



Belfast City Council

Report to:	Development Committee
Subject:	DSD Retail Sequencing Policy
Date:	11 June 2008
Reporting Officer:	Marie-Thérèse McGivern Director of Development ext. 3470
Contact Officer:	Shirley McCay Head of Economic Initiatives, ext 3459 Pamela Davison Estates Surveyor, ext 3506

Relevant Background Information

The Department of Social Development published its Belfast City Centre Regeneration Policy (RPS) on 5 April 2004. The RPS sets out the Department's objectives and approach to achieving the regeneration of Belfast City Centre. The RPS divided the City Centre into four quarters, South East, South West, North East and North West. The major retail led regeneration scheme for the South East Quarter, Victoria Square, opened in March 2008.

Masterplans for Part One of the North West Quarter and the North East Quarter were adopted by DSD in August 2005. A development proposal by William Ewart Properties Ltd and their partners with the working title 'Royal Exchange' for the North East Quarter was selected by the DSD in March 2006 subject to the developer meeting specified conditions. The draft framework for the North West Quarter Part 2 which is promoted by DSD as the "Belfast City Centre Northside Urban Village" is out to public consultation until 30th June 2008. The draft South West Quarter Masterplan is to be launched by DSD for public consultation on 26th June 2008.

Key Issues

The 'Royal Exchange' development was selected by the DSD in March 2006 for the North West Quarter over the rival proposed by Westfield Shopping towns Limited for the North West Quarter.

Westfield are seeking a review of DSD's policy for sequencing major retail-led regeneration in the city centre. The Royal Exchange project is first in line to receive assistance from DSD to help implement the scheme. Practical assistance could come from DSD in the form of exercising both its land assembly and road extinguishment powers.

The Development Committee received a presentation from Westfield of their latest proposals for the Castlecourt area on 15 October 2007 and agreed to consider the appropriateness of promoting a development of this scale and nature at this time within the City Centre. The level of retail floor space proposed by Westfield (32,108 net sq.m) is similar in size to that already built at Victoria Square (37,499 net sq.m) and that which is proposed under the Royal Exchange project (32,500 net sq.m)

To assist officers in making recommendations to Committee regarding the Westfield proposals, a Planning Advisory Report has been prepared. The report provides an independent and up to date review of the planning and development context underpinning major retail-led redevelopment proposals for Belfast City Centre.

It addresses the policy and quantitative issues pertaining to Westfield and other proposals in Belfast City Centre. The quantitative assessment focuses on the capacity of Belfast to absorb another significant retail proposal in the short to medium term.

It does this while taking into account a number of factors including expenditure projections, the scale of retail development having taken place and size of retail proposals in the pipeline.

The report also compared the retail experience of Belfast with other cities that have a similar population size and which also command a prominent shopping role at regional level; Coventry, Leicester, Nottingham, Newcastle and Cardiff were identified. The density of population in Wales compares the closest to N. Ireland and therefore forthcoming changes in respect of retail development in Cardiff City Centre should be especially noted.

Cardiff has recently permitted the Phase 2 extension of one of its two existing shopping Centres, namely the St. David's Centre. The dramatic scale of this development, some 90,000 sq.m is anticipated to account for all retail floorspace requirements in Cardiff up to the year 2021. The St. David's extension will also accommodate Wales' first John Lewis store, 24,154 sq.m which in itself will account for over a quarter of the additional retail floorspace that is proposed.

A requirement of the independent report was to consult with DSD, Westfield, Ewarts the developer of Royal Exchange, and Savills on behalf of Victoria Square. All parties were given the opportunity to comment in respect of the capacity of Belfast City Centre to absorb further retail developments that have either been built or are in the pipeline in Belfast City Centre and beyond.

All parties except Westfield agreed that if a further major retail led development was to be promoted in the short term this would not assist in the creation of a competitive City.

The case for and against supporting Westfield's proposal in the short term are summarised below:

For

- Principle of development largely accords with retail policy
- It will redevelop many vacant and derelict buildings
- It will secure investment in the city centre as opposed to out of centre locations

Against

- It will overload Belfast with retail space and will undermine attempts to secure investment in the Royal Exchange Project
- Potential for adverse retail impact due to squeeze in available expenditure
- Need for a period of stability, adjustment and review after opening of Victoria Square

The Council has to address a number of fundamental issues relating to the Westfield proposal these issues can be expressed via the following questions:

How much retail space should be allowed?

Both the 2006 Colliers Retail Study for Draft BMAP and the 2003 Northern Ireland Retail Research Study would appear to indicate that, outside of the Royal Exchange scheme, there will be capacity for another substantial retail development in Belfast City Centre some time in the future.

When should it be built?

Extrapolated findings from the 2003 NIRRS would suggest that all spare capacity for additional floorspace in Belfast City Centre up to the year 2011 has been exhausted by the opening of Victoria Square and the commitment to Royal Exchange. Similarly the Colliers 2006 Study states that sufficient expenditure from which to sustain another major retail proposal would only begin to have accumulated after the year 2015. The analysis conducted by the Council would suggest that there may be grounds to extend this date yet further.

What form should it take?

The key statutory bodies in the decision making process, including the Planning Service, DSD and EHS are keen to encourage mixed-use development in the North West Quarter that is sympathetic to the historic streetscape and which enhances the permeability of the area. The development of a purpose built extension to a shopping centre can often be at variation with these aspirations. Indeed, it would appear from the latest drawings submitted to the Council that Westfield recognise that greater layout and design efforts have to be made.

An important observation to be drawn from the Cardiff experience is that flexibility could be shown to the format of the scheme if it helps introduce a prestigious new retail entrant into the heart of the City.

On 21May 2008 John Lewis announced its intention to open a flagship store of 23,225 sq.m in Upper O'Connell Street, Dublin as the anchor of a mixed use development planned for a 5.5 acre site.

Resource Implications

Asset – The Westfield Proposal will involve the relocation and disposal of the existing Smithfield Market.

Financial – The Westfield development is a £150 million development in the North West Quarter of the City.

Recommendations

It is recommended that Council should not challenge the current sequencing of major retail led redevelopment in Belfast City Centre and that Council review the situation in three years time in 2011 when the impact of Victoria Square can be assessed and the

Royal Exchange project will be at an advanced Stage.

It is also recommended that any departure from this approach should only be considered by Belfast City Council if Westfield's development involved bringing a new major retail entrant to Belfast, creating a point of difference to other cities, as in the flexible approach of Cardiff to the arrival of John Lewis.

It is further recommended that Westfield be encouraged to continue their development discussion with DSD whom during the construction of Victoria Square worked with the Royal Exchange developers on their proposals.

Key to Abbreviations

DSD - Department of Social Development
Westfield - Westfield Shoppingtowns Limited -
NIRRS - Northern Ireland Retail Research Study - NIRRS