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Re: Submission on Draft Retail Planning Guidelines for Planning Authorities

Dear Sir,

I wish to make a submission in relation to the preparation of the Retail Planning Guidelines for Planning Authorities. I participated on the Steering Committee in the Department of the Environment, seconded from An Bord Pleanála during the preparation of the original Retail Planning Guidelines, particularly during the preparatory work carried out by Roger Tym & Partners in 1999.

I have been a practicing Planning Consultant since then, during the operation of the Retail Planning Guidelines, in the preparation of Retail Strategies for Cork City and County (including 9 Town Councils) and in relation to commercial retail developments. I wish to make some observations based on that experience.



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Purpose of the Retail Planning Guidelines

The purpose of the Retail Planning Guidelines should be to provide guidance to planning authorities in relation to retail matters only. Therefore, the reference in the Draft Retail Planning Guidelines, in Annex IV to Assessment of Additional Retail and Commercial Leisure Floorspace Requirements should be altered to Assessment of Additional Retail Requirements. There is no explanation or rationale as to why commercial leisure floorspace should be subject to these guidelines.

Best Practice Manual

Improved Town Centre Management is an adjunct of the national urbanisation programme established in the NSS and delivered through the RPG. Larger towns require a specific set of **Town Centre Management** skills and this aspect should be subject to separate dedicated guidance. It should be emphasised that the Best Practice Manual will be prepared to guide improved Town Centre Management and Public Realm as a separate issue and that full public consultation will be facilitated in relation to the preparation of the Best Practice Manual.

Retail is one of a range of elements that go to making good urban places delivering quality of life parameters for the resident population. The Best Practice Manual should be focused upon delivering good towns and not on retail type, design or location.

Definitions and Terminology

Good definitions are the key to the successful operation of the Guidelines. The previous guidelines were written in general terms but were subsequently scrutinised by lawyers, Courts and planners for prescriptive meaning, which led to anomalous resolutions that were often unreasonable in practice. The opportunity should be taken to bring terminology up to date to reflect the current state of retail operations, so that classifications and definitions relate to the current retailing industry as it is operated.

In **Annex 1, Glossary of Terms**, it is still recognised that retailing is dynamic and that new forms of retailing may evolve, which are inadequately described by current terminology. It is also recognised that there is a trend for “**scrambled**

merchandising”, whereby some retail businesses sell both convenience goods and comparison goods. These phrases were also used in the original retail planning guidelines, 11 years ago. There is no point in repeating them when the retail industry has moved on.

Since 1999, ‘Scrambled Merchandising’ has become endemic throughout the convenience/supermarket system, so the situation should be brought up-to-date.

The Forfas survey has confirmed that over 75% of the daily and weekly grocery market is covered by three main supermarket operators - Tesco, Dunnes and Supervalu/Superquinn. Lidl/Aldi, who retail a mix of food and lower-order comparison goods, including durables, cover almost 10%. The trend is in this direction, as more traditionally grocery floorspace in supermarkets is now devoted to comparison floorspace. New market entrants are retailing food items in comparison stores. This should be reflected – not resisted.¹

Shopping for essentials is a daily and weekly chore for households, mostly carried out in supermarkets. The essential food, household and lower-order goods shopping should be made as convenient and economical and locally accessible as possible for household shoppers, including those living in extensive suburbs in large towns.

What can be retailed in each category should be reflected with greater clarity in describing the **Types of Retail Goods**.

Convenience Goods Definition

The definition of Convenience Goods should be broadened to reflect current household retail patterns, whereby most operators sell a range of durable household goods as **low order comparison goods** from supermarkets. The words ‘**non-durable**’ in front of **household goods** should be removed from the definition.

¹ BCSC; Future of Retail Property report; 2008, P44.

Comparison Goods Definition

The definition of Comparison Goods should be sub-divided between Low-order comparison (regular purchase essential goods), Middle-order and High-order comparison (elective/selective purchase) goods, as these are phrases used in retail descriptions.

Low-order comparison goods can be classified as essential household goods, including a range of household durable goods and own-brand clothing sold in supermarkets, consumable pharmaceutical products and goods for personal care, educational and recreational equipment and accessories, newspapers and magazines.

Middle-order comparison goods can be classified as goods, including clothing, footwear, books, non-pharmacy medical products, personal effects and equipment, purchased on a regular basis, usually sold in specialist shops in town and city centres and in suburban centres in Gateway, Regional and Sub-Regional towns.

High-order comparison can be defined as including (usually expensive) designer label clothing and footwear, jewellery, furniture and furnishings, antiques and high – end equipment usually sold in city, regional and sub-regional central retail areas, in department stores and specialist shops, where prices and quality are compared².

Bulky Goods

The reference to Bulky Goods should be simply withdrawn from the Comparison Goods definition, as bulky and comparison are separately defined in the Guidelines. The dual inclusion in the 2000/2005 Guidelines has led to confusion in Development Management at all levels.

“Bulky Goods” has been the area subject to most scrutiny by lawyers, developers, in References, by An Bord Pleanala and the Courts. The approach should be sensible, consistent throughout the country and non-discriminatory. Planning authorities should

² The Dublin City Development Plan 2011-2017 contains a definition of higher-order comparison, as - shopping for comparison goods that is infrequent and associated with other activities in a major urban centre.

be bound to the full Retail Planning Guidelines definitions when composing conditions, as should An Bord Pleanála in determining Referrals.

'Portability' is the main issue in categorising Bulky Goods – the current Guidelines refer to 'not manageable by customers travelling by foot, cycle or bus'. This has been lost sight of due to an emphasis, in many instances, on individually 'bulky' only. There is also confusion where Guidelines/Plans state that comparison goods should be confined to town centres and bulky goods are also defined as 'comparison goods', which can be used to exclude them from retail parks. Hence, the need for separate definition and clarification.

The definition of **Bulky Goods** contained in **Annex 1** is more extensive than the 2005 definition and this is to be welcomed, as is the section relating to the operation of Retail Parks (pages 40-44) and the allowance therein for up to 15% net floorspace for non-bulky ancillary products

Retail Parks

It is considered that further clarification is required as to specific operator types that should be accommodated in principle in Retail Parks.

A lot of items cannot be carried far by foot or bicycle in an easily manageable way and have associated ancillary products that are not bulky. It should be specified in the new Guidelines that certain formats are acceptable in principle in retail parks e.g.: -

- **'Home making' outlets:** - there are many different traders in this category, which ranges from IKEA to international brands, to indigenous operators and new operators wishing to enter on a bulky discount format. There is now very evident unfair discrimination whereby IKEA has been permitted to retail almost anything within the four walls of a house and outdoors, including Scandinavian food products. An Bord Pleanála and the Courts have been nit-picking as to what other retailers can (more so cannot) do in their smaller stores located in retail parks. The position maintained by ABP and the Courts, allowing IKEA and restricting others including indigenous operators, has been inconsistent, anti-competitive and discriminatory.

- **Maternity and Baby** specialist retailers typically sell nursery furniture and equipment, perambulators and accessories thereto, car seats, hardware, bedding, toys and maternity and children's clothes. These are predominantly bulky goods and are not readily portable for long distances in town centres. These shops should be allowed into retail parks in principle and should be allowed to sell maternity and children's clothes, bottles etc.

The mother's portability faculties are impaired during late pregnancy and after, when pushing a buggy, and/or trailing a child(ren) by the hand(s). Development management recognises this, requiring 'mother and child' parking spaces to be designated close to all shop entrances when retail developments are submitted for permission. Why does this logic not extend to facilitating their specific needs in retail parks?

City/town centre stores have found it increasingly difficult for customers to handle large bulky goods such as cots, beds, wardrobes, pushchairs and car seats through malls and streets, where car-parking facilities are not close-by nor readily available due to on-street parking controls. Babygrows etc. go with cots. These are essentials. Why should the cot be bought in one place and the baby wear bought in another place?

Coupled to this and recent changes in legislation, requiring car seats and rear-seat support for children under twelve in addition to seatbelts, has significantly increased requirements to actually fit the car seat into the car outside the retail premises. With the adjacency of car parking in retail parks it is possible to fit these seats and ensure they are properly fitted. Thus adjacent car parking has become an essential requirement for such stores.

- **Catalogue Shops** are basically warehouses with 90% of floorspace dedicated to storage and 10% dedicated to brochures, small items display and pick-up. Very many of the goods are bulky. Warehouse operations are low intensity and, if located in a town centre, they can displace more intensive uses that

generate daytime (office) customers from the town centre. That makes no sense in terms of town centre vitality and viability.

- **Toy Superstores.** There are two main types of toy purchases – ‘pick and go’ on the day of an occasion, which is done in town; and seasonal purchases, which are bulky and done in toy superstores. There has been a level of inconsistency in acceptance of toy superstores into Retail Parks, which should be eliminated in the adoption of new retail planning guidelines.

Toys are mostly bought with children in tow. This limits portability facilities. The type of servicing requirements, designed to cater for the high volume of deliveries and stock turnover over the peak seasonal trading period (September to December), is not suitable for a city/town centre location. It was to accommodate this type of large floorplate store and articulated truck servicing that the Retail Park category was included in the Retail Planning Guidelines.

Supermarkets

The definition of types of retailing for **Supermarket**, should be redefined as – a self-service store selling mainly convenience and low-order comparison goods with a net sales area of less than 2,500m².

A new definition of **Large Supermarket** should be introduced to cover all of the store sizes covered by the indicative caps of 3,000m², 3,500m² and 4,000m², as Large Supermarket – self-service store selling convenience goods from a floor area not exceeding the appropriate cap and low-order comparison goods located in the centres and suburbs of Gateway, Regional and Sub-Regional towns.

The **Hypermarket** definition should remain as indicated.

Structuring Retail Development

The planned urbanisation of the Irish population is an initiative founded in the National Spatial Strategy and given effect in the Regional Planning Guidelines and through the **strategic growth targets to 2022** set down by the DECLG and incorporated in those guidelines prepared in 2010.

The NSS and the Regional Planning Guidelines set out an urban structure and hierarchy that can be used simply to guide the future provision of retail development in the larger towns in Ireland in which the majority of the population will reside.

Retail infrastructure should be considered as part of community infrastructure and should be provided to facilitate the growth of designated towns at Metropolitan, Regional and Sub-Regional level, including large towns over 5,000 in accordance with the population targets set for 2022 in the published Regional Planning Guidelines.

The purpose of the establishment of target sizes for the towns is to aid the planning of infrastructure for them. If retail is considered as part of community infrastructure, then the baseline-planning target for retail provision should be the 2022 population target. The best source of information for town and hinterland population is the Regional Authorities, based on the same considerations. Therefore, the simpler method of retail planning for the large towns should be based on 2022 targets.

The large cities/towns require a defined internal hierarchy of provision for retail infrastructure, and distribution of retail function within the overall urban area, with: -

- The **Central Retail Area** in Gateway, Regional and Sub-Regional Towns – Providing high-order comparison, middle-order comparison and some lower-order comparison and top-up convenience;
- **Suburban Centres** in Gateway, Regional and Sub-Regional Towns – Providing convenience, lower-order and some middle-order comparison;
- **Neighbourhood Centres** – Providing convenience goods;
- **Local Centres/Shops** – Providing everyday convenience goods/top-up.

Planning for smaller towns would be centre-based and for local service requirements, which is a simple estimate.

Individual authorities should be disallowed from specifying smaller than the minimum format supermarket as defined, in neighbourhood centres and upwards.

Assessment of Retail Floorspace Requirements.

The best agency, with the greatest access to current information, to assess the requirement for retail floorspace provision in Ireland on a floorspace per head basis is Forfas. The Review of the Economic Impact of the Retail Cap document April 2011 contains a substantial amount of the baseline information that would be required to establish existing provision in the large towns and future requirements based on the distribution set out in the Regional Planning Guidelines.

Forfas also has the demonstrated capability of researching the international market in relation to the general provision per head of population³.

The description of the Retail Hierarchy in the Retail Planning Guidelines 2000 and 2005 indicated (Paragraphs 6 – 9 inclusive) that the highest order towns are the most efficient in serving retail needs and are attractors of visitor shoppers. The efficiency of these centres and the higher density (turnover per m²) and associated land values, indicate that these centres will fulfil requirements from a quantum of floor area somewhat above 2m² per head of population.

Smaller towns and less economically developed parts of the country would provide retail services through a similar quantum per head of population because the space is less efficient, with less sales density and lower land values.

Towns with a national/regional function and/or a significant foreign or domestic tourism shopping function should not be limited from that role by standardisation of quantum.

Close attention should be paid to the suggestions for Proposed Amendments to the Wider Planning Guidelines, contained in the Forfas Report⁴, that: -

- Planning Authorities and An Bord Pleanála place minimal weight on projections of floorspace requirements when assessing planning applications – retail structure and distribution is more important than total quantum;

³ BCSC; Future of Retail Property report; 2008 provides some baseline data.

⁴ Review of the Economic Impact of the Retail Cap; Forfas, April 2011. P. 47.

- Reduce the importance that planning authorities and An Bord Pleanála place on ‘trade diversion’ – again structure and distribution is more important than protecting inefficient operators and local monopolies;
- Ensure the sequential approach is not used as a barrier to entry in the retail sector – a proper internal hierarchy and distribution will ensure a proper sequential approach and plan-led retail provision within large towns;
- Establish a central database to provide timely national and local data on key indicators to inform preparation of retail strategies – assembly of information at higher levels, for dissemination on a non-localised basis is prudent. The DECLG and Regional Authorities should have a leading role in collating information, with the latter preparing regional retail strategies based on regional population growth targets consistent with the NSS.
- Review definitions of the different types of retail stores and goods to eliminate overlap/ambiguity, to ensure consistency and minimise uncertainty for investors/retailers – this submission has sought to highlight some issues that need to be addressed.

I would recommend that Forfas, or a similar agency, should carry out further study, of the international retail trends, floorspace per capita and distribution between different formats. The information should then be provided to the regional authorities, which would in turn establish the principles for retail quantum provision and distribution based on urban growth targets, for dissemination to the planning authorities that are required to prepare the joint retail strategies.

Conclusion

I request that this observation be taken into account when preparing the new Retail Planning Guidelines, which will be used by all involved in the retail planning sector when they are published.

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