APPENDIX D

County Donegal Development Plan

2006-2012 (as varied)

RETAIL STRATEGY

Table of Contents

1.0 INTRODUCTION

The 'Retail Planning Guidelines for Planning Authorities' RPG (DoEHLG, 2000) specifically required Local Authorities to prepare retail policies for their administrative areas. In particular the guidelines stated that the following matters should be included in all future Development Plans.

i) Confirmation of the retail hierarchy, the role of centres and size of the main town centres.
ii) Definition of the boundaries of the core shopping area of the town centre.
iii) A broad assessment of the requirement for additional retail floorspace.
iv) Strategic guidance on the location and scale of development.
v) Preparation of policies and action initiatives to encourage the improvement of town centres.
vi) Identification of the criteria for the assessment of retail developments.

The guidelines require a broad assessment of requirement for additional development reflecting local evidence of market interest and the need to provide good opportunities for retail provision to serve the main population centres in the County. The guidelines further state that this assessment should enable the formulation of appropriate policies and criteria for dealing with new developments.

In response to the above guidance, the County Council published the previous Retail Strategy (County Donegal Retail Strategy 2002 – 2011) as a variation to the County Donegal Development Plan 2000.

In 2005, the County Council contracted Retail Consultants RPS Group Plc to review the previous retail strategy with the aim of updating and ultimately replacing the previous strategy with a new Retail Strategy entitled the County Donegal Retail Strategy 2006 – 2012. In accordance with the Retail Planning Guidelines, this Retail Strategy:

- Details a retail hierarchy for the County.
- Undertakes a broad assessment of additional retail floorspace.
- Provides strategic guidance on the location and scale of development.
- Details Policies and identifies criteria for the assessment of retail development.

2.0 REVIEW OF EXISTING RETAIL POLICY AND RETAIL TRENDS

2.1 NATIONAL POLICY

Retail Planning Guidelines (Revised)

The Retail Planning Guidelines, which were originally published by DoELG in December 2000, were revised in January 2005 primarily to outline additional policy response to the increased demand for larger-floor area retail warehousing formats nationally. The Retail Planning Guidelines note that:

> '*There is evidence of consumer demand in Ireland for innovative types of large-scale retail warehouses which are capable of displaying a wide range of goods under one roof, together with a range of customer facilities'.*

However, the revised Retail Planning Guidelines are not of relevance to this study as they are concerned with Integrated Area Plans (IAPs). IAPs are:

> *'Identified as those urban areas, which have the greatest need of, and potential for, rejuvenation'*.

It has been decided by the Minister that the 6000sqm cap on individual retail warehouses will not apply in areas, which are the subject of IAPs. Considering there are no proposed IAPs discussed in the *County Donegal Development Plan 2006 - 2012* for the area in question, the revised Retail Planning Guidelines are deemed of no relevance.

2.2 REGIONAL POLICY CONTEXT

Regional Strategy and Regional Planning Guidelines for the Border Region, 2004

The Border Regional Authority (BRA) is one of eight regional authorities established as a statutory body in 1994. Each of the Regional Authorities were required to prepare and adopt Regional Planning Guidelines, the objective of which is to provide a long term strategic planning framework, for the implementation of the NSS at Regional Level. The BRA includes the counties of Donegal, Sligo, Leitrim, Cavan, Monaghan and Louth.

The objective of the Regional Planning Guidelines is to provide a long-term strategic planning framework, for the development of the Border Region in the next 20-year period. This planning framework sets the scene for the implementation of the National Spatial Strategy at a regional level.

In terms of retail it is the objective of the Regional Authority to:

- Support the retail sector in the Region;
- Address any inter-county or regional dimension of retail both in the context of this Region and other adjoining regions, including Northern Ireland.

It is noted that the key retail locations in the Border Region are subject to cross border competition, where retail centres in Northern Ireland may provide more comparative and cost effective shopping. This is particularly true in the areas around Newry, Enniskillen, and Derry where the shopping catchments of these towns are in the Border Region.

'Fiscal distortions also effect the retail environment in the Border Region, and notwithstanding disparities in the exchange rate, the price of goods remains to be extremely competitive in Northern Ireland'.

2.3 COUNTY AND LOCAL AREA PLANS

County Development Plan 2006 - 2012

The Draft County Donegal Development Plan 2005 sought to address the following main issue areas:

- The decline of traditional industries and the need for rural diversification and indigenous business development;
- Tackling continual high unemployment rate and the need to compete for employment on a national and international scale;
- Infrastructural deficiencies and linking centres within the County and to regional centres outside the County and within Northern Ireland,
- Improving the weak urban structure and strengthening the role of centres with extensive rural populations,
- Tackling rural depopulation and supporting the Gaeltacht.

Spatial Structure

The Spatial Structure of the Draft Development Plan was devised to correspond with the provision of the NSS and the Regional Planning Guidelines for the Border Region. Analysis indicates that the prime area of urban growth in the county has continued to centre on the Letterkenny-Derry catchment in the northeast of the county. The second tier of urban growth is based on the N15 transport axis that runs down the east of the county and includes Bundoran, Ballyshannon, Ballybofey-Stranorlar, and Donegal Town. The rest of the County to the west have much smaller sized peripherally located urban centres serving extensive rural hinterlands.

This hierarchy of urban development is the primary influence on the spatial structure proposed in the Draft Plan. Furthermore, the NSS has identified Letterkenny-Derry as a linked Gateway that can drive development for the County and region. The NSS also stresses the importance of other proximate settlements in playing a complementary role to the Gateway while smaller towns and villages will provide local services and employment for rural areas. The Regional Planning Guidelines expand on the NSS provisions and details a multi-level sub-regional settlement strategy as follows:

- Letterkenny-Derry Gateway
- Medium and small sized towns (Urban Strengthening)
- Towns and villages in proximity to Gateways (Urban Support)
- Smaller towns and villages
- Gaeltacht towns and villages (Urban Support)
- Special Function towns

The Spatial Strategy in the Draft County Donegal Development Plan tiered the urban centres as follows:

- Promotion of Letterkenny-Derry Linked Gateway
    - o A well developed retail environment (local to regional focus)

  - Co-ordinated development of the town centre expansion

- Urban Strengthening of Urban Structure at Sub-Gateway Level (Ardara, Ballybofey-Stranorlar, Ballyshannon, Bridgend, Buncrana, Bundoran, Carndonagh, Castlefinn, Convoy, Donegal Town, Dungloe/Bunbeg/Derrybeg, Falcarragh, Glenties, Killybegs, Kilmacrennan, Milford, Newtowncunningham, Ramelton, Raphoe)
  - Provide important retail functions at the sub-gateway level
  - Support the County Retail Strategy
  - Diversifying the rural economy
  - Regeneration of obsolete areas
  - Improve public transport and linkages between centres

- Urban Support for Towns and Villages Within Close Proximity to the Gateways (Burnfoot, Fahan, Killea, Manorcunningham, Muff)
  - Limited nodal growth at predefined centres, contribute to Gateway critical mass through guiding development within these predefined centres
  - Buncrana, Newtowncunningham and Bridgend as main urban strengthening centres that will include important retail functions for Gateway in general
  - Other centres to perform Growth Management roles to lessen the need for dispersed rural development
  - Improve built environment, regenerate obsolete areas and consolidate urban structure of centres
  - Upgrade of infrastructure for increased linkages and development between these centres and the Gateway
  - Improve retail functionality of these centres

- Support for Rural Villages and Communities
  - Improving retail functions
  - Focus rural housing growth in close proximity to villages to maintain and increase service demand
  - Improve built environment and regenerate obsolete areas

- Support for Gaeltacht Areas
  - Improve built environment and regenerate obsolete areas

- Centres With Special Functions (Lifford, Downings, Rathmullan, Rossnowlagh, Glencolumcille, Gortahork, Greencastle, Moville, Killybegs, Burtonport, Gweedore)
  - Improve built environment and regenerate obsolete areas

Letterkenny-Derry Corridor: Limited Nodal Development

As Letterkenny-Derry develops as a linked Gateway so too will development pressures increase in relation to the corridor between both centres. It is intended to manage this anticipated development in a sustainable way to increase overall critical mass, strengthen Gateway links, increase functionality, and filter the benefits of the gateway down the urban/rural hierarchy.

Road Infrastructure Improvements

The Draft Development Plan noted that the National Development Plan 2000-2006 has prioritised a number of roads within the County for improvement. These include the following:

- N2 (Dublin-Letterkenny-Derry)

- N3 (Enniskillen-Ballyshannon)
- N13 (Derry-Letterkenny-Stranorlar)
- N14 (Lifford-Letterkenny)
- N15 (Sligo-Donegal-Stranorlar-Lifford)
- N56 (Letterkenny-Dungloe-Donegal)(Listed under National Secondary Roads

In addition the County Council will also assist local development access through development of integrated management systems, bypass roads, internal relied roads, off street car parking and traffic calming measures, as identified.

These developments will have implications for the location of future retail developments in the County in terms of increased accessibility.

Development Corridors

Policy EED 2 (Employment and Enterprise) of the County Donegal Draft Development Plan 2005 supported the concept of three development corridors throughout the County:

(1) Letterkenny-Derry
(2) Southern Economic Corridor (from Sligo through Bundoran, Ballyshannon, Donegal Town, Ballybofey/Stranorlar, Lifford and Letterkenny)
(3) The N56 from Letterkenny through the main settlements of West Donegal to Donegal Town

Infrastructure and Housing

It is anticipated that increased accessibility and infrastructure improvements (roads, bypasses, broadband, gas etc) between centres along each corridor will lead to greater growth and development which will have a positive impact on new retail opportunities.

The Housing Section of the Draft Development Plan explicitly supported the continued development of towns and villages through urban renewal and new development areas to provide the critical mass needed to maintain and expand their service centres functions, including retail.

Urban and Village Renewal

Currently there is an Urban and Village Renewal Programme for County Donegal, which operate until 2007. Environmental improvement works (Undergrounding utilities, provision of street furniture, landscaping, off-street car-parking and town centre regeneration) are planned for the following centres up to 2007 (see below). It is anticipated that such improvements will make these centres more attractive to investment and will act as a catalyst for economic and social development, including the potential for further retail development.

Table 2.1: Urban and Renewal Programme for County Donegal up to 2007		
2005	2006	2007
Rathmullan	Convoy	Carndonagh
Ardara	Killybegs	Lifford
Moville	Raphoe	Letterkenny
Ballyshannon	Castlefinn	Glenties
Milford		
Kilcar II		
Donegal		
Buncrana		
Bundoran		

A further Urban and Village Renewal Programme will be implemented between 2007-2012 and will involve a number of flagship projects, at Ramelton, Dungloe, Ardara, Carndonagh, Lifford, Stranorlar, and Ballyshannon.

Letterkenny and Environs Development Plan 2003-2009

Letterkenny is the principal town of Donegal and is identified in the NSS as a linked Gateway with Derry and development of this "axis" is seen as crucial to developing stronger links with the North and an "island economy" over the next 25 years. Donegal County Development Plan and Letterkenny Development Plan policy responds to the Gateway status by designating the Letterkenny-Bridgend Road as an "economic development" corridor. However, the Letterkenny Development Plan notes that despite its Gateway status most of Letterkenny's infrastructure is unsuited to serving major development at present.

While Letterkenny has experienced significant population increase, the majority of residential development has been outside the administrative area of Letterkenny Town Council. The Letterkenny Development Plan has zoned over 1,000 acres within the Plan boundary and it is anticipated that a population of 50,000+ could be achieved for the town under NSS objectives over the next 25 years. The growth strategy is to consolidate and enhance development within the land zonings, placing emphasis on the quality of the urban environment, the development of the vacant land close to the town centre and consolidation of the town centre itself.

Retail

Letterkenny in its regional role is the main retail centre for Donegal as well as attracting shoppers from Derry and Tyrone. However, while it has the largest share of the County's floorspace, it accounts for only 30% of the overall comparison floorspace for the County, which is low compared to other main centres throughout the country. There is not the quantum of floorspace at present or expected to redress this. Current site and floorspace sizes are small. An increase in higher order floorspace up to 25,000 m^2 (gross) to meet the requirements of large multiples and department stores is needed to entice further investment in the town

The Letterkenny Development Plan acknowledges the threats from Derry and the major weaknesses that Letterkenny has to overcome including accessibility, car parking, shortage of large retail floorspace, townscape quality, lack of public spaces, and absence of landmark tourist visitor facility. Another weakness is the dispersed nature of retail activity in the town across the central area and along the arterial approach roads.

Letterkenny Development Plan policy seeks to create a safe, accessible, and attractive town centre environment, pedestrian and vehicular management, car parking measures, increased accessibility, built heritage and townscape protection, and enhancement. As well as sustaining the historic core policy also seeks to develop a large town centre extension to the south, which it is hoped, will reduce the justification for out of centre retail developments. <u>Consequently the sequential approach will be applied to retail developments to ensure town centre vitality and viability</u>. Out of Centre proposals will have to include a retail impact assessment to indicate the likely impact upon town centre retailing.

The town centre can be divided into the following areas:

(1) Main Street Area

Retail policy is directly aimed at protecting and enhancing the historic town centre and its mix of uses and high quality of design. The main constraint to continued retail development in this area is related to site availability and appropriateness, accessibility, traffic management and pedestrian safety and poor segregation. In addition sensitive design solutions and Traffic Impact Assessments may be required for specific sites.

Shared surface proposals are preferred by the Letterkenny Development Plan to closing the Main Street fully to vehicular traffic. Two areas within the town centre are also designated Architectural Conservation Areas where new developments will be required to conserve and enhance the character and appearance of the ACA in terms of scale, massing, proportions, design, exterior features, and materials. The Letterkenny Development Plan also indicates that the appointment of a Town Centre Manager may be considered going forward.

(2) Town Centre Expansion

Main street constraints have led to a gradual development of commercial and retail facilities in the Pearse Road area south of the town centre. However, development has been haphazard with poor attention to building lines and mix of uses. Consequently a melange of uses including retail, light industry, housing, distribution, and car sales have appeared in this area with a general poor built environment. Equally while accessibility is adequate for vehicular traffic pedestrian linkages with the historic town centre and public transport is poor.

The continuance of incremental planning for individual sites without any strategy for the overall development of the area is a growing concern. Its location beside the River raises particular issues in terms of flooding risk, amenity, and frontage.

The general policy for the long terms town centre expansion of this area seeks to create a formalised, functional urban structure that will address new public spaces, the River Swilly and links with the historic town centre. An important initial development could be the transformation of Pearse Road as part of a town centre extension. A linear park is also desirable within the town centre expansion to provide open space and storage capacity for possible future floods.

Large-scale retail development will be located in this area along with civic, education, business, commercial, residential, tourist, and recreational facilities. Incentives to encourage proper development of this area going forward include public/private partnerships, supplementary developer contributions scheme to finance infrastructure and community facilities in the area, future planning authority design and landscape guidance and marketing strategies.

Neighbourhood Shops

Four residential parcels of land have been identified for development surrounding the town, which can be developed for local facilities, services and better links to the town centre. From a retail point of view, local, mainly convenience shop development will be acceptable at these locations.

New shops up to 300m^2 (net) or extension of less than 50% to an existing shop to serve a neighbourhood need will be generally accepted within residential areas outside the defined town centre once the proposal is of an appropriate scale for its location, will not give rise to negative environmental and transport impacts and will not lead to the loss of shops or other services in neighbourhoods.

Employment Zones

Letterkenny has a strong and varied industrial base supported by traditional industries. The Letterkenny Development Plan estimates that there is sufficient zoned employment land from pervious development plans to accommodate ongoing development. A large arc of land to the east of the town centre has been zone "general employment" for new or extensions to existing employment generating development proposals. The zoning objective allows for commercial, industrial, and non-retail purposes. Accessible to many of these locations will be further augmented by completion of the proposed relief road from Dry Arch to Windyhall.

The zoned area at Port Road between Port Bridge and the Bus Station currently contains a mix of uses including enterprise units, bulk retailing, garages, and light industry. As policy states that uses appropriate to the respective area will be considered on this zoning, retail warehousing could potentially be developed at this location, especially considering its location at the edge of the town centre extension. Policy generally states that shops and other retail activities aimed at the public will not be permitted although trade retailing or non-primary retailing attached to an industry or commercial business may be acceptable.

Commercial

Several sites outside the town centre are zoned "commercial" for commercial uses less intensive than those earmarked for the "general employment" zone.
Opportunity Sites

Twelve sites encircling the town centre are zoned as "Opportunity Sites" for specific development opportunities. The following sites include objectives for various forms of retail development:

Ballybofey/Stranorlar Local Area Plan 2005-2011

The twin towns of Ballybofey/Stranorlar are a linear urban settlement. Located on the N15 the population of the town rose significantly from 3047 in 1996 to 3603 in 2002, a rise of 18.25%, which is mainly due to the large number of large residential developments in recent years. The equally high growth in the rural catchment indicates that the demand for additional services and facilities in the town will continue to be high.

The town is described as a "medium size town for urban strengthening, and which would perform an important role in driving the development of a particualr spatial component either individually or in groups" in the Regional Planning Guidelines. Ballybofey/Stranorlar is strategically located on the National Transport Corridor linking the Letterkenny and Sligo Gateways. The town is classified as a Tier 3 Higher Order Centre in the 2002 Retail Strategy and with recognised attributes of Tier 2 major Centres.

The town centre of Ballybofey/Stranorlar is clearly defined and characterised by distinctive streetscapes and a number of buildings recorded as Protected Structures. The towns secured designation under the Town Renewal Scheme to promote sensitive infill development of town centres. While the tax-incentive scheme runs until July 31st 2006 it is subject to planning applications being lodged on or before 31st December 2004. The Local Area Plan also contains an objective stating that any development within the Ballybofey Shopping Centre shall provide a design concept to form part of an overall masterplan for façade improvement. The town centre is also undergoing an Environmental Improvement Scheme Phase III, which will consist of various environmental improvements to the streetscape from McCumhaill Park to Finn Bridge.

Donegal County Council and the NRA are preparing a scheme for an N15 / N13 by-pass for the town, no development will be permitted within 50 metres of the route reserved, and when complete no new accesses will be permitted. Proposals also include a number of options for new links roads a new link bridge and traffic management implementation within the towns as well as options for increased pedestrian and cycle movement as well as completion of Stranorlar car park.

The Local Area Plan adopts a high growth scenario for the town based on supplying up to 925 hectares of land for residential development. On the basis of an average density of 20 dwellings per hectare a total of 13,220 new dwellings could be accommodate within the Plan boundary on the lands zoned for purely new residential (661 ha) and assuming a household size of 2.8 persons per dwellings this would could increase the town's population to 40,619, excluding the available capacity within the town centre for new residential development and change of use/refurbishment/sub-division.

To ensure the sequential development of these lands in proper planning terms the lands zoned solely for residential purposes (661ha) are divided into 3 phases:

Table 2.2: New Residential Zones in Ballybofey / Stranorlar

Phase	Hectares	Total No of Houses	Total Population
A	300	6,000	16,800
B	254	5,080	14,224
C	107	2,140	5,992
Total	661	13,490	37,016

It is anticipated that Phase A would be made available for immediate development with Phases B and C to follow incrementally. The Local Area Plan also recognises that the potential to develop much of these lands has been hindered by the proliferation of one-off housing along the access routes to the town. Key access points and arterial road link objectives are therefore identified to protect the future development of these back lands. The Local Area Plan states that extensions and upgrade of the sewer network will be required in order to facilitate future development as it is currently showing signs of overloading

The Local Area Plan does not contain objectives for medium to large-scale retail development and /or neighbourhood centre creation within these zoned lands but generally states that other uses that do not compromise the overall development of lands for residential development will be considered on a case-by-case basis.

The town has not been successful in terms of employment generating developments in recent times. However, the retail sector has traditionally been strong mainly because of the successful McElhinneys department store and a number of smaller retail outlets. McElhinneys store accounts for 5,174 m^2 of the total 8,833 m^2 floorspace in the town. Consequently comparison retailing comprises the bulk of the floorspace. Apart from McElhinneys however, there is lack of generation of new retail floorspace in the town. It is the aim of the Local Area Plan to advance the retail of Ballybofey / Stranorlar from higher level Tier 3 to Tier 2.

Local Area Plan retail policy states that comparison and convenience developments of +500 m^2 (gross) shall be assessed against the range of criteria set out in the County Retail Strategy. The Sequential Approach will be applied to new retail developments with the town centre being the preferred location.
Retail development within town centres will also be subject to the following considerations:

- Capacity to integrate effectively with the character and scale of the surrounding built environment,
- Adequate car parking provision,
- Adequate servicing

Two town centre areas have been zoned as opportunity sites for infill development in the Local Area Plan (Finn Park and Back Road) which will be developed through a masterplan process for mixed-uses to include commercial, retail and residential.

There have been significant employment losses in other employment sectors within the town in recent years, noticeably the textile industry. Consequently the town function is increasingly becoming commuter driven where residential developments continue to increase but supporting services and facilities are sought from larger centres. 6 out-of-centre areas have been zoned *Employment and Economy* to accommodate commercial, light industrial, heavy industrial and retail out of town to offer investors favourable sites in terms of locations, size, access and serviceability.

In addition two large areas totalling over 65 hectares adjacent to the town centre have also been earmarked for comprehensive master planning for future development. One of these sites will be developed for residential and/or recreational purposes only and the County Council will lead the masterplan. A large portion of the other lands is a Special Area of Conservation and it is expected that the majority of the development will consist of sports, recreation, and open space.

Donegal Local Area Plan 2005-2011

Donegal town is an important service, retail, and employment centre for South Donegal located less than one-hour from Letterkenny/Derry and Sligo Gateways. It is identified as a "small town" with the potential for urban strengthening. The population of Donegal

Electoral Division increased by 9% in the 1996-2002 inter-censual periods while the town itself grew by 6.8% over the same period to 2,453.

The town is also an important tourist destination and summer influx often increases the town's population to 5,000.

The opening of a by-pass for the town has opened up opportunities and constraints in retailing terms. On the one-hand the town and region is more accessible to but it is also easier to by-pass the town completely for the larger settlements in the County.

The town has experienced considerable commercial and retail development since the 1999 Donegal Town Developemnt Plan. However, two separate applications for mixed used developments including retail were refused by An Bord Pleanala at Drumlonagher and Revlin[1] primarily on the grounds that the vitality and viability of the town centre would adversely impacted and in the case of Revlin because the site was accessing a national road beyond the town's speed limits which was contrary to NRA national policy.

The public consultation process for the Local Area Plan highlighted the limited provision of modern, convenience shopping facilities with many residents stating that they shop within other urban centres. Tourism-related retail was also identified as a key economic driver for the town but does not cater for the daily/weekly requirements of the resident population.

The residential policy of the Local Area Plan proposes medium density (20-25 per hectare) in areas for future town expansion. A large area of land to the south of the town has been zoned "Strategic Residential Reserve" with the requirement for a masterplan that will include a neighbourhood centre with retail facilities of up to 300 m2 per unit, public open space, healthcare, educational and childcare facilities. However development of this area will only be permitted where it can be demonstrated that the other lands zoned primarily residential are overtly constrained by ownership or infrastructure issues to facilitate development.

The 2002 Retail Strategy identifies Donegal Town as a Tier 2 Major Centre, whereby it is the policy of Donegal County Council "to promote and encourage an expansion of Donegal Town, its role, function and competitiveness".

Retail policy within the Local Area Plan seeks to strengthen, expand, and upgrade the retail and service function of the town by encouraging convenince retail of +1,000 m^2 gross and comparison of +2,000 m^2 to be restricted to the core retail centre and edge-of-centre areas. The Core Retail zone aims to protect the vitality and viability of the town centre while also enhancing the special character of the town centre in terms of streetscape and built environment. This zone is the preferred location for major retail development. A Retail Impact Assessment shall also accompany new retail development within this zone but a sequential test will only be required for "edge of centre" proposals.

There is a presumption against retail elsewhere and no other sites will be considered for retail development (other than retail warehousing and neighbourhood centre development).

Regeneration proposals for the town centre are also encouraged and the Core Retail area incorporating land at Milltown (the Mart, Bosco, behind Magee's Factory and adjoining the

[1] The development by Keeney Construction Ltd at Revlin was for a supermarket of 3300 m2 gross (2230 m2 net), café, 264 car spaces, and ancillary works. The development at Drumlonagher was for a factory outlet units (2184 m2 net), offices (3484 m2 gross) and convenince/comparison store (2997 m2 net), 2 ATM machines and ancillary works.

River Eske) have been highlighted as areas of dereliction and neglect that can be developed for retail uses and incorporating the upgrading of community-based facilities and environmental and landscape improvements. Development of these lands would be the subject of a Masterplan.

The Local Area Plan states that congestion should not be a reason against developing retail at town centre locations where public transport, measures to alleviate congestion and additional pedestrian linkages can be provided.

There is also a number of sites zoned "Mixed Use" within the town's administrative boundary. A broad range of development types are encouraged for this zone including light industry, wholesale, enterprise and service units and non-food retail units between 700 m^2 and 5000 m^2.

As regards traffic and transportation policy it is recognised that the relatively restricted road network within the town centre coupled with the shortage of car parking poses problems for circulation and future development. Projections for 2010 estimate that the town will require an additional 400 spaces to meet peak demand. In response the Local Area Plan has zoned an area of land between Castle Street and the Diamond in the town centre to be reserve and acquired for mixed car parking, retail and tourist related developments. The Local Area Plan also states that new accesses or intensification of existing entrances to the Donegal Town By-Pass will be restricted into the future.

Buncrana Development Plan, 2002

Buncrana is the second largest town in Donegal and the largest in the Inishowen peninsula for which it provides a wide range of services and facilities. It is located 20 km from Derry and 48km from Letterkenny and has the potential to integrate with the future development of this linked Gateway. Buncrana is described as a "medium-sized town for urban strengthening" in the Regional Planning Guidelines. The population of Buncrana town and environs rose from 4805 in 1996 to 5271 in 2002, a rise of 9.7%. Most of the residential development has occurred on the periphery of the town with little infill development

In terms of general employment, the town did have the largest employer in Donegal, Fruit of the Loom, which employed 1300 in the town. However, this factory has close since the 2002 Development Plan, which has undoubtedly added to the unemployment rates, which were already double the national average. The Development Plan aims to encourage growth in high tech industries and has zoned two areas within the town centre. A flexible approach will continue to be adapted to proposals elsewhere in the town with the location for such development likely to be the Derry side of the town.

In retailing terms, Buncrana has traditionally underachieved because of the close proximity and influence of Derry. It does not have the range and quantity of retail facilities that would be expected of a town of its size. Its retail catchment is only slightly greater than its urban population and the Development Plan seeks to re-establish the town as a significant retail centre.

The Development Plan seeks to counteract the tendency towards shopping in Derry by establishing several retail objectives for the town. These include

- The focussing of retail development within the town centre and resistance against large scale retailing on the periphery of the town,

- The opening up of land locked areas adjacent to the main street,
- The enhancement of the physical environment of the town centre,
- Improved accessibility and car parking provision.

While retail development within the town centre is to be encouraged the Development Plan states that this should also lead to an enhancement of the general appearance of the town centre especially through reuse of older buildings, redevelopment of derelict sites and respect of the traditional streetscape. An area to the south of the town centre around the old railway station has also been earmarked as a conservation area.

Apart from the town centre the other favourable locations for retail development lie in the back land areas north and east of the upper main street and east of lower Main St, which in 2002 were landlocked. A mixture of residential, retail and tourism related development with a high architectural quality is encouraged for these lands. Access to and integration with the existing town centre will require increased pedestrian, vehicular access and parking opportunities. The Development Plan also highlights the need to develop an Inner Relief Road to the east of the town centre which would increase the opportunities for opening up the back lands. This route has been reserved in successive plans since 1968 and the current Development Plan proposes that this route should be developed with a streetscape rather than as a by-pass route. Consequently a longer term need will be the provision of a proper by-pass for the town of which an assessment has been completed. However, this is envisaged as a long-term objective and is unlikely to have an effect on retail policy in the short term.

The eastern side of the town is lacking in parking provision and a number site, including one in the back lands area, have been identified that can incorporate increased provision for the town.

Bundoran Development Plan 2004-2010

Bundoran town is strategically located on the N15, 20 miles south of Donegal town, 20 miles north of Sligo and 10 miles west of the Fermanagh border. In the past Bundoran was made up of two villages – Single Street and West End. The native Irish inhabited Single Street and the gentry inhabited West End. The arrival of the railway during the 1860's amalgamated both villages creating a single town centre.

Today a catchment population of over 10,000 people live within a 10mile radius of the town and a further 120,000 living within a 30mile radius. In the town itself there has been a decline in population figures between 1996 and 2002, from 1,707 to 1,678 (-3.3%). However, during the summer the population grows to around 15,000.

South of the town centre there is a significant amount of undeveloped zoned backland behind the existing urban form. The development of the new Civic offices and cinema at Station road has opened up these lands for development by providing access and offering new development opportunities with a very central location.

Because of the Bundorans' impressive natural setting because of its location on the Atlantic coast near Ben Bulben and the Dartry Mountain Range, the economy is primarily based on tourism with limited activity in other sectors. If Bundoran is to grow economically it is necessary for expansion into the other sectors such as retail. The village has a limited retail provision with 28% of the retail outlets vacant during the winter, which shows how much the town relies on the tourism sector. The Development Plan recognises the *need to* *diversify and strengthen the economic and therefore the vitality of the town centre to ensure the future stability and growth of the resident community*.

According to the Retail Strategy Guidelines 2002 Bundoran is a Tier 3 Centre and fifth in the country in terms of retail floorspace. There is a need to encourage the re-use and regeneration of derelict land and buildings for retail development within the town centre. The majority of derelict buildings are located in the West End area and close to the seafront. There is also the possibility of regenerating Brownfield sites, of which there are many within the town centre. A wide variety of retail and businesses in the town will increase the town's competitiveness against the larger centres of Sligo, Letterkenny and Derry.

One of the main policies of the Development Plan is to *promote the development of the defined town centre as the primary location for retail, tourist, business, cultural and other uses*. In order to promote this the Development Plan has recognised the need for a Masterplan for the area and also a Masterplan for the Seafront. The Town Centre Quarter Masterplan is located adjacent and south of the town centre and shall *facilitate the creation of a vibrant and diverse new town centre quarter, which enhances and contributes to the vitality and vibrancy of the overall defined town centre.*

Castlefinn Local Area Plan 2005-2011

Castlefinn is located on the N15 approximately midway between Lifford and Ballybofey/Stranorlar and has in the 1996-2002 inter-censal years its population increased by 12.2% to 783. The town's main functions are commercial, retail, educational, religious, social, and recreational although large-scale services are absent due to the small population.

There is a continual high demand for housing in and around the town and the Plan has zoned 48.5 ha for multiple residential purposes. The Plan also seeks to encourage additional services and opportunities to establish in the town. There is currently no manufacturing or industrial activity in the town but it is felt that its strategic location, road linkages and potential workforce that the town could be developed for business and industrial development. The NRA also proposes to by- pass the town as part of the Lifford-Stranorlar realignment.

There are a number of grocery stores in the town as well as other commercial units. However, comparison outlets such as a pharmacy, clothing, and footwear stores are not represented and needed.

The policy of the 2000 County Development Plan encourages the location of new retail developments generated by Derry City demand pressures within the existing settlements of east Donegal. New retail development will be supported within the town centre primarily. However, proposals that are of a nature and scale inappropriate to the town centre may be considered outside the town centre once they are in accordance with the County Retail Strategy. This may include land not zoned for retail development where the "Good Neighbour" principle is applied on adjacent areas.

There are 3 opportunity sites identified within the town - (1) the disused Nena Models Factory, (2) St. Mary's Church and (3) a 2.44 ha site to the east of the town. While Site 3 is earmarked for residential development sites 1 and 2 hold the potential for retail development although specific site conditions may negate this - it is anticipated that the large factory building existing on site 1 will be retained and reused while St. Mary's Church is a Protected Structure and would need to be sensitively redeveloped. The Plan also encourages the retention and re-use of buildings throughout the town for active uses.

Muff Local Area Plan 2004-2010

Muff is described as a small town within commuting distance (4km) of Derry in the Draft Regional Planning Guidelines for the Border Counties and it is expected that it would add to the critical mass of the Letterkenny-Derry linked Gateway thus lessening the necessity for dispersed rural settlement.

The town has experienced high population growth levels in recent years, growing from 334 to 773 between 1996 and 2002 (+131.4%). Most developemnt has been linear in form along the Main Street, which is also the retail core of the village. The majority of newer residents have come from Derry because of the proximity of the village, low property prices, and the sterling/euro exchange rate. However it is expected that the large areas zoned for new residential development in the current development plan for Derry may lead to a reduction in demand for housing in the area. The Local Area Plan envisages a moderate population growth going forward with an increase to 1,200 by 2010.

The main aim of the Local Area Plan is to consolidate the village core by concentrating development within serviced spaces/corridors and encouraging incremental development outwards. Alongside the significant residential growth there has also been an increase in retail and commercial provision and the majority of jobs in the village are in these sectors. The wide variety of retail uses and low levels of vacancy indicate a healthy and viable village centre. The Local Area Plan seeks to encourage a diverse and innovative retail and service sector to reduce the need to travel to Derry. However, while services such as pharmacy's and estate agents are needed there is currently an oversupply of convenience stores and petrol stations in the village. In short the Local Area Plan seeks to encourage a greater choice and quality of higher order goods rather than additional convenience retailing. The Local Area Plan specifically states that large-scale regional shopping centres will not be permitted within the village.

As regards "out of centre" retailing the Local Area Plan has zoned two sites Employment/Industrial which can accommodate retail warehousing as well as light industrial, enterprise, call centre, office and tourist related employment. However the Local Area Plan does not support the development of additional petrol service stations within the village.

While Muff is not considered a tourist village, its location at the base of the Inishowen peninsula is seen as an opportunity to develop its tourist amenity. Eight opportunity sites have been identified throughout the village to encourage proposals that would support the tourist product such as heritage centres or tourist retailing.

A route around the periphery of the village will be reserved for the consideration of an "Outer Relied Road" in the long term and no development will be permitted within this corridor throughout the Local Area plan period.

Bridgend Local Area Plan 2004-2010

Bridgend is a border village of approximately 300 located on the N13 between Letterkenny and Derry. Its location practically on the border and at the base of the Inishowen peninsula and with good road linkages means that the village is of strategic importance to the Derry/Letterkenny linked gateway as underlined in the National Spatial Strategy 2002-2020. It is estimated that the N13 carries 17,000 vehicles per day. With the increase in high quality residential developments a large number of people have been attracted to the area, although this has altered the function of the village to a commuter settlement.

The commercial function has centred on the petrol filling station /shop located in a linear form along the N13 and which is the main source of employment in the town. This function has increased in recent years due to cheaper fuel prices within the Republic, which now attracts large volumes of business from Derry. However other forms of retail function have failed to develop within the village and the village population rely heavily on Derry, Buncrana, and Letterkenny for main convenience and comparison-shopping. Existing retail stores apart from the petrol stations include an electrical shop and small convenience stores.

Bridgend has experienced a substantial increase in residential development and the number of households has increased from 114 to 189 between 2000 and 2004. However, the Local Area Plan adopts a medium growth strategy for the village going forward with densities of 15 per hectare. 7.3 hectares across four sites have been zoned for residential development, which will accommodate 109 units.

As regards retail development the Local Area Plan recognises that Bridgend, due to its location between Derry and Letterkenny has a number of potential development sites particularly along the N13. Policy encourages retail uses to locate within the commercial centre of the village and at locations where traffic turning movements will not interfere with the safety and free flow of traffic along the national route or will endanger public safety.

Approximately 8 hectares has been zoned Retail and Commercial, the majority of which fronts onto the N13. Six opportunity sites totalling 22.78 hectares have also been zoned for employment-generated uses especially industrial/enterprise, retail warehouses, call centres, offices and tourist-related activities. The majority of the zoned land is located in Sites 1, 2 and 3 (20.57 ha) to the east of the town and it is hoped that their proximity to the border and the Elagh Business Park on the Derry side will encourage similar office and light industry uses with a potential for coalescence of urban areas on both sides of the border into the future.

Industrial/business park uses are encouraged for these sites but with the large site areas involved retail development particularly comparison and retail warehousing may also be possible.

Proposals for the other smaller sites located within the village core will be assessed individually on their own merits and their compatibility with adjoining land uses. However policy states that any further petrol station formats will be discouraged at these locations.

Rossnowlagh Local Area Plan 2005-2011

Rossnowlagh is a village in the southwest of the County, 8 kilometres from Ballyshannon. Due to its scenic costal location it is also a major tourist attraction and is popular with day-trippers during the summer months. Rossnowlagh has also experienced a large increase holiday home development pressures. The Rossnowlagh area encompasses two separate settlements: Coolmore and a more recent “Holiday Village” development to the east of Belalt Strand.

While the resident population is low at approximately 250 this can grow to 6000 in the summer when the surrounding holiday homes are occupied, which while beneficial to the local economy also puts pressure on the area's limited infrastructure and services.

The Plan strategy recommends a sustainable medium level of growth for the area. It seeks primarily to consolidate development within the boundaries of the Coolmore and Holiday Village settlements with incremental extension of boundaries for additional housing, amenity and services as required and dependent on necessary infrastructure being put in place. Multiple housing developments will be resisted within Coolmore with limited quality multiple residential developments allowed within the Holiday Village.

The Rossnowlagh area currently has a modest retail/service economy, including a number of small grocery stores. Going forward it is intended to support year round employment opportunities to provide additional services for the permanent population as well further promote the tourism potential of the area. Specific retail objectives seek to protect the existing retail function of both centres and encourage further small-scale retail development as well as extension of existing retail services within delineated village boundaries.

It has been suggested that a number of the dilapidated buildings located within Coolmore in particular could be redeveloped for additional services instead of Greenfield sites.

Five Opportunity Sites are identified in the area for new development. Of these Site 1 (Coolmore House surrounds) has the potential for tourism related uses, which it is assumed, could include small-scale convenience and comparison. Site 4 (adjacent the Holiday Village) is an area earmarked for village centre redevelopment through a phased approach and masterplan. This will include for the provision of commercial units (shops, hotels and restaurants).

KILLEA LOCAL AREA PLAN 2004 - 2010

Killea is a small village located on the banks of the River Foyle, on the regional road between Letterkenny and Derry and approximately 7 kilometres south west of Derry City. Its location is of strategic importance to the Letterkenny – Derry Gateway, which is outlined within the National Spatial Strategy for Ireland 2000-2020.

The main concentration of residential development is situated to the north of the village and along the R237. According to the 2002 CSO figures there was a decrease in population figures of 14.6% from 185 in 1996 to 158 in 2002. However, since the last census collection there has been substantial growth in population, which is apparent in the number of large-scale housing developments being constructed. By 2010 it is estimated that the population of Killea and its environs will be 450 people.

Killea can best be described as a commuter village that offers a place to live between Letterkenny and Derry. The majority of Killea residents work and socialise in Derry or in Letterkenny and hence offer no social or economic benefit to the village. Facilities, which normally entice the population to use the village centre such as medical, banking, shopping, restaurants etc, are clearly deficient.

The aim of the Killea Local Area Plan is to set out a framework for the future development of the village to improve the quality of life for the new and existing residents in the village. In terms of retail the objective of the LAP is:

> *To strengthen the role of Killea as an employment generating settlement and to maximise the villages key location on the border with Northern Ireland and to provide residents from the village with the opportunity to work and live in the same area.*

Killea's residential sector is increasing therefore the demand for a better and improved retail sector is evident. Currently there are only two convenience stores located in the service stations of the village. The County Council has realised the need for better retailing facilities for both the existing residents and new residents and thus have designated an opportunity site (highlighted as RMD on map) within Killea village centre zoned for *Retail/Mixed-Use Development.* This is an open site located northwest of an existing residential area and in close proximity to a service station. This is a prime location to develop a retail/mixed use centre, which would *provide for the basic needs of the residents living in the village and encourage individuals passing through the village to avail of the service.* Consideration will be given to the development of a convenience store, DIY store, pharmacy, bank and ATM, hairdresser/barber.

There has also been an area in the centre of the village, which has been zoned as a village centre. This area will accommodate mixed-use development in terms of retail, business, tourism amenities, financial services etc.

A Masterplan area has also been recognised for redevelopment. The area is located north of the Regional Road and therefore is readily accessible. Presently it is occupied by a number of uses including residential, light industrial and agricultural. According to the LAP *a mix of uses shall be permitted within the Masterplan area for Multiple (MRP) and Low Density Residential developments, a Village Centre, Community, Health and Education, Recreational Area, Retail Mixed Use Development and Light Industrial Development*.

Burnfoot Local Area Plan 2004-2010

Burnfoot village is located approximately 3 miles from Derry on the road from Derry to Buncrana R238. Scalp Mountain which is one of Burnfoot's main tourist attractions is situated north-east of the village. The majority of residential developments are located east of the R238 and the retail core is located on both sides of this road.

In terms of population there has been an increase of 7.1% from 224 in 1996 to 240 in 2002. like Killea this figure will no doubt have increased further since the Census collection in 2002 as the residential units that were constructed at that time are now fully occupied. Also, if the lands zoned for residential purposes in the LAP are completely utilised an increase of 588 persons is expected.

In June of 2003 the County Council held a public workshop in the Burnfoot Community Centre in order for the local communities to highlight their concerns. The public were also invited to forward written submissions. Out of the issues raised concerning retail, the LAP's aim is:

> *To facilitate the provision of employment generating lands for both retail and industrial purposes in order to give people the opportunity to both live and work in the village.*

Currently there is a convenience store, a drugstore, a garage, café, taxi service and a hairdressers in the village of Burnfoot and planning permission has been granted for a petrol station and shop within the village centre which will provide additional services thus further enhancing the local economy. *Although not all of these are located within the village core, the fact that so may exist show that the market is there to support them.*
In order to facilitate the above aim it has been recognised that areas will need to be zoned within the plan boundary where further small-scale retail development would be considered appropriate.

Burnfoot village has no village centre as such therefore another aim of the LAP concerning retail development is:

> *To identify a village centre within the plan where retail and residential development is encouraged, and redevelopment of run down derelict properties is promoted in order to develop a vibrant and aesthetically pleasing core for both residents of the area and visitors.*

The County Council has identified an opportunity site within the village centre highlighted on the map of the LAP as Opportunity Site 3. Currently this site holds derelict and vacant retail and residential units fronting onto the main street of the village. The location of this site means it is a prime location for retail development as well as residential development and as a result a way to attract the existing and future residents of Burnfoot into the village. The establishment of a village centre has been identified by the Council as giving Burnfoot a sense of place.

2.4 RETAIL TRENDS

Ireland has for most of the last decade witnessed unprecedented rates of economic growth. This growth has manifested itself in the retail sector through increased floorspace and increased volume rates of growth. The retail sector now contributes 6% of Ireland's Gross Domestic Product (GDP) compared with just under 5% a decade ago. Along with these growths have emerged new forms of retailing not previously present in Irelands retail market. The main trends are discussed below.

Growth in Retail Sales and Floorspace

Retail floorspace in Ireland grew a staggering 22.4% from 1988-1996. According to the 1988 CSO figures the retail floorspace requirements for convenience and comparison retail was 1,896,636sq m. According to the Retail Planning Guidelines the retail floorspace requirements in 1996 were 2,320,810sq m. These figures show a rise of 424,174sq m (22.4%). Total retail floorspace is estimated to have grown by 35.2% from 1996 to 2003, an annual average rate of 4.4%. According to Forfas and Goodbody Report retail sales grew by 60% during the period 1990-1996 and by a further 42% from 1996-2000.

Structural Changes

The Irish national policy and advisory board for enterprise, trade, science and technology (FORFAS) has identified four key trends in international retailing that are now affecting Ireland:

- A trend towards large sized units, particularly in food retailing.
- Diversification, particularly by food retailers, into new product areas (e.g. DIY, clothing and household products), new geographic markets, and into new businesses (e.g. Marks and Spencer's move into retail financial services).
- Provision of improved services to customers, such as scanning at checkouts, home shopping, and home deliveries and centralised supply chain network.

International Trends

Below are some of the key trends, which are likely to affect retailing in Ireland.

<u>Entry of US Retailers</u>
Many of the large-scale retailers in the US have now entered the European retail market (e.g. Wal-Mart, Toys 'R' Us), usually via one of the larger retail markets such as France, the UK or Germany. The average size of a US supermarket is 2,600m2. Wal-Mart is the US market leader, and in 1999 it entered the UK market when it acquired the ASDA supermarket chain. The company is highly aggressive and often undercuts its rivals. TK Maxx, the clothing discount store, has already expanded into Britain and Ireland.

<u>Non-Store Retailing</u>
A market that was once seen as relatively mature (e.g. mail order catalogue shopping) is now witnessing substantial change due to the growth in Internet and television shopping. The growth in this market has been marked, but also somewhat fragmented, with many new entrants losing out and a number of traditional retailers finding a foothold. This market is currently seeing intense change, and it is difficult at this state to estimate the growth potential in the market. However, it is likely to be substantial on a long-term basis, particularly for non-bulky comparison items such as books, CDs, and computer software. One area likely to see substantial growth is 'super-specialized' shopping, where the size of overall market allows traders, particularly new entrants into the market, to specialise in a

much narrower range of products than a high street store but with far greater depth. It would, however, require a large volume of these retailers to impact upon traditional town centre and out of town retailing.

IT
Developments in information and communications technologies (ICTs) are enabling improvements in market research and analysis, and supply chain management. This is driving significant change in international retail supply chains as retailers seek out increasing efficiencies and seek to reduce inventories.

Growth in Hypermarkets
There are currently no hypermarkets in Ireland, but the current population and economic conditions suggest that there will undoubtedly be demand for these types of units. However, current floorspace caps are likely to restrict the growth of this type of retailing.

Emergence of Category Killers
The trend to larger sizes in the retail sector, already identified, has been a factor in the European emergence of what is known as 'category killers'. These are usually very large outlets, which offer a specialized product range. Examples include Toys 'R' Us and the Swedish retailer IKEA. They are often 'destination' retailers and their catchment is often much larger than traditional town centre.

Diversification
With the increasing sophistication of consumer demand, recent years have seen a substantial increase in the product ranges that are provided by many larger stores. This includes expansion into alternative areas in addition to the expansion of existing product ranges. It has largely been the result of increasing sophistication of consumer demand. Stores have tried to keep pace with this demand with the emphasis very much on facilitating the consumer and ease of shopping.

Irish Retail Trends

The number of retail outlets in Ireland has increased dramatically since the late 1970's (39,697 in 1977 to 52,764 in 1998). While the number of grocery and clothing outlets has declined this has been more than offset by the increase in the number of other outlets. Mainly specialised outsets, such as DIY, jewellers and hairdressing salons, have driven the growth in outlets. The fall in the number of grocery retailers reflects the low growth in consumer expenditure, coupled with the competition between retailers.

Food retailing within Ireland has experienced concentration. Dunnes Stores has approximately 22% of the market followed by Tesco with approximately 16%. The growth of symbol shops such as SuperValu, Spar, and Centra has also been a feature of the past decade. Independent shops have a 15% market share, which represents almost 87% of the retail outlets.

There has been a decline in the number of clothing outlets in Ireland since the late 1980's (4766 in 1988 to 4259 in 1998). The leading organisations in clothing are Dunes Store and Penney's who between them have 40% of the market.

The major retail trends in Ireland, of relevance to this Study are set out below.

- Further concentration of ownership in the food sector is likely, particularly through the entry of further UK supermarkets. Tesco has already entered the market;

other retailers such as Sainsbury, Safeway or US retailer Wal-Mart/Asda may enter the market. The planning limits introduced in 2000 are likely to be a significant deterrent to UK retailers in the food sector, as they prevent them from operating in their preferred formats.

- Independent retailers are likely to have more of a future in Ireland than they have elsewhere in Europe. Many smaller stores have managed to maintain a role in the market as "top up" outlets located close to residential areas selling a variety of items, from bread and milk, newspaper, and with many also including small delicatessens to sell breakfast and lunch foods. Cultural differences, population densities, and deterrents to market entry from UK and other European multiples should ensure a strong future for Irish independents. However, a major problem has been the growth in garage forecourt shopping and the numbers of independent retailers is, however, predicted to continue falling. An alternative for some has been to join the symbol groups (Spar, Centra, Super Valu, Costcutter etc) as a way of maintaining competitiveness.
- Experience elsewhere in Europe suggests that supermarket retailers will attempt to launch new formats to increase market share: top-up shops in town centre or convenience sites; compact stores in edge of town or market town locations; and stand-alone petrol station stores with wider than usual products.
- Discount retailers Aldi and Lidl have been active in the Irish market since the late 1990s. While there was some scepticism initially from industry insiders over the likely success of this retail format, recent figures show that that they are maintaining a 5% of the market. Discount foodstores tend to specialise in certain goods such as dry goods, pet food, confectionery, and cleaning products with many customers frequenting these stores specifically to bulk buy these types of products. While originally envisaged as being complementary to larger retail outlets there have been a few recent examples where discount foodstores have been accepted as providing a local retail service as part of a mixed-use development.
- Forecourt retailing is a rapidly developing concept in Ireland, particularly through the link-up between petrol companies and symbol groups (such as Maxoll or Maces). Many local authorities have initiated policy in recent years to regulate the size of such outlets which are increasingly seen as a threat to the vitality and viability of town centres.
- There has also been an increase in the popularity of farmers markets selling fresh produce such as fruit and vegetables, meat and dairy products. This trend has been particularly noticeable in Dublin and the larger urban areas. Letterkenny has a Farmer's Market that operates the 1st and 3rd Saturday of every month.
- Concentration in the clothing sector is expected. Dunnes Stores and Penneys currently dominate this market. Concentration is likely to occur through the entry of UK and other European retailers into the Irish clothing sector. The easiest way for these retailers, such as Next, Monsoon, and Oasis, to gain a foothold is through the opening of new shopping centres, which is the easiest and cheapest way for these retailers to get suitably sized units. This trend is already growing, as international retailers are taking up units in new shopping centres. This division of the two dominant players should enable the existing independent retailers to remain strong, but it is necessary that these new shopping centres do not have advantages (such as accessibility by car) or the traditional town centre shopping would be threatened in Ireland the same way as it has been in the UK.
- Outside of the new shopping centres, this influx of UK retailers is likely to be most marked in the larger Irish towns and cities, where the uniformity of high streets in Britain is expected to spread to these Irish locations.

- The pressures for factory outlet retailing are likely to continue in Ireland, following the huge growth in this sector in the UK, and recent applications and permissions within Ireland. These centres comprise groups of manufacturers who trade from individual units on a common site, selling mainly end of lines or seconds, at significantly reduced prices. These outlet centres are part retail, part tourist attraction, but manufacturers prefer them to be located in out-of-town locations so that they are not competing with stores selling full-price products on the high street. Forfas estimates a capacity for only three or four factory outlets in Ireland, and they are likely to remain a very difficult planning issue.
- Retail warehouse parks saw huge growth in the UK in the 1980s and into the 1990s. More recently, they have started to be developed in Ireland, and demand for these parks is likely to remain high for the foreseeable future. Typically, they are locations for bulky items not easily bought on the high street (DIY, white electrical goods and carpets), but many UK retail parks include clothing retailers.
- Consumer shopping habits and meal preparation habits are changing. This is driving the food retail structure to one of large stores for once-weekly shopping trips and smaller convenience stores for top-up purchases.
- It is very evident that changes have taken place in the ownership of high street shops. The number of small independent retailer has substantially decreased and in its place are the larger retail shopping centres. According to AC Nielsen there were 9,387 independent shops in Ireland in 1988. Ten years later this fell to 7,872. The number of independent retailers is predicted to continue falling. Some may join the symbol groups as way of maintaining competitiveness.

The Emergence of New Forms of Retailing

There are a number of new forms of retailing breaking into the Irish market and include among others, retail warehousing, retail parks, factory outlet centres and e-retailing. The potential implications of each are examined below.

Retail Warehouse and Retail Parks

Retail parks are a single development of at least three retail warehouses grouped around a common car park. Retail warehousing is a form of retailing that specialises in the sale of mainly bulky goods. It operates on the basis of scrambled merchandising, which means that they sell everything from car tyres to baked beans. Stock is sold in bulk and at significantly lower prices than in traditional retail outlets. They are characterised by large display areas with the public usually travelling to them by car and taking away their purchases by said transport.

Due to the scale of this form of retailing, the Retail Planning Guidelines acknowledges that town centre sites are not always the best location for this form of retailing. In practice they are best suited to edge of centre or out of centre locations where ease of access is provided.

According to the Retail Planning Guidelines 'It is beneficial to group retail warehouses on planned retail parks so that the number of trips by car are minimised and outside the town centre so that there is relief for additional traffic within a congested town centre'.

Factory Outlet Centres

These centres comprise groups of manufacturers who trade from individual units on a common site, selling mainly end of lines or seconds, at significantly reduced prices. These outlet centres are part retail, part tourist attraction. The Retail Planning Guidelines state that town centre locations are not the best location for such developments and instead indicate that edge of town centres where public transport systems are provided may be more appropriate. Manufacturers also prefer them to be located in out-of-town locations so that they are not competition to stores selling full-price products.

Forfas estimates a capacity for only 3-4 factory outlets in Ireland and believe that they are likely to remain a difficult planning issue. International experience suggests that there is a need for a large catchments population in order for such retail centres to be a success.

E-Retailing

This is one of the most recent developments of retailing on the Irish retail market. E-retailing takes place where items are purchased over the Internet without the need to visit a retail outlet. According to the Centre for Retail Studies, UCD, rates of home computer ownership and internet usage are rapidly increasing in Ireland and the centre estimates that 30% of the population have already made at least one purchase on the Internet.

Distribution lies at the heart of the expansion of this sector and the more efficiently this can be achieved, the greater the potential scope. In the food retail sector, because the product is high bulk/low value, efficient distribution has to be linked to relatively high-density population and high market share by participating retailers. The conditions are not in our opinion ideal in Ireland out side the Dublin conurbation and combined with the absence of trading in retailing by 'other' means, the impact may not be nearly as significant as is being predicted in other retail economies. These other means include mail order. Moreover, if relatively low levels emerge, the probability is that the form of retailing will be based on the larger foodstores rather than new distribution warehouses. In that case it will simply contribute towards normal retail expenditure.

3.0 REVIEW OF DEMOGRAPHICS AND EXISTING FLOORSPACE

3.1 EXISTING FLOORSPACE

Table 1 below details the amount of existing retail floorspace in the County based on the floorspace survey conducted by DTZ Pieda Consulting in 2002 and updated to 2005 based on figures gathered from a planning file search of granted retail applications at Donegal County Council, Letterkenny Town Council, Buncrana Town Council and Bundoran Town Council. These figures include a number of recently approved applications that are not yet built/operational. In particular, we note a recent development in Letterkenny, which contains approximately 23,600 m^2 of retail floorspace (gross) and has a Dunnes Stores anchor.

Table 3.1 Floorspace in County Donegal, 2005

Location	Convenience (m2)	Comparison (m2)	Bulky Goods (m2)	Total
Letterkenny	12,279	41,249	12,162	65,690
Donegal Town	4,210	7,619	1,060	12,889
Ballybofey-Stranorlar	1,934	10324	380	12,638
Buncrana	2,916	7252	4024	14,192
Ballyshannon	2,542	3657		6,199
Dungloe-Bunbeg-Derrybeg	5,795	4075	1500	11,370
Bundoran	3,014	4977		7,991
Carndonagh	1,735	3130		4,865
Falcarragh	1,164	2024		3,188
Raphoe	801	1764		2,565
Ardara	688	1965		2,653
Moville	1,136	1246		2,382
Killybegs	1,332	1202		2,534
Glenties	762	779		1,541
Milford	279	1331		1,610
Lifford	323	576		899
Ramelton	370	297		667
Castlefinn	280	207		487
Convoy	418	270		688
Other Areas	745	2010	160	2,915
Total	**42,723**	**95,954**	**19,286**	**157,963**

3.2 POPULATION PROJECTIONS

Census 2002 recorded the population of County Donegal as 137,575, an average annual percentage increase of almost 1% from the 1996 Census. The *CSO Regional Population Projections 2006-2021*, published in May 2005, predicts that the Border counties will sustain an average annual population increase of 1.2% up to 2021. This projection follows the M1F2 Medium model and is based on the following assumptions:

- Total Fertility Rate for the country will decrease to 1.85 by 2011 and remain constant thereafter,
- National Immigration will remain high at +30,000 per annum between 2011 and 2016 and +20,000 from 2016 to 2021,
- Internal Migration rates from 2006 onwards will be the average between the rates detailed 1996 and 2002 Census'.

Application of 1.2% annual growth for County Donegal gives the following projections:

Table 3.2 County Donegal Population Projections		
Year	Population	% Annual Change
1981	125,112	
1986	129,664	0.7
1991	128,117	-0.2
1996	129,994	0.3
2002	137,575	0.9
2006	144,298	1.2
2007	146,030	1.2
2008	147,782	1.2
2009	149,556	1.2
2010	151,350	1.2
2011	153,167	1.2
2016	162,580	1.2
2021	172,572	1.2

It is noted that the population and household projections for County Donegal produced by Jonathon Blackwell & Associates and set out in the Housing Strategy of the County Development Plan suggests a more conservative annual growth rate of 0.5% between 2001-2021. These projections were carried out prior to the 2002 Census and predicted an average annual growth rate of percentage for the County in the 1996-2002 inter-censal period. However, the 2002 Census indicated that the population grew by on average 0.95% per annum over this period.

The optimistic growth projections indicated by the CSO are based mainly on a predicted increase in the number of births annually (due to the increase in the number of women in the 20-39 age cohort), increased life expectancy and continued high rates of immigration.

4.0 HEALTH CHECK REVIEW

4.1 Town Centre Health Checks

The review of town centre health checks has centred on Letterkenny, Buncrana, Bundoran, Donegal Town, Ballybofey / Stranorlar, the Gaeltacht area, Carndonagh, and Ballyshannon.

Businesses, business support organisations, chambers of commerce and local development companies were contacted by telephone to review the key issues, in terms of attractiveness, accessibility, retail provision and perceptions that were raised in the health check assessments within the framework set out in the Donegal Retail Strategy 2002. These reviews are set out below.

Letterkenny

Letterkenny town centre is considered vibrant, with a range of independents and national operators, and a mix of cultural uses, and benefits from locally organised promotional campaigns, such as Shop LK. The extended town centre area, which is the subject of a detailed masterplan, is now home to larger modern comparison retailing formats including Next, TK-Maxx, Argus and Atlantic Homecare, as well as representation from all major stores, including Supervalu, Dunnes Stores, Tesco, LiDL and Aldi. The proximity of Derry, and the quantum and quality of convenience and particularly comparison goods available there, continues to impact the viability of Letterkenny, however it is acknowledged that Letterkenny is strengthening its retail offer, and is increasingly able to hold its own.

Notwithstanding the provision of additional development land for retail uses in the extended town centre area, there are a number of sites in the traditional town centre which could equally provide appropriate opportunities for delivering modern retailing formats, and there is a concern that the Planning Authority should be more pro-active in this regard. In addition, the traditional town centre would benefit from proper pedestrian linkages with the extended town centre area, and there are opportunities to facilitate this, e.g. An Post, or the ESB building. Improved signage and a more managed approach to parking, as well as improved footpaths and lighting, would further enhance the character and accessibility of the town centre. The future pedestrianisation of the town centre main street should be investigated further.

However, as the main town in the County, it has been suggested that Letterkenny's growth as a major retail centre has been somewhat haphazard and unplanned, and that, overall, the town lacks a clear vision for its growth and sustainable development.

Buncrana

The town's retail offer continues to be dominated by independent retailers, with some national multiples representation, including SuperValu, and discount foodstore operator LiDL, with ALDI to follow.

Notably there is a perception that LiDL has increased footfall in the town, from as far away as Malin, and this has increased trade generally in the town. The town's retailers also benefit from a successful promotional voucher scheme that was implemented in the weeks running up to Christmas 2004.

There is leakage to Derry and Letterkenny, but conversely, the town benefits from shoppers from the North, particularly for convenience goods.

There have been some new comparison stores developed in the town, which has also contributed to an increased footfall, however some of the retail units provided in new mixed-use developments are largely vacant, mainly due to the high rents. There is an ongoing issue with the weekly street market and its impact on the existing retail outlets that needs to be resolved.

The town's viability and vitality would be further enhanced with more shops, to include a major store, offering more variety to the town's patronage. There has been a decision to install pay and display parking on Main Street, which will relieve congestion.

Bundoran

Bundoran is predominantly a seasonal tourist town, with a noticeable turnover in independents that set up mainly to serve the tourists, which continues to impact on the viability and vitality of the town at off-peak periods. However, the Planning Authority has been pro-active in designating an extended town centre area, as well as a number of opportunity sites, to encourage developer interest in the town, and this will need to be monitored.

Donegal Town

Donegal Town continues to be perceived as an attractive town and a strong draw for tourists. The town has suffered significant job losses, and there is considerable support for additional retail operators to come to the town, to ensure the town continues to serve the needs of its catchment population in the face of competition from Letterkenny and Sligo, as well as the North, while also providing much-needed jobs, with a number of major development schemes being planned.

Ballybofey/Stranorlar

McElhinneys of Ballybofey continues to draw substantial trade, largely due to good marketing and availability of clothing for the whole family. That said, there is a strong desire for increased variety in the town, for both convenience and comparison-shopping, to cater for the large catchment that McElhinneys attracts. This will be important when the by-pass for the town is implemented.

The Gaeltacht area

Dungloe is the main retail centre for the Gaeltacht area, with the smaller centres of Bunbeg, Derrybeg, Falcarragh, Glenties, and Gweedore. These centres are individually quite weak, from a retailing perspective, and there is a perception that the existing retailing is struggling because of the better offers elsewhere in the County. There is clearly the opportunity to focus on delivering more shops and greater variety to counteract the leakage to other centres in Donegal.

Carndonagh

Carndonagh benefits from an active community development group that has fostered increased public sector spend in the town, contributing to its vibrancy and vitality, both for locals and for tourists. There are three good quality supermarkets in the town, and a large element of comparison space.

Ballyshannon

Ballyshannon, despite significant job losses, including Parian China, has noticeably become more vibrant recently. This appears to have been fuelled by speculation arising from the interest in the town made by large convenience multiples. Sustaining this renewed interest in the town’s retailing sector will be important when the Bundoran/Ballyshannon bypass, which improves journey times to Donegal Town and Sligo, opens in Spring 2006. The Planning Authority has identified a number of opportunity sites for retail activity, including an out of centre location.

5.0 AVAILABLE EXPENDITURE (FLOORSPACE GROWTH ASSESSMENT)

5.1 NATIONAL RETAIL EXPENDITURE FOR 2002 (ANNUAL SERVICES INQUIRY)

Initially, an estimate for current levels of convenience and comparison retail expenditure in County Donegal is obtained based on estimates derived from the following CSO and ESRI data:

- *2002 Annual Services Inquiry,* published December 2004
- *Retail Sales Index Figures,* published monthly
- *2002 County Incomes and Regional GDP,* published March 2005
- *ESRI Medium Term Review,* published May 2003
- *Quarterly Economic Commentary (Summer 2005),* published May 2005

Table 5.1: National Retail Expenditure, 2002 (Annual Services Inquiry) (€'000)			
Expenditure category	Expenditure excluding VAT (€ (€ '000)	VAT (€ '000)	Total (€ '000)
Convenience in non specialised stores	9,908,127	967,889	10,876,016
Food, beverage, tobacco in specialised shops	1,093,048	62,974	1,156,022
Pharmaceuticals	1,008,409	74,065	1,082,474
Total Convenience	**12,009,584**	**1,104,928**	**13,114,512**
Comparison goods in non-specialised states	521,480	90,529	612,009
Other Retail sale of new goods in specialised stores	7,397,006	1,283,837	8,680,843
Pharmaceuticals	372,973	27,394	400,367
Total Comparison	**8,291,459**	**1,401,760**	**9,693,219**

Source: CSO
Assumptions:
5% of non-specialised stores are comparison (and with same rate of VAT as Other Retail).
Pharmaceuticals are split 73% convenience and 27% comparison (As in Cork Strategic Retail Study, 2002)

5.2 NATIONAL RETAIL EXPENDITURE UPDATED TO 2005 (ANNUAL SERVICES INQUIRY AND RETAIL SERVICES INQUIRY)

Then projected annual growth rates for convenience and comparison retailing are based on the most recent Retail Sales Index results for the 2nd quarter of 2005. The growth rates are applied based on a combination of both price and volume growth rates, so that these years are presented in current prices (As in the 2002 Retail Strategy). 2005 will therefore be the price base year for future projection.

Table 6.2: National Retail Expenditure Growth 2002-2005 (Retail Sales Index) (€'000)		
Expenditure category	2002 (€ '000)	Q2 2005 (€ '000)
Convenience in non specialised stores	10,876,016	14,971,799
Food, beverage, tobacco in specialised shops	1,156,022	1,242,664
Pharmaceuticals	1,082,474	1,483,853
Total Convenience	**13,114,512**	**17,698,316**
Comparison goods in non-specialised states	612,009	842,485
Other Retail sale of new goods in specialised stores	8,680,843	10,444,776
Pharmaceuticals	400,367	481,721
Total Comparison	**9,693,219**	**11,768,982**

Note:

- Projections based on annual percentage growth rates for value and volume sales combined.
- The % growth rates indicated for "Other Retail sale of new goods in specialised stores" is taken as an average of the growth rates indicated in the Specialised Stores (NACE 52) category of the RSI excluding "Pharmaceuticals" and "Food, Beverages and Tobacco".

The CSO Population and Migration Estimates for April 2005 estimates the national population as 4,130,700. This gives estimated national per capita expenditure rates of **€4,285** for convenience and **€2,849** for comparison.

5.3 NON-HOUSEHOLD EXPENDITURE

Calculations of the non-household (or business to business) expenditure is omitted from this calculation as on the one hand business expenditure is relatively small and also because a reasonably stable relationship between household and business expenditure can be assumed and carried through.

5.4 DIFFERENTIAL BETWEEN STATE AND COUNTY EXPENDITURE PER HEAD

The *County Incomes and Regional GDP* 2002 data is used to obtain a more accurate figure for expenditure at county level. This data indicates that the disposable income per person in County Donegal (€13,928) is 83.8% of the state average (€16,625). This results in convenience expenditure for Donegal of €3,591and €2,387 for comparison.

Table 5.3: Per Capita Retail Expenditure, County Donegal 2005 (€)		
	National per capita expenditure 2005	Donegal County per capita expenditure 2005 (base year)
Convenience	4,285	3,591
Comparison	2,849	2,387

Source: CSO Annual Services Inquiry, 2002 and County Incomes and Regional GDP, 2002

5.5 EXPENDITURE PER HEAD – PROJECTIONS TO 2015 (ESRI PROJECTIONS)

Overall consumption rates are then transformed into expected increases in expenditure for convenience and comparison goods. Evidence from mature EU retail economies of the EU indicates that comparison retailing will eventually outgrow convenience to become the main source of retail expenditure. However, convenience expenditure sales have continued to grow steadily contrary to predictions in the early 2000s and are unlikely to experience a major decline in the short term. The 2002 Annual Services Inquiry and subsequent Retail Sales Index figures indicate that convenience expenditure grew by an average of 3.8% annually between 2002 and the first quarter of 2005 while comparison grew by 4.3% over the same period.

The general ESRI growth figures have been used in projecting annual growth rates going forward. The ESRI *Medium Term Review 2003-2010* published in July 2003 projected a cautious rise in personal consumption, from an average of 3.1% per annum in the period 2006-2010, down to 2.5% in the period 2011 to 2016. However, since the recent upturn in the Irish economy the more recent *Quarterly Economic Commentary (Summer 2005)* has forecast growths in consumer expenditure of 5.3% for 2005 and 5.6% for 2006.

The "High Growth" scenario used is based on a substantial increase in personal consumption as indicated in more recent ESRI reports further refined to indicate an increase in the comparison share of overall expenditure, while convenience growth begins to decline. The "Low Growth" scenario is more reflective of the ESRI growth projections of the early 2000s and is based on a levelling off of the economy in general towards growth rates similar to the average for mature EU member state economies.

Table 5.4: Annual % Growth For Convenience & Comparison Retail Expenditure, County Donegal		
	Convenience	Comparison
2005-2010 High	2.3%	5.5%
2005-2010 Low	1.8%	4.4%
2010-2015 High	1.8%	4.1%
2010-2015 Low	1.3%	3.3%

Table 5.5: Summary of Estimates of Expenditure by Residents of County Donegal 2005, 2010 and 2015 (€m 2005 prices)					
	Total Expenditure (€m)		Population	Per Capita Expenditure (€m)	
	Convenience	Comparison		Convenience	Comparison
2005	512.0	340.3	142,587	3,591	2,387

2010 High	608.9	472.0		4,023	3,119
2010 Low	594.2	448.0	151,350	3,926	2,960
2015 High	706.7	612.6		4,399	3,813
2015 Low	672.6	559.4	160,652	4,187	3,482

As with all forecasting, there is an element of uncertainty with these projection figures, particularly with personal consumption growth, which from year to year is heavily influenced by factors such as inflation, and overall economic growth nationally and globally.

5.6 TURNOVER ESTIMATES

The comparison and convenience retail turnover estimates for the County are then calculated by calculating the total amount spent by the resident population and those living outside the County on retail goods sold within the County and relating this back to turnover.

The DTZ Pieda Consulting Household Survey conducted as part of the 2002 Retail Strategy indicated that 5.5% of convenience expenditure and 18% of comparison expenditure by the resident population is spent outside of the County. For 2005 it is assumed that the level of convenience and comparison expenditure leakage will remain constant.

Table 5.6: Expenditure by the Resident Population on Retail Goods in County Donegal 2005		
	Convenience	Comparison
Total Expenditure by Resident Population on Retail Goods in and outside the County	€512.0	€340.3m
Proportion of Total Expenditure by residents on Retail Goods outside the County	5.5%	18%
Expenditure by Resident Population on retail Goods in the County (€m)	€483.8m	€260.7m

Table 5.7: Expenditure by the Resident Population on Retail Goods in County Donegal 2005, 2010 and 2015 (€m)		
	Convenience	Comparison
2005	483.8	279.0
2010 High	575.4	387.0
2010 Low	561.5	367.4

2015 High	667.8	502.3
2015 Low	635.6	458.7

The Household Survey also estimated that 7.6% of convenience expenditure and 16.6% of comparison expenditure in the County could be attributed to non-residents. The surveys that indicated this estimate were conducted in January and were considered an underestimation of this type of spend.

Factored in also is an assumed decrease in the level of convenience and comparison expenditure trade draw from across the border due to the depreciation of Sterling against the Euro since late 2002. It is also estimated that foreign and domestic tourism expenditure in Donegal accounts for 0.5% of convenience and 3.5% of comparison retail expenditure in the County annually.

Based on a combination of the above factors, it is assumed that the percentage expenditure attributable to non-residents is 10% for convenience and 20% for comparison.

Combining resident and non-resident expenditure estimates gives total retail expenditure by all persons on goods in retail outlets throughout the County. The assumption is made, therefore, that the total amount of expenditure on goods in retail outlets in Donegal will be approximately equivalent to the level of turnover in these outlets.

Table 5.8: Total Turnover (Resident and Non- Resident) in County Donegal 2005 (€M 2005 Prices)

	Convenience		Comparison	
2005 Expenditure by Resident Population	483.8	90%	279.0	80%
2005 Expenditure by Non-resident Population on retail Goods in the County	48.38	10%	69.75	20%
2005 Total Expenditure/ Turnover on Retail Goods in the County	**532.2**	**100%**	**348.7**	**100%**
2010 High Expenditure by Resident Population	575.4	90%	387.0	80%
2010 High Expenditure by Non-resident Population on retail Goods in the County	57.54	10%	96.7	20%
2010 High Total Expenditure/Turnover on Retail Goods in the County	**632.9**	**100%**	**483.7**	**100%**
2010 Low Expenditure by Resident Population	561.5	90%	367.4	80%
2010 Low Expenditure by Non-resident Population on retail Goods in the County	56.1	10%	91.9	20%
2010 Low Total Expenditure/Turnover on Retail Goods in the County	**617.6**	**100%**	**459.2**	**100%**

2015 High Expenditure by Resident Population	667.8	90%	502.3	80%
2015 High Expenditure by Non-resident Population on retail Goods in the County	66.8	10%	125.6	20%
2015 High Total Expenditure/Turnover on Retail Goods in the County	**734.6**	**100%**	**628.4**	**100%**
2015 Low Expenditure by Resident Population	635.6	90%	458.7	80%
2015 Low Expenditure by Non-resident Population on retail Goods in the County	63.6	10%	114.7	20%
2015 Low Total Expenditure/Turnover on Retail Goods in the County	**699.2**	**100%**	**573.4**	**100%**

5.7 TURNOVER RATIOS (SALES PER SQUARE METRE)

Turnover ratios (Sales per M^2) are estimated based on turnover of retail outlets and the

Table 5.9: Summary of Estimates of Expenditure by Non-Residents on Retail Goods in County Donegal 2005, 2010 and 2015 (€m 2005 prices)		
	Convenience	Comparison
2005	48.38	69.7
2010 High	57.54	96.7
2010 Low	56.1	91.9
2015 High	66.8	125.6
2015 Low	63.6	114.7

retail floorspace survey results, which indicated a net convenience floorspace of 42,723 m^2, 95,954 m^2 of comparison and 19,286 m^2 of bulky goods/retail warehousing.

This gives a turnover ratio of **€11,305** for convenience and **€2,421** for comparison, which includes retail-warehousing formats that generally have lower per square metre turnover than other retail formats.

5.8 GROSS ADDITIONAL EXPENDITURE POTENTIAL

To project the additional retail expenditure from non-residents, the same high and low scenario as above is applied. These estimates are then added to the additional expenditure calculated for residents over the same period

Table 5.10: Total Available Expenditure from Residents and Non Residents 2005-2015 (€m 2005 prices)								
	Convenience				Comparison			
	2006-2010		2011-2015		2006-2010		2011-2015	
	Low	High	Low	High	Low	High	Low	High
Resident Population	85.4	100.7	81.6	101.7	110.5	135.0	114.2	144.7

Non-Resident Population	7.7	9.2	7.5	9.3	22.2	27.0	22.8	28.9
Additional Expenditure Potential	**93.1**	**109.9**	**89.1**	**111.0**	**132.7**	**163.0**	**137.0**	**173.6**

5.9 FUTURE SOURCES OF RETAIL SALES

There are a number of extant planning permissions currently at Further Information or appeal stage which, if granted, would add an additional 3013 m^2 of convenience retail floorspace and 10,658 m^2 of comparison (See Appendix 1). Using our estimated turnover ratios, this additional floorspace, if granted will capture approximately €33.1m of convenience expenditure and €25.8m of comparison expenditure.

5.10 TURNOVER EFFICIENCY GROWTH

As in the 2002 Retail Strategy turnover efficiency growth rates are not factored into the convenience calculations as it is felt that the main retail multiples, which account for the majority of the convenience retail space in the County are already operating at high efficiency rates.

However it is felt that comparison efficiency growth is relevant particularly since the large chain multiples such as TK Maxx and Next have entered the Donegal market in recent years. Research suggests that turnover efficiency in comparison retailing is about 1% per annum.

Going on the basis that the 2005 comparison turnover total is €317.0m this would give an additional €16.2m between 2006 and 2010 and €17.0m between 2011 and 2015 as a result of efficiency growth in turnover.

Turnover efficiency growth is also factored in the new comparison outlets were current extant permission. On the basis that these would be fully operational by 2008, it is estimated that the turnover efficiency from these stores will result in an additional €1.32m up to 2010 and €1.38m between 2011 and 2015.

5.11 OTHER RETAIL SALES

It is contended that there has been minimal growth in other forms of retailing such as mail ordering, market stalls and Internet retailing. While it is noted that Tesco has introduced a successful Internet retailing service in recent years any expected growth in convenience will be coming from already established stores and will contribute towards normal retail expenditure in these stores.

The market for comparison retailing over the Internet is strong particularly considering the peripherality of many areas of Donegal from large comparison retail centres both within and outside the County.

It is assumed that growth rates for Internet comparison retailing based on the 2002 Retail Strategy: 4% of total comparison expenditure up to 2010 and 6% between 2011 and 2015. There are four Country Markets operating in the County at Buncrana, Carndonagh, Dunfanaghy, and Ramelton. It is assumed that mail order sales and market stall sales for comparison goods will decline over this period, from 0.5% up to 2010 to 0.25% between 2011 and 2015.

5.12 TOTAL RETAIL SALES FROM NEW SOURCE OF SUPPLY

Table 5.11: Total Retail Sales from New Sources of Supply in County Donegal, 2005 (€m 2005 prices)

	Convenience				Comparison			
	2006-2010		2011-2015		2005-2010		2010-2015	
	Low	High	Low	High	Low	High	Low	High
New Retail Outlets	33.1	33.1			25.8	25.8		
Turnover Efficiency	0	0	0	0	16.8 1.32	16.8 1.32	17.65 1.38	17.65 1.38
"Other" Retail Sales	0	0	0	0	16.5	17.4	28.7	31.4
Retail Sales from New Sources of Supply	**33.1**	**33.1**	**0.0**	**0.0**	**60.4**	**61.3**	**47.7**	**50.43**

5.13 RETAIL FLOORSPACE CAPACITY

The additional expenditure potential for retail goods for the County is calculated by subtracting the retail sales figures for new sources from the estimated additional expenditure.

Table 5.12: Net Additional Expenditure Potential for Retail Goods in County Donegal, 2005-2015 (€m 2005 prices)

	Convenience				Comparison			
	2005-2010		2011-2015		2005-2010		2011-2015	
	Low	High	Low	High	Low	High	Low	High
Additional Expenditure Potential	93.1	109.9	89.1	111.0	132.7	163.0	137.0	173.6
Retail Sales from New Sources of Supply	33.1	33.1	0.0	0.0	60.4	61.3	47.7	50.4
Net Additional Expenditure Potential	**60.0**	**76.8**	**89.1**	**111.0**	**72.3**	**101.7**	**89.3**	**123.2**

Estimates for additional floorspace required in the County up to 2015 are then derived from the net additional expenditure potential divided by the estimated turnover ratios for retail outlets in the County currently (**€11,305** for convenience and **€2,421** for comparison).

Table 5.13 Net Indicative Floorspace Potential in County Donegal 2005-2015				
	Convenience		Comparison	
	Low	High	Low	High
2006-2010	5307	6793	29864	42007
2011-2015	7881	9818	36886	50888

The estimates increase the potential significantly for comparison retailing, but it is noticeable even in the short term there is capacity to accommodate over 5,000 m^2 of additional convenience floorspace.

Note: It is not proposed to break this floorspace assessment down to individual towns, as this would be too prescriptive, and of no real benefit. The additional floorspace identified above is to be taken as a guideline only.

6.0 DEVELOPMENT STRATEGY

6.1 Objectives

Objective 1
To improve the retail profile and competitiveness of County Donegal within the retail economy.

Objective 2
To address leakage of retail expenditure from the County by providing the means to strengthen the range and quality of its retail offer.

Objective 3
To ensure an equitable, efficient and sustainable spatial distribution of main centres across the County.

Objective 4
To establish a hierarchy which assists the definition of the County's spatial strategy and provides clear guidance on where major new retail floorspace would be acceptable.

Objective 5
To promote retail centres in the Donegal Gaeltacht to ensure achievement of objectives 3 and 4 and the continued preservation and extension of the Irish Language in this area of the County.

Objective 6
To encourage and facilitate innovation and diversification in the County's retail profile and offer.

Objective 7
To encourage and facilitate and re-use the re-use and regeneration of derelict land and buildings for retail uses, with due cognisance to the Sequential Test.

Objective 8
To promote and sustain the importance of retailing in the County's tourism economy particularly in small and rural centres.

Objective 9
To encourage and facilitate the preservation and enhancement of the retail role of small villages around the County.

Objective 10
To provide the criteria for the assessment of retail development proposals.

Objective 11
To locate regionally focussed comparison and retail warehousing primarily in appropriate locations within the Letterkenny – Derry Gateway, Gateway Corridor, and Inter – Gateway Centres.

Objective 12
To encourage increased convenience provision in appropriate locations to reduce overtrading and aid a better shopping environment.

h

6.2 Retail Hierarchy

The proposed Retail Hierarchy for the County consists of a number of different retail centre types and is based on a fusion of the following

- The 2002 DTZ Pieda Retail Strategy Hierarchy, including the review of key settlements, Household Survey, Shoppers Survey, Health Checks
- Retail Strategy updates conducted by RPS Planning & Environment, including updates Health Checks, demographic and floorspace figures, retail expenditure and floorspace requirements,
- Review of national and regional policy development including the National Spatial Strategy, the updated Retail Planning Guidelines and the Border Authority Regional Planning Guidelines,
- Review of local policy development including the Draft County Donegal Development Plan 2005 (particularly the County Spatial Strategy, Transportation, Employment and Housing policies and objectives) and various Local Area Plans,
- Updated information on retail trends, economic growth, and currency fluctuations.

Chart 6.1: Proposed Retail Hierarchy for County Donegal

Gateway

Letterkenny-Derry

Inter-Gateway/Strategic Transport Corridors

Buncrana

Ballybofey / Stranorlar

Bundoran / Ballyshannon

Donegal Town

Lifford

Gateway Centres

Urban Strengthening
Newtowncunningham, Bridgend

Growth Management
Muff, Fahan, Manorcunningham, Burnfoot, Killea, Ramelton, Kilmacrennan

District Centres

Urban Strengthening
Ardara, Bunbeg, Carndonagh, Castlefinn, Convoy Derrybeg, Dungloe, Falcarragh, Glenties, Killybegs Milford, Raphoe

Towns with Special Functions
Moville, Greencastle, Rathmullan, Downings, Gortahork, Gweedore, Burtonport, Glencolmcille, Rossnowlagh

Rural Centres

Small rural towns and villages providing important local retail functionality to their hinterlands

Retail Hierarchy Rationale

County Development Plan Spatial Strategy

Considering the obvious connections between urban and retail development it is important to ensure that the Retail Hierarchy correlated with the aims and objectives of the County Spatial Strategy. Based on the aims of the National Spatial Strategy, the County Spatial Strategy links the future growth and prosperity of the County to the need to achieve strong urban structures and sustainable rural areas. This can be achieved by focussing on the development of the Letterkenny - Derry linked Gateway as the principle driver for the development of the County and the region.

Inter Gateway/Strategic Corridor Centres

Six towns in the County fit into the Retail Planning Guidelines fourth tier (basic convenience with lower order comparison shopping in some cases). Four of these (Bundoran, Ballybofey /Stranorlar, Donegal Town, Ballyshannon) and additionally Lifford, are identified in the County Spatial Strategy as strategic locations on the N15/N13 corridor which is important not only in connecting Letterkenny – Derry with Sligo but Donegal with other centres on the Island.

In particular Lifford is identified as a Centre of Governence in the County Donegal Development Plan 2006 – 2012 Spatial Strategy, and is a strategically located on the N15/ N13 transport axis as an entry point into the County from Northern Ireland and beyond.

In addition, Buncrana is the main centre on the Letterkenny – Derry Development Corridor and as the second largest town in the County and with well established retail functions, it has the critical mass to operate as a self sufficient retail centre in its own right as well as perform an "urban strengthening" role as the linked Gateway develops.

These centres generally correspond to the larger 'Towns for Urban Strengthening' identified in the Spatial Strategy. Bundoran and Ballyshannon are linked because of their close proximity to one another and the Sligo Gateway, which provides increased opportunity for increasing their retail functions.

Overall the strategic locatio0n of the corridor centres on the N15/N13 between the main Gateways of the northwest (Letterkenny – Derry and Sligo) means that they can accommodate a level of County / regionally focused retailing (e.g. warehousing) as well as retaining important retail functions for their urban and rural catchment populations. These may include large convenience and medium sized comparison retailers where appropriate.

District Centres

The County Spatial Strategy indicates a large number of small to medium sized towns across the County, which individually do not have the necessary critical mass, urban structure, and range of functions to qualify as Retail Planning Guidelines Tier 4 centres. However these centres provide more important retailing functions than would be attributable to Tier 5 centres (rural shop and post office).

The strategy for the development of the district centres for "urban strengthening" as defined in the Spatial Strategy (Ardara, Bunbeg, Carndonagh, Castlefinn, Convoy, Derrybeg, Dungloe, Falcarragh, Glenties, Killybegs, Milford and Raphoe) and earmarked for significant increases in retail functionality and towns with special functions (Moville, Greencastle, Rathmullan, Downings, Gortahork, Gweedore, Burtonport, Glencolmcille, Rossnowlagh), which cater for limited additional residential growth and corresponding growth in retail and other services.

Using the Sequential Approach followed in the Retail Planning Guideleins, it is proposed that there is potential for additional retail development in "urban strengthening" district centres subject to the proper planning and development of the area. The "towns with Special Functions" should accommodate increased levels of locally focused convenience and comparison retailing appropriate to the level of growth experienced in each centre, and subject to an assessment being made of the impact on vital local retailing centres.

Most of these centres are generally located within peripheral areas with poor urban structure away from the growth centres along the N13 / N15 corridor to the east of the County. However, the majority of these centres serve common extensive rural hinterlands and are inter-linked through the N56 in West Donegal and the R238 in the Inishowen Peninsula. Both of these routes are highlighted as important secondary strategic links between the linked Gateway, sub-Gateway centres and other rural areas in the County.

The following table indicates the optimum type of retailing that would be expected to be located in each retail centre type. It is accepted that medium and large centres would also accommodate local and "top up" shop development to serve their inhabitants.

Table 6.1 Preferred Retail Use For Various Centres			
Retail Centre Type	**Convenience**	**Comparison**	**Bulky Goods**
Gateway	Regional Shopping Centres Large Superstores Discount Foodstores	Regional Shopping Centres Large higher order Clothing, Household Goods, Personal Goods Stores Large Department stores	Retail Warehousing Retail Parks Warehouse Clubs Factory Outlets
Gateway Centres – Urban Strengthening	Supermarkets[2]	Local Small Floorspace Shops	Limited Retail Warehousing and Factory Outlet
Gateway Centres – Growth Management	Supermarkets	Local Small Floorspace Shops	
Inter-Gateway/Strategic Transport Corridor Centres	Shopping Centres Superstores Discount Foodstore	Shopping Centres Stand Alone Higher-Order Comparison Stores	Retail Warehousing Retail Parks Factory Outlets
District Centres– Urban Strengthening	Supermarkets	Local Small Floorspace Shops	Limited Retail Warehousing and Factory Outlet
District Centres – Towns with Special Functions	Supermarkets	Local Small Floorspace Shops	
Rural Centres	Local Shop	Local Shop	N/A

At specific site level the Sequential Approach developed in the Retail Planning Guidelines should remain the chief guide for deciding where new retail development should be located and distributed.

The Sequential Approach identifies the following preferred locations for new retail development in descending order:

(1) Zoned **town centre** areas
(2) If a town centre is inappropriate, unsuitable or unavailable then **edge of centre** areas within 300-400 metres of the town centre
(3) **Out of centre** sites should be considered only after town centre and then edge of centre sites can be conclusively discounted in terms of size, availability, accessibility and feasibility.

[2] The eventual size of any supermarket be appropriate to the level of growth projected for each centre.

Retail Warehousing and Factory Outlets

Further to the Sequential Approach, it is also noted that retail warehouse groups, because of their size, parking and servicing requirements can rarely be accommodated in town centre locations. Therefore edge of centres and more so out of centre locations should be considered for such proposals.

This policy should also apply to factory outlet types, which should also be able to conclusively demonstrate that the retail outlet is attached or adjacent to the production facility.

Town Centre Expansion

In cases where the town centre reaches saturation point then consideration should be given to edge of centre sites as locations for town centre expansion to accommodate high street outlets that would otherwise be forced out to retail park type developments. An example of where this has occurred is with the town centre extension of Letterkenny.

At the same time it is recommended that effective pedestrian linkages be achieved and maintained between historic town centres and any town centre extension to support pedestrian free flow between retail areas.

Local Stores and Petrol Stations

Smaller locally focussed retail proposals (up to 300 m^2 gross) within all retail centre types should not be considered in terms of the wider distribution of the indicative floorspace figures proposed in the quantitative analysis. Petrol station and forecourt retail proposals under 100 m^2 should also be excluded from analysis but larger formats should be carefully scrutinised in terms of their affect on the vitality and vibrancy of town centre convenience retailing, particularly in the smaller centres.

Tourism Retail Expenditure

The importance of tourism retailing has not been quantified for the County up to now. Most recent figures from Failte Ireland indicate that Donegal accounts for approximately 40% of visitors to the North West. In 2004, the County had approximately 435,000 foreign and domestic tourists. The revenue calculated by tourists is estimated to be €72 million for 2004, 16% of which went on shopping - €11.5 million. Taking the breakdown as 80% comparison, 20% convenience tourism expenditure is therefore calculated as representing 0.5% of convenience and 3.5% of comparison retailing annually.

Undoubtedly, tourism expenditure is vital to the Donegal economy particularly in peripheral areas and the County Spatial Strategy seeks to support some of these centres through their designation as "Towns With Special Functions". The Retail Strategy also seeks to maintain these centres as important tourism and local retail centres. In addition to normal application of the Sequential Approach for retail location special consideration should also be given to proposals for tourist-oriented retail development in out of centre locations subject to the good neighbour principle and the proper planning and development of the area.

Large-Scale Convenience Retail

Retail strategies in the early 2000s assumed that most of the growth in the retail sector going forward would be in comparison goods sales and that growth rates for convenience would begin to decline to below 1% per annum. However, Annual Services Inquiry 2002 and recent Retail Sales Index figures indicate that national per capita expenditure levels for convenience retailing have grown at similar rates to comparison in recent years and therefore remains the larger of the two sectors in terms of expenditure levels.

A possible reason for this is the decline in national economic growth experienced between 2001 and 2004, which had a more detrimental effect on comparison goods such as electrical products and furniture than on the grocery, spend. The convenience market has also expanded with the introduction of Tesco to the Irish market while discount retailers have also managed to carve out a 5% niche in the market.

Currently the larger national convenience retailers, Tesco and Dunnes Stores, have only one store each operating in the County. Turnover ratio figures and estimated net floorspace areas indicate that there will continue to be a high demand for convenience retailing floorspace in the short term. While many of the designated retail centres throughout the County may not yet have the critical mass to justify the larger convenience formats the development of smaller store formats, as has begun to emerge in the UK would be a favourable development.

Growth of Discount Foodstores

AS stated earlier the discount food market has grown significantly in the last 5 years and now maintains 5% of the market. There are currently three Lidl stores and one Aldi store currently operating in the County. Due to the specific characteristics of discount foodstores, providing a limited range of goods, their role is seen as complementary and not representing a negative impact on larger stores within existing town centres and neighbourhood centres or alongside smaller shops. The growth of discount foodstores has brought welcome competition to the convenience sector with a wider choice for consumers. In this regard, their continued development should be encouraged at appropriate locations subject to normal planning considerations and the sequential approach.

Environmental Improvements

Striving to improve the County's shopping environment should be a constant objective of the local authority and town councils. While detailed individual assessments of retail centres was not carried out in this instance we would recommend that the following issues should be examined many of which can be encapsulated within traffic management policies:

- <u>Accessibility</u>
    - Increased pedestrian links between retail areas
    - Increased cycle routes
    - Additional measures for the elderly, children and physically impaired
    - Effective linking of town centres with other retail areas

- <u>Parking</u>
    - Needs to be part of wider transport policy

  - Long term parking for business and employees to be located on the periphery with shopper parking in close proximity to shops
  - Encouragement of alternative more efficient parking designs (underground etc.)
  - Controlled parking spaces on streets
  - Careful consideration on location and size of new public car-parking to reduce car park "hopping" by customers to access different retail areas,
  - Consider the concept of dual uses for car parks when full standards requirements cannot be met
  - Possibility of charges when demand exceeds supply to improve efficiency

- Public Transport
  - Increase urban and rural services
  - Increased facilities close to shopping areas

- Town Centre Management For Larger Retail Centres
  - Maintain wide variety of uses within town centres,
  - Develop overall objectives for town improvement through partnership of key stakeholders
  - Link Town Centres Management with proposals for increased accessibility

- Improved Built Environment And Public Realm
  - Additional street furniture, vegetation, meeting places, lighting,
  - Removal of visual clutter such as excessive advertising
  - Improved urban design and streetscape
  - Improved architectural quality of new proposals
  - Better use of high quality materials for facades and shopfronts

Decline of Traditional Industrial Sector & Growth of Retail Sector

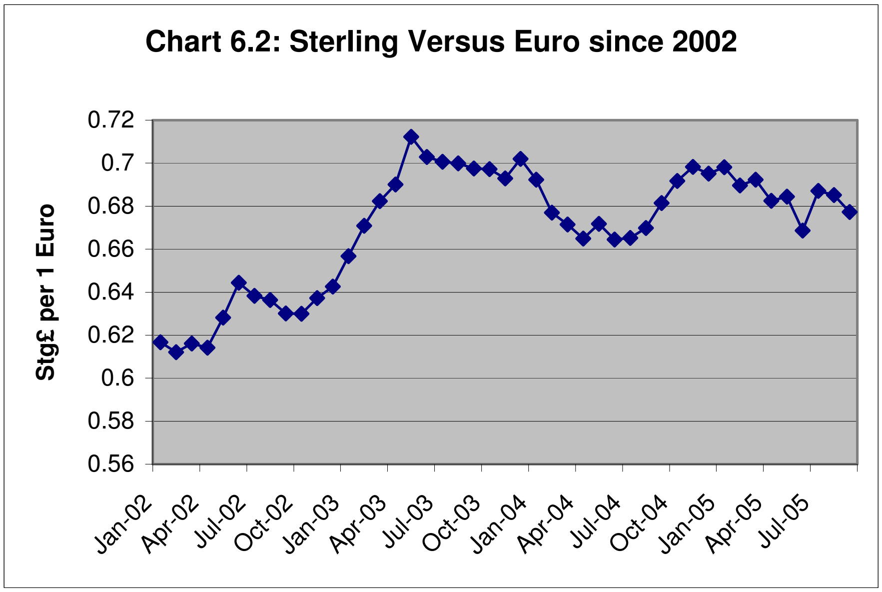
As previously noted, Donegal is faced with huge employment losses. According to provisional figures released from the CSO (June 2005), industrial employment in the Republic of Ireland fell by 6,100 workers or 500 workers per month on average, in the year to June 2005. Industrial employment has been falling steadily since the end of September 2001, because of the increasing cost base in the Republic. Recent high profile job losses include the loss of 627 jobs in Donegal in August 2005, including the Hospira medical plant in Donegal town, and the Clubman Omega shirt factory in Buncrana. A recent report by the Combat Poverty Agency indicates that people in Co. Donegal are most at risk of poverty in Ireland, with the percentage of poor in the County being twice the national average while unemployment in the County is now at 16% - four times the national average.

Conversely, as previously noted, the retail sector is a key growth employment sector, and now contributes 6% of Ireland's Gross Domestic Product (GDP) compared with just under 5% a decade ago.

There is clearly the opportunity to adopt a flexible approach to the development of redundant industrial sites for mixed-use developments incorporating retailing, where there are economic and/or infrastructural benefits, as appropriate, to be gained.

Sterling vs. Euro

In the quantitative estimates of future floorspace requirements we have assumed a slight decrease in the level of convenience and comparison expenditure trade draw from across the border due to the depreciation of Sterling against the Euro since late 2002 (See Chart 6.2). This depreciation has had the knock-on effect of reducing the competitive advantage of businesses in the Republic over their counterparts in the North, as was the case during the late 1990s.



We contend, however, that the effects of recent currency fluctuations will not be detrimental to County Donegal in the long term. Qualitative analysis of discussions held with various retail representatives as part of the Health Check section indicated that they did not expect the flow of expenditure from across the Border to change significantly and the general feeling was that Letterkenny and Buncrana, for instance, would be able to hold their own against Derry.

Overtrading

The remarkably high turnover ratio for convenience retailing (**€11,305** per m^2) suggests that there is substantial overtrading in this sector. It is not possible to determine what exactly is the most desirable and sustainable level of sales density but it is noted that the convenience sales density recorded for County Donegal is significantly higher than that recorded for other counties.

Excessive levels of turnover growth without corresponding increases in trading areas suggests a deteriorating sales environment characterised by congestion, cramped sales aisles and excessive till queuing within stores while the environment quality around the main retail locations can also deteriorate due to congestion on footpaths and pedestrian/vehicular pressures.

A way of improving retailing conditions will be to encourage modern formats to locate adjacent to the existing historic retail centres rather than within them. These new areas can then operate as extensions to the prime shopping areas and would free up existing secondary space in the historic centre to operate more efficiently also rather than fall into decline. The town centre extension in Letterkenny is a case example of where this is being achieved although it must be stated that achieving better permeation between this area and the historic town centre through increased pedestrian access is vital to improve the greater retail environment in the long run.

Expenditure Leakage

The Household and Shoppers Surveys conducted in 2002 by DTZ indicated that 5.5% on resident convenience expenditure and 18% of comparison expenditure went outside the County. Most of this can be attributed to the retail attraction of Derry and we have factored in a consistent trade leakage into the future. This assumption is based on a number of factors:

- The depreciation of Sterling against the Euro,
- Improving North-South relations making the North more attractive to shoppers from the South,
- Wider range of large convenience retailers in the North,
- The attraction of a larger retail environment in Derry city centre,
- Access to larger comparison and retail warehouse outlets than available currently in the Republic (retail cap)

As Letterkenny develops as a linked Gateway with Derry the potential for growth will not just be centred on the Letterkenny side. The spin off benefits may be greater for Derry due to its proportionately greater urban size and the negative factors prevalent in the Irish economy such as high inflation and house costs.

The recent opening of a number of large brand name comparison outlets in Letterkenny, for instance, will make a positive impact, should attract increased interest from shoppers in the North and will counteract any increase in trade leakage. Nonetheless, on considering the range of other factors examined we are assuming that similar levels of expenditure leakage are likely to continue.

6.3 Site Specific Retail Locations For Local Area Plan Towns

Table 6.3 also sets out the preferred retail locations for the towns with current Local Area Plans as examined earlier. For those centres without current Local Area Plans we state again that the Sequential Approach should be the preferred location guide at settlement level generally. Furthermore the breakdown of retail locations outlined below can also act as a helpful guide in deciding upon preferable locations within other retail centres of similar size and function.

Table 6.2: Preferred Retail Locations within Local Area Plan Towns and Villages				
Retail Centre Type	**Location**	**Local Area Plan Objectives**	**Retail Location**	**Recommended Retail Development**
Gateway				
Letterkenny	Established Town Centre	The focus for retail, commercial, business, leisure, community and residential uses and enhancement of the built environment. Physical, design and accessibility constraints will limit the type and scale of future retail development generally to small units particularly in ACA areas.	Town Centre	Regional Scale Comparison and Convenience
	Opportunity Site 8 – Main Street/Church Lane back land	Requires Development Brief. Retail and commercial floorspace linked by pedestrian access to Main Street (Issues with vehicular access, traffic management and safety).	Town Centre	District Scale Comparison and Convenience Retail
	Town Centre Extension Area	Large-scale retail development along with civic, education, business, commercial, residential, tourist, and recreational facilities. Subject to stricter urban design and development control standards than in the past.	Town Centre	Regional Scale Comparison and Convenience, Retail Warehousing
	General Employment Site (GE4) Port Road between Port Bridge and the Bus Station	A continuing mix of uses including enterprise units, bulk retailing, garages, and light industry.	Town Centre	Potential for Retail Warehousing
	Opportunity Site 12 – Major Flagship Project	Subject to a Masterplan that will integrate with the Flagship project and the town centre expansion. Uses include commercial, light industrial, residential, green space and community facilities	Edge of Centre	Local Scale Convenience and Comparison

Letterkenny	Commercial Sites along N14/Port Road, south of Holiday Inn at Drumnahoagh	Possibility for new commercial employment generating development but subject to traffic management and safety issues along Port Road	Edge of Centre	Retail Warehousing
	Commercial Site – neighbourhood retail centre on the Glencar Road	Extension to and new neighbourhood retail uses	Neighbourhood Centre	Local Scale Convenience and Comparison
	Opportunity Sites 4 (Glencar) and 5 (Gortlee).	Neighbourhood Centre supporting a mix of small retail units and community services	Neighbourhood Centre	Local Scale Convenience and Comparison
	Residential Zones (General)	Neighbourhood shops up to $300m^2$ (net) or extensions of less than 50% to an existing shop are acceptable once it can be indicated that the proposal is of an appropriate scale for its location, will not give rise to negative environmental and transport impacts and will not lead to the loss of shops or other services in neighbourhoods.	Neighbourhood Centre	Local Scale Convenience and Comparison,
	Opportunity Site 6 –	Neighbourhood Centre supporting a mix of small retail units and community services	Neighbourhood Centre	Local Scale Convenience and Comparison
	Opportunity Site 10 – Donegal Creameries Site	Subject to Masterplan for a variety of uses including commercial, residential, tourism/leisure and small scale retail up to 500m for neighbourhood shop	Neighbourhood Centre	Local Scale Convenience and Comparison

	General Employment Zones GE1 to GE6	Business, general industrial, storage, and distribution are the main accepted uses. Retail that is ancillary to a permitted zoned use are acceptable	Out of Centre	Retail Warehousing
	Commercial Site at Mountain Top on the Kilmacrennan Road	Current uses are predominantly bulk retailing and car sales. Retail Warehousing?	Out of Centre	Retail Warehousing, Factory Outlet Stores
Inter-Gateway/Strategic Transport Corridor Centres				
Buncrana	Town Centre	Main location for retail development subject to architectural controls, enhancement of streetscape and parking provision. May also benefit from ERA (Enterprise and Renewal) renewal incentives	Town Centre	County Scale Comparison and Convenience
	Backlands Development	Mix of residential, retail, recreational and tourism development subject to accessibility, parking and architectural conditions	Town centre, edge of centre	County/District Scale Comparison and Convenience
	Primarily General Business and Residential	May accommodate some retail development but subject to the Retail Strategy supporting town centre	Edge and out of centre	Local Scale Convenience
Donegal Town	Core Retail	High density retail		County/District Scale Comparison and Convenience
	Primarily Edge of Centre	Lower density retail		County/District Scale Comparison and Convenience
	Mixed Use	Low density non-food retail		Regional/County Scale Comparison, Retail Warehousing

	Strategic Residential Reserve	Residential Reserve		Local Shop (Long Term)
	Primarily Residential			Local Shop
Ballybofey-Stranorlar	Town Centre	Primary location for new retail development	Town Centre	Regional/County Scale Comparison and Convenience
	Finn Park and Back Road Opportunity Sites	Town Centre locations for mixed use commercial, retail and residential development subject to Masterplan	Town Centre	Regional/County Scale Comparison and Convenience
	Masterplan Area 1	Potential for a mix of commercial, retail, and public space within the northern section. The majority of the site to be developed for sport recreation and open space (Special Area of Conservation)	Edge of Centre	Limited District/Local Scale Comparison and Convenience
	Employment and Economy Sites 1, 4 and 5	Retail/Commercial or light industry uses. Merit in retail serving surrounding residential lands also.	Edge of Centre (Comp, RW)	County/Local Scale Comparison and Convenience
	Employment and Economy Site 2 and 3	Retail warehousing or light and heavy industry	Out of Centre (RW)	Retail Warehousing
	Mixed-Use site	Complementary uses including retail subject to the Retail Strategy and Sequential Approach	Out of Centre	Retail Warehousing
	Established Development Zones	Conserve and enhance quality and character of the area, protect residential amenity and allow sustainable growth of the towns	Edge of Centre, Out of Centre	Limited Local Scale Convenience
	Primarily Residential	Primarily residential development		Local Shop
Bundoran	Defined Town Centre	Primary location for new retail development	Town Centre	Regional/County Scale Comparison and Convenience

	Town Centre Quarter Area	A new mixed-use town centre quarter facilitating employment, commercial, retail, residential, leisure and civic (community/cultural) uses; subject to Masterplan	Town Centre	Regional Scale Comparison and Convenience, Retail Warehousing
	Seafront Area	Only established development proposals, which extend laterally, not vertically and / or are directly associated with the host structure, will be considered. This area excludes the defined town centre and town centre quarter areas	Town Centre	Limited Local Scale Convenience and Comparison shops appropriate in scale and character
	Flagship Development Opportunity Sites	Complementary uses including retail subject to the Retail Strategy and Sequential Approach	Town Centre	Limited District/Local Scale Comparison and Convenience
	Established Development Zones	Conserve and enhance quality and character of the area, protect residential amenity and allow sustainable growth of the towns	Edge of Centre, Out of Centre	Limited Local Scale Convenience
	Primarily Residential	Primarily residential development		Local Shop
Gateway Centres				
Bridgend	Retail and Commercial	Centre for retail, financial and services uses. Traffic turning movements generated by nee developments must not interfere with the traffic on the national primary route	Village Centre	District Scale Comparison and Convenience, Retail Warehousing
	Opportunity Sites 4, 5 and 6	Proposals for these lands will be assessed on its own merits, taking account of the impact of the development upon the area	Village Centre/ Edge of Centre	Retail Warehousing
Muff	Established Development	Main centre for retail development but convenience will not be encouraged	Village Centre	Local Scale Comparison
	Employment/ Industrial zones	Expand new and existing industrial and economic activities	Edge/Out of Centre	Limited Retail Warehousing Potential

	Opportunity Sites	Can accommodate tourist retailing such as heritage shops		Tourist Oriented Convenience and Comparison
District Centres				
Castlefinn	Established Development Area	Retail development within the established town centre	Village Centre	District/Local Scale Convenience and Comparison
	Opportunity Sites 1 and 2	Potential for retail development subject to specific site conditions	Village Centre	District/Local Scale Convenience and Comparison
	Zonings outside the Town Centre	Retail of a nature and scale inappropriate to the town centre subject to the "Good Neighbour" principle and the provisions of the County Retail Strategy	Edge/Out of Centre	District Scale Comparison and Retail Warehousing
Rural Centres				
Rossnowlagh	Village Centre	Mixed use development of retail, business, tourist amenities, local services	Village Centre	Local and Tourist Scale Convenience and Comparison
	Opportunity Site 4	Village Centre Redevelopment	Village Centre	Local and Tourist Scale Convenience and Comparison
	Opportunity Site 1 (Coolmore House)	Tourism Related Uses	Edge of Centre	Tourist Scale Convenience and Comparison

7.0 SPECIFIC RETAIL POLICIES AND PROPOSALS

This section details a number of specific policies in order to further realise the objectives of the Retail Strategy.

Table 7.1: Strategic Retail Policies		
Policy Reference	**Policy**	**Actions**
Policy RS1: Letterkenny Linked Gateway	It is the policy of the County Council to promote and encourage major enhancement of the higher order regional retail provision in Letterkenny	• Letterkenny as a linked Gateway with Derry to develop towards Retail Planning Guidelines Tier 2 status with a significant range of higher order comparison shopping and retail warehousing unmatched elsewhere in the North West region • Town Council, Chamber of Commerce and other interested bodies to develop a Masterplan/Town Centre Strategy for Town Centre and Town Centre Extension Area to include o Incremental extension of retail core into the town centre extension area o Encourage change of use and extensions to existing commercial property within the town centre, o Link effectively with the town centre extension, o Increase pedestrian friendly measures, o Improve urban design and environmental quality of retail streets • Identification of additional Town Centre Opportunity Sites within and adjacent to the Letterkenny Town Centre Core Retail Area which would both consolidate retailing in the traditional town centre and act as prime locations for immediate retail investment.
Policy RS2: Gateway Centres (Urban Strengthening Centres):	It is the policy of the County Council to promote and encourage the provision of high	• To encourage a limited amount of higher order comparison and retail warehouse

Table 7.1: Strategic Retail Policies		
Newtowncunningham, Bridgend	order retail functions in Newtowncunningham and Bridgend subsequent to their development as strategic urban strengthening centres on the Linked Gateway Corridor	development at appropriate locations in Newtowncunningham and Bridgend where it can be demonstrated that such developemnt cannot be appropriately located within Letterkenny.
Policy RS3: Gateway Centres (Growth Management Centres): Muff, Fahan, Manorcunningham, Burnfoot, Killea, Ramelton, Kilmacrennan	It is the policy of the County Council to promote and encourage the provision of local scale retail development in Muff, Fahan, Manorcunningham, Burnfoot, Killea, Ramelton and Kilmacrennan.	• These growth management centres are intended to accommodate limited additional residential growth and in so doing, lesson the need for dispersed rural development. Retail provision should develop incrementally with such residential development to primarily serve the immediate population. Specific Local Area Plan objectives may also include for other forms of retail at specific locations.
Policy RS4: Inter-Gateway Centres	It is the policy of the County Council to promote and encourage the provision of regional and county level retail functions at Buncrana, Donegal Town, Ballybofey/ Stranorlar and Bundoran/Ballyshannon and Lifford	• To encourage an increase in higher order convenience, comparison, and retail warehouse floorspace of Donegal Town. • To encourage an increase in higher order convenience and comparison floorspace of Ballybofey/Stranorlar. • To encourage an increase in higher order convenience/comparison and retail warehousing floorspace of Buncrana, Bundoran, Ballyshannon, and Lifford to counteract expenditure leakage to Sligo in the south, Tyrone in the east and Derry in the north-east
Policy RS5: District Centres (Urban Strengthening Centres: Ardara, Bunbeg, Carndonagh, Castlefinn,	It is the policy of the County Council to promote and encourage the further provision of higher order retail functions within district centres throughout the County	• The County Council will encourage increases in increase the retail functions of these retail areas, in some cases rising to the level of a Retail Planning Guidelines Level 4 centre.

Table 7.1: Strategic Retail Policies		
Convoy, Derrybeg, Dungloe, Falcarragh, Glenties, Killibegs, Milford, Raphoe)		
Policy RS6: District Centres (Towns with Special Functions: Moville, Greencastle, Rathmullan, Downings, Gortahork, Gweedore, Burtonport, Glencolmcille, Rossnowlagh)	It is the policy of the County Council to promote and encourage the provision of local scale retail development in towns with Special Functions.	• These centres have primary specific functions, e.g. tourism, fishing. Limited retail provision should develop in accordance with their specific catchment, and to primarily serve the immediate population. Specific Local Area Plan objectives may also include for other forms of retail at specific locations.
Policy RS7: Rural Centres	It is the policy of the County Council to facilitate and encourage further retail development throughout the villages of the County as appropriate to their role and function as Rural Centres in the County Hierarchy	• The County Council will encourage and bring to fruition in a timely manner a level of incremental local retail development in rural villages that is consistent with their growth patterns and subject to the controls of the sequential approach.

Table 7.2: General Retail Policies		
Policy Reference	**Policy**	**Actions**
Policy RS8: Innovation in the County's Retail Offer	It is the policy of the County Council to encourage and facilitate innovation in the County's retail offer and attraction.	• Utilise Letterkenny's Linked Gateway status to encourage a wider range of higher order retail functions comparable to a Retail Planning Guidelines Tier 2 Centre (e.g. Limerick, Waterford, Galway). One of the main areas for development should be in retail warehousing of higher-order bulky goods to attract shoppers from throughout the

Table 7.2: General Retail Policies		
		Northwest region and from Northern Ireland. • Monitor emerging trends and innovations in the EU and US retail sectors. The nature of the different innovations normally demands certain thresholds and characteristics to prevail. The baseline for the Strategy provides this information but it is essential that this is kept up to date in order that the County can sell itself when the opportunities arise.
Policy RS9: Re-Use and Regeneration of Derelict Land and Buildings	It is the policy of the County Council to encourage and facilitate the re-use and regeneration of derelict land and buildings in both main and smaller centres	• Review the constraints pertaining to the Town Renewal/IAP designated programme areas across the County to date and communicate issues to DoEHLG in which achievement of objectives has been limited. • Review of the scope and area of these initiatives in the context of the County Retail Strategy with a greater focus on how these key buildings are areas can contribute to realising the retail potential within or on the edge of the main centres.
Policy RS10: Retailing in Tourism	It is the policy of the County Council to encourage and facilitate the development of retailing within the tourism sector	• Larger scale tourism related retailing projects, overall, tend to be unique and driven by entrepreneurs that have a commitment and vision. The feasibility of such ventures will be the promoters' risk. However, given the importance of these niche areas in the County's retail offer then the County Council should do all in its power to assist in making such schemes happen. However, assistance

Table 7.2: General Retail Policies		
		must be guided by consideration of the sequential approach and the capacity of different centres to integrate and benefit from such schemes. These factors acknowledged, such schemes should, overall be considered outside the broad assessment of capacity potential.
Policy RS11: Enhancement of Towns and Villages	It is the policy of the County Council to encourage and facilitate the enhancement and environmental improvement of the County's towns and villages.	• Reviewing and raising the issues of the Town Renewal Scheme with the DoEHLG, • Establish a mechanism to assure the highest quality of design in retail/town centres developments, including: ○ Preparing a design guide ○ Setting up a Design Panel which could have local or national professional, business or public agency representatives • From the assessments undertaken, as part of the Strategy, a number of centres emerge that require further investigation and investment. • Ballybofey/Stranorlar – address congestion, dominance of car parking, gap sites, and poor quality of the fabric of the 1970s arcade adjacent to McElhinneys. • Dungloe/Derrybeg/Bunbeg/ Falcarragh – enhancement of the harbour areas. Make Dungloe centre more pedestrian friendly through provision of crossing points and address congestion. Scope for further environmental enhancement at Falcarragh. • Castlefinn – attention to vacant and

Table 7.2: General Retail Policies		
		declining buildings • Convoy – address gap sites in the town centre and increased environmental improvements • Donegal Towns – interpretation of the town's rich heritage, enhancement of town's relationship with its waterfront and consideration of more convenience access/drop off points for visiting coaches. • Killybegs – Build on the attraction of the working port as an attraction through environmental improvements and urban design • Letterkenny – needs a bold vision/strategy to increase its competitiveness (See Policy RS1) • Moville: attention to vacancies and gap sites • Raphoe: attention to vacancies and decline on the Convoy entrance to the town
Policy RS12: Discount Foodstore Development	It is the policy of the County Council to accommodate discount food stores within appropriate retail centres	• Discount foodstores (approximately 1,000-1,500 m^2 gross floorspace) should be accommodated in the main retail centres in order to diversify the retail offer. • The re-use of existing non-retail or vacant premises should be promoted for these uses, subject to normal planning considerations and the sequential approach.
Policy RS13: Redevelopment of	It is the policy of the County Council to consider the redevelopment of redundant	• Proposals for the redevelopment of brownfield sites for uses including

Table 7.2: General Retail Policies		
Redundant Brownfield Sites for Retailing Purposes	brownfield sites for retail purposes subject to the sequential approach	retailing should be considered on their individual merits, and should be focused on securing economic and/or infrastructural benefits. Individually, it must be demonstrated that there will be no adverse impact on the function, character, vitality, or viability of existing town or local centres. In considering such proposals the County Council will take into account the following factors: ○ The sequential approach; ○ Design, scale, massing and materials; ○ Landscaping; ○ Servicing and parking arrangements; ○ Accessibility by public transport; ○ Facilities for pedestrians and cyclists; ○ Employment opportunities; ○ Access for people with impaired mobility; and ○ Effect on the scale and character of the area.

7.1 Framework for the Assessment of Retail Developments

All applications for signification retail development should be assessed against a range of criteria. What is significant will vary between Letterkenny and other centres in the County and thus different thresholds require to be set. Noting the characteristics of each and the general size of existing outlets, as a rule the following is recommended:

- Letterkenny and Inter-Gateway Centres: developments of 1,000 m^2 (gross) and over (gross) convenience and 2,000 m^2 (gross) comparison should be tested by the criteria.

- Other settlements: proposals for 500 m2 (gross) and over convenience and comparison developments should be considered against the criteria.

The criteria to be considered in the assessment of significant applications will include:

- Testing the proposal against the sequential approach and that other options have been considered;
- The impact on town and village centres, including cumulative impact;
- The baseline information and capacity/impact assessment is fit for purpose and transparent;
- There is demonstrable need for development;
- The relationship of the application to any development plan allocation;
- Its contribution to site and/or area regeneration;
- The quality of access by all modes of transport and by foot and bicycle;
- Its role in improving the competitiveness of the County and sub-areas of the County;
- Its role in sustaining rural communities;
- Its contribution to the language, culture and sustainability of communities in the Donegal Gaeltacht; and
- The Extent to which it is relevant to consider the imposition of restrictions on the range of goods permitted for sale.

If the retail proposal whether significant or not accords with development plan policies and proposals in all material respects it should expect to meet with approval. In accordance with the Retail Planning Guidelines, in such instances, it should not be necessary for the applicant to provide additional supporting background studies. However, the onus is on an applicant to demonstrate convincingly that the proposal does comply closely with the development plan. Where there is doubt on any aspect of a planning application local authorities should require a detailed justification related to the matter that is questionable.

Monitoring and Review

The County Retail Strategy has been founded on a sound basis of research, survey analysis, and published statistics. It has been prepared during one of the most dynamic periods in the retail sector, as evidenced by the market interest in major scheme at key centres in the County. The facts and information change over time. There is a need therefore to ensure that:

- The Retail Strategy and its baseline are kept as up to date as possible
- There is a means of monitoring progress with the implementation of policies
- There is a mechanism that can enable change that is responsive to emerging trends and opportunities

The above will be achieved by setting up a framework for regular monitoring and review. This will include:

- Monitoring of expenditure and population forecasts;
- The floorspace data to be kept up to date through planning consent monitoring of both new retail and change of use. It could be adopted as a Development Control/Planning Office procedure.
- The Retail Strategy's and its recommended zonings and objectives to be reviewed after 3 years; and
- House and shopper survey data to be updated every five years.

8.0 MAJOR CHANGES FROM COUNTY RETAIL STRATEGY 2002

8.1 Updated National, Regional and Local Retail Policy

1. Retail Planning Guidelines Review 2005

   - The Retail Planning Guidelines were revised in January 2005 to additional policy response to the increased demand for larger-floor area retail warehousing formats nationally. The 6000m^2 cap on individual retail warehouses will not apply in areas which are the subject of Integrated Area Plans. There are no proposed IAPs identified in the *County Donegal Draft Development Plan 2005.*

2. Border Regional Planning Guidelines 2004

   It is the objective of the Border Regional Planning Guidelines 2004 to:

   - Support the retail sector in the Region;
   - Address any inter-county or regional dimension of retail both in the context of this region and other adjoining regions, including Northern Ireland.

3. Draft Donegal County Development Plan 2005

   The Draft Spatial Strategy for the County tiered the urban centres as follows:

   - Promotion of Letterkenny - Derry Linked Gateway.

   - Urban Strengthening of Urban Structure at Sub-Gateway Level (Ardara, Ballybofey /Stranorlar, Ballyshannon, Bridgend, Buncrana, Bundoran, Carndonagh, Castlefinn, Convoy, Donegal Town, Dungloe/Bunbeg/Derrybeg, Falcarragh, Glenties, Killybegs, Kilmacrennan, Milford, Newtowncunningham, Ramelton, Raphoe).

   - Urban Support for Towns and Villages Within Close Proximity to the Gateways (Burnfoot, Fahan, Killea, Manorcunningham, Muff). (N.B. Carrigans and St. Johnstown have now been listed as villages for Urban Support following the adoption of the County Development Plan 2006 – 2012.

   - Support for Rural Villages and Communities.

   - Support for Gaeltacht Areas.

   - Centres With Special Functions (Lifford, Downings, Rathmullan, Rossnowlagh, Glencolmcille, Gortahork, Greencastle, Moville, Killybegs, Burtonport, Gweedore).

4. Other Plans

   There are a number of Town and Local Area Plans for the County that set out strategic policies for growth and development in key locations across Donegal, including retail, that have either been adopted, or are in draft format, since the 2002 Retail Strategy, including Letterkenny and Environs, Buncrana Town, Bundoran, Ballybofey / Stranolar, Donegal Town, Castlefinn, Muff, Bridgend, Rossnowlagh, Killea, and Burnfoot.

8.2 Population Review

- Census 2002 recorded the population of County Donegal as 135,575, an average annual percentage increase of almost 1% from the 1996 Census.

- The *CSO Regional Population Projections 2006-2021*, published in May 2005, predicts that the Border counties will sustain an average annual population increase of 1.2% up to 2021, to 172,572 people.

8.3 Review of Town Centre Health Checks

- The review of town centre health checks has centred on Letterkenny, Buncrana, Bundoran, Donegal Town, Ballybofey/Stranorlar, the Gaeltacht area, Carndonagh, and Ballyshannon.

- All centres would clearly benefit from more shops and an increase in variety. Interestingly, while Derry continues to draw expenditure from the County, Letterkenny, as the main town in Donegal, with its improving retail offer, is considered to be able to hold its own.

- Within the County, the draw of Letterkenny has an impact on the viability and vitality of other less structured centres, including the Gaeltacht, and there is a need to strengthen the retail of these outlying areas commensurate with their natural catchments.

8.4 Review of Available Expenditure (Floorspace Growth Assessment)

- Estimates for additional floorspace required in the County up to 2015 are as follows:

Net Indicative Floorspace Potential in County Donegal 2005-2015				
	Convenience		Comparison	
	Low	High	Low	High
2006-2010	5307	6793	29864	42007
2011-2015	7881	9818	36886	50888

- The estimates increase the potential significantly for comparison retailing, but it is noticeable even in the short term there is capacity to accommodate over 5,000 m^2 of additional convenience floorspace.

8.5 Retail Strategy Review

- In light of the recent changes in retail trends, the results of policy analysis, quantitative research, and the proposed retail hierarchy for the County, we the following additional objectives are included.

  Objective 11
  To locate regionally focused comparison and retail warehousing primarily in appropriate locations within the Letterkenny-Derry Gateway, Gateway Corridor and Inter-Gateway Centres.

Objective 12
To encourage increased convenience provision in appropriate locations to reduce overtrading and aid a better shopping environment.

Objective 5 (Amended)
To promote retail centres in the Donegal Gaeltacht to ensure achievement of objectives 3 and 4 and the continued preservation and extension of the Irish language in this area of the County.

8.6 Proposed Retail Hierarchy

Considering the obvious connections between urban and retail development it is important to ensure that the Retail Hierarchy correlates with the aims and objectives of the County Spatial Strategy. Based on the aims of the National Spatial Strategy, the County Spatial Strategy links the future growth and prosperity of the County to the need to achieve strong urban structures and sustainable rural areas.

Gateway Letterkenny - Derry

Gateway Centres

Urban Strengthening
Newtowncunningham, Bridgend

Growth Management
Muff, Fahan, Manorcunningham, Burnfoot, Killea, Ramelton, Kilmacrennan

Inter- Gateway / Strategic Transport Corridor Centres

Buncrana, Ballybofey / Stanorlar, Bundoran / Ballyshannon, Donegal Town and Lifford

District Centres Urban Strengthening
Ardara, Bunbeg, Carndonagh, Castlefinn, Convoy, Derrybeg, Dungloe, Falcarragh, Glenties, Killybegs, Milford, Raphoe.

Towns with Special Functions
Moville, Greencastle, Rathmullan, Downings, Gortahork, Gweedore, Burtonport, Glencolmcille, Rossnowlagh.

Rural Centres Small rural towns and villages providing important local retail functionality to their hinterlands

8.7 Proposed Policy review

- Revised and new policies that further realise the aims of the Retail Strategy are as follows:

Policy RS1 Letterkenny – Derry Linked Gateway

- Letterkenny as a linked Gateway with Derry to develop towards Retail Planning Guidelines Tier 2 status with a significant range of higher order comparison shopping and retail warehousing unmatched elsewhere in the North West region
- Town Council, Chamber of Commerce and other interested bodies to develop a Masterplan/Town Centre Strategy for Town Centre and Town Centre Extension Area.

Policy RS2 Gateway Centres (Urban Strengthening Centres): Newtowncunningham, Bridgend

- To encourage a limited amount of higher order comparison and retail warehouse development at appropriate locations in Newtowncunningham and Bridgend where it can be demonstrated that such development cannot be appropriately located within Letterkenny.

Policy RS3 Gateway Centres (Growth Management Centres): Muff, Fahan, Manorcunningham, Burnfoot, Killea, Ramelton, Kilmacrennan

- These growth management centres are intended to accommodate limited additional residential growth and in so doing, lesson the need for dispersed rural development. Retail provision should develop incrementally with such residential development to primarily serve the immediate population. Specific Local Area Plan objectives may also include for other forms of retail at specific locations.

Policy RS4 Inter-Gateway Centres

- To encourage an increase in county-level comparison and retail warehouse floorspace of Donegal Town.
- To encourage an increase in county-level convenience and comparison floorspace of Ballybofey / Stranorlar.
- To encourage an increase in higher order convenience/comparison and retail warehousing floorspace of Buncrana, Bundoran and Ballyshannon to counteract expenditure leakage to Sligo in the south and Derry in the north.

Policy RS5 District Centres (Urban Strengthening Centres)

- The County Council will encourage increases in the retail functions of these retail areas, in some cases rising to the level of a Retail Planning Guidelines Level 4 centre.

Policy RS6 District Centres (Towns with Special Functions)

- These centres have primary specific functions, e.g. tourism, fishing. Limited retail provision should develop in accordance with their specific catchment, and to primarily serve the immediate population. Specific Local Area Plan objectives may also include for other forms of retail at specific locations.

Policy RS7: Rural Centres

- The County Council will encourage and bring to fruition in a timely manner a level of incremental local retail development in rural villages that is consistent with their growth patterns and subject to the controls of the sequential approach.

Policy RS12: Discount Foodstores

- Discount foodstores (approximately 1,000-1,500 m^2 gross floorspace) should be accommodated in the main retail centres in order to diversify the retail offer.
- The re-use of existing non-retail or vacant premises should be promoted for these uses, subject to normal planning considerations and the sequential approach.

Policy RS13: Redevelopment of Redundant Brownfield Sites for Retailing Purposes

- Proposals for the redevelopment of brownfield sites for uses including retailing should be considered on their individual merits, and should be focused on securing economic and/or infrastructural benefits. Individually, it must be demonstrated that there will be no adverse impact on the function, character, vitality, or viability of existing town or local centres. In considering such proposals the County Council will take into account the following factors:
    - The sequential approach;
    - Design, scale, massing and materials;
    - Landscaping;
    - Servicing and parking arrangements;
    - Accessibility by public transport;
    - Facilities for pedestrians and cyclists;
    - Employment opportunities;
    - Access for people with impaired mobility; and
    - Effect on the scale and character of the area.