<td>• Increases the administrative burden on the DOE.</td>
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<td>• Encourages local authorities to progress their own documents to</td>
<td>• Reduces local level control in the short term.</td>
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<td>ensure that local factors can be built into decision making as soon as possible.</td>
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7 RECOMMENDATIONS

7.1 Having reviewed relevant and related retail and town centre issues facing towns in Northern Ireland; given consideration to the policy position in other UK jurisdictions identified; and weighed up the potential policy options available, we now set out our recommended policy approach. Conscious of the drive to reduce overly complicated national policy, we have sought to make recommendations which, whilst streamlined, will be robust and will operate to ensure town centres remain the focus for uses generating significant footfall.

7.2 This section is structured to deal with the broad parameters of plan making policies and requirements and decision making or development control policies. The recommendations made here should be considered alongside the detailed policy option review provided in the previous section.

Plan Making

7.3 Firstly, it is apparent that there is a disparate and inconsistent approach to the collection, recording and analysis of retail and town centre evidence base information. Whilst masterplans are prepared and contain some health check information they are not prepared on a common basis. For example we have not been able through our investigations to obtain a sufficiently robust understanding of the balance between the amount of in-centre and out-of-centre retail floorspace.

7.4 Whilst it is considered overall that towns in Northern Ireland are in reasonably good health and have withstood the recession better than towns in some other parts of the UK, they are not truly robust. They benefit from good diversity and have an enviable level and quality of independent retailers, which coupled with cultural ties and consumer loyalty provide an enduring attraction to town centres as places to shop and socialise.

7.5 However, shopping choice is becoming greater with more out-of-centre developments coming forward and those that already exist maturing. Based on experience elsewhere, increasing out-of-centre floorspace affects shopping patterns and usage of town centres and the status-quo cannot be expected to continue.

7.6 Out-of-centre developments coming forward will not only potentially impact upon town centres; they will also absorb the capacity or need for additional floorspace which could be focused upon town centres.

7.7 Accordingly, in order to protect, enhance and seek to focus any new development within or close to town centres, it is considered that at a district-wide level local authorities should define a hierarchy of centres to channel the appropriate type and scale of development into appropriately functioning centres. The Scottish Planning Policy document provides a good illustration of this network of
centres approach and seeks to fulfil local needs in local centres and provides for higher order centres to be the focus for more significant development. This network or hierarchy of centres also highlights the appropriateness of the scale of development relative to the role of a centre and not seeking to dwarf modest sized town centres with very large, out of scale developments.

Recommendation 1

7.8 The first main recommendation therefore is that the SPPS should require Development Plans to define a network or hierarchy of centres. We would suggest the appropriate classifications should be Town, District and Local Centre, together with an acknowledgement of the function and role of rural centres. The classification and broad characteristics of these centres should be described in the SPPS and details of the types of facilities and broad scale of development appropriate to them should be outlined.

7.9 Given the importance of planning to meet future requirements, it is vitally important to have an understanding of the future retail and other town centre needs of an area. This can be assessed by way of a need assessment and a sequential approach should be taken to identify suitable sites to fully accommodate the needs identified within the hierarchy of town centres.

7.10 A district wide assessment of need would be an evidence base document which would inform the town centres and retail chapter of the Development Plan. The Development Plan would, through the use of site specific policies and allocations, identify sites to meet the identified needs.

7.11 The proper operation of the sequential approach will lead to the co-location and mix of retail, leisure, civic and commercial uses which are key to achieving sustainable patterns of development. It facilitates multi-purpose trips and ensures linkages arise to the benefit of all uses within town centres.

7.12 Clearly there will be tensions with this approach and it is not the intention of the sequential approach to stifle competition, investment and job creation, but equally it is important to have an ‘even playing field’ where that investment, competition, job creation etc. is applied to central area sites which strengthen town centre’s roles and have wider positive economic multiplier effects.

Recommendation 2

7.13 The second plan-making recommendation is that the SPPS requires local authorities to prepare a need assessment and the needs identified should form the basis of local policy and site allocations which seek to meet those needs through a range of sites which are identified adopting a sequential approach.
The sequential approach should require local authorities to undertake a ‘call for sites’ to identify sites within and on the edge of their town centres as part of their site identification process. This will ensure a reasonable degree of certainty on the availability and deliverability of sites identified.

Additional plan-making matters relevant to the sequential approach and allocation of sites include:

- Consistent definition and identification of primary shopping area and commercial town centre boundary
- In judging between non primary shopping area sites, preference should be given to edge of town centre before out-of-centre sites. The measuring or ranking of alternatives should be based on physical distance and functional linkage, accessibility and ability to form linkages with the primary shopping area.
- A default distance threshold for a site to be considered to define what is edge-of-centre should be made; within 300m from the primary shopping area is the common measure used in other jurisdictions. However, it is considered some flexibility should be available for locally set thresholds to be set to take account of local issues such as physically constrained areas and topography.
- The requirement to allocate sites should be considered on the basis of fulfilling sustainably and objectively assessed needs for retail/economic development during the Plan Period (establish whether five or 10 years). It will be important to have mechanism for interim review as/when new developments are approved or an update of the evidence base is prepared or required.
- Sites should be assessed against suitable, available and viable criteria, with important regard to overall town centre development strategy.

One factor we have noted is that there is limited residential within town centres; the introduction of further residential into town centres would enhance diversity and make a positive contribution to vitality and viability. Encouraging continuing diversity should be a theme for town centres policy; in this regard, we therefore consider that residential development/uses within town centres have an important role to play.

Decision Making

The town-centre first approach that is being advocating does not seek to place a total embargo on developments in non-central locations. It is however vital that where such applications come forward they are carefully assessed to ensure that they do not undermine the overall planning strategy for town centres.

Recommendation 3

Accordingly, it is recommended that applications for non-town centre sites which are not in accordance with/allocated within up-to-date development plans are assessed against carefully defined criteria based sequential and impact tests.

Additionally, it is inevitable that there will be a period of time when there will be no up to date SPPS compliant development plans in place against which planning applications for retailing and other
town centre uses can be determined. During this transitional period, the decision making policies of the SPPS will prevail.

7.20 Specifically to cover this transitional period when no evidence base on the need for additional floorspace will be available, we would recommend that applicants should be required to prepare a need assessment to support their application. The existence of or lack of quantitative and qualitative need provides background to and informs the consideration of the sequential and impact tests.

7.21 The requirement for an applicant to prepare a need assessment should also apply where the local authority’s evidence base is considered out of date (beyond five-years old) or has not been updated to take account of any significant new developments or recent planning permission.

7.22 We consider that the identification of need is so inextricably linked to the assessment of impact that the analysis of need might more appropriately be a criterion within an impact test policy.

7.23 For decision making, the assessment of alternative sequentially better located sites should require the applicant to identify and fully demonstrate why alternative sites are not suitable, available and viable. In undertaking the sequential test, applicants should adopt a flexible approach to scheme design and consider the potential for their proposal to be accommodated in a different form on smaller sites. True and genuine flexibility should be adopted in seeking to fit developments onto smaller footprint sites through innovative design, multi-level schemes (where appropriate) shared car parking and smaller more efficient trading floors/servicing arrangements.

7.24 Where it is established that an alternative suitably, available and viable sequentially preferable site or sites exist, an application which proposes development on a less sequentially preferred site should be refused.

7.25 In order for the sequential test to operate, it is as highlighted earlier in connection with the plan-making elements of the sequential approach essential that boundaries are defined to show the primary shopping area/retail core and commercial town centre area. Guidance on defining these essential boundaries should be provided in the SPPS.

7.26 In the absence of defined boundaries, which is likely to occur during the transitional period the applicant should seek to agree a boundary and also the sequential sites to be considered with the local planning authority.

7.27 The SPPS should also require applicants proposing town centre type developments which are not in a town centre and not in accordance with or allocated within an up-to-date plan to assess the impact of the proposal upon existing town centres by addressing the following criteria:
• Impact upon trade and turnover for town centres convenience and comparison goods traders and the centres turnover overall.
• Demonstrating that there is a quantitative and qualitative need for the development proposed taking account of the sustainably and objectively assessed local needs of the town. Requires consideration that there is sufficient need to support proposal taking account of committed and allocated sites.
• The impact of the proposals 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 the local development plan strategy/masterplan for the area.
• The impact on the vitality and viability of existing centres including consideration of local independent traders and the important contribution they make to the diversity and distinctiveness of existing town centres.
• Cumulative impact taking account of committed and planned development including plan allocations within the town centre and wider area.
• A review of local economic impacts including job creation and displacement.

7.28 Where an impact on one or more of these criteria is considered significantly adverse or where in balancing the overall impacts of each of the criteria the proposed development is judged to be harmful to a town centres or centres within the catchment the proposal is seeking to secure then it should be refused.

7.29 With regard to the impact test, it is considered appropriate to have a size threshold above which proposals would require the assessment of impact. The default threshold in place in other jurisdictions in the UK is 2,500 sqm gross external area and this could be applied in Northern Ireland. There should however be the opportunity for local authorities to apply their own size thresholds which would be determined by reference to local circumstances such as the size, role and function of their town centres.

Recommendation 4

7.30 Finally, it is recommended that a glossary of terms and supporting guidance for local authorities and applicants should be prepared to support the town centres and retail elements of the SPPS. This will assist with the preparation and interpretation of need assessments, the sequential test and the impact test.