

Submission on behalf of Tesco Ireland Limited
Draft Kilkenny City and County Development Plan
2021-2027

March 2021

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For and on behalf of Avison Young Planning and Regeneration Limited

1. Introduction

This submission has been prepared by Avison Young on behalf of Tesco Ireland Limited, Gresham House, Marine Road, Dún Laoghaire, Co. Dublin in response to the publication of the Draft Kilkenny City and County Development Plan 2021-2027 (“Development Plan”). Tesco Ireland, being one of the primary convenience retailers in Ireland, welcomes the opportunity to make a submission on the preparation of the Development Plan.

The retail sector makes a major contribution to Kilkenny County by increasing the vitality and viability of towns and villages and acting as an economic anchor, creating significant employment and indirect economic and social activity. In this regard, we welcome this engagement by Kilkenny County Council. We would encourage the Local Authority to continue to engage with stakeholders in the retail sector to ensure that there are appropriate policies in the Development Plan to attract new investment to the county and support the viability and vitality of retail premises within towns and villages.

We would like to take this opportunity to identify the importance of convenience retail facilities in Kilkenny County and highlight the difficulties that can be faced in operating and locating such stores. On this basis we would, therefore, request that, following this submission, Kilkenny County Council provide policies that would promote the development of retail stores of an appropriate scale, at suitable locations across the county.

2. Background

As stated previously, Tesco Ireland is one of the primary convenience retailers in Ireland with c. 151 stores in cities and towns all across the country. Although Tesco does not currently operate any stores in Kilkenny, Tesco is keen on investing in the county at appropriate locations.

Tesco Ireland have been interested in locating in Kilkenny for a number of years. In this regard, Kilkenny remains an attractive location for Tesco Ireland, and our client has engaged regularly with the Council (and previously Borough Council) in relation to potential development, in recent years. However, to date this engagement has not led to the delivery of a Tesco store in the City.

In this regard, this submission is being made to highlight the requirements of modern convenience retail operators such as Tesco and set out how the new Development Plan could attract additional investment in the county in terms of convenience retailing.

Regional Spatial and Economic Strategy

The recently published Regional Spatial and Economic Strategy for the Southern Region (“RSES”) identifies a projected population of between 112,000-114,500 for Kilkenny by the year 2031. This would represent an increase of 13 – 16% over a 15-year period (2016-2031), with the majority of this increase forecast to be achieved by 2026.¹

In accordance with the objectives of the National Planning Framework (“NPF”) as well as the RSES, it is likely that much of this growth will be experienced in urban areas such as Kilkenny City, which is identified as the fourth largest settlement in the Southern Region. The RSES identifies Kilkenny as one of 6 ‘Key Towns’ with a very significant population scale and a major centre for delivery of public services as well as economic and business roles and higher order retail functions. In relation to Key Towns, the RSES goes on to state that *“given their considerable scope for growth, it is envisaged that local authorities should plan for population growth of **more than 30%** by 2040”*.² (**emphasis added**)

Population

As noted in the Draft Development Plan 2021 -2027, Kilkenny City and County had a total population of 125,744 in 2016, c. 5% higher than at the last Census (2011). Kilkenny City and County’s population was c. 14.5% higher than a decade earlier (2006), a greater increase than occurred nationally (12.3%). It is therefore important that Kilkenny County Council considers the existing provision of retail floorspace and considers how additional retail floorspace could be sustainably provided to meet the needs of growing populations and communities.

Taking the above into consideration, it is important that the Development Plan accommodates growth by not only providing supportive policies and objectives to provide for residential and employment lands but also the supporting infrastructure and services such as education, commercial, and retail and, specifically in relation to this submission, new convenience retail floorspace at suitable locations.

¹ Regional Spatial and Economic Strategy for the Southern Region, pg 347

² Regional Spatial and Economic Strategy for the Southern Region, pg 46

3. Retail Policies

As part of the Planning and Development Act 2000, as amended, (hereafter “the 2000 Act”) it is necessary to provide policies and objectives relating to the management of retail development in a county/settlement. It is also a requirement of the 2000 Act that a development plan should accord with any guidelines issued under Section 28 of the 2000 Act. The relevant guidelines in this case are the Retail Planning Guidelines, 2012. These guidelines apply to all planning authorities and seek to ensure that each county and settlement provides an adequate quantum of retail floorspace in their own boundaries, so as to avoid retail leakage to other counties/settlements. Retail leakage can indicate that there is either an impact from a significantly higher order centre (i.e. Dublin City) or that the allocation of retail floorspace to a settlement or a county needs to be reviewed so as to reduce the leakage.

Kilkenny City and its hinterland is an important part of the urban structure of the wider County and plays a key role in providing services for a significant proportion of the County’s population. The history, status and scale of the City means that it is the primary urban settlement in the County, with the nearest significant settlements being Carlow to the north c. 37 km away, Thurles to the west c. 44 km away and New Ross c. 48 km to the south. This results in the City serving a large rural catchment and places an increased service requirement on this historic City.

Potential for Retail Leakage

Given the predicted growth of Kilkenny during the lifetime of the new Development Plan, it is possible that retail leakage could occur and as such it is considered vital that Kilkenny County Council provide policies and objectives as part of the Development Plan to spur new retail investment in the County, particularly in the Kilkenny City area. Retail leakage not only negatively impacts the vitality and vibrancy of communities but can also result in unsustainable travel patterns as people travel, typically by car, to neighbouring settlements for a service that could be offered in closer proximity to their home. As urban areas continue to expand, it is important that the Development Plan provides guidance on the potential location of convenience retail facilities and provides for flexibility in this regard. Overly prescriptive retail policies, phasing requirements, floorspace requirements and zoning objectives can deter potential investment in towns and villages and can lead to a scenario whereby a town is underserved by important retail facilities.

In this case, it is important that adequate facilities are provided for in Kilkenny to restrict the possibility of retail leakage from the County. This can be achieved by ensuring that the primary centre for the County, being Kilkenny City, has the necessary facilities to not only serve the existing population but also any future growth that may occur in the settlement. In this regard, it is noted that Kilkenny has 8 no. convenience retail

stores in the CSO boundary for Kilkenny City as indicated on Fig. 1. In order to consider if this level of retailing is sufficient to serve the population of the City, a comparison between Kilkenny and other settlements such as Athlone, Co Westmeath, Ashbourne, Co. Meath, Killarney, Co. Kerry and Mullingar, Co. Westmeath was undertaken and included as part of Tesco Ireland’s submission to the Pre-Draft Issues Paper in June 2018. A summary of this comparison is provided in Table 1 below.

Retail Comparison

Figure 1 Kilkenny CSO Boundary with existing retail facilities highlighted.

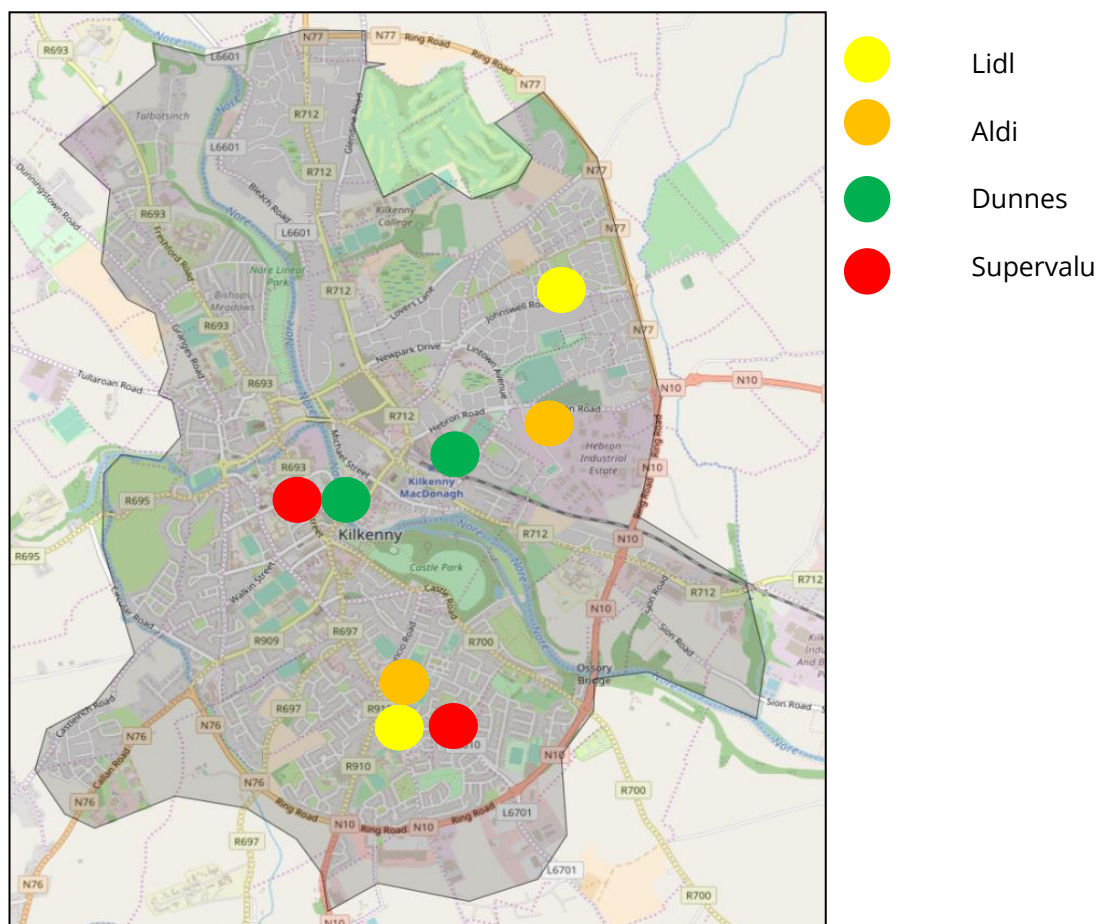


Table 1 Retail Comparison of Different Settlements

Settlement	Population (2016 Census)	No. of convenience stores	Retailers represented
Kilkenny	26,512	8	SuperValu, Aldi, Dunnes Stores, Lidl.
Athlone	21,349	9	Tesco, Aldi, Lidl, Marks & Spencer, SuperValu, Dunnes Stores.
Mullingar	20,938	8	Tesco, Aldi, Lidl, SuperValu, Dunnes Stores.
Killarney	14,504	9	Tesco, Aldi, Lidl, Marks and Spencer, SuperValu, Dunnes Stores.
Ashbourne	12,679	5	Tesco, Aldi, Lidl, Dunnes Stores, SuperValu.

As outlined above, Kilkenny is the largest settlement of all of those considered, with a population of 26,512 no. people. Despite this, Kilkenny city has fewer retail convenience stores than some smaller settlements such as Athlone and Killarney, whilst it has the same number of stores as Mullingar, which has a population that is c. 20% smaller than Kilkenny City. It is also notable that there is lack of competition in the Kilkenny convenience retail market.

As it is predicted that the population of Kilkenny will grow over the coming years, it is important that this matter is considered, as an increased population will expect greater competition as well as an adequate quantum of retail locations. Based on the above analysis, it appears that this is not currently provided for and could impact on the expansion of the City and the County.

As part of its ongoing property strategy, Kilkenny City remains an attractive location for Tesco Ireland and we look forward to continuing to engage with the Council in this regard. It will be important that the Development Plan acknowledges the need for additional retail convenience facilities in Kilkenny City, providing appropriate zonings for same and providing polices that will be consistent with the needs of retailers. All of these matters and how this can be achieved, are addressed in the subsequent sections of this submission.

National Planning Framework

The National Planning Framework seeks to establish self-sustaining communities throughout the country, and it is considered that the adequate provision of services such as retail will be central to the fulfilment of this objective. The provision of self-sustaining settlements throughout the Kilkenny County area can generate employment growth, invigorate town centre areas, promote sustainable travel patterns and contribute to an improved quality of life for residents. In this regard, we would request that the Local Authority considers the future provision of retail convenience floorspace holistically and ensures that settlements are adequately served by such floorspace. The inclusion of supportive policies and flexible land use zoning objectives would be welcomed by retail operators such as Tesco Ireland.

Taking the predicted population growth into consideration, along with the settlement strategy for the City and County, it is important that the Development Plan accommodates this growth by not only providing supportive policies and objectives to provide for residential and employment lands, but also the supporting infrastructure and services such as education, commercial, and retail uses and, specifically in relation to this submission, new convenience retail floorspace at suitable locations.

Potential Development Sites

There are a number of potential development sites in Kilkenny City that could facilitate additional convenience retailing, including the Former Mart Site and Abbey Quarter, both of which are appropriately zoned 'general business' and centrally located. It is noted that retailing is a permissible use under the 'general business' zoning objective.

Policy 14 of the Draft Development Plan (Volume 2) relates to 'the Abbey Quarter and Retail Phasing' and sets out the following:

"The Abbey Quarter will be the focus for city centre expansion (including convenience and comparison retailing) in the City & Environs over the plan period and City Centre expansion shall take place in a phased approach. The following phasing of development lands for retail within the City & Environs is proposed:

Retail Phase 1: Abbey Quarter and, at an appropriate scale, MacDonagh Junction;

Retail Phase 2: The former mart site at the Castlecomer Road.

The release of phase 2 lands for major retailing will only be considered where either planning permission is granted and/or the local authority is satisfied that, significant expansion has already occurred on the phase 1 lands and that any additional retailing on the phase 2 lands will not have a negative impact on the vitality or viability of the retail core or other centre. It is considered that the definition of major retail expansion for the purposes of this section of the City & Environs is 1,000 sq. m for convenience goods and 2,000 sq. m for comparison goods."³

It is noted, however, that the Local Authority appears to be placing an over-reliance on the Abbey Quarter in terms of retail phasing, with the effect of potentially delaying the provision of retail development at the Mart site. In this regard, it is noted that there already exists an appropriate method of restricting unsuitable retail development through the application of the 'sequential test' and in a challenging retail environment, a certain amount of flexibility is needed. It is, therefore, submitted that there is no requirement for the additional retail phasing restrictions set out in Policy 14.

³ Kilkenny City and County Draft Development Plan Volume 2, pg 40

4. Requirements of Retailers

Further to the above, it is important to highlight to the Local Authority that retailing, and larger format convenience retailing in particular, has very specific requirements relating to the access, servicing, shape, size, and morphology of sites. Generally, convenience retailers will require extensive open areas of floorspace with associated car parking and will typically require large unobstructed and level floorplates. Flexible land use zonings must be considered, when identifying potential sites for retail convenience developments.

In this regard, it is noted that many town centres are made up of historic buildings, many of which are often comprised of irregular floor layouts or are subject to changes in floor levels. These units are, therefore, not consistent with modern retail convenience layout requirements, which typically require large unobstructed and level floorplates. Where sites with these characteristics become available in or around town centre areas, it is important that the Local Authority considers the provision of convenience retailing facilities on these sites. Where no such sites are available or they are designated for other uses, alternative lands that are sequentially appropriate should be identified for retail convenience uses. Flexible land use zonings should also be considered, when identifying potential sites for retail convenience developments.

Additionally, larger convenience retail stores typically require a large quantum of car parking spaces to serve customers who are doing their weekly shop and are, therefore, unable to transport their goods without the use of a private motor vehicles. This is acknowledged in the Retail Planning Guidelines as the weight of a weekly convenience shopping results in public transport or walking not being an option⁴. Furthermore, the delivery process typically undertaken by large convenience retailers involves large goods vehicles which would generally not be suited to using roads in tight urban grain areas. On this basis, a town centre location may not always be a viable option for commercial retailers when they are pursuing a new site and other locations such as edge of centre sites may be more suitable.

Whilst a retailer must comply with the requirements of planning legislation and guidance of a Local Authority, it is important to consider and facilitate the requirements of the customer. These include, *inter alia*, providing a scheme and layout that is efficient and accessible, a welcoming environment, design for customer experience and availability of high-quality range of products to customers.

Many modern retailers operate to an established business model that is capable of delivering competitive goods to customers at accessible locations. These models have some flexibility with regard to the overall scale of the store and the physical layout of the building. However, certain aspects of this model such as accessibility and retailer profile are fundamental to successful operation.

⁴ Guidelines for Planning Authorities: Retail Planning, April 2012, Section 4.11.1, pg. 35

An array of factors will determine the attractiveness of a location for new retail development, and these should be considered as part of the forthcoming Development Plan. These factors include:

- Quality of the public realm;
- Retail layout achievable;
- Traffic management & movement strategy;
- Servicing / deliveries & accessibility;
- Height /mix of uses;
- Car parking;
- Health and safety; and,
- Planning policy restrictions.

In order to attract retailers, it will be important for the Development Plan to reflect the fact that modern stores are designed to be efficient, spacious and provide a pleasant environment for both employees and customers alike.

The standard back-of-house requirements, in particular for convenience retailers, are necessary to ensure the efficient operation of a supermarket and these include, *inter-alia*, a cage marshalling area, bulk storage, staff facilities, offices and administration areas. In addition to these requirements, the design of any building must also have regard to the current Building Regulations, Disability Access and Fire Safety Requirements that are underpinned by the principles of Universal Design.

Back-of-house areas are now designed to minimise the need for multiple deliveries per day by providing adequate chilled and ambient storage areas for holding stock before it reaches the store shelves. In addition, central distribution systems remove the need for individual suppliers to visit stores (rather their products are delivered to a central warehouse where the products are organised and redistributed to individual stores) thereby reducing the number of deliveries to a store. This system is environmentally sustainable as it allows for a single truck to provide multiple stores with a range of products, which in the absence of this system would require several separate truck deliveries.

The necessary back-of-house areas often required to ensure the efficient operation of a larger supermarket is outlined in Table 2. For example, while it is not strictly required to have an enclosed cage marshalling area within the footprint of a building, it is often enclosed when adjacent to residential areas to ensure that there is little visual or noise impact associated with the movement of roll cages within the service yard.

Table 2: Needs of a modern retail convenience store

Description	Reason for Requirement
Cage Marshalling Area	<ul style="list-style-type: none"> To facilitate the safe unloading of a full HGV directly undercover. To avoid stock being exposed to the elements. To reduce noise levels normally associated with this activity. To provide Health & Safety benefits for staff. To provide an area for sorting and recycling waste and packaging. To facilitate speedy offloading and HGV turn-around.
Back-up Chiller	<ul style="list-style-type: none"> To ensure continuity of chill chain. To ensure that chilled products are maintained at the correct temperature after delivery and before packing out on the sales floor. The size is designed to meet seasonal peaks.
Fresh Meat Chiller	<ul style="list-style-type: none"> Required by trading law. A back-up freezer is provided for frozen food products. The size must meet the requirements of seasonal peaks.
Alcohol Storage Area	<ul style="list-style-type: none"> To ensure that alcohol is stored in a secure area with access limited to specific staff.
Ambient Food and Non-Food Storage Area	<ul style="list-style-type: none"> To provide sufficient space to facilitate sorting of deliveries and storage per category. This is essential to prevent cross contamination. A separate clothing storage area is provided. A separate secure storage area is provided to protect high value goods.
Cleaner's Room	<ul style="list-style-type: none"> Provided in line with Environmental Health requirements. To accommodate all cleaning machines, equipment and chemicals. To avoid any potential cross contamination.
Staff Kitchen, Restaurant, Lockers, Changing Areas	<ul style="list-style-type: none"> In the interest of staff amenity.
Ladies' & Gents' WC, Accessible WCs	<ul style="list-style-type: none"> All sized in order to comply with Building Regulations, Disability Access requirements and the principles of Universal Design.
Store Manager's Office	<ul style="list-style-type: none"> In the interest of staff amenity.
Staff Training Room	<ul style="list-style-type: none"> To facilitate on-site training and up-skilling.
General Office	<ul style="list-style-type: none"> General office to facilitate IT, stock and ordering and general administration.
Lifts and Access Stairs	<ul style="list-style-type: none"> All sized in order to comply with Building Regulations, Disability Access requirements and the principles of Universal Design.
Circulation Areas	<ul style="list-style-type: none"> All sized in order to comply with Building Regulations, Disability Access requirements and the principles of Universal Design.
Fresh Food Counter	<ul style="list-style-type: none"> To comply with various Environmental Health requirements. This includes physical separation between cooked and uncooked food. This includes direct access to back-up chiller.
Bakery	<ul style="list-style-type: none"> An in-store bakery is provided complete with ovens, storage and manufacturing area in compliance with various Environmental Health requirements.

Having regard to the requirements listed in Table 2, it is requested that the policies in the forthcoming Development Plan recognise that the design of modern retail formats are dictated by retailer's requirements, current Building Regulations, Fire Safety and Disability Access requirements. Each of these regulations necessitates extra space requirements (circulation space, staff facilities, service yard/layout requirements etc.) which traditionally would not have been required in similar type retail stores.

In this regard, policies which provide flexibility and allow for the development of modern convenience retail units should be included in the Development Plan. Such policies would be particularly relevant in the larger settlements of the county and would attract modern format retailers, thus providing an essential local service for the community. Such an approach will provide for the needs of the Local Authority, the retailer and the public. Furthermore, they would also ensure that retail leakage into neighbouring counties or larger settlements is reduced as well as making towns more sustainable and attractive to prospective employers and residents.

5. Importance of Local Retailing

The importance of local retailing has grown significantly since the pandemic lockdown due to geographical constraints on people's movement and the importance of local availability of products. Under current Government advice, it is only recommended to travel beyond 5km for essential reasons, including grocery shopping. Further travel restrictions relating to the pandemic lockdown have the effect of limiting the distance people can travel for day-to-day trips. This has led to an increase in local shopping, as shoppers choose to source products locally within their own neighbourhood stores.

The impact of Covid-19 is acknowledged at Chapter 5 of the Draft Development Plan Volume 1 and, as such, it is submitted that the Local Authority should take this opportunity to support the continued growth of local convenience retailing in the forthcoming Development Plan with supportive policies, objectives and flexible zoning to ensure the continued vibrancy and viability Kilkenny City and County.

6. Click and Collect

The nature of retailing in general is changing, with a movement towards more online shopping. This change has been accelerated as a result of the pandemic lockdown, with more people choosing online shopping. Convenience retail operators have experienced a rapid increase in online sales over the last 12 months.

In this regard, it is worth highlighting the important role of 'click and collect' facilities. Such facilities offer an extremely efficient service which allows customers to collect their shopping at a time that suits them, without the requirement to enter the store. Click and Collect facilities have a relatively small spatial requirement, are usually located within dedicated areas of the customer car park, and, typically, the most easily accessible locations e.g. adjacent to mobility impaired and parent and toddler spaces. Click and collect is a highly efficient service providing grocery / convenience offering to all persons, reducing both 'downtime' for customer journeys and the overall requirement for car parking, resulting in more efficient use of land.

The growth of click and collect convenience shopping, in addition to grocery home shopping, also provide important services as health and well-being concerns continue to influence people's shopping habits. We would, therefore, ask the Local Authority to have regard to the recent growth of both 'Click and Collect' and grocery home shopping services, and provide support for same in the Development Plan.

7. Conclusion

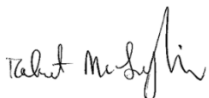
Our Client welcomes the ongoing review of the Kilkenny City and County Development Plan and the opportunity to comment on the preparation of a new Development Plan for the County. Tesco Ireland, as a primary convenience retailer in the country, is keen to expand its presence in the region, meeting the needs of its customers and contributing to the physical and social environment of the county's primary settlements.

As the county's population continues to expand over the next decade, it is important that the Local Authority provides for additional retail convenience centres at appropriate locations that serve the needs of current and future residents. In this regard, it is requested that as part of the Kilkenny City and County Development Plan 2021-2027, the Local Authority:

1. Allocate adequate convenience retail floorspace to Kilkenny City and that appropriate lands be zoned for such development without restrictive phasing requirements.
2. It is also submitted that more flexible zoning should be provided to allow for sites to come forward over the life of the proposed Plan. This would be an appropriate solution provided the sites are consistent with the sequential test outlined in the Retail Planning Guidelines, April 2012.
3. Include policies and objectives that can spur investment in the convenience retail sector and provide for adequate convenience floorspace to be allocated in settlements across the county.
4. Acknowledges the requirements of modern retailers, including appropriate floorplates, car parking and servicing access and where possible, the Development Plan and associated Retail Strategy should include reference to these requirements.

We trust that the matters outlined above will be taken into consideration as part of the preparation of the Kilkenny City and County Development Plan 2021-2027. We are available for discussion on any of the matters referred to above and would also appreciate if you could confirm receipt of this submission by return.

Yours sincerely,



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