

Hastings Town Centre, Retail and Leisure Uses Study

Volume 1: Main Report

Prepared for:

Hastings Borough Council

December 2024

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This report meets the PDF/UA (Universal Accessibility) standard, which is equivalent to the WCAG 'AA' digital standard.

Prepared by:

Steve Norris

Signed:

A handwritten signature in black ink, appearing to read "Steve Norris". The signature is written in a cursive style with a large, looped initial "S" and a long, horizontal flourish at the end.

For and on behalf of Lambert Smith Hampton

Issued: December 2024

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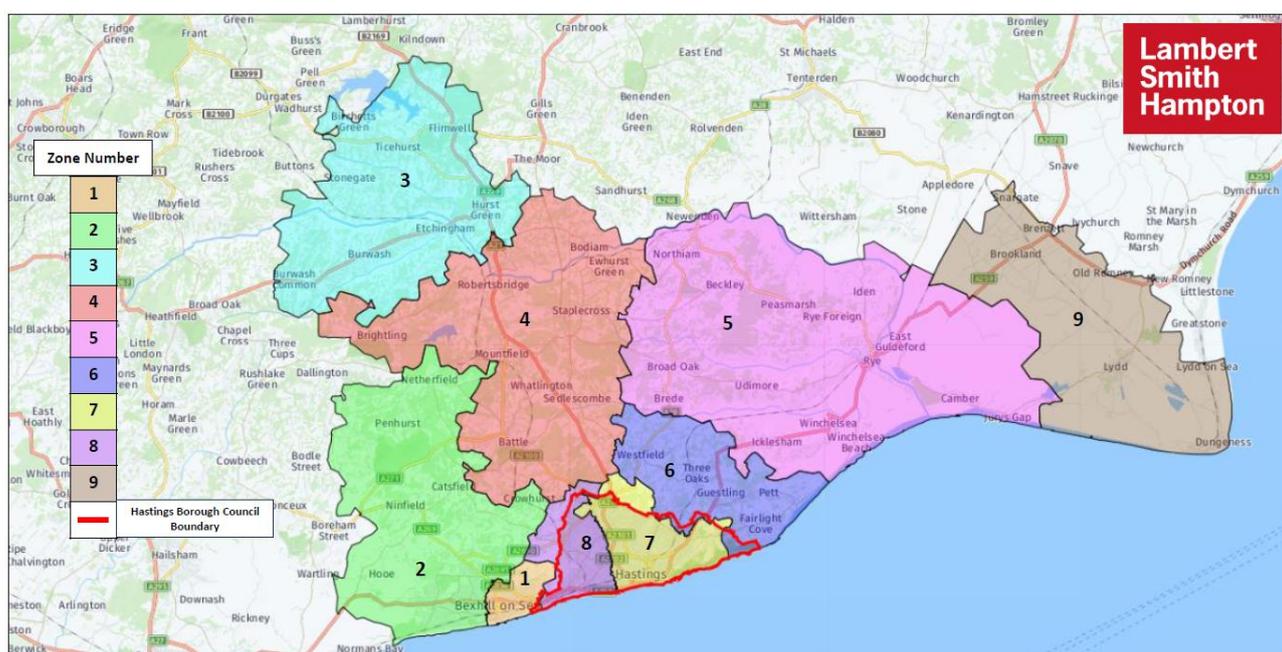
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1. INTRODUCTION

1. Hastings Borough Council (hereafter referred to as “the Council”) commissioned Lambert Smith Hampton (LSH) in June 2024 to prepare an update to the Council’s 2018 Town Centre, Retail and Leisure Uses Study (“the Study”).
2. The Council’s 2018 Retail Study informed the drafting of the published Regulation 18 document (Reg18). On this basis, this new study will provide recommendations that will inform and update the Regulation 18 document in the main.
3. Since the 2018 Study was completed, the UK has experienced major once-in-a-generation economic, health and social events (e.g. COVID-19, energy and cost of living crisis, inflation and a rise in interest rates) that have impacted on how households shop, work and use our town centres. As such, there is a need to review the town centre evidence to ensure that earlier recommendations are still relevant and reflect the current economic situation and are fully aligned with new socio-economic and demographic forecasts and trends affecting town centre, shopping, and leisure employment.
4. The study has been prepared in the context of current and emerging local, regional and national development plan policy guidance, as well as other key material considerations; principally the National Planning Policy Framework (NPPF). Where relevant, the study also draws on advice set out in the National Planning Practice Guidance (PPG). Both the NPPF and PPG place significant weight on the development of positive plan-led visions and strategies to help ensure the vitality and viability of town centres (Town centres or centres are defined by the NPPF (Annex 2) as city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres).
5. At the time of preparing this study, the UK’s economy remained fragile impacted by the legacy of the pandemic and subsequently by a cost-of-living crisis. Notwithstanding these economic uncertainties, this study does provide the robust evidence base and key findings to help inform and guide both plan-making and decision-taking across the Borough and its key centres up to 2045. To note that any findings beyond 2034 should be treated with caution on the basis that forecasts become less reliable after a 10-year period.
6. The study is presented in a series of inter-related Volumes as follows:
 - **Volume 2:** comprises the quantitative appendices that inform the economic capacity tables for retail needs.
 - **Volume 3** sets out the findings of the 2024 town centre health check assessments of: Hastings Town Centre and the District Centres of St Leonards, Silverhill and Old Town. This is further supplemented by a high-level review of the Borough’s local centres namely: Ore Village, Bohemia and Tower, Battle Road and West St Leonards (Bexhill Road).

- Volume 4** presents the weighted results of the household telephone interview survey conducted by NEMS Market Research (NEMS) for the neighbouring Rother District Council. This informed the Rother District Retail, Leisure and Town Centres Assessment (2023). The survey was conducted between July and August 2022. In this survey, some 1,002 households were surveyed across a defined Study Area (shown below). NEMS has confirmed that there is a robust number of responses in Zones 7 and 8 (i.e. covering the Hastings area), and on this basis, the Council has made use of this survey data to support this new study.

Figure 1: Catchment Area: Rother Retail, Leisure and Town Centres Assessment (2023)



- This Volume draws on the evidence and research in **Volumes 2-4**. It provides robust policy recommendations to help the Council prepare positive strategies, plans and policies for the growth, management and adaptation of the Borough’s designated town centres over the short, medium and long term to help ensure their future vitality and viability.
- For ease of reference this Study (**Volume 1**) is divided into the following inter-related sections:

 - Section 2** reviews the national, regional and local planning policy context.
 - Section 3** highlights some of the key trends that are driving the dynamic changes in the retail and leisure sectors at the national and regional level, and how these trends have shaped (and are likely to shape) the Borough’s urban and retail landscape over the short to long term.
 - Section 4** summarises the survey-derived market share analysis of shopping patterns for different types of comparison and convenience goods purchases across the defined Catchment Area (see **Volume 2**)

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- **Section 5** sets out the health check methodology.
 - **Section 6** provides a summary assessment of the relative vitality and viability of the main designated town, district and smaller local centres.
 - **Section 7** details the key assumptions and findings of the strategic retail capacity assessment for new convenience and comparison goods retailing up to 2045 based on LSH’s in-house CREAT^e economic model and drawing on the results of the economic tabulations provided in **Volume 2**.
 - **Section 8** sets out the findings of the commercial leisure need and “gap” assessment, drawing on the evidence and market research, including the results of the household survey.
 - **Section 9** draws on the previous sections and provides recommendations to help inform the Council’s preparation of robust policies and strategies aimed at maintaining and enhancing the vitality and viability, and competitive positions of the Borough’s main centres over the lifetime of the plan

2. PLANNING POLICY CONTEXT

9. To help inform the preparation of this study, this section provides a summary of the key national, regional and local planning policies pertaining to retail, leisure and other main town centre uses.

NATIONAL PLANNING POLICY AND GUIDANCE

National Planning Policy Framework (NPPF)

10. The NPPF was last updated in December 2023 and sets out the Government's planning policies for England. Planning law requires that applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise. The NPPF must therefore be considered in plan-making and is a material consideration in planning decisions.
11. The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development, which is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs. The Framework (paragraph 11) sets out the Government's view of what the presumption in favour of sustainable development means in practice. For **plan-making**: "...plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change" (paragraph 11a).
12. Chapter 3 ("**Plan-Making**") of the Framework provides guidance to local authorities on preparing local plans. Paragraph 20 states that policies should set out an overall strategy for the location, scale and quality of development, and make sufficient provision for new sustainable development. It requires that strategic policies should look ahead over a minimum 15-year period from adoption, *except in relation to town centre development* (see below). In preparing development plans, "*policies should be underpinned by relevant and up-to-date evidence*" (paragraph 31). To ensure the local plans and spatial strategies are relevant they should be reviewed at least once every five years and updated as necessary (paragraph 33).
13. Chapter 7 ("**Ensuring the vitality of town centres**") provides guidance on plan-making and decision-taking for retail and other town centre uses. Paragraph 90 states that "*planning policies and decisions should support the role that town centres play at the heart of local communities*" and sets out criteria that local authorities should consider when preparing planning policies. These include: (a) defining a network and hierarchy of centres; (b) defining the extent of town centres and Primary Shopping Areas (PSAs); (c) retaining and enhancing existing markets; and (d) allocating a range of suitable sites in town centres to meet the sales and type of development likely to be needed, "*looking at least ten years ahead*".
14. Paragraphs 91-95 specifically set out the requirement to apply the sequential and impact tests to determine applications for new retail, leisure and main town centres

that are neither in an existing centre, nor in accordance with an up-to-date development plan.

15. Other Chapters in the NPPF are also relevant to the preparation of this study, and to the Council's plan-making and decision-taking policies for its network and hierarchy of centres. For example, Chapter 8 ("Promoting healthy and safe communities") sets out the need to achieve healthy, inclusive and safe places; including the need to plan positively for the provision and use of shared spaces, community facilities (such as local shops) and other local services to enhance the sustainability of communities and residential environments (paragraph 97a).

Planning Practice Guidance (PPG)

16. The Planning Practice Guidance (PPG) provides specific guidance on plan-making and decision taking for retail, leisure and town centre uses, including guidance on Permitted Development Rights (PDR), Article 4 Directions, and the new Use Classes Order ("UCO") that came into effect on 1st September 2020 (Paragraph: 007 Reference ID: 2b-007-20190722. Also refer to: Town and Country Planning (General Permitted Development) (England) Order 2015, as amended) (also discussed later in this section). The Guidance supports the policies and provisions of the NPPF, placing significant weight on the development of positive plan-led visions and strategies for town centres.
17. In terms of planning for town centres, the PPG states that a wide range of complementary uses can, if suitably located, help to support the vitality and viability of town centres. These include residential, employment, office, commercial, leisure/entertainment, healthcare and educational development. Evening and night-time activities also have the potential to increase economic activity within town centres and provide additional employment opportunities.
18. The PPG (paragraph 004) sets out the importance of evidence-based strategies and visions for town centres to help establish their role and function over the plan period, the need for new retail, leisure and town centre uses, and other interventions. However, given the uncertainty in forecasting long-term retail trends and consumer behaviour, the PPG states that forecasts "**...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed**" (Paragraph: 004 Reference ID: 2b-004-20190722). In those cases where development cannot be accommodated in town centres, the PPG requires planning authorities to plan positively to identify the most appropriate alternative strategy for meeting the identified need, having regard to the sequential and impact tests (Refer to Paragraph: 005 Reference ID: 2b-005-20190722. Paragraph 010A ID: 2b-010-20190722 also provides a checklist for local planning authorities to consider when applying the sequential test). The PPG also sets out several Key Performance Indicators (KPIs) that "*may be relevant in assessing the health of town centres, and planning for their future*"(Paragraph: 006 Reference ID: 2b-006-20190722).

Use Classes Order and Permitted Development Rights

19. The Government has issued a series of reforms to the planning system since 2020 that are relevant to this study. The reforms principally relate to Permitted Development Rights (PDR) and the Use Classes Order (UCO), alongside the Government's White Paper "Planning for the Future" (published in August 2020) and the 2021 Planning Reform Bill.
20. The new UCO came into effect from 1st September 2020 and is relevant to the Council's plan-making and decision-taking on new retail, leisure and town centre uses. The new UCO amended and revoked a number of use classes under the 1987 Order and has replaced them with much broader use classes. In summary, the main reforms introduced by the new UCO include :
 - a new **Class E (commercial, business and service uses)**: which subsumes the former Use Classes A1 (shops), A2 (financial and professional services) and A3 (restaurants and cafés). It also incorporates: the former Class B1 (commercial, business and service uses), comprising office, research and development and light industry; Class D1 (non-residential institutions) in part, comprising medical or health services, clinics, crèches, day nurseries and day centres; and Class D2 (assembly and leisure) in part, comprising gyms or areas for indoor recreation.
 - a new **Class F1 (learning and non-residential institutions)**: which includes some of the former uses under Class D1 (non-residential institutions), including museums, public libraries, art galleries, schools, and places of worship.
 - a new **Class F2 (local community uses)**: which comprises (former Class A1) shops defined as being "*...not more than 280 sqm mostly selling essential goods, including food, and at least 1km from another similar shop*". This Use Class also includes former Class D2 (assembly and leisure), such as meeting places/halls, indoor/outdoor swimming baths, skating rinks, and outdoor sport and recreation.
 - an extension to the **Sui Generis** uses (which fall outside the specified use classes) to include the former Use Classes A4 (pubs and drinking establishments) and A5 (hot food takeaways). It also incorporates some uses previously classified under D2 (assembly and leisure), including cinemas, concert halls, live music venues, bingo and dance halls.
21. The Government also issued the new PDR on 1st August 2021 (Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021) that permits the change of Class E to Class C3 (residential), subject to prior approval applications. This PDR replaces the two existing commercial to residential PDRs under Class O (office to residential) and Class M (conversion of shops, financial services, betting offices and pay day loan or mixed uses to residential), with a new **Class MA**. In launching the PDR the Government stated that the regulations will give "*...greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings*" (source: PM: Build, Build,

Build - PM Boris Johnson has announced the most radical reforms to our planning system since the Second World War (Prime Minister's Office, 10 Downing Street, 30/06/2020). The PDR (Class MA) does contain some conditions and limitations, such as: (i) it only applies to buildings that have been vacant for a least three continuous months; and (ii) it does not apply to buildings with a cumulative floorspace of more than 1,500 sqm. Although it does not apply to Listed Buildings, it can be applied in a Conservation Area (subject to an impact assessment if it involves converting the ground floor). Since it was introduced, we are aware some local authorities are planning to bring in new Article 4 restrictions under the GPDO to prevent parts of their area from being converted (including, for example, Westminster City Council and a number of other London Boroughs).

LOCAL PLAN CONTEXT

22. The key planning policy documents and associated policies pertaining to town centres and relevant to the preparation of this study include:
- the **Extant Plan (The Hastings Planning Strategy and The Development Management Plan)**; and
 - the **Emerging Local Plan: Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21**.
23. Additionally, further background work for the Local Plan Pre-submission Draft is in preparation, and which will be informed by this study.

Extant Local Plan

24. The **Hastings Planning Strategy (HPS)** provides a long-term plan to deliver regeneration and sustainable growth in the town up to 2028. The HPS outlines several Strategic Objectives that will help meet the overall vision for the Borough.
25. The **Development Management Plan (DMP)** document follows on from the Hastings Planning Strategy. The DMP shows in more detail where the housing, offices, shops and other development will be developed and provides specific policies used in the determination of planning applications.
26. The extant Planning Strategy (HPS) provides broad framework and specifically **Development Strategy Policies DS1-3** include quantum targets of:
- 3,400 net homes between 2011 and 2028.
 - up to 70,000 sqm pf employment floorspace 2008 and 2028.
 - identified retail need 20,500 sqm for period 2014 – 2028.
27. The HPS under **Policy FA3 (Strategy for Hastings Town Centre)** reiterates the need to:
- provide for c.21,700 sqm (net) employment floorspace at Priory Quarter by 2028;
 - provide for 20,500m sqm (gross/net) retail comparison goods floorspace up to 2028;
 - achieve a more even mix of housing tenure; and

- promote competitiveness in terms of the range and type of shops operating in the area.
28. The extant DMP reinforces these quantum and calls for the continued development of Priory Quarter, including the rest of Havelock Road north of Lacuna Place, Queensbury House, and Priory Street, to create employment, retail and leisure uses.
29. Both the HPS and DMP mirror the need to provide for 20,500 sqm retail comparison goods floorspace in the Town Centre boundary area. The Council reassessed these forecasts in 2018 which resulted in a much lower forecast of between 3,342 sqm net and 11,496 sqm net to 2036. The advice given was that the forecast growth should support and enhance the turnover of the town centre's comparison goods offer rather than planning for significant net additional floorspace.
30. The Strategic Objectives under the HPS include:
- **Objective 1: Achieve and sustain a thriving economy;** through (inter alia):
 - Developing Hastings and St Leonards Town Centres as the focus for employment in the office, retail, leisure, cultural and service sectors, with Hastings Town Centre being the primary focus.
 - Providing for 20,500 sqm of retail floorspace in the town centre by 2028.
 - **Objective 2: Ensure everyone has the opportunity to live in a decent home, which they can afford, in a community in which they want to live; through (inter alia):**
 - Providing for at least 3,400 net new dwellings between 2011 – 2028.
 - Prioritising new housing on previously developed land to assist regeneration where possible.
 - Ensuring an appropriate mix of housing is provided.
 - Making decent housing accessible to more people by increasing the provision of affordable housing.
 - Providing more opportunities for people to live in Hastings town centre through identifying opportunities for mixed use schemes and making best use of space above shops.
 - **Objective 3: Safeguard and improve the town's environment; through (inter alia):**
 - Protecting, enhancing and improving the quality of the town's biodiversity.
 - Recognising the unique place that the historic environment holds in the town's cultural and maritime heritage.
 - **Objective 4: Addressing the impacts of climate change; through (inter alia):**
 - Recognising the potential of green infrastructure to help combat the harmful effects of climate change.

- **Objective 5: Supporting sustainable communities; through (inter alia):**
 - Working with partners to improve the quality of life in the town - particularly in most deprived neighbourhoods.
 - Supporting the hierarchy, vitality and viability of the Town, District and Local centres, with an emphasis on maintaining access to local shops and services.
 - Promoting access to a healthy natural environment that contributes positively to our physical and mental health and education.

- **Objective 6: Provision of an efficient and effective transport system; through (inter alia):**
 - Working at a local, county and national level to secure improvements in strategic transport infrastructure such as the Bexhill-Hastings Link Road and improvements to the A21 and A259 roads.
 - Working at a local, county and national level to secure improvements to rail and regional services to the town.
 - Supporting development which reduces the need to travel, especially by car.

- **Objective 7: Making best use of the Seafront and promoting tourism; through (inter alia):**
 - Ensuring the seafront has a range of day long and year round activities and facilities that attract residents, workers and visitors.
 - resisting the loss of seafront visitor accommodation to other uses and encouraging the provision of new visitor accommodation.
 - Encouraging artists and related tourists and visitors through increasing opportunities for vibrant art and craft studios, markets, chalets and retail.

31. The **hierarchy of town, district and local centres established under HPS and the DMP** contains development management policies governing retail (shops and services) related development proposals within Hastings town centre, district, local and neighbourhood centres and shops and services outside of identified shopping areas.
32. In relation to cultural activities and the role culture plays in the town's tourism and visitor economy, the DMP identifies four cultural quarters. Whilst the focus for this development management policy is cultural activities, promoting their continuance and expansion, the Policy also recognises the role of associated complementary activities covering the hospitality sector including specialist retail, food and drink outlets.

Emerging Local Plan: Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21

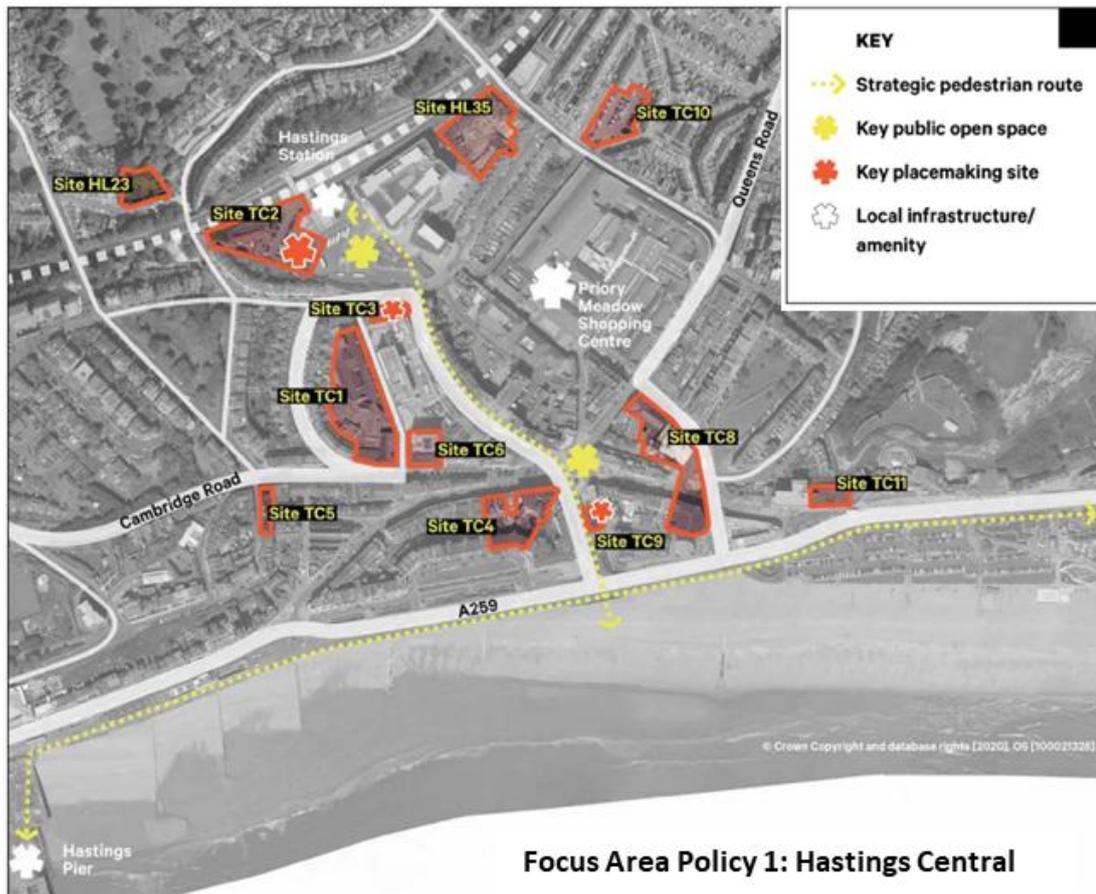
33. The first public consultation draft of the emerging new Local Plan, which underwent public consultation in 2020/21. The draft drew on updated evidence, including in relation to retail needs.
34. The Development Objectives for Hastings by 2039 are stated to be:
- *“We want to improve the health and wellbeing of Hastings’ communities and create new opportunities by:*
 - *Addressing climate change and supporting our carbon neutral ambition through reduced transport emissions, energy efficient buildings and expanded green infrastructure*
 - *Achieving and sustaining a thriving and diverse economy – with a strong manufacturing sector including new creative, high-tech and green industries creating jobs and skills opportunities for local people*
 - *Delivering 4,275 new homes that people can afford and want in well-designed existing, or new, neighbourhoods that make it easier to lead a more active lifestyle*
 - *The starting point for achieving this is celebrating our unique natural landscapes and the historic built environment that makes Hastings special”*
35. The strategy for encouraging and directing development and growth in the Borough is based on the premise of:
- Tackling climate change – with a target for the town to become carbon neutral by 2030.
 - More jobs – meeting identified need for an additional 81,500 sqm of employment floorspace to 2039.
 - More homes – nationally calculated housing need for Hastings of 430 homes a year, equating to 8,600 over the Local Plan period. The Council has sites that could sustainably deliver 4,275 homes over the life of the new Local Plan. However, the housing target is less than half of the amount nationally set, and the Council foresees opportunities for more homes to be delivered through mixed use development on sites in Hastings Town Centre.
36. The emerging plan has therefore put forward a series of strategic policies to include:
- **An Overarching Strategic Policy 1 (OSP1): Tackling Climate Change**
 - **Strategic Policy 1 (SP1): Directing Growth – with Hastings Town Centre** as the primary location for new larger scale office, further and higher education facilities, leisure, visitor accommodation, cultural and retail development, with smaller, more local scale development of this type directed to the District Centres and then to Local Centres.

- **Strategic Policy 2 (SP2): New and Affordable Housing** - A minimum of 4,275 new homes will be delivered over the Plan period with additional homes delivered in the Hastings Central Focus Area.
- **Strategic Policy 3 (SP3): Business Development - Office & Industrial Uses** - The Council will protect and support the development of new industrial floorspace and stock renewal in Strategic and Local Industrial Employment Areas and encourage retention of industrial floorspace outside of these areas.
- **Strategic Policy 4 (SP4): Business Development - Retail and Leisure Uses** – (A) Maintaining and enhancing **Hastings Town Centre as the primary town centre** and focus for larger scale commercial, community, leisure and cultural development. (B) Encouraging smaller scale development of this type in the **District Centres of St Leonards, Silverhill, and Old Town**; (C) Supporting more local scale provision in **the Local Centres of Ore Village, Bohemia and Tower, Battle Road and West St Leonards (Bexhill Road)**. (D) Limiting main Town Centre uses to Hastings Town Centre, District or Local Centres with the “sequential approach” applied to new development in line with the National Planning Policy Framework. For retail proposals, a **locally set impact assessment threshold of 300sqm (Convenience retail) and 200sqm (Comparison retail) will apply**.
- **Strategic Policy 5 (SP5): Conserving and Enhancing the Natural Environment**
- **Strategic Policy 6 (SP6): Enhancing the Historic Environment**
- **Strategic Policy 7 (SP7): Managing Coastal Erosion and Flood Risk**
- **Strategic Policy 8 (SP8): Transport Infrastructure**
- **Strategic Policy 9 (SP9): Renewable Energy and Low Carbon Heating**
- **Strategic Policy 10 (SP10): Community Facilities and Digital Infrastructure**
- **Development Policy 7 (DP7): Access, Servicing and Parking**

37. The emerging plan sets out site allocations for growth central to the delivery of the local plan. Individually these sites are capable of delivering at least 20 homes and/or accommodating more than 500 sqm of commercial floorspace.
38. Hastings Central Focus Area is identified as an allocation of high capacity. This area sits between Hastings Old Town, which is immediately to the east, and Central St Leonards to the west.

39. Hastings Central is seen as a great opportunity for the revitalisation of the town which is referred to needing a “new purpose” and to provide maximum flexibility to enable the delivery of new mixed-use development with a focus on job creation, expanding the draw of the town beyond just traditional retail (detailed policy and map below).

Figure 2: Focus Area Policy 1: Central Hastings



Source: Emerging Local Plan: Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21

Figure 3: Detailed Policy Wording for Policy FA1: Central Hastings

Focus Area Policy 1 (FA1): Hastings Central

- 1. The Council will support a variety of land uses in Hastings Central to encourage a mixed- use vibrant town and will support development of:**
 - A. Employment generating uses including: retail, office, light industrial, studios, leisure, cafés, restaurants, visitor facilities (including hotels), education facilities (including language schools) and where appropriate pubs and drinking establishments. Intensification and expansion of commercial uses at Priory Meadow will be supported.**
 - B. Residential uses including student accommodation for institutions located in Hastings, are acceptable as part of a mixed-use development in this location (including Priory Meadow), providing it does not prejudice the commercial function of the area.**
 - C. Uses that support active frontages will be expected at ground level to enliven the street environment.**
- 2. Development near Hastings Station should better frame the arrival to the town and station as a central gateway and contribute to improving the public realm including integration with buses and a better pedestrian environment.**
- 3. Queensbury House (TC3) is a particularly important gateway opportunity site with potential for a taller building and a high-quality design response that supports placemaking at the station plaza, including a strong active frontage.**
- 4. The Harold Place site (TC9) should provide a high-quality development at the seafront gateway to the Town Centre and create a strong focal point between the two.**
- 5. The pedestrian routes between Hastings Station and the seafront and along the coast should be reinforced and improved. Improvements to the public realm and signage will be supported along with interventions that reduce barriers to, or open up access to, these areas.**
- 6. The transport and services access in this area make it particularly appropriate to higher density, potentially taller development (including in excess of the 4-5 storey prevailing building heights) where these make a positive contribution to the townscape.**
- 7. Pedestrian movement should be prioritised throughout the area along with investment in cycle infrastructure. Opportunities should be taken to rationalise and intensify the use of existing parking provision.**
- 8. Sites within this focus area will be vulnerable to a range of flooding including, but not limited to tidal, groundwater, surface water and drainage issues. Proposals for development must therefore provide details for flood risk mitigation informed by appropriate modelling.**

Source: Emerging Local Plan: Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21

40. Since the Regulation 18 stage publication consultation stage, the Council has continued to develop and update its evidence base information in relation in housing, employment and other growth needs.
41. The Council's "Housing and Employment Needs Assessment" (HEDNA) has been updated for example, which now indicates a lower level of need in relation to employment space needs (office, industrial processes including manufacturing and storage and distribution). Housing land supply information has also been updated,

showing a marked reduction in housing delivery over the Plan period (which has also been updated).

42. This assessment focuses on the need to reflect changes in the national and local economy and the likely impact these may have on Hastings Town Centre, district, and local centres, and whether the emerging draft policies set out for Regulation 18 purposes remain appropriately framed to support adaptation and change to their vitality and vibrancy, with particular emphasis on the following draft policies:
- Draft Strategic Policy 4 (SP4): Business Development –Town Centres;
 - Focus Area Policy 1 (FA1) on Hastings Central; and
 - the need for a potential policy approach in relation to primary shopping areas and the role retail and leisure has in relation to the visitor economy.

ARTICLE 4 DIRECTIONS

43. Article 4 Directions (“A4Ds”) are a tool used by local authorities to remove national permitted development rights, if warranted and supported by robust evidence.
44. The Government supports the use of A4Ds in a “highly targeted way” to protect core high street areas whilst not restricting the ability for much needed housing to be delivered. The December 2023 update to the NPPF provides more detail on Article 4 Directions in paragraph 53. Of relevance, the NPPF states that Article 4 Directions should only be used to “*avoid wholly unacceptable adverse impacts*” such as “*the loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability*” but discourages against the use of Article 4 Directions across the entirety of a town centre. The NPPF also advocates the use of Article 4 Directions to protect the local amenity or well-being of an area, particularly where there could be a potential loss of local facilities.

SUMMARY

45. In summary, the underlying objective of national, regional and local plan policy is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations “first”.
46. This policy objective is even more critical now as town centres and high streets are facing increasing economic challenges. These include the long-term competition from out-of-centre shopping and leisure facilities and, over the last decade, the growth in online shopping, cost of living and rising inflation as well the trends and challenges that have been further accelerated by the COVID-19 pandemic.
47. It should also be pointed out that reforms to the planning system issued by the Government including updates and changes to Permitted Development Rights (PDR) and the reform of the Use Classes Order (UCO) with much broader classifications (discussed later). On this basis any policies that reflect the previous UCO classifications will need to be amended.
48. Given the current challenges that town centres are facing and the recent changes to national planning policy and guidance, it is important that local policy is relevant

and fit for purpose. The extant and emerging policy seek to address key local issues including effects of climate change, homes and job opportunities. In this context the role that Hastings Town Centre, district, and local centres, is identified as being key locations to support adaptation and change and therefore the need to support their vitality and vibrancy. It is therefore important that any new local plan draws on the findings of this report as evidence base for ensuring the vitality and viability of its town centres.

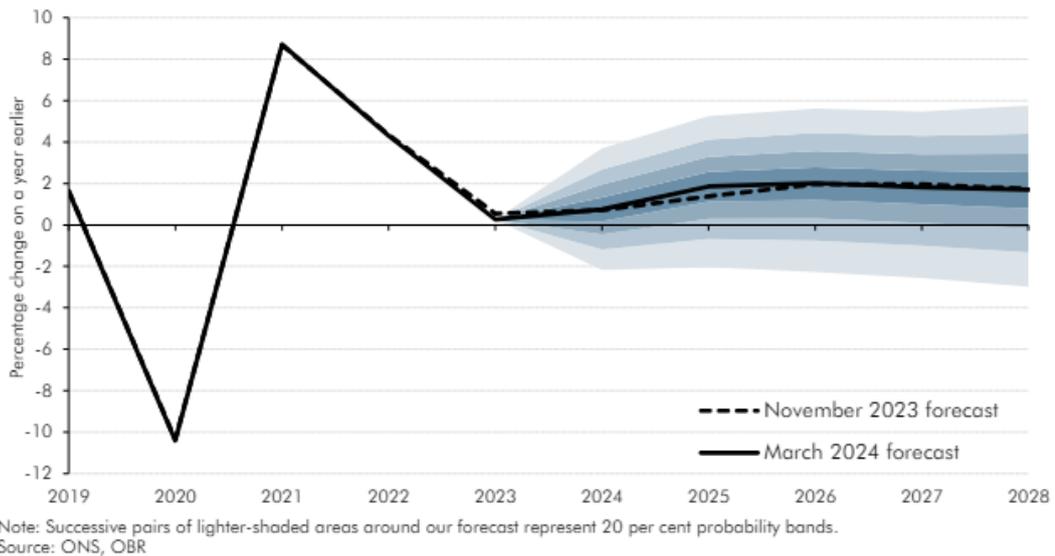
3. TOWN CENTRE TRENDS

49. This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail and leisure sectors over the last decade and how town centres can respond to these dynamic trends to remain competitive and enhance their overall vitality and viability in the future.
50. The pandemic created one of the toughest trading environments for the retail and leisure sectors and the post pandemic phase has been characterised by low growth, rising inflation and the cost-of-living crisis. This section details the impact of these factors on the commercial retail and leisure market.

UK ECONOMIC OUTLOOK

51. Over the last five years the UK economy has faced significant headwinds from shocks of the pandemic, surging inflation, high energy costs and supply chain disruptions. According to the Office of Budget Responsibility (OBR) (Economic and fiscal outlook – March 2024), the period between 2022-23 remained the fiscal year with the largest year-on-year drop in living standards since ONS records began in the 1950s. The UK economy fell into a mild technical recession in the second half of 2023 after two consecutive quarters of contraction (-0.1% in 2023 (third quarter) and -0.3% in 2023 (fourth quarter)). Subsequently further data releases from the Office for National Statistics (ONS) point at a mixed performance through 2024. ONS data for April 2024 showed that GDP remained stagnant compared to 0.4% growth in March, and by 0.6% in the three months to March 2024. In the three-months to April-May 2024 real GDP is estimated to have risen by 0.9%, and by 1% compared to the same period of 2023.
52. Overall, real GDP grew by 0.1 per cent in 2023, 0.4 percentage points weaker than anticipated in their November 2023 forecast. The forecast GDP growth to pick up only slightly to 0.8 per cent in 2024, as the economy continues to be constrained by weak real wage growth, the ongoing effects of recent interest rate rises and fading fiscal support. Growth is anticipated to accelerate to around 2.0 per cent in 2026 as interest rates decline and spare capacity in the economy is used up.

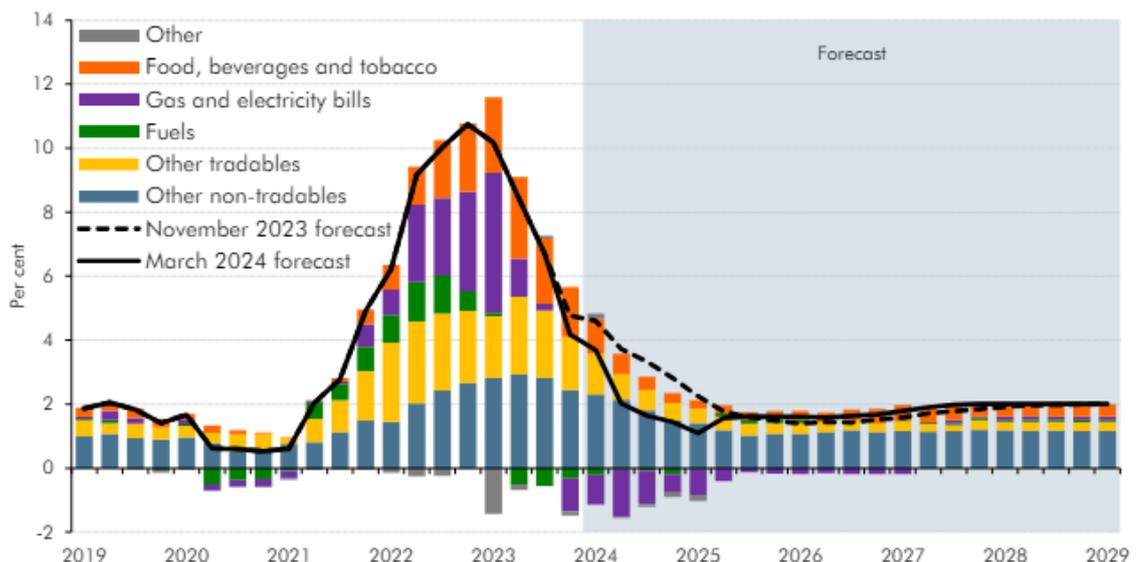
Figure 4: Real GDP Forecasts



Source: Office for Budget Responsibility - Economic and Fiscal Outlook (March 2024)

53. Consumer Price Inflation (CPI) dropped from a 41-year high of 11.1 per cent in October 2022 to 4.2 per cent in the final quarter of 2023, (well above the Bank of England target rate of 2%). CPI is forecast to average 2.2 per cent over 2024, then slow to 1.5 per cent in 2025 before rising to the target rate of 2 per cent in 2028. However there is considerable uncertainty around this forecast from both domestic and external inflationary pressures, especially around energy prices.

Figure 5: Contributions to CPI Inflation (March 2024)



Source: Office for Budget Responsibility - Economic and Fiscal Outlook (March 2024)

54. Having steadily declined since early 2022, according to the OBR real GDP per person is forecast to begin to recover later this year and regain its pre-pandemic

level in 2025. Real household disposable income (RHDI) per person – a measure of real living standards per person is anticipated to recover its pre-pandemic peak by 2025-26.

55. Experian Business Strategies (Experian) predict in their latest Retail Planner Briefing Note 21 (February 2024) (“**RPBN 21**”) that GDP growth is expected to accelerate marginally in 2024, compared to 2023, but retail sales growth will take longer to rebound. Spending growth over the course of 2024 will remain affected by the lingering effects of the cost-of-living crisis, as though inflation is slowing towards target, high interest rates continue to constrain household budgets, particularly those with mortgage debt. A high tax burden is also acting as a dampener on discretionary income.

RETAIL SPENDING

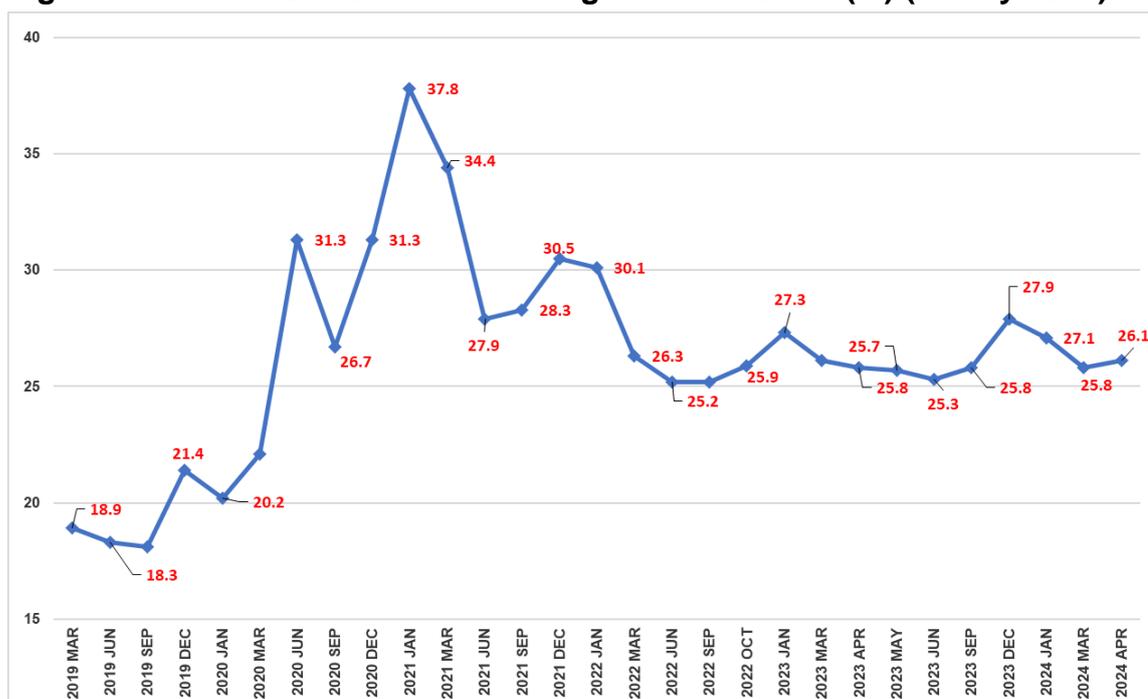
56. The latest Experian forecasts from RPBN 21 for retail spending per capita show:
- **Convenience goods:** The impact of COVID-19 resulted in a significant +8.6% surge in spend per head in 2020 but a contraction of -1.7% in 2021. This followed negative growth of -1.7% between 1998 and 2022. The overall level of negative growth in convenience goods spending has had a significant impact on the grocery sector and on retailer business models. Experian reported a fall in convenience spend in 2023 (-3.0%); 2024 (-0.5%); and 2025 (-0.2%). With no growth projected over the medium term to 2030 and long term “flatlining” at around +0.1% to 2040.
 - **Comparison goods:** Experian figures show negative growth to 2024 (-3.3% in 2023; -1.2% in 2024). The predicted (per capita) growth for 2025 is 2.7% which will settle at around +3.1% to 2030 and falling to +2.8% up to 2040. The longer-term growth forecast is higher than the historic long-term trend (1998-2022) of +2% per annum.
57. These expenditure growth trends, and forecasts, have informed the updated assessments of retail capacity. Clearly any further dampening of growth rates over the short to medium term due to external shocks such as rising inflation and the cost-of-living crisis will have implications for the viability of existing retail businesses and the demand for new space.

ONLINE SHOPPING

58. The growth in non-store retail sales has undoubtedly had the most significant impact on consumer spend and behaviour over the last decade, and on our High Streets and traditional shops. Non-store retailing is commonly referred to as Special Forms of Trading (SFT).
59. This comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

60. ONS figures show that as a percentage of total sales, online retail sales accounted for up to 26.1% of sales in May 2024. The graph also shows the steep increase from 20.2% in January 2020 to 37.8% in January 2021. Overall, the trend suggests that since 2020 online accounts for between a quarter to a third of the amount spent on retail goods.

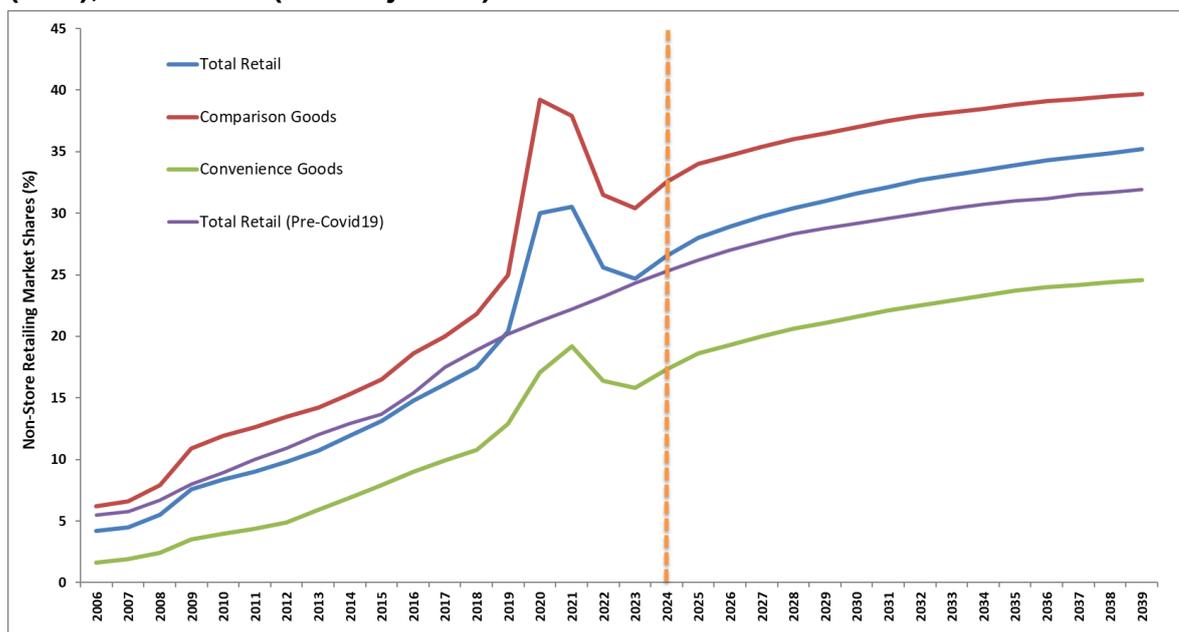
Figure 6: Internet Sales as a Percentage of Total Sales (%) (to May 2024)



Source: ONS: Retail sales, Great Britain: May 2024

61. As the figure below from Experian shows, SFT's overall market share (as a proportion of total UK retail sales) increased from 4.2% in 2006 to 30% in 2020. In other words, online accounted for almost one in every three pounds spent on retail goods in 2020. Of this total non-store retail sales, Experian estimate that comparison and convenience goods retailing achieved market shares of 39.2% and 17.1% respectively in 2020. They further estimate that comparison and convenience goods retailing achieved market shares of 30.4% and 15.8% respectively in 2023.

Figure 7: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2006-2039 (Not Adjusted)



Source: ONS: Retail sales, Great Britain: May 2024

62. The latest Experian forecasts indicate that total SFT market shares will increase to 35.2% by 2039. Comparison and convenience goods non-store retail sales are forecast to reach 39.7% and 24.6% respectively by 2039.
63. According to Experian, the rising share of internet sales in total retail transactions is the key trend. The ease of online purchasing has also continued to improve rapidly, with technological advances, particularly around smartphones and connectivity. Faster delivery times, including same day delivery, and easier returns processes have also encouraged the trend. The expansion of 5G and fibre networks should ensure the momentum is maintained over the medium term. The proliferation of the buy now pay later business model and price tracker sites is also supporting growth.
64. With the growth predicted in online sales and market shares, it is clear that high streets, town centres and physical retailers will need to work even harder to retain their existing customer base and attract new customers over the short (post-pandemic), medium and long term.
65. In terms of forecasting the potential capacity for new physical retail floorspace, Experian estimate that approximately 25% of all SFT sales for comparison goods and 75% for convenience goods are still sourced through traditional (“bricks-and-mortar”) retail space, rather than through “virtual” stores and/or “dot com” distribution warehouses. On this basis, Experian adjust their SFT market shares downwards for total retail to 16.8% in 2024, 17.8% by 2025, 20.3% by 2030 and 23.1% by 2039 . In line with standard approaches these adjusted/recalibrated market share figures are preferred for retail capacity assessments and used in this assessment.

66. In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all age and socio-economic groupings.

RETAILER BUSINESS MODELS AND REQUIREMENTS

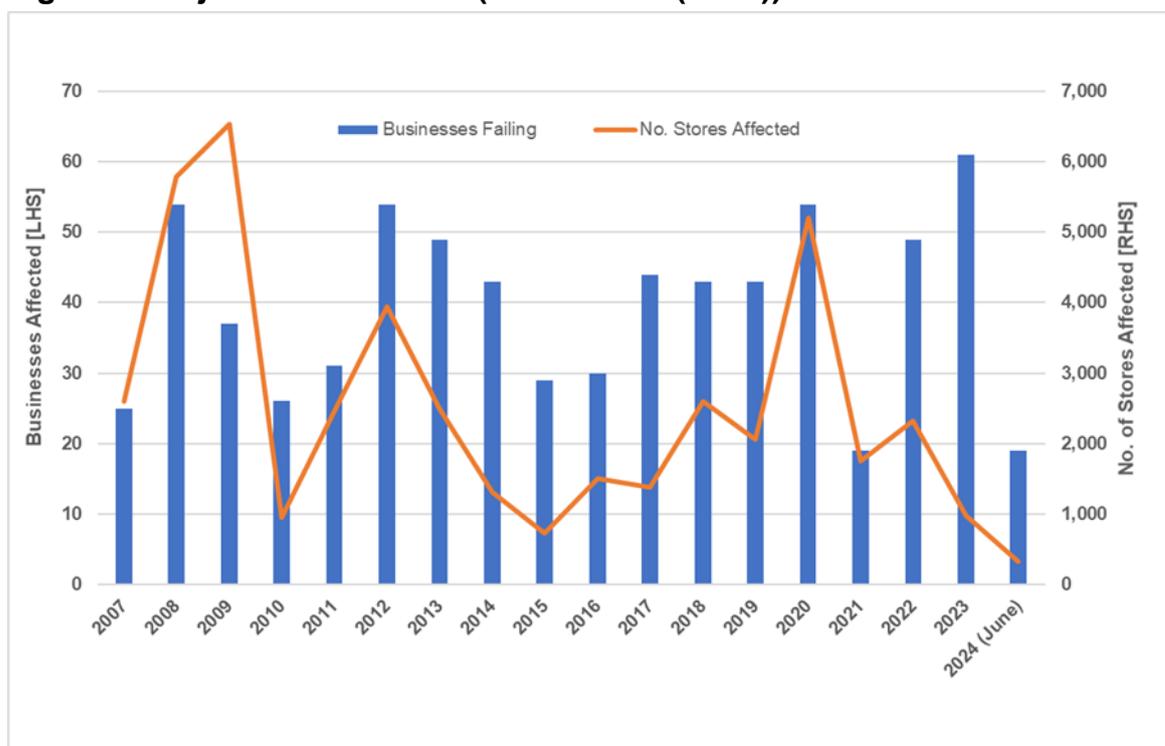
67. The challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. Retailers have faced challenges across the supply chain, inflationary pricing, economic uncertainty and geo-political factors.
68. This has created significant challenges for traditional “bricks-and-mortar” retailing and the high street. Consequently, national multiple retailers are having to constantly review and rapidly adapt their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand. As retailers adjust to “new normal”, a seamless experience and hybrid shopping are shaping the future of retail; the key trends that will impact the industry include:
- Hybrid or “Phygital” (physical and digital) shopping – Retailers want to deliver a seamless experience across all shopping methods, including online, in-store, mobile devices, social media, live streaming and shopping and virtual storefronts.
 - Use of Artificial Intelligence (AI): using AI in augmented chatbots to aid customers with product inquiries, sizing questions, and order tracking, further enhancing the customer experience.
 - Social media sentiment monitoring is collecting and analysing information about a retailer or brand on social media. Actively engaged on social media, retailers are able to better understand data about their customers' sentiments, preferences, and attitudes toward their company and its competitors. Social media and e-commerce are converging, enabling brands, influencers and other sellers to pitch products directly on social platforms in an engaging way, creating stronger consideration and higher conversions to online sales.
 - Physical retail stores and websites are becoming increasingly crucial as sources for additional advertising revenue for retailers.
 - Changes to retail formats and design – retailers are testing different formats as well as including new offerings on the click and collect method such as IKEA opening a store on Oxford Street.
 - Changes in Consumer behaviour – the growing trend in repair, recycling, reuse, and thrifting is set to grow. This is seen in the rise of the popularity of second-hand shops, vintage clothing and markets, and charity shops once again. Additionally, more brands are championing sustainability, including:
 - IKEA has launched its buy-back and re-sale scheme, in an attempt to reduce the number of products going to landfill.
 - The George at Asda brand has joined forces with specialist wholesaler Preloved Vintage Kilo. The supermarket’s clothing brand, George, will be

selling second hand clothing in 50 UK stores after a successful trial in Leeds in 2021.

- H&M were the first fashion brand to launch a global garment collection initiative in 2013, allowing customers to hand in any unwanted clothing to a H&M store.
- Decathlon's Second Life initiative, where repaired products (e.g., bikes, fitness equipment, kayaks, tents) are sold.

69. These dynamic trends are best illustrated by the changes in the grocery sector over the last decade. Since 2010, the top-5 main grocery operators have been Tesco, Sainsbury's, Asda, Waitrose and Morrisons who have dramatically changed their business models; their focus has been on growing market share through online sales and new smaller convenience store formats (including Tesco Express, Sainsbury's Local, Asda Express and Little Waitrose). As a consequence, applications for large store formats have slowed to a virtual standstill over the last decade and extant permissions have not been implemented.
70. Previously outside of the so-called top-5 grocers, the "deep discount" food operators (namely Aldi and Lidl) have significantly increased their respective market shares through new store openings. Notwithstanding this the grocery and convenience sector has had buoyant sales during the pandemic, particularly in town, district and local centres as many households have been forced to work from home and only the food stores and "essential stores" have been open during the series of lockdowns, including local independents.
71. The non-food retail sector has also experienced a significant impact from the rise of online shopping over the last decade, which has impacted on business models and store viability. Many well-known retailers have either closed or have significantly reduced their store portfolios.
72. The challenges facing consumers, businesses and town centres continue to intensify. The latest industry research shows that over 971 closed stores in 2023 due to businesses entering administration, with almost 21,000 jobs lost. This compared with 5,200 store closures in 2020, and over 109,000 job losses. The latest (June 2024) indicates a 328 store closures with 11,900 job losses.

Figure 8: Major Retail Failures (2007 – 2024 (June))



Source: Centre for Retail Research (May 2024)

73. National retailers with extensive high street store portfolios are struggling to maintain market shares and remain profitable in the increasingly competitive environment. The higher costs of trading from high streets compared with online and out-of-centre retailing, also means that it is not a “level playing field”. This is a further contributing factor to the sizeable number of store closures that have occurred over recent years.
74. In summary, although some retailers are better positioned to cope with the growth in online shopping and the shifts in consumer behaviour and preferences, many are struggling to position themselves quickly enough to absorb rising costs and engineer the vital transition to a more technology-focussed business model. However, the adoption of these technologies by small and medium sized enterprises enables them to reach out to consumers beyond their immediate catchment and to understand consumer preferences and trends better. Notwithstanding this, it is recognised that it is not a level playing field especially in terms of costs for adoption and overall digital literacy.

RISING OCCUPANCY COSTS

75. “Bricks and mortar” retailers are having to absorb higher than inflation increases in year-on-year occupancy costs (for example, rents, business rates, service charges, utility bills, staff costs, etc). This outpaces sales growth for many retailers, eroding profitability and resulting in more store closures.

76. As described above it is not a “level playing field” between high street and online retailing, or between high street and out-of-centre retailing. In response to the budgetary challenges from rising costs and tight margins, retailers will need to drive up efficiencies and productivity from existing floorspace to remain viable.
77. It is standard practice for retail planning assessments to make a reasonable and robust allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace for it to remain vital and viable. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time.
78. The latest Retail Planner Briefing Note (RPBN 21) (February 2024) provides forecasts of annual floorspace productivity growth rates based on two different scenarios: (i) the “constant floorspace scenario”, based on limited potential for new retail development, resulting in greater efficiency of existing floorspace; and (ii) the “changing floorspace scenario”, which takes account of the impact of new retail development on average retailer sales performance. The table below sets out the differences between the two scenarios.

Table 1: Floorspace Productivity Growth Rates (year-on-year growth %)

	2022	2023	2024	2025	2026-2030	2031-2040
CONSTANT FLOORSPACE						
Convenience Goods	-5.9%	-2.5%	-0.6%	-0.2%	0.2%	0.3%
Comparison Goods	4.7%	-1.2%	-2.7%	1.5%	2.8%	2.8%
CHANGING FLOORSPACE						
Convenience Goods	-5.9%	-2.5%	-0.1%	0.0%	0.2%	0.1%
Comparison Goods	4.7%	-1.2%	-2.6%	1.5%	2.6%	2.6%

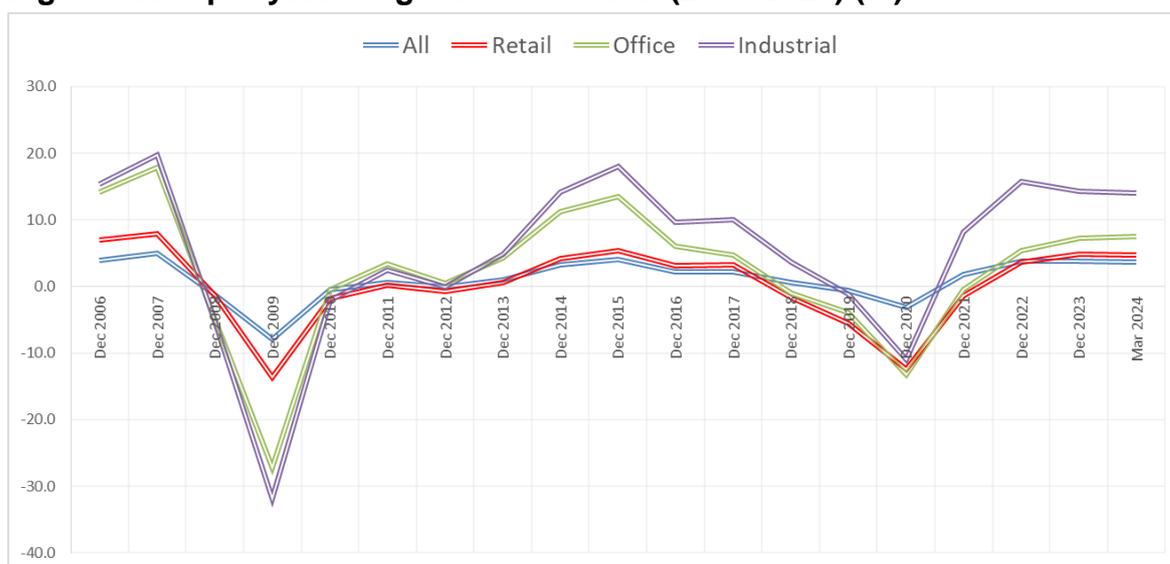
Source: Experian Retail Planner Briefing Note 21 (February 2024); Figures 3a/3b and 4a/4b

79. As Experian explain, the volatility in sales densities in 2021 and 2022 have been driven by sharp swings in retail spending due to temporary business closures during the pandemic and subsequently the impact of high inflation. Sales density growth rates are expected to be weak in 2024 given the poor near term outlook for retail sales volumes. Budgetary challenges from rising costs and tight margins will be a key factor underpinning floor space efficiencies over the coming years. These results reflect national trends and there will be marked differences between local areas.
80. On this basis, budgetary pressures mean that retailers will have to increase efficiencies from current floorspace including through redevelopment/repurposing of existing floorspace; adoption of modern technology and innovations; more effective marketing strategies; and adopting an “omni-channel” strategy (refers to the integration of different methods of shopping available to consumers e.g. via the internet, in a physical shop, or by phone) that uses internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels and a significant fall in new retail-led development in centres across the UK.
81. For these reasons we prefer to test higher “**constant floorspace productivity**” growth rates for retail planning assessments, as they better reflect national trends

and the need for existing retailers to increase their sales potential and profit margins to remain viable.

82. Demand for retail space in centres across the UK has fallen dramatically since 2007 and is currently at an all-time low. In turn this fall in demand is impacting on property values and rents. As shown below the retail sector has performed poorly compared with the other property sectors with its origins back to the economic crisis in 2007/08. This trend has been further exacerbated by the pandemic and current cost of living crisis.

Figure 9: Property: Average Rental Growth (2006-2024) (%)



Source: MSCI UK Quarterly Property Index (May 2024)

83. One of the obvious impacts of the difficulties experienced within the retail sector is the fall in retail rental values. The larger retail groups have enjoyed a particularly strong negotiating position and lease events represent an opportunity to reduce costs and increase flexibility. Over the past year we have experienced multiple retailers seeking some or all the following lease provisions when agreeing lettings:
- An increase in rentals linked to turnover as opposed to contracted rents linked to market rental value.
 - Where rent reviews are to market value a cap as to the quantum of any future increase.
 - Shorter leases and regular tenant break options.
 - Capped increases to service charge.
 - Pandemic clauses with rent cessation provisions in case of forced closure.
 - Larger incentive packages, including capital contributions.
84. Overall, many centres and shopping locations across the UK simply have too much retail floorspace stock, or they have the “wrong type” of retail floorspace that does not meet the needs of modern national retailers for larger format shop units.

85. LSH's recent (April 2024) research together with REVO titled "**Places & Spaces Reinvented**" indicated that high occupancy costs, along with business rates, are consistently identified amongst the top five challenges facing our towns, high streets and shopping centres, alongside an oversupply of retail space and the growth of online retail spend.
86. This over-supply of retail floorspace and limited market demand is placing further pressures on the viability of existing stores and shopping centres. In turn, this makes it difficult for landlords, investors and retailers to justify additional capital expenditure.

OUT-OF-CENTRE RETAILING

87. The development and take-up of food and non-food out-of-centre space has also slowed over recent years, in line with the trends impacting on high streets and town centres. The main grocery retailers have pulled back from new larger format superstore openings in edge and out of centre locations to focus on maintaining and increasing market shares through online sales and opening smaller convenience outlets. The exception to this is the discounters, Aldi and Lidl, who continue to seek new sites in mainly edge and out-of-centre locations.
88. Notwithstanding this, most out-of-centre shopping locations retain their significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, ease of access and ability, their lower occupancy costs, extensive free parking as well as their ability to serve as last-mile delivery hubs. This remains an attractive proposition for those retailers that are still seeking space in the current market. For example, as part of its revised business model Marks & Spencer has closed a number of its traditional high street stores and "replaced" these with "Simply Food/Food Hall" branded stores in out-of-centre locations.
89. The latest Investment Property Forum (IPF) Consensus Forecasts, published in May 2024, predict that shopping centre rental growth will remain negative in the immediate term, with a decline of 0.2% expected in 2024. Retail warehouses are forecast to continue outperforming the wider retail sector, with growth of 1.3% predicted for 2024, while standard retail is projected to see growth of 0.9%.

VACANCY RATES

90. At the end of 2023, the GB national average "All Vacancy Rate" (retail and leisure combined) according to the Local Data Company (LDC) stood at 14% (an increase from 13.8% in 2022). The current rate is still higher than the pre-pandemic (H2 2019) level of 12.1%, so the sector has yet to fully recover.
91. LDC state that over the past five years, retail parks and shopping centres have shown an overall decline in vacancy rates, while high streets have experienced an increase. From a vacancy high of 19.4% in the second quarter of 2021, shopping centres dropped to 17.7% by the final quarter of 2023.

USE CLASSES ORDER AND PERMITTED DEVELOPMENT RIGHTS

92. The Government has issued a series of reforms to the planning system since 2020. Effectively, changes to the use classes were brought in to provide a more flexible approach to controlling commercial land uses. This saw the replacement of Use Class A1 to A5, D1 and D2 with E Class (Commercial), F1 (Learning and Non-Residential) and F2 (Local Community Uses) and the restructuring of sui generis uses (public houses, hot food takeaways, cinemas, music venues, bingo etc.).
93. The result of these changes is that what would previously be a change of use under the subsumed use classes is no longer considered development under the Planning Acts, and accordingly is no longer subject to planning control. In launching the reforms, the Government announced that the regulations will give “...greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings” (source: Prime Minister’s Office Press Release (30/06/2020) “Build, Build, Build”).
94. The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary ‘commercial’ area to be the foci for E and F Classes. Also, in most instances the former use classes can be ‘translated’ into the equivalent categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions. It is worth noting that under the previous use-class system such categories as convenience, comparison (and bulky) goods fell within the A1 use-class and there is a long-established planning pedigree of reflecting these A1 retail categories effectively in planning conditions.
95. The changes have implications for primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO. However, there may still be a role to control some sui generis uses in key town centre locations, such as provision of fast-food takeaways, betting shops, payday loan shops or other uses that are justified to be subject to planning control.
96. Hence beyond 2024, town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transaction uses, this could include high activity-based land uses such as health or education being located in more central locations and stem previous trends of decentralisation.
97. The increase in city living and residential development in town centres is likely to be a growth area in the next 10 years and could be a positive regenerative mandate. We also expect more emphasis on residential upper floor living accompanying ground floor commercial uses. For example, vacant space can be repurposed to rebalance the existing mix of uses, with a greater emphasis on

residential, office and leisure. This could be part of a regeneration mandate for Hastings town centre based on the identification of spatial opportunities and to achieve the Council's long term objectives on investment, growth and sustainability.

98. The introduction of Class AA and AB in August 2020 (under the Permitted Development Changes (Amendment No. 2) (2020)), allowing new residential on detached or terrace buildings in commercial or mixed-use areas could potentially lead to the loss of commercial floorspace to residential.
99. Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force in April 2021 created a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential. The changes within the Order authorise a change in the permitted use of a property or land from a use falling with Use Class E to Use Class C3 residential use where the property has:
 - been in Class E use for 2 years (including time in former uses i.e. A1, A2, A3, B1, D1 or D2 now within that Class); and
 - has been vacant for at least 3 continuous months.
100. These changes replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of the right is subject to prior approval by the local planning authority and therefore would be subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues. The area that can be converted is capped, with a maximum size limit of 1,500 sqm of floorspace capable of conversion using the right.

HASTINGS BOROUGH COUNCIL IN CONTEXT

101. Hastings Borough is situated on the coast with its land border surrounded by Rother district. The area contains the towns of Hastings and St Leonards-on-sea with the A259 running east and west along the coast and the A21 going north through the centre of the Borough.
102. The most populated areas of the borough are in the central coastal areas of Hastings & St Leonards, the areas to the east through Broomgrove and Ore and also north of St Leonards in Silverhill and Hollington.

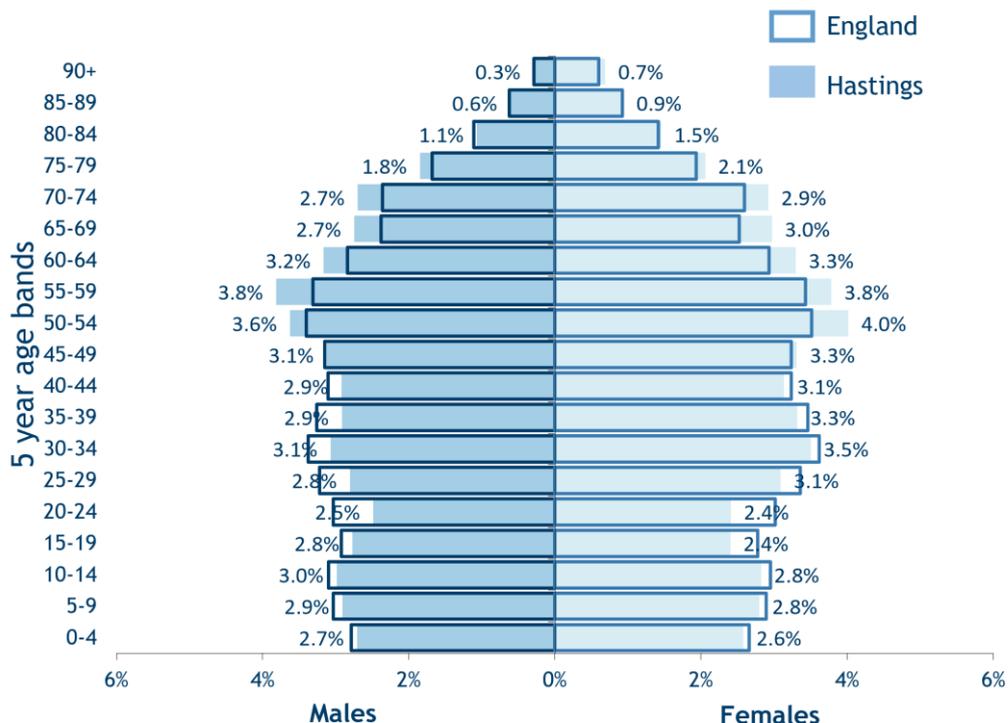
Figure 10: Hastings in Context



Source: East Sussex Joint Strategic Needs Assessment

103. The demographic profile of Hastings is broadly similar to the average for England. However, it has a slightly higher percentage of 50 to 74 year olds (both males and females) when compared to England. Hastings also has a slightly lower percentage for younger age ranges especially those aged 20 to 44 year olds (both males and females).

Figure 11: Hastings population profile (total population 90,984), 2021



Source: East Sussex Joint Strategic Needs Assessment

104. Hastings has higher proportions of lower level (none – Level 2) qualifications compared to East Sussex and England. Hastings also has the second lowest proportion of level 4 (31%) qualified people compared with other districts or boroughs in East Sussex and England.

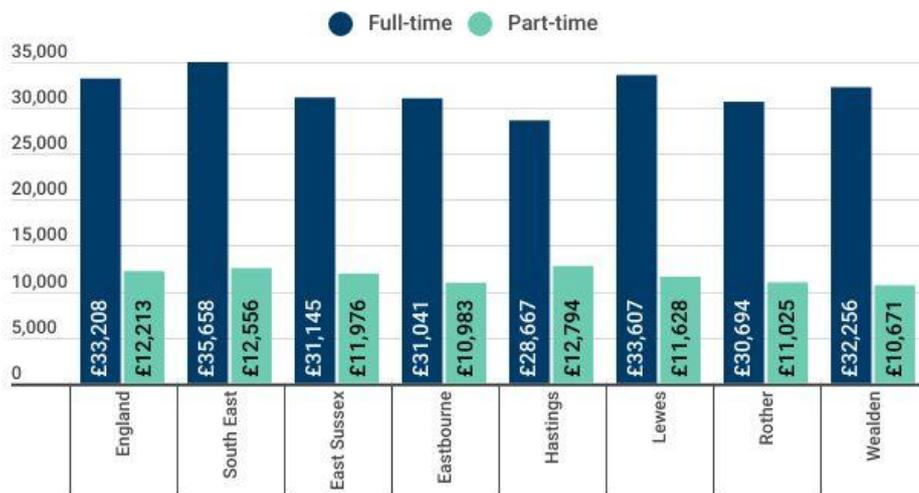
Figure 12: Qualifications of working age population, 2021 (%)



Source: East Sussex Joint Strategic Needs Assessment

105. The Council's latest Housing and Economic Development Needs Assessment [HEDNA] Update (February 2024) (HEDNA) reports that in 2020, the total GVA in Hastings was £1,578 million compared with £1,343 million in adjacent Rother District and £9,350 million for East Sussex as a whole.
106. The largest contributors to Hastings' local economy are real estate activities (24.1%); human health and social work activities (16.9%) and manufacturing (14.7%). Together these three sectors comprise over half of Hastings' economic output.
107. The largest sectors by employment in Hastings are health and retail, followed by accommodation and food services, and manufacturing. Hastings has a higher-than-average percentage of working aged people who lack any formal qualification, 15.1% (Hastings) compared to both the national (6.4%) and regional (5.0%) level.
108. Hastings average (median) full time earnings are the lowest in East Sussex and below the average (median) full time for England.

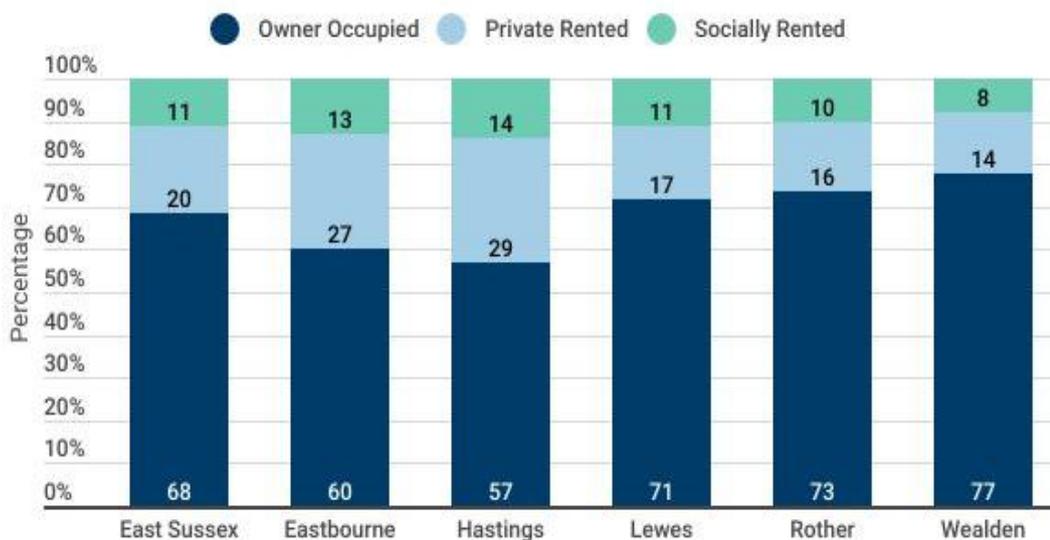
Figure 13: Resident-based average (median) full time and part time earnings, 2022



Source: East Sussex Joint Strategic Needs Assessment

109. In terms of housing, Hastings has the lowest percentage of owner occupied housing (57%) and the highest percentage of private rented housing (29%) compared to East Sussex.

Figure 14: Dwelling stock by tenure, 2021



Source: East Sussex Joint Strategic Needs Assessment

110. Historically, and according to the Hastings and Rother Task Force Review (2020), and since 2001, Hastings and Bexhill-on-Sea were identified by the government as a key focus for regeneration and growth. On this basis some 40 capital investment projects with a total value of £590m have been implemented, mainly (but not exclusively) in Hastings, St. Leonards and Bexhill-on-Sea. These include:
- Cultural venues (inc. gallery, leisure space, skate park, pier);
 - Business accommodation (inc. office, industrial space);
 - Transport infrastructure (inc. new roads, railway station)
 - Education facilities (inc. Higher/Further education facilities); and
 - Public realm works
111. Within Hastings Borough, the majority of capital projects took place within the town centre and seafront area (such as the Lacuna Place development, Hastings Contemporary and Hastings Business Centres), with a smaller number clustered along the fringes of the town such as the Hastings and St Leonards Academy in Ore and the Sussex Exchange.
112. In addition to the above, the Council has been successful in securing new regeneration funding from a number of central government funding streams including:

Table: 2: Recently Received Regeneration Funding

Name of Fund	Start Date	End Date	Amount
Levelling Up Partnership	March 2024	March 2025	£20m
Long-Term Plan for Towns	April 2024	2033	£20m
UK Shared Prosperity Fund (UKSPF)	April 2022	March 2025	£1m
Town Deal Fund	April 2021	March 2026	£24.3m
Town Deal Accelerator Fund	Sept 2021	March 2021	£1m

- Hastings was selected as one of 20 areas to establish a Levelling Up Partnership in April 2023 as part of a programme to deliver a tailored approach to place-based working. Some £20 million has been allocated to Hastings.
- Hastings was pre-selected by DLUHC to receive £20m of funding and support to regenerate the town. The funding will be delivered over ten years and aims to create an endowment-style funding plan to support, invest and deliver change beyond the first ten years.
- As part of the government’s UK Shared Prosperity Fund (UKSPF), Hastings was awarded £1m of funding across three years (2022 to 2025), in line with other lower tier authorities in the South East. Funding has been provided to community projects in the Broomgrove area of the Borough.
- In June 2021, Hastings was awarded £24.3m to ‘boost the local economy, create jobs and improve local skills’ as part of Hastings Town Deal. This funding sits alongside some £85m match funding laid out in the plan. The

projects in the town deal aimed to improve connectivity across the town, support green businesses and create a vibrant and attractive town centre.

- Hastings was also allocated some £1m of grant funding in advance of the approval of the Town Fund, to kickstart the programme.

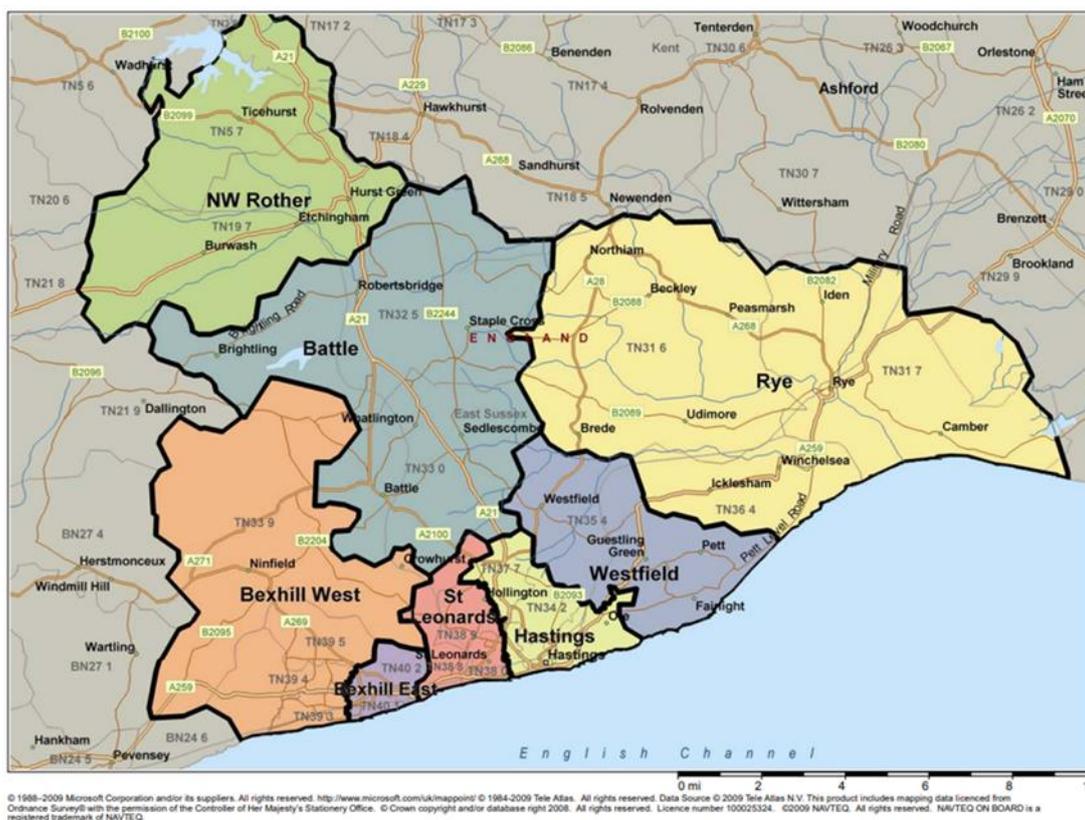
SUMMARY

113. Our towns, traditional high streets and shopping centres have been challenged for more than a decade by falling market demand, rising occupancy costs and increasing competition from online and out-of-centre shopping. Trends accelerated and compounded by the COVID-19 pandemic are resulting in an increase in vacant shop units, often in primary shopping areas, as retailers and occupiers either choose to downsize and/or close stores in some locations (or they are forced out of business altogether due to failing business models and unmanageable debts).
114. As online spending has increased, the demand for physical retail has been impacted. Hastings has an above average rate of vacancies (see paragraph 175). Where there is vacant space there is a need for a strategic evaluation as to how town centres realign themselves. Examples of these are seen locally such as the former Observer Building (redeveloped for a variety of uses, including homes, workspaces, and leisure spaces), Eagle House (community hub with a youth space and affordable workspace), Station Yard (new development providing 103 private residential units), and the conversion of the former University of Brighton building in Havelock Road into student accommodation and an adjacent hotel.
115. Today, many of our traditional towns and shopping centres simply have too much retail space. The critical challenge over the short, medium and long term will be how to retain existing businesses, fill/replace the voids and attract new investment. The danger is that an increase in long-term vacancies in centres will lead to a “spiral of decline”, which will further engender feelings of neglect and lack of investment confidence in town centres and push more people to shop online.
116. Hastings has high levels of deprivation and a lack of affordable housing options. Deprivation is high in Castle ward, where the shopping centre is located. Whilst the borough has secured some funding from central government to begin to address these challenges Hastings Town centre is seen as key location for major regeneration projects.
117. Residential provision in centres is already being encouraged, including by previous national planning changes (such as office to residential conversions through prior approval, and permitted development for two flats above a shop), and through emerging local development plan policy. In those cases where retail vacancies are long-term and more often than not concentrated in secondary shopping streets/pitches, it will be necessary to plan for alternative uses and/or consider options for redevelopment. As a result of the increasing drive towards more flexible planning through changes to the Use Classes Order and Permitted Development Rights, there will inevitably be more mixed-uses within centres

particularly residential, and this should be encouraged and planned for through enabling planning policies.

118. It will be important to maximise intergenerational residential provision in the most sustainable locations, particularly in centres, as part of a balanced mix of uses. Therefore, consideration needs to be given to planning policies and allocations enabling the growth of other uses, such as education, leisure and recreation, within centres, which, along with residential, are particularly positive in terms of enhancing the vitality of centres.

Figure 16: Catchment Area: 2018 Study



123. By way of background, NEMS Market Research (NEMS) was commissioned to carry out the household survey. The survey was conducted between July and August 2022. The methodology and full “weighted” survey results are set out in **Volume 4**. Responses were weighted by the population in each zone to ensure that the results in more sparsely or heavily populated zones were not under or over represented in terms of the market share assessment.

Table 3: Composition of the Study Area by Zones, Broad Geographic Area and Postal Sector

Zone	Geography	Postal Sectors	No. of Interviews	% of Total Interviews
1	Bexhill East	TN40 1, TN40 2	109	10.9%
2	Bexhill West	TN33 9, TN39 3, TN39 4, TN39 5	117	11.7%
3	Rother North West	TN5 7, TN19 7	105	10.5%
4	Battle	TN32 5, TN33 0	107	10.7%
5	Rye	TN31 6, TN31 7, TN36 4	109	10.9%
6	Westfield	TN35 4	104	10.4%
7	Hastings	TN34 1, TN34 2, TN34 3, TN35 5, TN37 6, TN37 7	132	13.2%
8	St Leonards	TN38 0, TN38 8, TN38 9	115	11.5%
9	Lydd	TN29 9	104	10.4%
Total			1,002	100%

124. The zone-by-zone approach detailed at **Volume 2, Appendix 2-5 for convenience goods** and **Appendix 6-9 for comparison goods** enables more detailed analysis of shopping patterns, market shares and expenditure flows both within and outside the Study Area (Zones 1-9). In the context of this study reference is also paid to Zones 7 and 8 which broadly represents the Hastings Borough Council area.
125. The key findings are used to inform the baseline market share analysis and the centre/store turnover estimates that underpin both the quantitative and qualitative needs (“gap”) assessment, carried out in compliance with good practice.

HASTINGS BOROUGH COUNCIL: CENTRES AND COMPETITION PROFILE

126. The Borough benefits from good transport links via road, rail, bus and air. The Borough is served by four railway stations: Hastings, West St Leonards, St Leonards Warrior Square and Ore. Direct connections to London and Gatwick International Airport are available by train with journey times of around an hour and a half. The A21 road connects with the A259 in central Hastings which is the main east – west road link along the seafront. Combe Valley Way (A2690) connects the A259 in Bexhill to a junction with the B2092/A2690 Queensway in Hastings. The route is designed to ease congestion on the A259 by providing a second main road link between towns and a more direct link from the A27 to the A28 via the A259; the Queensway Gateway Road is under construction and is programmed for completion in 2025.
127. **Section 6** (and **Volume 3**) provide more detailed health checks for:
- defined primary town centre: **Hastings Town Centre**;
 - defined District Centres: **St Leonards, Silverhill** and **Old Town**; and
 - a high-level review of the smaller local centres comprising: **Ore Village, Bohemia and Tower, Battle Road and West St Leonards (Bexhill Road)**.
128. The following provides an overview of the town and district centre(s) (also see **Section 6**):
- Hastings** Town Centre is the primary town centre and dominant centre for larger scale commercial, community, leisure and cultural development in the Borough. The town is accessible via the A21 road connecting it to London together with car parking provision such as at Pelham Place, south of the town centre. Hastings railway station offers regular services to London Charing Cross, London Victoria, London Cannon Street Brighton, and Ashford International, facilitating easy access to the broader region. Much of the town centre is within the Hastings Town Centre Conservation Area. This developed in the Priory Valley in mid-Victorian times following the arrival of the railway. Hastings town centre underwent a major planned improvement and expansion during the 1990s with construction of the Priory Meadow Shopping Centre and pedestrianisation of the main shopping streets. The centre’s prime retail pitch is focused on the Priory Meadows’s Shopping Centre’s pedestrianised area of

Queens Road, Robertson Street and Wellington Place. To the east and west of this prime pitch are retail and town centre uses that extend along Queens Road and Cambridge Road. Additionally this is complemented by the provision of independent shops in the historic “Trinity Triangle” (centred on Holy Trinity Church and the adjacent streets of Robertson Street, Trinity Street and Claremont), on the western side of the town centre. In terms of commercial leisure provision, there are a diverse range of cafés, restaurants, pubs, bars and takeaways across the centre. This provision is supplemented by leisure uses which includes the Odeon Cinema, Queens Road. The town is also known for its entertainment venues such as the White Rock Theatre and St Mary in the Castle (closed at present) and for hosting events such as the Hastings International Piano Concerto Competition. Recent and ongoing regeneration projects aim to rejuvenate the town centre, improve infrastructure, enhance public amenities and place focus on sustainable development and economic growth.

- **St Leonards** is a district centre located to the west of Hastings town centre. Also referred to as St. Leonards on Sea, the centre straddles a number of conservation area and is renowned for its architecture quality, arts and scenic seaside views. It is the second largest centre in the Borough and the centre hosts a mix of national multiples and independent shops. Key retail areas include Kings Road (the main shopping artery for the centre on a direct pedestrian route to and from St. Leonards Warrior Square Railway Station with a mix of independent shops, cafes, art galleries); Norman Road with a concentration of art galleries antique shops and vintage boutiques and leisure provision such as the Kino Cinema; and London Road which has a variety of shops catering for the day-to-day needs of the surrounding catchment and food and beverage provision. Being adjacent to the seafront it also benefits from tourism spend with historical sites and year round cultural events attracting visitors.
- **Silverhill** is also a district centre in the Borough. It is well connected to the surrounding areas through a network of roads (A21) and public transport. The centre has a diverse mix of operators including national chains and local independents. Retail areas include: Sedlescombe Road North – which is the main thoroughfare to the shops, supermarkets and service businesses and London Road that offers a mix of independent shops cafes. The centre is dominated by the large in-centre Asda supermarket. The centre also has a variety of other shops including both independent retailers and national chains. Overall, the centre offers a range of retail options from grocery stores and supermarkets to specialty shops and boutiques, and retail services including hairdressers and beauty salons that cater for the day-to-day needs of the surrounding resident community.
- **Old Town** is designated as a district centre, sits east of Hastings town centre. It provides a distinctive retail experience dominated by independent provision

within a historic setting of a conservation area and listed buildings. It has reasonably good transport links (served by bus routes), the funicular and good access from the surrounding residential catchment. The eclectic mix of retail offer reflects its popularity with tourists and locals alike. Overall, the retail sector consists of independent shops, boutiques, galleries and speciality stores. Unlike the other centres there is a lesser dominance by national chains. George Street provides a mix of cafes, vintage shops and independent boutiques and independent food and beverage outlets. The High Street is known for its traditional shops and contemporary stores and the independent Electric Palace Cinema. Courthouse Street features art galleries and food stores. There is convenience goods provision that includes, bakers, fishmongers and smaller convenience stores. The centre also hosts events such as the annual Jack in the Green festival, and the Hastings Seafood and Wine Festival. Outside the Old Town centre boundary is the Stade Open Space which is an outdoor event area hosting food festivals, art exhibitions and community events.

129. The following provides a brief profile of the main competing centres and shopping/leisure locations outside of the Borough area:
- **Bexhill-on-Sea** is the largest settlement in adjacent Rother District. It is well-connected by road (A259, A21) and rail, with regular train services to London, Hastings, and Eastbourne, and easy access to major road networks. Bexhill-on-Sea offers a mix of independent boutiques, high street brands, and specialty shops. Key shopping areas include Devonshire Road, Western Road, and the out-of-centre Ravenside Retail Park (located to the east of the town centre that has 13 major multiples including Tesco, B&Q Warehouse, Boots, Currys and PC World amongst others). The centre has a blend of retail, cultural and recreational facilities attracting shoppers and visitors. A key part of the leisure offer includes:
 - the De La Warr Pavilion, a Grade I listed modernist building - a centre for contemporary arts and events.
 - Bexhill Museum that showcases local history, archaeology, and geology, as well as a collection of vintage motor cars.
 - Marina which runs parallel to the seafront with cafes, restaurants, and boutique shops.
 - **Eastbourne** town centre is a key focus for retail, leisure, tourism, cultural and community activities within Eastbourne Council area. It is well-connected by the A22 and A27 roads, linking to London, Brighton, and other major towns and Eastbourne Railway Station provides regular services to London Victoria, Brighton, Hastings, and Ashford International. The key retail areas include
 - Terminus Road: Main shopping street with a variety of high street brands, independent retailers, cafes, and restaurants including the Beacon shopping centre.
 - Grove Road and South Street (also known as Little Chelsea): Known for independent shops, boutiques, and a lively café culture.

- **Seafront and Grand Parade:** Scenic coastal area with hotels, restaurants, Eastbourne Pier, and the Bandstand.

Tourism remains an important economic driver for Eastbourne and the Seafront's promenades, gardens, pier and bandstand and hotels attract a significant number of visitors. In addition Eastbourne's theatres and the Towner Gallery contribute to the overall mix of attractions that draw residents and visitors alike.

- **Ashford** is strategically located in Kent, with good connectivity to London and the Kent coast. Major roads such as the M20 motorway connect Ashford to London and the Channel Tunnel. The town centre has a mix of high street brands, independent shops, and markets. Key shopping areas include the County Square Shopping Centre and the Park Mall Shopping Centre. Additionally, the nearby Ashford Designer Outlet draws shoppers from a wide area with brand retailers and a food and beverage offer together with on-site car parking. The town has undergone significant regeneration, with ongoing projects aimed at improving infrastructure, retail spaces, and public amenities.
- **Tunbridge Wells** Tunbridge Wells, formally known as Royal Tunbridge Wells, is well-connected by road and rail. The A21 provides access to London and the south coast, while Tunbridge Wells railway station offers regular services to London Charing Cross. The town centre is known for its mix of high-end boutiques, independent shops, and well-known retail brands. The Royal Victoria Place shopping centre is a key retail hub, along with the historic Pantiles area (a colonnaded walkway renowned for its Georgian architecture) that has independent shops, cafes, and markets. The town has a strong service sector and also benefits from a thriving tourism industry. The town offers a variety of restaurants, cafes, and pubs, along with entertainment venues such as the Assembly Hall Theatre and Trinity Theatre. The town has ongoing projects aimed at enhancing public spaces, transport infrastructure, and retail facilities.

MARKET SHARE ANALYSIS

130. The survey-derived market share analysis is detailed in **Volume 2** (see **Appendix 3** for convenience goods and **Appendix 7** for comparison goods. To note that the market share analysis at this stage of the assessment includes expenditure on "Special Forms of Trading" (SFT), which comprises sales via the internet, mail order, stalls and markets, door to door and telephone sales.

Convenience Goods Market Shares

131. Convenience goods retailing is generally defined as comprising everyday essential items (including food, drinks, newspapers/magazines and confectionery), as well as an element of non-durable housing goods (such as washing up liquid, kitchen roll, bin bags, etc.).

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132. The overall market share analysis (%) for all centres and stores are detailed in Table 1 (**Appendix 3**). These market shares have been derived from the assessment of the (“primary”) responses as to where people normally shop for their more infrequent main (“bulk”) food purchases, and for their more frequent day-to-day (“top up”) convenience and grocery purchases.
133. Furthermore, in order to prevent food shopping patterns being “skewed” by larger superstores and food stores in the Catchment Area, the survey also asked respondents where else they normally shop (if anywhere) for their “main” and “top up” purchases in addition to the first store identified (i.e., the “secondary” responses). The market shares for these “secondary” shopping purchases are set out in Table 3 (“other” main food shopping) and Table 5 (“other top up food purchases”) in **Appendix 3**.
134. The “primary” and “secondary” responses for the different types of food shopping have then been merged through the application of a weighting based on judgements as to the proportion of household expenditure normally accounted for by each type of convenience goods shopping. In this case we have applied a reasonable and robust weighting of 60% for main “bulk” shopping; 15% for secondary main “bulk” shopping; 15% for primary “top-up” shopping; and 10% for secondary “top-up” shopping.
135. The summary of market shares from across the Study Area (Zones 1-9) for town and out-of-centre locations for convenience goods locations in the Borough area is summarised in Table 4. We have provided key headlines based on the Study Area (Zones 1-9) and Zones 7 and 8 as they relate to the broad Council area:

Table 4: Convenience Goods: Study Area - Town and Out-of-Centre Market Shares: Retention (%)

HASTINGS BOROUGH COUNCIL AREA	Zone 7	Zone 8	STUDY AREA
TOWN CENTRE: HASTINGS			
Iceland, Castle Street	1.6%	0.0%	0.6%
Marks & Spencer, Priory Meadow Shopping Centre	2.5%	2.3%	1.2%
Morrisons, Queens Road	17.6%	2.1%	6.8%
Sainsbury's Local, Station Approach	0.4%	1.2%	0.6%
Tesco Express, Havelock Road	0.6%	0.5%	0.3%
All Other Floorspace	1.5%	0.0%	0.5%
DISTRICT CENTRE: ST LEONARDS			
Co-op, London Road	0.8%	1.5%	0.4%
All Other Floorspace	0.3%	2.8%	0.5%
DISTRICT CENTRE: SILVERHILL			
Asda, Battle Road	6.9%	6.2%	3.6%
DISTRICT CENTRE: OLD TOWN			
Premier, George Street	0.0%	0.1%	0.0%
ALL LOCAL CENTRES / ALL OTHER SHOPS / STORES ELSEWHERE	7.7%	2.9%	2.9%
OUT-OF-TOWN CENTRE STORES / LOCATIONS			
Aldi, Bexhill Road, St Leonards-on-Sea	0.4%	4.0%	0.9%
Aldi, Rye Road	8.8%	2.7%	5.9%
Co-op, 100 Battle Road, St Leonards-on-Sea (next to Hollington Library)	0.8%	0.7%	0.3%
Co-op, 290 Battle Road, St Leonards-on-Sea (used to be a pub - Victoria Inn)	0.4%	1.2%	0.3%
Lidl, Bohemia Road, St Leonards-on-Sea	7.5%	5.1%	3.4%
Sainsbury's Superstore, John Macadam Way, St Leonards-on-Sea	9.3%	7.6%	7.0%
Tesco Express, Fernside Avenue, St Leonards-on-Sea	1.4%	5.0%	1.2%
Tesco Express, Little Ridge Avenue	1.5%	0.0%	0.5%
Tesco Extra, Church Wood Drive	12.7%	26.2%	11.1%
HASTINGS BOROUGH COUNCIL AREA	82.7%	72.2%	48.1%

136. The main headlines from the table are summarised below:

- All the convenience goods floorspace within the Borough area attains a market share of 48.1% from across the Study Area (Zones 1-9). In our view this is an average level of retention.
- Of the 48.1% market share retention, almost two-thirds of this (30.5%) goes to out-of-centre floorspace with the following named stores attaining the highest market shares: Aldi, Rye Road (5.9%) and Sainsburys Superstore, St. Leonards (7%) and Tesco Extra, Church Wood Drive (11.1%).
- All town centre convenience goods floorspace attains a retention of 17.5%. Of this, the provision with Hastings town centre attains the majority - a total of 10.1%. This is dominated by the Morrisons, Queens Road (6.8%). Of the other

centres, the Asda, Battle Road in Silverhill District Centre attains a market share of 3.6%.

- Focusing on Zone 7 (Hastings Zone) the convenience goods floorspace in the Borough attains a high market share of 82.7%. Of this total, individual stores attaining a market share above 5%, are:
 - Hastings Town Centre: Morrisons, Queens Road (17.6%)
 - Silverhill District Centre: Asda, Battle Road (6.9%)
 - Aldi, Rye Road (8.8%);
 - Lidl, Bohemia Road, St Leonards-on-Sea (7.5%)
 - Sainsbury's Superstore, John Macadam Way, St Leonards-on-Sea (9.3%)
 - Tesco Extra, Church Wood Drive (12.7%)
- In relation to Zone 8 (St. Leonards Zone) the overall market share level of retention is 72.2%. This is dominated by the following individual stores:
 - Tesco Extra, Church Wood Drive (26.2%)
 - Sainsbury's Superstore, John Macadam Way, St Leonards-on-Sea (7.6%).
- The level of retention for both Zones 7 and 8 indicate that high level of patronage of usage from shoppers within the Borough.

137. The table below shows the market shares of centres and stores located outside the Borough area. This broadly represents a proxy for the “leakage” of shoppers and spend. However, we advise that care should be applied in interpreting these market shares and “leakage” in particular. This is because they are dependent on how widely drawn the catchment area is, and also reflect the fact that some of the stores located in neighbouring authorities will be more convenient and easily accessible to residents rather than necessarily reflecting any under-provision or latent need for new convenience floorspace.

Table 5: Convenience Goods: Market Share: Leakage (%)

OTHER CENTRES/STORES OUTSIDE HASTINGS BOROUGH COUNCIL AREA	Zone 7	Zone 8	STUDY AREA
Ashford	0.0%	0.0%	1.2%
Bexhill-on-Sea	4.5%	5.4%	17.8%
Bexhill-on-Sea: Ravenside Retail Park	2.7%	7.4%	8.6%
Eastbourne	0.0%	0.1%	0.6%
Royal Tunbridge Wells	0.0%	0.0%	0.8%
Hawkhurst	0.0%	0.0%	2.0%
Heathfield	0.0%	0.0%	1.0%
All Other Centres / Stores	2.0%	2.5%	10.9%
Sub-Total	9.1%	15.5%	42.9%
SPECIAL FORMS OF TRADING/ INTERNET SHOPPING	8.2%	12.3%	9.0%

138. The table shows:

- Collectively, 42.9% of spending from the Study Area (Zones 1-9) is going to centres/stores outside the Borough area. This is reasonable in our view given the increased competition from other neighbouring centres and food stores in the context of the wide area of coverage. The principal competing locations are Bexhill-on-Sea (17.8%) and Ravenside Retail Park (8.6%).
- To note that within Zones 7 and 8 (roughly the Borough area) the comparative level of leakage are much less at 9.1% and 15.5% respectively and therefore a good level of retention as mentioned previously.
- **Special Forms of Trading (SFT)** is achieving a market share of 9% in the widely defined Study Area (Zones 1-9) but less in Zone 7 (8.2%) but higher in Zone 8 (12.3%). These figures are however comparatively below the Experian national average forecast of 17.3% in 2024.

Comparison Goods - Market Share Analysis

139. Comparison goods are generally classified as items purchased less frequently and include clothing, footwear, household and recreational goods. For the following main categories of non-food expenditure, each respondent was asked where they did most of their household's shopping, and "where else" they shopped.

Table 6: Main Categories of Comparison Goods Expenditure

Household Survey Question:	Where do households normally shop for:	See Appendix 7
Q11	Clothing and footwear (fashion) items	Table 2
Q12	Recording media (e.g., records, CDs, DVDs, etc.)	Table 3
Q13	Domestic Electrical	Table 4
Q14	Audio-visual, photographic and computer items	Table 5
Q15	Books, Stationery and Drawing Materials	Table 6
Q16	Pet-related products, hobby items, sportswear, camping, cycling and musical instruments	Table 7
Q17	Furniture, carpets, other floor coverings and household textiles	Table 8
Q18	DIY goods, decorating supplies & garden products	Table 9
Q19	Personal care products & goods	Table 10
Q20	Medical goods	Table 11
Q21	All other goods – including jewellery, watches, glassware, tableware etc.	Table 12

140. Table 1 (**Appendix 7**) sets out the total combined market shares for all comparison goods expenditure allocated to the main centres and stores. The market share analysis (%) takes account of the distribution and weight of spend

(£) by households on the different comparison goods categories. This ensures that that the resultant shares are not “skewed” by any particular comparison goods expenditure category. This is a standard approach for retail assessments. As for the analysis of convenience goods, the market shares at this stage of the analysis include expenditure on SFT.

141. The summary of market shares for town and out-of-centre locations for comparison goods locations in the Borough area is shown in Table 7.

Table 7: Comparison Goods: Town and Out-of-Centre Market Shares

HASTINGS BOROUGH COUNCIL AREA	Zone 7	Zone 8	STUDY AREA
TOWN CENTRE: HASTINGS	25.7%	14.0%	14.1%
DISTRICT CENTRE: ST LEONARDS	2.2%	7.5%	2.1%
DISTRICT CENTRE: SILVERHILL	2.0%	1.0%	1.1%
DISTRICT CENTRE: OLD TOWN	0.4%	0.0%	0.2%
ALL LOCAL CENTRES / ALL OTHER SHOPS / STORES ELSEWHERE	0.3%	0.2%	0.1%
OUT-OF-TOWN CENTRE STORES / LOCATIONS			
Aldi, Bexhill Road, St Leonards-on-Sea	0.0%	0.0%	0.0%
Aldi, Rye Road	0.3%	0.0%	0.2%
Bexhill Road Retail Park [TK Maxx, Carpetright and Bensons for Beds]	1.3%	0.9%	1.3%
Blackbrooks Garden Centre, Bexhill Road	0.0%	0.0%	0.0%
Hastings Retail Park, Seddlescombe Road North [Dunelm, Pets@Home]	1.9%	5.5%	2.4%
Lidl, Bohemia Road, St Leonards-on-Sea	0.5%	0.4%	0.2%
Sainsbury's Superstore, John Macadam Way, St Leonards-on-Sea	2.1%	1.0%	1.4%
Tesco Express, Fernside Avenue, St Leonards-on-Sea	0.0%	0.1%	0.0%
Tesco Extra, Church Wood Drive	4.6%	6.4%	3.2%
All Other Out-of-Centre Shops / Stores	0.7%	0.9%	0.5%
HASTINGS BOROUGH COUNCIL AREA	42.0%	37.7%	26.8%

142. The market shares are set out in the table and the main headlines are described below:

- Comparison goods floorspace within the Borough attains a market share of 26.8% from across the Study Area (Zones 1-9) which is a low level of retention.
- Of the overall 26.8% market share retention, Hastings town centre attains the highest at 14.1%. In contrast, the out-of-centre floorspace collectively attains a lower 9.2% of retention.
- Focusing on Zone 7 the overall level of retention increases to 42% with Hastings town centre attaining more than half of this market share (25.7%). By comparison, the other centres/comparison goods floorspace in the Borough attain a lower rate of retention.

- When compared to Zone 7, and within Zone 8, the retention level to Hastings town centre decreases to 14% but as would be expected the market share for St. Leonards increases to 7.5% (from 2.2% in Zone 7).

143. The table below shows “leakage” of comparison goods expenditure to other competing centres and stores located outside of the Borough area. The key headlines are:

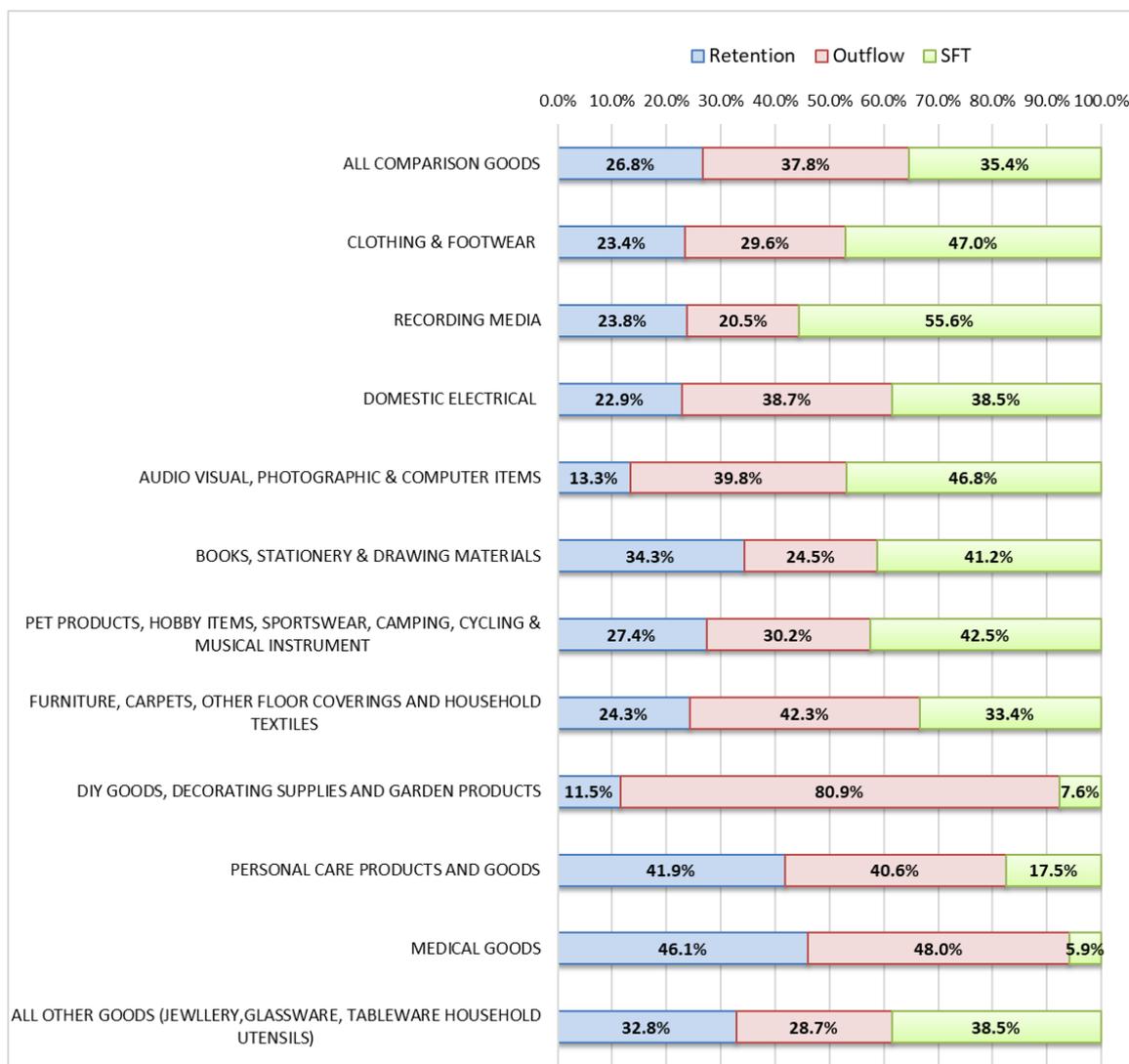
Table 8: Comparison Goods: Market Share Leakage (%)

OTHER CENTRES/STORES OUTSIDE HASTINGS BOROUGH COUNCIL AREA	Zone 7	Zone 8	STUDY AREA
Ashford	0.5%	0.1%	2.2%
Bexhill-on-Sea	1.1%	1.0%	5.2%
Bexhill-on-Sea: Ravenside Retail Park	13.0%	13.1%	15.5%
Eastbourne	3.8%	3.3%	5.6%
Royal Tunbridge Wells	0.8%	0.6%	2.5%
Hawkhurst	0.0%	0.0%	0.1%
Heathfield	0.0%	0.0%	0.3%
All Other Centres / Stores	3.3%	3.2%	6.3%
Sub-Total	22.4%	21.3%	37.8%
SPECIAL FORMS OF TRADING/ INTERNET SHOPPING	35.6%	41.0%	35.4%

- There is 37.8% “leakage” of comparison goods expenditure to other competing centres; The key competing locations are Ravenside Retail Park (15.5%); Eastbourne (5.6%) and Bexhill-on-Sea (5.2)%. This pattern is followed across Zone(s) 7 and 8.
- **Special Forms of Trading (SFT)** is achieving a market share of 35.4% from across the Study Area (Zones 1-9); a comparable 35.6% in Zone 7 and a higher 41% in Zone 8. These market shares are higher than the national average figure forecast of 32.5% for 2024 by Experian.

144. The figure below shows the market share (“retention”) of different categories of comparison goods achieved by centres/stores in the Borough from within the Study Area (Zones 1-9).

Figure 17: Comparison Goods Market Shares: Study Area (Zones 1-9)



145. The above figure shows that across the Study area (Zones 1-9), online shopping accounts for 35.4% of market share and its proportion is high amongst most comparison goods categories but particularly (above 45%) on recording media (55.6%), clothing & footwear (47%) and audio visual & computer items (46.8%). It is the lowest amongst the categories of medical goods (5.9%), DIY goods (7.6%) and personal care products (17.5%).
146. In terms of the overall level of retention of 26.8%, the highest (above 40%) is amongst the categories of personal care products (41.9%) and medical goods (46.1%).
147. Outflow accounts for 37.8% of market share for all comparison goods. The highest (above 40% market share is in the categories of: DIY Goods – 80.9%; medical goods (48%); Furniture & floor coverings (42.3%) and personal care products (40.6%).
148. The above indicates that for personal goods and medical goods there is a tendency to shop either locally or outside the Borough but not online. However for DIY goods there is a distinct tendency to go outside the Borough. For most of the

other comparison goods types the consumer is more fluid in terms of where the product is sourced, whether online or elsewhere beyond the Borough potentially depending on convenience and easy accessibility.

SUMMARY

149. In summary the market share headlines for convenience goods retailing are:

- SFT has a 9% market share in the Study Area (Zones 1-9), which is below the national average forecast by Experian Business Strategies of 17.3% in 2024.
- The “retention level” of 48.1% by floorspace in the Borough area represents an average level of retention.
- Of the 48.1% market share retention almost two-thirds of this (30.5%) goes to out-of-centre floorspace.
- The town centres collectively attain a low market share retention of 17.5% of which Hastings town centre dominates with a market share of 10.1%.
- The out-of-centre category dominates the retention level with an overall retention of 30.5%.
- In contrast to the Study Area (Zones 1-9) level of retention the core zones of 7 and 8 show a much higher level of retention (82.7% and 72.7%) respectively indicating that there is a substantial level of patronage from local shoppers.
- There is leakage of some 42.9% primarily to Bexhill-on-Sea (17.8%) and Ravenside Retail Park (8.6%).

150. For comparison goods the key headlines are:

- SFT’s market share in the Study Area of 35.4% is higher than Experian national average of 32.5% for 2024.
- Centres and stores in the Borough are achieving an overall retention level of 26.8%. Of this total, a higher level of retention is seen for the town centres of 17.6% followed by the out-of-centre category at 9.2%.
- Within the Brough, Hastings town centre has the highest level of retention of 14.1%.

5. CENTRE HEALTH CHECKS: APPROACH AND KPIS

151. **Section 6** sets out the key findings of the health check assessment of the Borough's centres. These have been informed, where possible, by the following Key Performance Indicators (KPIs) outlined in the National Planning Practice Guidance (PPG) (Paragraph 006. Reference ID: 2b-006-20190722). These KPI's include:
- the diversity of uses;
 - proportion of vacant street level property;
 - commercial yields on non-domestic property;
 - customers' experience and behaviour;
 - retailer representation and intentions to change representation;
 - commercial rents;
 - pedestrian flows;
 - accessibility;
 - perception of safety and occurrence of crime;
 - state of town centre environmental quality;
 - balance between independents and multiples;
 - any evidence of barriers to new businesses opening and existing business expanding;
 - opening hours/availability/extent to which there is an evening and night time economy offer (The "evening" economy generally relates to all leisure activities that are open until around 11pm. The "night-time" economy is generally defined as businesses and activities with late night licences that are open beyond 11pm, particularly at the weekend.).
152. These KPIs help to identify the critical Strengths and Weaknesses of each centre from a retail and leisure perspective; the Opportunities for new sustainable development and growth; and any current and potential future Threats to their overall vitality and viability ("SWOT" assessment).
153. The health check and SWOT assessments draw on a number of industry standard published datasets (e.g., Experian Goad, PROMIS, etc.), primary market research (including the findings of the household telephone interview survey), and LSH's own market intelligence. This will help understand the current vitality and viability of the Borough's centres, how their health has changed over time, and their prospects over the short, medium and longer term. Our approach and some of the key performance indicators assessed are briefly described below.

DIVERSITY OF USES:

154. The health check assessments have been principally informed by the latest available Experian Goad Category reports, site visits and the Council's monitoring data **where available**. These assessments set out the number and proportion of units and floorspace by different uses (i.e., convenience, comparison, leisure and service uses). Experian Goad define "services" into three sub-categories:

- retail services - including hairdressers, beauty salons, travel agents, launderettes, opticians, etc.; (Note: Since the reform of the Use Classes Order (1 September 2020) all retail services are defined as Class E (previously Class A1). This is apart from shops not more than 280sqm “*most selling essential goods ... and at least 1km from another similar shop*”, which are now covered by the new Class F2 (local community uses).
- leisure services - including cafés and restaurants, betting shops and fast food/ takeaway outlets (Note: Cafés and restaurants are now classified as Class E (previously Class A3); betting shops are “sui generis”; and fast food/ takeaway outlets are “sui generis” (previously Class A5); and
- financial and professional services - including banks, estate agents, etc. (Note: Financial and professional services are now classified as Class E (previously Class A2)).

VACANCY LEVELS

155. The number and scale of vacancies in a centre, and the length of time properties have been vacant, represents one of the critical KPIs used to assess a centre's overall vitality and viability. For example, high vacancy levels, or a concentration of vacancies in certain areas/streets, could indicate underlying weaknesses in terms of occupier demand, and/or the fact that vacant units are not “fit-for-purpose” to meet the needs of modern businesses (for example, there may be too small and/or have a poor layout/configuration). Notwithstanding this, vacancies can arise in even the strongest centres due to the natural “churn” in businesses opening and closing at any point in time. This KPI must therefore be used and interpreted with caution. Where possible we have assessed the changes in vacancy levels (outlets and floorspace) over time for the four main centres based on the findings of previous evidence-based studies.

MULTIPLE AND INDEPENDENT OUTLETS

156. A multiple is defined by Experian as being part of a network of nine or more outlets. It is widely accepted that a good presence and mix of multiples in a centre, alongside a strong and diverse independent offer, helps to increase the overall attraction, diversity and performance of centres. For many centres multiples are the key anchors to their shopping and leisure offer, helping to draw visitors from wider catchments and generate more frequent shopping trips and footfall, to the benefit of other shops, businesses and facilities in terms of linked trips and expenditure, and longer dwell times.

STREET AND COVERED MARKETS

157. The presence of high quality, well managed and diverse street/indoor markets and food halls in centres can have a significant positive impact on their overall vitality and viability. This is recognised by the NPPF (paragraph 90c), which states that existing markets should be retained and enhanced and, where appropriate, new ones should be created, ensuring that markets remain attractive and competitive.

It is widely accepted that successful markets in the right locations can help increase trips to centres from a wider catchment, attract a more diverse customer profile, generate benefits for the wider daytime and evening economy, and act as "seedbeds" and "incubator space" for the growth of new businesses.

MARKET DEMAND AND REQUIREMENTS

158. Evidence of market demand from retail and leisure operators for representation in a town centre can provide a further indication of the overall health and attraction of centre, and investor confidence. In this case evidence was drawn from standard published sources (including the Requirements List) and, where possible, supplemented by LSH's own market intelligence. However, it should be noted that the published information is not definitive, as many retailers and leisure operators prefer not to make their requirements public, as it can potentially undermine their current and future negotiating position with potential landlords. Furthermore, market demand is often opportunity-driven, and often responds to the availability and marketing of new development sites and regeneration opportunities.

PRIME ZONE A RENTS AND COMMERCIAL YIELDS

159. The level of rent, that businesses are prepared to pay for retail space, and the commercial yields achieved, provide a further indication of the relative strength of the centre and its prime retail pitch. However, it should be noted that Prime Zone A rents and yields are not available for all centres, particularly smaller centres where there is more limited evidence on transactions. Therefore, an assessment of Prime Zone A rents and yields is only provided where there has been significant market activity. Evidence of average commercial yield levels for centres is inherently more difficult to source, as it depends on the level and volume of transactions in any one year. In general terms though, where reported yields are low, this usually represents a particularly strong performing investment. Conversely, where the yield value is high, this generally reflects poorer performing investments.

CUSTOMER VIEWS AND BEHAVIOUR

160. Our assessment of customers' views and behaviours and shopping patterns draws on the outputs of the survey accompanying the Rother District Retail, Leisure and Town Centres Assessment (2023) (where available and relevant) as evidence to help inform the town centre health checks.

TOWN CENTRE ENVIRONMENTAL QUALITY

161. Assessment of a centre's overall environmental quality represents a further KPI to help assess overall attraction, vitality and viability. An assessment of environmental quality (including, for example, cleanliness and attractiveness, security, treatment of buildings and open/green spaces) was carried out as part of our site visits and further informed by the findings of the household survey and stakeholder engagement, along with other available reports and evidence.

ACCESSIBILITY

162. The accessibility of a centre is measured by the ease and convenience of access by different modes of travel to and across the centre; including dedicated access for pedestrians, cyclists and disabled people. This assessment was informed by the survey evidence, along with information provided by the local planning authority, and observations undertaken as part of the centre audits and site visits.

PERCEPTION OF SAFETY AND OCCURRENCE OF CRIME

163. The statistics detailing crime rates for specific regions, urban areas and postcodes is based on data sourced from UKcrimestats.com. This source aggregates open police force data on crime trends for England, Wales, and Northern Ireland. It provides, in our view, the most complete catalogue of crime and safety information available. This is supplemented by the feedback from the household survey, stakeholder engagement and other research to help inform current perceptions of safety and crime for the main town centres.

OUT OF CENTRE PROVISION

164. The existing and planned out of centre retail and leisure floorspace in the Council area and neighbouring local authority areas was determined using a number of published sources, evidence provided by the local authority (where available), and the findings of the market research surveys and town centre audits.

NEW INVESTMENT AND POTENTIAL DEVELOPMENT

165. The Council provided evidence of all existing, committed and planned retail/leisure investment and development in the main centres. All new retail and leisure floorspace identified by this study covers commitments and permissions (normally over 300 sqm gross).

SUMMARY

166. Health checks are important planning “tools” for appraising and monitoring changes in the overall attraction and performance of town centres and informing the preparation of robust strategies and plans. The assessments of Key Performance Indicators (KPIs) carried out for this study are informed by the PPG and are based on different data sources and market intelligence, including published research, site visits and the household telephone interview surveys. Taken together these KPIs enable a robust assessment of each centre's SWOTs (Strengths, Weaknesses, Opportunities and Threats), and will help to identify any significant "gaps" in provision.

6. HEALTHCHECK SUMMARIES

167. This section sets out the summary findings of the town centre health checks for:
- defined primary **Town Centre: Hastings Town Centre**;
 - defined **District Centres: St Leonards (including Marine Court), Silverhill and Old Town**; and
 - a high-level review of the smaller **Local Centres** comprising: **Ore Village, Bohemia and Tower, Battle Road and West St Leonards (Bexhill Road)**.
168. The detailed health checks and audits are detailed in **Volume 3**.

TOWN CENTRE HEALTH CHECKS - SUMMARY

169. As described in the previous section, and in **Volume 3**, the health checks are based on the Key Performance Indicators (KPIs) set out in the PPG. The assessments are informed by different data sources and market intelligence, including published research, site visits and the Council’s monitoring data. Taken together these KPIs enable a robust assessment of each centre’s SWOTs (Strengths, Weaknesses, Opportunities and Threats), and help to identify any significant “gaps” in provision.
170. By way of overview the table below shows the scale of the retail, leisure and service provision in the centres based on surveys of commercial outlets by the council and our own site visits. To note that no floorspace data was available.

Table 9: Centre Analysis: Number of Outlets

Use Class	Category	Hastings	St Leonards	Old Town	Silverhill	Battle Road	Bohemia & Tower	West St Leonards (Bexhill Rd)	Ore Village
E	Commercial, Business and Service	357	174	127	28	16	34	10	20
F1 & F2	Local Community (incl. local shops) and Learning	15	4	4	0	1	0	1	0
Sui-Generis	Includes cinemas, pubs & bars, hot food takeaways, launderettes and more	56	26	23	8	8	9	4	6
Mixed	E/F1, E/F2/Sui-Generis, E/Sui-Generis	1	2	1	0	0	0	0	0
Vacant		79	25	7	4	8	9	1	3
Total		508	231	162	40	33	52	16	29

Note: St. Leonards also includes Marine Court

Source: Hastings Borough Council (2024)

171. The outlet count clearly shows Hastings Town Centre as the largest and dominant centre in the Borough followed by St. Leonards and the Old Town.
172. The Borough’s main centres are distinct from each other in terms of their physical characteristics, catchments, and market position, which is described in detail in the health check assessments in **Volume 3**. The following tables and commentary

summarise the main SWOTs (Strengths, Weaknesses, Opportunities and Threats) for each centre. The findings help to identify their relative performance in the Borough's network and hierarchy of centres, and any significant "gaps" in provision.

HASTINGS: SWOT

173. As detailed above, Hastings town centre is the dominant centre for larger scale commercial, community, leisure and cultural development in the Borough. It is highly accessible via the A21 road, connecting it to London. Hastings railway station also offers regular services to London Charing Cross, Brighton and Ashford International, facilitating easy access to the broader region.
174. Of the 508 units, 357 (70.3%) of these are E class use, which includes shops, cafes & restaurants, banks and medical & health services. Hastings has a strong presence of national multiple clothing and accessory brands, largely located within Priory Meadow Shopping Centre or nearby (such as JD Sports, Primark, H&M and M&S, Sports Direct and Millets). Hastings town centre also has a range of independent outlets that contribute to the overall vitality of the centre, including Waterfalls (gift shop and coffee house), Beak & Tail (butchers) and The Seadog (pub).
175. The current vacancy rate stands at 15.6% of units (based in the Council's audit of outlets) which is higher than the Experian Goad national average of 14.1%. This corroborates closely with the Experian GOAD survey in November 2023 which showed a vacancy rate of 15.5%
176. Recent and ongoing regeneration projects aim to rejuvenate the town centre, improve infrastructure, enhance public amenities and place focus on sustainable development and economic growth. In this regard the Council has been the recipient of several recent funding streams that provide the potential for a comprehensive step change in Hastings town centre.
177. Overall, the Strengths, Weaknesses, Opportunities, Threats (SWOT) can be summarised as follows:

Strengths

- Strong provision of typical town centre uses (retail, leisure and services).
- Good representation of national multiples across clothing, accessories and health & beauty providing a draw to the centre.
- Good number of banks open and operating.
- Odeon cinema as a leisure attraction.
- Pedestrianisation of key primary shopping area locations.
- Footfall levels bounced back well post-pandemic and have stabilised since.
- Natural and historic attractions – Hastings Castle and seafront & beach.
- Proximity to green spaces such as Hastings Country Park'
- Rich architectural and built environment history e.g. Trinity Triangle, Observer Buildings, Wellington Square, Harold Place.
- Transport links via train to and from London and Brighton.
- Bus services that connect well to other areas within the Borough.

Weaknesses

- Vacancy rate above the UK average.
- Significant drop off in footfall going into the evening.
- Lack of dedicated cycle lanes within the heart of the centre.
- Unsatisfactory pedestrian linkage between the town centre (shopping area) and the seafront.
- Rising crime levels.
- A lack of greenery across the centre.
- Examples of low-quality buildings that detract from the environmental quality.
- Lacking a sense of arrival at the “gateway” to town centre (Hastings train and bus station).
- Town centre prone to flooding.

Opportunities

- Operators with an interest in gaining a presence within the centre.
- Improvements to the public realm (greenery, vibrancy, entertainment).
- To capitalise on the connections to larger cities (Brighton and London).
- Development of opportunity sites to strengthen the mix of uses in the centre (e.g. residential).
- Focus on improvements to safety and security.
- To develop and promote an identity for the town.
- Improved signage allowing for better wayfinding to points of interest (e.g., Hastings Castle) and nearby district centres (Old Town and St Leonards) / create a circuit and promote.
- Providing for sustainable travel options such as dedicated walking or cycling routes etc.
- Improve flood response through future planning of the public realm and built environment.
- Promoting creative industries in the town centre.
- To coordinate the outputs of the regeneration funding received from government.

Threats

- Post-pandemic shift back to holidaymakers venturing abroad as opposed to opting for “staycations” – August represented the peak footfall month for 2020 and 2021, but not for 2022 and 2023.
- Rising crime rates deterring people from visiting the centre.
- Competing retail and leisure hubs beyond the Borough (Eastbourne, Ashford (Designer Outlet) and Bexhill-on-Sea (Ravenside Retail and Leisure Park)).
- High business operating costs.
- The growth in online shopping and its impacts on brick-and-mortar retail outlets.
- Low public perception.
- Climate change and the risk of increased flooding.
- Lack of investment in the historic fabric leading to deterioration.

ST. LEONARDS: SWOT

178. Located on the seafront, the centre is renowned for its architecture, arts and scenic seaside views and is a tourist draw with historical sites and year-round cultural.

179. Kings Road is the main shopping artery for the centre with a mix of independent shops, cafes, and art galleries, Norman Road with a concentration of art galleries, antique shops and vintage boutiques and London Road which has a variety of shops catering for the day-to-day needs of the surrounding catchment. There is further provision along Marine Court located at the south west edge along the seafront.
180. There are 231 units within the centre of which 10.8% of units are vacant. Almost two thirds of these vacant units can be found along London Road and Norman Road. Some of the vacant units within the centre have been granted permission for residential use, whilst others are visibly being refurbished.
181. Overall, St. Leonards is a vital and viable centre that not only meets the day-to-day needs of its local catchment, but also has an attraction through its leisure provision that draw visitors from beyond the immediate local catchment.
182. The centre's Strengths, Weaknesses, Opportunities, Threats (SWOT) can be summarised as follows:

Strengths

- Strong arts culture.
- Seafront location.
- Accessibility to nearby green open space (e.g. Warrior Square Gardens, St. Leonards Gardens).
- Strong provision and mix of convenience / food store operators
- Below average vacancy rate.
- Strong and eclectic mix of cafes and restaurants with a range of cuisines on offer.
- Train station providing connections to large towns and cities.
- Good overall accessibility – car parking, road networks, pedestrian routes, cycling provision.
- Declining rate of criminal activity.
- Good evening provision and footfall levels.

Weaknesses

- Summer footfall spikes seen from 2019 to 2021 have not continued into 2022 and 2023.
- Limited greenery and vibrancy within the centre itself.
- Tired shop frontages in parts of the centre.
- Poor placemaking and linkages to the seafront.

Opportunities

- Continue to tackle vacancies by looking to alternative uses.
- Improvements to greening and vibrancy within the centre (e.g., through hanging baskets or planters).
- Coordinated place promotion of the centre and the seafront.

Threats

- High business operating costs.
- Risk of stagnation if placemaking and marketing of the centre is not co-ordinated and promoted effectively.

SILVERHILL: SWOT

183. Silverhill is well connected to the surrounding areas through a network of roads (A21) and public transport. It is dominated by the large in-centre Asda supermarket as well as shops and service businesses along the main thoroughfare of Sedlescombe Road North and London Road.
184. The centre sits along the main thoroughfare Sedlescombe Road North which is dominated by heavy traffic and which affects the overall environmental quality and permeability across the centre.
185. The centre has a 10% vacancy rate which is lower than Experian Goad's 2024 UK average is 14.1%.
186. The Strengths, Weaknesses, Opportunities, Threats (SWOT) can be summarised as follows:

Strengths

- Food store provision – Asda store supported by smaller operators.
- Lower vacancy rate than the UK average.
- Growth in footfall in recent years.

Weaknesses

- Centre dominated by several lanes of traffic.
- Pedestrian accessibility compromised due to road network.
- Lack of greenery and vibrancy across the centre.
- Lack of evening leisure provision (pubs and restaurants).
- The food and beverage offer is heavily dominated by fast food and takeaway outlets.

Opportunities

- Traffic calming measures.
- Introduction of more greenery and vibrancy (e.g. hanging baskets or planters).

Threats

- High business operating costs.

OLD TOWN: SWOT

187. The Old Town is located adjacent to the east of Hastings town centre. Dominated by independent provision providing a distinctive retail experience. The district centre is in a historic setting and includes an eclectic mix of cafes, antique shops, pubs and independent boutiques. Along with the traditional shops and convenience retail outlets (bakery and delicatessen) found along High Street, there is also leisure provision. This includes an independent cinema and arts venue, The Electric Palace on High Street, and visitor attractions along Rock-a-Nore such as the Hastings Contemporary art gallery, museum and aquarium.
188. The centre also capitalises on its built form comprising narrow streets and pedestrian cut throughs (locally termed as “twitterns”), small and largely well-kept buildings. Old Town has a charming character and a draw for residents and visitors alike.
189. The vibrancy of the centre is illustrated by its vacancy rate of 4.3% which is considerably lower than the national average of 14.1%.
190. Overall, the Strengths, Weaknesses, Opportunities, Threats (SWOT) can be summarised as follows:

Strengths

- Eclectic mix of independent operators.
- Regular festivals and known location for events.
- Seafront location
- Low vacancy rate.
- The pedestrianised area along George Street.
- Strong and unique identity.
- Good overall environmental quality with a charming character.
- Good signage and wayfinding
- Historic character.
- Linkages with maritime history.
- Strong provision and range of food & beverage venues.

Weaknesses

- Narrow pavements along High Street which can cause safety risks for pedestrians at busier times.
- Permeability across the centre is impaired by passing traffic.

Opportunities

- Establish better linkages and promotion of historical assets and maritime heritage, such as Hastings Castle, Hastings Fisherman's Museum and the Shipwreck Museum.
- Creation of traffic free zones / areas.
- Cohesion and placemaking of events and activities within the centre.
- Improvements to public realm (increased provision of seating and greening).
- Place making and promotion together with Hastings town centre and beyond.

Threats

- High business operating costs.
- Risk of stagnation if placemaking and marketing of the centre is not promoted effectively.

LOCAL CENTRES: SWOT

191. The Local Centres in the main serve the needs of their immediate local catchments. These centres are not necessarily reliant on national multiples and overall support a good range and mix of independent retailers and leisure businesses.
192. Our evaluation shows that in the main these local centres are vital and viable. Where there are concerns, these are centred around above average vacancy rates and falling poor levels of footfall. This suggests the need for a place-based strategy for some of these centres drawing on their inherent strengths e.g. local community, historic character or heritage.
193. The detailed evaluation is found under **Volume 3** and a summary review of the Local Centres follows below:

Battle Road

194. Located some 0.6km to the north of Silverhill District centre, the centre split in two parts, a smaller provision just north of the Ashbrook Road/ Battle Road/ Blackman Avenue junction and the main provision just to the south. The southern portion is vital and viable, but the northern portion appears vulnerable and has a number of vacant units. We recommend monitoring of the centre going forwards together with a placemaking plan to address vacancies.

Bohemia & Tower

195. Located some 0.5km south of Silverhill District Centre and 0.8km north of St Leonards District Centre, the centre covers the stretch of Bohemia Road (where the core commercial provision is found) running from Sanjana Store (convenience store) to the North Road junction, as well as the entirety of Tower Road and a small section of London Road. It should be noted that Tower Road in the main is residential in terms of provision. Overall, it is a vital and viable centre that meets the day-to-day needs of the surrounding catchment through its significant retail, leisure and service provision aided by good day time footfall across the centre.

West St Leonards (Bexhill Road)

196. Is a small linear local centre to the west of the Borough, consisting of a row of units along Bexhill Road (A259) between Grosvenor Gardens and Seaside Way. It overlooks the Bexhill Retail Park (TK Maxx, Carpetright, Poundstretcher and Bensons for Beds) and located on the busy Bexhill Road. Retailers include, Marina Park Stores Premier (convenience store), Sussex Fruits (greengrocer), J.A.Appleyard (butcher), West St Leonards Pharmacy and Jewel in the Gown (bridal clothing). The centre has a low vacancy rate and is a vital and viable centre serving its immediate catchment.

Ore Village

197. Th centre is located along the A259 to the East of the Borough connecting to the Old Town, Hastings town centre and beyond. For a smaller local centre, it has a

good mix of national multiples (e.g. Tesco (Express), Co-op Food, KFC and Domino's) and independent operators (e.g. Good on Greens (greengrocer) and The Rye Bakery). The centre benefits from good footfall levels from morning through to evening. The centre is vital and viable catering for the retail, leisure and services needs of its local community

7. RETAIL CAPACITY ASSESSMENT

199. This section sets out the results of the economic retail capacity (“need”) assessment for new retail (comparison and convenience goods under former use class A1) floorspace in the Borough and its main centres. The capacity forecasts cover a period, from 2024 (the “base year”) and aligned with the NPPF and PPG the forecasts also take account of the lifetime of the proposed plan period (2041) and the modelling goes further to 2045. The detailed economic capacity tabulations are set out in **Volume 2**. These forecasts update and supersede the findings of each of the Council’s previous evidence-based studies.

THE CREAT^e MODEL

200. The CREAT^e economic model has been specifically designed, developed and tested by the LSH team over more than 25 years to assess the capacity for and impact of new retail (convenience and comparison goods) floorspace development. The evidence-based model has helped to inform and guide plan-making and decision-taking at the local, sub-regional and regional level. In brief, the CREAT^e (Excel-based) model adopts a transparent “step-by-step” approach in which all the key assumptions and forecasts can be easily tested. The model is underpinned by the findings of the household survey, which provides a robust understanding of shopping patterns, market shares and the trading/turnover performance of existing centres, shops and stores.
201. At the outset it has necessarily been assumed for the purpose of the capacity assessment that the local retail market is in “equilibrium” at the base year. In other words, all existing centres/stores are broadly assumed to be trading in line with expected average (“benchmark”) turnover levels. This is a reasonable approach in this case as it reflects the impact of the economic downturn and the significant growth in online sales on the trading levels and performance of retailers and stores across the UK. It also reflects the outputs of the health checks covering the main centres and shopping locations. The main challenge and focus over the short/medium term in response to market trends and the impact of rising cost inflation as well as the legacy of the COVID-19 pandemic will be to retain existing occupiers and to redevelop/repurpose vacant retail floorspace to attract new businesses and uses.
202. In simple terms, any residual expenditure available to support new retail floorspace over the forecast period will be generated by the difference between the forecast growth in “current” (survey-derived) turnover levels and the growth in “benchmark” turnovers based on applying robust year-on-year “productivity” (“turnover efficiency”) growth rates to all existing and new retail floorspace.
203. It is important to restate that medium to long term forecasts should be treated with caution, as they will be influenced by the dynamic changes in economic, demographic and market trends. As described previously (see **Section 2**), the NPPF (paragraph 90) states that local planning authorities should meet the need for retail and town centre uses “**looking at least ten years ahead**”. The Planning

Practice Guidance also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments "**may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed**" (PPG. Paragraph 004. Reference ID: 2b-00402019072). Therefore, whilst this study assesses retail capacity up to 2045, greater weight should be placed by the local planning authority on forecasts over the next five to ten-year period.

204. The updated capacity forecasts set out in this section provide the Council with a broad indication of the (quantitative) need for new retail (comparison and convenience goods) floorspace in the LPA area and its main centres. In turn, this will inform whether there is a need to identify and allocate additional sites (over and above any already identified) to meet any forecast need, in accordance with the advice set out in the NPPF (paragraph 90).

KEY ASSUMPTIONS AND FORECASTS

205. The "baseline" capacity tabulations are set out in **Volume 2** for convenience and comparison goods. The capacity forecasts are based on the population growth projections from Experian, which are derived from the Office of National Statistics'

Base Year Population Projections

206. Appendices 2 and 6 set out the latest base year (2024) population and projections (to 2025, 2030, 2035, 2040 and 2045) sourced from the Experian's Location Analyst Geographic Information System for the Study Area. Experian's population projections show the Study Area population (Zones 1-9) is forecast to increase by +7.8% (+15,292 people) between 2024 and 2045.

Expenditure per Capita and Special Forms of Trading (SFT)

207. **Appendices 2 and 6** set out the growth forecasts for convenience goods and comparison goods retail expenditure for the wider Study Area and zones (note: total expenditure is derived by multiplying the population and average expenditure per capita levels together). The base year average expenditure figures have been derived from our in-house Experian GIS (note: all monetary and turnover values are expressed in 2022 prices). In identifying expenditure per capita, an allowance has been made for the market share of non-store retail sales (i.e., Special Forms of Trading) at the base year informed by the results of the household telephone interview survey. These SFT market shares have been "adjusted" to take account of goods sourced from traditional ("physical") retail space based on Experian's latest Retail Planner Briefing Note 21 (February 2024) (RPBN21). The adjusted baseline SFT market shares in 2024 are 27.4% for comparison goods and 2.9% for convenience goods and are forecast to increase to 33.4% and 4.1% respectively by 2045 based on the growth rates forecast by the RPBN21.

Average Expenditure Growth Forecasts

208. The growth in average expenditure per capita levels to 2045 has been informed by the forecasts set out in Experian's RPBN21 (as described in detail in **Section 3**). Experian's forecasts show a fall in convenience goods spend in 2024 (-0.5%), 1025 (-0.2%) and annual (per capita) growth over the medium to long term "flatlining" at around +0.1% up to 2040; this has then been applied to the period to 2045. For comparison goods and following the forecast fall in growth for 2024 of -1.2%, Experian predict that (per capita) growth in comparison goods spend will settle at around +2.8% per annum on average up to 2040; this rate of growth has been applied to the period to 2045.

Total Available Expenditure

209. For convenience goods retailing there is a forecast +8.1% (+£41m) growth in total available expenditure between 2024 and 2045 across the widely defined Study Area (Zones 1-9) (refer to **Table 3, Appendix 2**).
210. The forecast growth for comparison goods retailing is higher than for convenience goods. The forecasts show a +79.4% (+£421.2m) growth in total comparison goods expenditure by 2045 across the Study Area (refer to **Table 3, Appendix 6**).

Market Share Analysis (excluding SFT)

211. The capacity assessment is informed by the survey-derived market shares for all stores and centres across the widely defined study area. A key step in the economic capacity assessment involves allocating the baseline convenience and comparison expenditure (£ million) to the identified centres, stores and floorspace based on the market shares. This helps to establish the current trading performance of the main centres and stores within the Borough area and zones based on expenditure allocated from the study area only.
212. For the purpose of the retail capacity assessment, and in line with standard approaches, the market shares reported in **Section 4** have been recalibrated for both convenience goods (**Table 1, Appendix 4**) and comparison goods (**Table 1, Appendix 8**) to exclude SFT. The "baseline" (2024) turnovers are projected forward to 2025 (Table 2), 2030 (Table 3), 2035 (Table 4), 2040 (Table 5) and 2045 (Table 6) and assuming no changes in market shares (note: The "constant market share approach" is standard practice for strategic retail capacity assessments. This approach does not take account of the potential impact that new retail investment and development (both within and outside the LPA area) can have on existing shopping patterns, market shares and turnover performance over time). It should be noted that no allowance is made at this stage for any potential "inflow" (trade draw) of expenditure to centres and stores from outside the defined study area.

'Inflow' / Trade Draw

213. The assessment of the “inflow” (trade draw) from outside the widely defined Study Area are based on informed judgements that consider the relative:
- scale, quality and mix of retail provision across the centres in the Borough, based on the results of the healthchecks;
 - location of all other centres and stores in the Borough area, including out-of-centre shopping locations;
 - competition from centres, stores and shopping facilities outside the study area, as informed by the results of the survey-derived market share analysis;
 - the likely retail expenditure derived from people visiting the Borough’s shops and stores, but who live outside the study area (including tourist, visitor and commuter spend); and
 - the assumptions and judgements set out in previous evidence-based studies and retail assessments.
214. It is reasonable to assume that for comparison goods retailing that Hastings town centre and St. Leonards draws a higher proportion of their shoppers and trade from outside the defined study area due to their overall offer and tourist draw, than the smaller centres that generally serve the needs of their more local resident catchment populations.
215. Typically, the “inflow” of convenience goods expenditure to the main centres and stores from outside the wider study area is more limited than for comparison goods, as households generally carry out their main food shop at their more local and convenient stores, and do not normally travel longer distances for food purchases. Notwithstanding this, a reasonable allowance should be made for inflow associated with good accessibility and transport across the Borough and also to take account of commuters and visitors/tourists, particularly for those centres close to transport nodes.

Total Forecast Turnover

216. Based on the (survey-derived) market analysis and “inflow” assumptions, **Table 2 (Appendix 5)** sets out the overall convenience turnover estimates for the main centres and stores in the Borough and **Table 2 (Appendix 9)** details the comparison turnover estimates.
217. The table below summarises the 2024 (“base year”) total turnover estimates. It shows that Hastings Town Centre is forecast to achieve a total turnover of £178.9m in 2024, of which approximately 68% is accounted for by comparison goods sales. In relation to St. Leonards, the equivalent total is £22.9m with comparison goods accounting for some 77% of sales. Silverhill achieves a total turnover of £29.2m and unlike the previous two centres it is primarily convenience led – some 68% of sales. Local centres also show a high level of sales with convenience goods accounting for some 95% of this total. This pattern is also seen in the out-of-centre provision that has the highest total turnover £251.7m of which convenience goods accounts for 69% of this total.

Table 10: Forecast Base Year (2024) Turnover of Centres/Stores (£m)

HASTINGS BOROUGH COUNCIL AREA	Convenience Goods	Comparison Goods	Total Turnover
Town Centre: Hastings	£57.5	£121.4	£178.9
District Centre: St Leonards	£5.3	£17.7	£22.9
District Centre: Silverhill	£20.0	£9.2	£29.2
District Centre: Old Town	£0.1	£1.9	£2.0
All Local Centres / All Other Shops	£16.2	£0.9	£17.1
All Out-of-Centre Locations	£174.1	£77.6	£251.7
Total HBC Area	£273.2	£228.7	£501.9

Floorspace Productivity

218. A key input to the retail capacity assessment is the application of a year-on-year floorspace “productivity” growth rate to all existing and new retail floorspace. As described in **Section 3**, existing retailers will need to achieve higher annual “productivity” growth rates to cover their increasing costs (including, for example, rising rents, business rates and wages), in order to remain profitable and viable over the short, medium and long term. This is particularly the case as the competition from online retailing increases; a trend that has been significantly accelerated by the impact of the pandemic.
219. For all existing and new retail floorspace we have tested annual average “productivity” growth rates informed by Experian’s latest Retail Planning Briefing Note (RPBN21). These are described in more detail in **Section 3**. For convenience goods a “productivity” growth rate of -0.6% for 2024, -0.2% for 2025, +0.2% for 2026-30 and +0.3% for 2030 onwards. For comparison goods the annual productivity growth rates are -2.7% for 2024, +1.5% for 2025, +2.8% from 2026 onwards.

Retail Commitments

220. The next step in the retail capacity assessment takes account of all the major retail (convenience/ comparison) floorspace commitments and planned development at the time of preparing this study. The assessment of pipeline floorspace and the predicted turnover of this new floorspace. All planned and pipeline floorspace commitments have been provided by the Council.
221. **Appendix 5** sets out the convenience goods floorspace commitments that totals up to 1,075 sqm net comprising of the following:
- Planning Reference **HS/FA/21/00003** - Ashdown House, Sedlescombe Road North, St Leonards-on-sea, TN37 7PB. Erection of a total of 151 no. dwellings (C3) and a 188 sqm community centre (Use Class F2(b)) accessed from Harrow Lane, together with a 1,918 sqm food retail store (Use Class E(a)) accessed from Sedlescombe Road North, and associated car parking, landscaping and servicing areas following demolition of the existing buildings (amended description). Aldi application, as per planning and retail statement Gross Area of 1,918sqm; netted down to a net sales area of 1,343sqm net (using a gross to net ratio of 70%) of which 1,075 sqm net (80%) is for convenience goods and 268 sqm net (20%) is for comparison goods.

222. **Appendix 9** also sets out the comparison floorspace commitments that total up to some 1,012 sqm net. These include:

- Planning Reference **HS/FA/20/00320 & HS/FA/23/00706** - Former Observer building, 53 Cambridge Road, TN34 1HZ. Proposed change of use, two-storey replacement roof extension and full refurbishment of existing building. To provide a mixed-use redevelopment comprising retail (Class A1, A3, A4), office space (Class B1) a microbrewery (Class B2), 15 residential units (Class C3), event and gym space (Class D2) and ancillary shared and management accommodation, with associated access, external alterations, landscaping, plant, cycle storage and other associated works. Council figures and accompanying Design & Access Statement provides up to 332.4sqm net for former A1 and A3 uses. It is assumed that 75% of this space (i.e., 249 sqm net) is for retail and for comparison goods only.
- Planning Reference **HS/FA/21/00003** – Ashdown House, Sedlescombe Road North, St Leonards-on-sea, TN37 7PB (described previously).
- Planning Reference **HS/FA/19/00571** - Congregational Church, London Road, St Leonards-on-Sea. Change of use to retail outlets (A1) and cafe (A3). Council figures provide a floorspace of some 943 sqm gross. This has been netted down to 660sqm net using a gross to net ratio of 70%. Of this floorspace it is assumed that 75% (495sqm net) is for comparison goods retail and the remainder for other E class uses e.g., cafe.

RETAIL CAPACITY FORECASTS

223. The following sets out the convenience and comparison goods capacity forecasts for the main centres and stores over the forecast period, up to 2045. Whilst the forecasts are provided to 2045, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by “*looking at least ten years ahead*”. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments “*...may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*”

224. The detailed capacity tabulations for convenience and comparison goods are set out in **Appendices 5 and 9**. The capacity findings show the following:

Table 11: Retail Floorspace Capacity Forecasts (sqm net)

HASTINGS BOROUGH COUNCIL AREA	Convenience Goods				Comparison Goods			
	2030	2035	2040	2045	2030	2035	2040	2045
Town Centre: Hastings	35	60	87	134	-270	-338	-200	188
District Centre: St Leonards	3	5	8	12	-15	-25	-5	51
District Centre: Silverhill	12	21	30	47	-8	-13	-3	27
District Centre: Old Town	0	0	0	0	-2	-3	-1	6
All Local Centres / All Other Shops	10	17	24	38	-1	-1	-0	3
All Out-of-Centre Locations	-968	-894	-813	-670	-575	-618	-530	-283
Total HBC Area	-908	-791	-664	-439	-871	-998	-739	-9

Source: CREAT^e Retail Capacity Model (Appendix 5 and 9, Volume 2)

225. **Convenience Goods Capacity** - There is no identified capacity for new convenience goods retail floorspace over the broad 10-year period to 2035. Forecasts at the centre level should be treated as indicative but suggest that there is very modest capacity by 2035. This potential “need” should be treated with caution as it is likely that this could be accommodated within the existing stock of space, either through the reoccupation of vacant space or changes in the offer provided in existing units which would not require planning permission.
226. **Comparison Goods Capacity** - As with convenience goods, there is no identified capacity for new comparison goods retail floorspace over the broad 10-year period to 2035.
227. It should also be noted that these forecasts make no allowance for existing retail units that are currently vacant.

SUMMARY

228. To reiterate, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by “*looking at least ten years ahead*”. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments “...*may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*” Therefore, whilst greater weight should be placed on forecasts over the next five to ten-year period, we have also assessed the potential capacity for new retail floorspace over the lifetime of the plan, up to 2045 to help inform both Council’s longer-term plan-making and strategies.
229. As shown, the forecasts indicate that there is no immediate global capacity for both convenience and comparison goods to 2035.
230. A robust policy approach should therefore be adopted, especially development management policies in accordance with the NPPF (paragraphs 90 - 95), to enable the assessment and determination of future proposals that are not in a centre and not in accordance with an up-to-date development plan. It particularly emphasises the importance of the sequential test and having robust locally set impact thresholds, in compliance with the NPPF and NPPG, to ensure that edge and/or out-of-centre proposals do not result in any significant adverse impacts on existing centres.

8. COMMERCIAL LEISURE NEEDS ASSESSMENT

231. This section focuses on the potential need for new leisure uses and facilities in the Council area over the period to 2045.
232. This assessment necessarily focuses on the main leisure, entertainment and cultural uses identified by the NPPF (Annex 2). These uses are widely accepted as making a significant contribution to the overall vitality and viability of town centres and should be located in town centres first in accordance with national and local plan policy objectives.
233. This assessment focuses on the main leisure, entertainment and cultural uses identified as town centre uses in the NPPF (Annex 2), namely:
- “...leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); ... and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).” (NPPF, Annex 2)*
234. The Government’s 2020 reform of the Use Classes Order classified the main food and beverage, commercial leisure and cultural uses as follows:

Table 12: 2020 Use Classes Order Update

Original Use Class	Revised Use Class:	Use:	Description:
Class A3	Class E (b)	Restaurants and cafés:	Defined as selling food and drink for consumption on the premises.
Class A4	Sui Generis	Drinking establishments:	Includes public houses, wine bars or other drinking establishments (but not night clubs), and drinking establishments with expanded food provision
Class A5	Sui Generis	Hot food takeaways:	Defined as the sale of hot food for consumption off the premises.
Class D1	Class F.1	Non-residential institutions:	Includes art galleries (other than for sale or hire) and museums.
Class D2	Sui Generis	Leisure/Recreation (indoor/outdoor)	Cinemas, music and concert halls, bingo and dance halls
Class D2	Class E (d)	Leisure/Recreation (indoor/outdoor)	Gymnasiums or area for indoor recreations.
Class D2	Class F.2	Leisure/Recreation (indoor/outdoor)	Indoor or outdoor swimming baths, skating rinks and outdoor sports/recreations.
Sui Generis	Sui Generis	A use on its own	Theatres, nightclubs, casinos

Source: Town and Country Planning (Use Classes) Order 1987 (as amended) and Revised Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (SI 2020 No.757).

235. It is important to understand at the outset that forecasting the need for new leisure uses is more problematic than for retailing, as the sector is highly complex and dynamic. For example, the demand for existing and new leisure uses and facilities is particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently, the methods developed to forecast the need for new leisure uses are necessarily more flexible, qualitative and high level. In this context LSH

has developed robust and transparent approaches to assess leisure needs based on the following key inter-related workstreams:

- A review of the key trends driving expenditure growth and market demand in the leisure sector over the last decade.
- An audit of existing leisure provision to help identify any significant “gaps” in provision.
- A review of current leisure participation rates and preferences across the study area based on the results of the household survey.
- The application of a robust economic/quantitative need assessment for some leisure groups based on accepted approaches.

236. This section provides a summary of the key leisure trends, current provision and participation to help identify the potential (quantitative and qualitative) need for new uses and facilities over the plan period. As for the retail capacity assessment all leisure need forecasts should be treated with caution as they are subject to dynamic market and lifestyle trends and changes in the market demand and investment preferences of leisure operators.

COMMERCIAL LEISURE TRENDS

237. Following a dramatic -35.4% fall in leisure spend per head in 2020, Experian forecasts showed a return to growth in 2021 (+28.6%) but a drop to -1.3% in 2023 and -0.3% in 2024. Thereafter there is nominal forecast growth of +0.6% in 2025 with growth averaging between 0.8% and 1.1% over the long term to 2040 and beyond. These expenditure growth trends, and forecasts, have informed the updated leisure needs assessment. Any further dampening of growth rates over the short to medium term will have implications for the viability of existing leisure businesses and the demand for new space.
238. The demand for leisure is currently dependent on broader economic conditions and prevailing consumer confidence. The key issues for commercial leisure provision in the post pandemic world encompasses a number of factors, particularly:
- macro-economic and resulting consumer sentiment (e.g., income growth, rising cost inflation, cost of living crisis);
 - the rise in home working and benefiting local locations and businesses;
 - changing consumer tastes and preferences (e.g. younger generation drinking less alcohol; prioritising experiences and prioritising spend)
 - rise of home delivery; and
 - the increase in the use of open spaces and pursuits; for example, the number of drive-in cinemas across the U.K. grew from three to 40 during the pandemic (Source: “U.K. Drive-Ins Boom in Pandemic Era With 40 New Cinemas”; Variety Magazine 21/07/2020).
239. Continuing uncertainty over inflation, future regulation and staffing levels is said to be causing a “crisis of confidence” among business owners, which has fallen to a lower level than at any point during the pandemic. The vulnerability of the sector

due to soaring energy costs, crippling rises in the cost of goods and dampening consumer confidence is likely to affect the sector over the next few years further.

HASTINGS EVENING ECONOMY

240. Hastings offers a diverse evening and night time economy in the context of its:

- **Historic Character:** Old Town provides a unique and atmospheric backdrop for the evening and night time with cobbled streets, traditional pubs and rich architectural history. Old Town hosts events such as the annual Jack in the Green festival, and the Hastings Seafood and Wine Festival. Outside the Old Town centre boundary is the Stade Open Space which is an outdoor event area hosting food festivals, art exhibitions and community events.
- **Diverse Offerings:** From traditional pubs to modern bars, nightclubs, and live music venues, the Borough offers a wide range of options catering for diverse tastes. For example, in St. Leonards there are independent restaurants, cafés, and pubs offering cuisine ranging from traditional British fare to international cuisine such as Mediterranean, Middle Eastern, and Asian. The provision emphasises the use of locally sourced ingredients, tapping into the broader 'foodie culture' of the town
- **Coastal 'Vibe':** The Borough's seaside location contributes to a vibrant atmosphere especially in the summer months. For example, the seaside restaurants in St. Leonards contribute to a dynamic dining experience especially during the summer evenings.
- **Local Focus:** Hastings' music history features local bands, artists, and businesses. Live music performances are at various venues, from pubs to larger music halls. This is witnessed through the thriving local music festivals such as: International Piano Festival; Hasting Reggae Festival; UK Garage by the Sea; Café Mumbo Ibiza on the Pier Festival; Hidden Beach Hastings Music (and wellness) Festival; Hastings Fat Tuesday Music Festival.
- **Arts and Culture:** There are performances at local theatres, cinemas (Odeon, Electric Palace), and art galleries. Notable venues also include the White Rock Theatre and St Mary in the Castle (closed at present), Hastings Museum and Art Gallery, Hastings Castle & 1066 Experience and the Hastings Contemporary Art Gallery. As a further example, St Leonards has a thriving arts community, which plays a significant role in its evening economy. Galleries, artist studios, and pop-up art events are a regular recurrence. The Kino-Teatr, for instance, combines an art gallery, cinema, and bar under one roof, offering film screenings, live performances, and art exhibitions. The town centre's creative and culture activities extend into the evening, with art events, small performances, and cultural gatherings, which help to foster a unique evening economy.

241. Overall, the Hastings evening and night time economy provides a diverse mix of activities for both locals and visitors alike.

LEISURE EXPENDITURE GROWTH

242. The leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the sector has been significantly impacted by the pandemic, the fact is that leisure and entertainment activities remain an important lifestyle and entertainment choice for many consumers over other areas of spending.
243. Average spend on leisure services is dominated by Food and Beverage (“F&B”), which includes cafés, restaurants and bars. F&B accounts for approximately 53.7% of all average spend per capita on leisure services in the Study Area (Zones 1-9).

Table 13: Estimates of Expenditure per Capita on Leisure Services (2024)

Zone	Accommodation	Cultural services	Games of chance	Hairdressing salons & personal grooming	Recreational & sporting services	Restaurants, cafes, etc.	Total
Zone 1	£273	£411	£157	£123	£223	£1,635	£2,823
Zone 2	£338	£443	£174	£114	£258	£1,580	£2,907
Zone 3	£429	£538	£214	£99	£333	£1,743	£3,356
Zone 4	£404	£515	£210	£108	£323	£1,666	£3,226
Zone 5	£377	£508	£206	£113	£311	£1,565	£3,079
Zone 6	£369	£485	£201	£111	£303	£1,542	£3,011
Zone 7	£261	£403	£151	£92	£218	£1,601	£2,727
Zone 8	£257	£401	£152	£91	£218	£1,594	£2,712
Zone 9	£321	£454	£185	£99	£279	£1,309	£2,647
Study Area Average (£)	£336	£462	£183	£106	£274	£1,582	£2,943
(% of Total)	11.4%	15.7%	6.2%	3.6%	9.3%	53.7%	100.0%

LEISURE EXPENDITURE FORECASTS

244. The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in Retail Planner Briefing Note 21 (February 2024).

Table 14: Actual and Forecast Growth in UK Leisure Spend (% per annum)

	2018	2019	2020	2021	2022	2023	2024	2025	2026-30	2031-40
Leisure Spend Growth (%)	-0.9%	0.1%	-35.4%	28.6%	21.3%	-1.3%	-0.3%	0.6%	1.1%	0.8%

245. The base year expenditure per capita levels for leisure have been projected forward to 2045 using Experian’s forecast annual growth rates above, and then applied to the projected population for each Study Zone to identify the total available expenditure on leisure and recreation goods and services.
246. This results in total available leisure expenditure in 2024 of £560.5m in the Study Area (see table below).

Table 15: Study Area: Total Forecast Growth in Commercial Leisure Expenditure: 2024 – 2045 (£m)

Zone	2024	2030	2035	2040	2045	Change: 2024-2045	Change: 2024-2045
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(%)
Zone 1	52.9	58.1	61.9	65.8	70.1	17.2	32.5%
Zone 2	93.4	102.6	109.4	115.7	122.9	29.5	31.6%
Zone 3	30.6	34.1	36.7	39.6	42.7	12.1	39.7%
Zone 4	44.3	49.4	53.0	57.1	61.6	17.2	38.9%
Zone 5	52.7	58.1	61.8	65.5	69.7	17.0	32.2%
Zone 6	22.7	24.9	26.4	27.9	29.6	6.9	30.4%
Zone 7	168.1	179.8	188.3	197.5	207.1	39.0	23.2%
Zone 8	79.4	85.0	89.5	94.3	99.4	20.0	25.2%
Zone 9	16.3	18.0	19.3	20.7	22.2	5.9	36.0%
Study Area (Zones 1-9) (£)	560.5	610.0	646.3	684.0	725.3	164.8	29.4%

247. Applying the most recent year-on-year leisure spend growth rates sourced from Experian Business Strategies to the population projections results in an increase in total available commercial leisure expenditure across the defined Study Area (Zones 1-9) of +29.4% (+£164.8m) by 2045.
248. The table below breaks down the growth in leisure expenditure by category. It shows that F&B expenditure between 2024 and 2045 in the study area (Zones 1-9) is forecast to increase by +£90.9m (accounting for 56% of the total) followed by cultural services (15%).

Table 16: Study Area: Total Forecast Growth in Commercial Leisure Expenditure: 2024 – 2045 (£m)

	Study Area: Total Available Leisure Spend (£m)					Change: 2024-2045	Change: 2024-2045
	2024	2030	2035	2040	2045	(£m)	(%)
Accommodation	£60.2	£65.7	£69.6	£73.8	£78.3	£18.1	30.0%
Cultural services	£85.7	£93.3	£98.9	£104.6	£111.0	£25.3	29.6%
Games of chance	£33.3	£36.2	£38.4	£40.7	£43.2	£9.9	29.7%
Hairdressing salons & personal grooming	£20.1	£21.9	£23.2	£24.6	£26.0	£5.9	29.5%
Recreational & sporting services	£49.1	£53.5	£56.8	£60.1	£63.8	£14.7	29.9%
Restaurants, cafes, etc.	£312.1	£339.4	£359.4	£380.2	£403.0	£90.9	29.1%
Total	560.5	610.0	646.3	684.0	725.3	£164.8	29.4%

249. Against this background of significant forecast leisure expenditure growth over the plan period, the following assessment identifies the potential quantitative and qualitative need for new commercial leisure uses in the centres across the Borough.

EATING AND DRINKING OUT

250. The food and beverage (F&B) sector includes restaurants, cafés, bars and pubs (former Class A3-A5). These uses are an integral to a town centre's wider offer and economy. A good choice and quality of F&B uses can help to complement other town centre uses, by generating trips, stretching "dwell times" (i.e., the time people spend in centres), increasing "linked" expenditure to other shops and businesses as part of the same trip, and strengthening both daytime and evening economies.
251. As identified previously, the F&B sector dominates average household expenditure and participation in leisure across the Study Area. Spend on F&B is also forecast to experience the greatest growth over the period to 2045. In theory, this expenditure growth should support the potential to enhance the scale, quality and choice of F&B uses across the Borough area. In reality though, this growth will be determined by current and future trends in the sector and market demand.
252. Research shows that the multiple chains mainly dominated the expansion of the F&B sector up to 2017 when they accounted for almost half of all net new business openings. However, since 2017 a number of multiples in the casual dining sector have struggled against a backdrop of increased competition, rising costs and a tightening of consumer spending due to wider Brexit and economic concerns. The reality is that too many F&B operators expanded too quickly into increasingly marginal locations, funded by private equity, and the market became saturated and unsustainable. However within the context of Hastings, the growth of multiple chains has been less and has been dominated by independent local operators. The growth in the availability, convenience and speed of home deliveries driven by innovative technology and apps represents a further significant challenge to more traditional F&B operators. In the Hastings context, many traditional food and beverage operators have adopted a hybrid model where they offer both in house dining and platform based home delivery on a borough wide basis.
253. These new challenges and pressures have resulted in a radical restructuring of businesses across the sector, resulting in the rationalisation of physical space. It is likely that there will be an increase in business failures and closures during 2024/25 as the impact of the pandemic, cost of living and energy costs on sales, profit margins and rising debts deepens. Experts predict that this further "shakeout" in the sector will leave the proactively managed multiple and independent businesses that have strong brand loyalty and/or a clear differentiated offer as the main "winners".
254. F&B operators, like retailers, will also need to understand and cater for the needs of the changing demographic and consumer market to remain relevant and viable. For example, Millennials (under 35s) make-up almost one-quarter of the UK population and research shows that they spend a substantial 13% of their disposable incomes on eating and drinking out. By 2025 it is estimated that Millennials will make up over 80% of all parents in the UK, meaning that restaurants, pubs and cafés will also need to evolve and adapt to cater for the

changing needs of new “Millennial families”. This could be driven for example, by increasing emphasis on convenience, affordability, entertainment, uniqueness and the use of technology and apps.

255. Restaurant operators will therefore, as a minimum, need to make sure that they are easy to reach online and on social media with up-to-date menus and strong images, and adapt the latest technologies to drive online booking.
256. The popularity of street food, market halls and “meanwhile”/ “pop-up” restaurants and bars is largely driven by Millennials and subsequently demographic cohorts from 1997 onwards. These more informal drinking and eating venues fulfil their desire to experiment and explore distinctive styles of drink, food and new cuisines in exciting new and more informal environments. Trialling a “pop-up” site also represents an opportunity to test a new concept, gain a following, fine-tune details and secure investment before making a long-term commitment. The pop-up concept is also attractive to landlords and property companies who are increasingly nervous about signing long leases following numerous high profile restaurant closures.
257. The household survey identified where people living in the Study Area currently chose to eat and drink (see below). This shows that across the Study Area (Zones 1-9), venues across the Borough are attaining a market share of between 37.1% (Cafes and Restaurants) and 40.7% (Bars, Pubs, Nightclubs). The dominant location is Hastings Town Centre. In terms of competing centres, the dominant centre is Bexhill-on-Sea followed by Rye, Battle and to a lesser extent Eastbourne.

Table 17: Market Shares for Eating Out Locations (%)

	Cafes & Restaurants	Bars, Pubs, Nightclubs
TOWN CENTRE: HASTINGS	30.4%	30.9%
DISTRICT CENTRE: ST LEONARDS	5.6%	7.0%
DISTRICT CENTRE: SILVERHILL	0.0%	0.9%
ALL LOCAL CENTRES	0.8%	1.5%
All other locations in the HBC Area	0.3%	0.4%
Sub-Total	37.1%	40.7%
Bexhill-on-Sea	22.0%	18.8%
Brighton	0.2%	1.3%
Battle	8.8%	6.5%
Central London / West End	0.7%	0.4%
Eastbourne	3.1%	1.3%
Rye	12.4%	8.9%
Royal Tunbridge Wells	1.3%	0.6%
All other locations	14.4%	21.5%
Sub-Total	62.9%	59.3%
TOTAL	100.0%	100.0%

258. Drawing on these market shares and retention levels, it is possible to carry out a high-level assessment of the potential need for new food and beverage uses over the plan period using a robust approach developed by LSH. This involves applying the F&B retention level of 37.1% to the available F&B spend in the Borough area of £312.1m in 2024 (see table below). This results in a “retained” F&B expenditure (or “turnover”) of £115.8m in 2024 which is forecast to increase to £149.6m by 2045.

Table 18: Total Leisure Spend Across Study Area (£m): 2025 – 2045

Study Area (Zones 1-9)	2024	2030	2035	2040	2045
Available Spend on F&B:	£312.1	£339.4	£359.4	£380.2	£403.0
Participation Levels (%)	37.1%	37.1%	37.1%	37.1%	37.1%
Market Share (£m)	£115.8	£125.9	£133.4	£141.1	£149.6
Benchmark Turnover (£m)	£115.8	£130.4	£144.0	£159.0	£175.5
Net Residual F&B Spend Capacity	£0.0	-£4.5	-£10.6	-£17.9	-£26.0

259. Using a similar approach as for the assessment of retail capacity, we have applied a robust year-on-year “productivity” (sale “efficiency”) growth rate of +2% to the retained turnover of £115.8m in 2024 to allow for existing businesses to cover their reasonable costs over time to remain viable. This results in a theoretical negative or simply no net residual expenditure capacity up to 2045.
260. As detailed previously this is a sector that has been hit hard prior to, and even more so, during the pandemic and the prevailing macro-economic position will also influence discretionary leisure spending. The sector was effectively shut down and carried high overheads. On this basis, it can be reasonably assumed that a proportion of any growth is likely to be absorbed by existing businesses to cover the debt incurred during the pandemic and thereafter the rising operational / occupancy costs and compounding inflation.
261. It should be emphasised that the growth to sustain new cafés, restaurants and bars will be very much subject to market demand. Focusing new uses in the main town centres will help increase competition and consumer choice, and to underpin both daytime and evening economies. Any market demand from operators is likely to be satisfied by the take-up of suitable vacant units in existing centres, the repurposing of floorspace and/or as part of mixed-use developments.

CINEMAS

262. The UK cinema sector has evolved dramatically since the 1990s when it was largely dominated by a handful of national multiples. Today the sectors offer ranges from larger multiplexes (any cinema with five screens or more, though

some of the largest multiplex sites have as many as 12 or 16 screens), to smaller independent operators and “pop up” venues.

263. Although year-on-year admissions and box-office takings are notoriously volatile - driven by the appeal of individual films and Hollywood ‘blockbusters’ - the long-term trend since the mid-1980s has been upward and has principally been driven by the development of new cinemas. The growth in the cinema sector over the last 10-20 years is even more impressive when one considers that this has occurred against the increase in new and sophisticated in-home entertainment, driven by innovative technology, choice and flexibility (including online streaming platforms , for example, Sky, Netflix and Amazon Prime, Apple TV and Disney+ platforms).
264. There has also been a growth in smaller (Digital) cinemas serving smaller catchment areas. These Digital cinemas are more flexible and less “space-hungry,” as they do not require large auditoriums. There are therefore opportunities to provide a modern cinema offer in existing (repurposed) buildings and shopping centres, or as part of a mixed use offering. Other trends in the sector include the growth of “pop-up” cinemas. Although there appears to be no dependable or recent data on the UK “pop-up” cinema market.
265. The pandemic hit the cinema industry hard, particularly for the major chains. As previously mentioned, smaller nimble operators have found novel ways to show films. A temporary or mobile cinema (referred to as a pop-up cinema) such as drive-in cinemas and UK’s smaller independent chains, Curzon, Picture House (which is owned by Cineworld) and Everyman fared much better during the pandemic. They showed a more diverse selection of films, and with high-quality food offering, fully stocked bars and high-end seating, attracting more visitors during periods in which restrictions have eased.
266. The future growth in the sector is dependent on the levels of available discretionary spending. Cinema trips will remain a significant and popular leisure activity for all age groups. Notwithstanding this, the competition from home entertainment and alternative at-home film channels will intensify and cinema operators will have to keep updating and adapting their offer to respond to consumer needs.
267. The provision within the Borough comprises of 7 screens as follows (Odeon, Queens Road – 4 screens; Electric Palace – 1 screen; The Sussex Exchange – 1 screen (note: closed during completion of this report) and Kino-Teatr, Norman Road – 1 Screen).
268. The table below shows the most popular cinemas in the Borough and wider Study Area (Zones 1 – 9) based on the household survey market shares

Table 19: Popular Cinema Venues Based on Survey-derived Market Shares(%)

Venues	Study Area (Zones 1-9)	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
Odeon, Queens Road, Hastings	20.2%	14.9%	9.4%	0.0%	7.4%	2.6%	39.7%	33.7%	32.0%	0.0%
Electric Palace, Hastings	2.3%	1.1%	0.0%	0.0%	0.0%	0.0%	5.2%	5.0%	3.2%	0.0%
Hastings Town Centre- Not Named	11.7%	26.1%	10.3%	0.0%	4.3%	0.0%	0.0%	12.8%	21.4%	0.0%
The Sussex Exchange, St Leonards-on-Sea	4.0%	1.1%	3.5%	0.0%	0.0%	0.0%	6.6%	4.1%	11.6%	0.0%
Kino-Teatr, Norman Road, St Leonards-on-Sea	2.0%	0.0%	3.5%	0.0%	0.0%	0.8%	0.0%	2.9%	3.0%	0.0%
St. Leonards- Not Named	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.0%	0.0%
HASTINGS BC AREA	40.8%	43.2%	26.8%	0.0%	11.7%	3.4%	51.5%	58.6%	75.1%	0.0%
Venues Outside Hastings BC Area										
De La Warr Pavilion, Bexhill-on-Sea	1.5%	3.4%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sidley District Centre, Bexhill-on-Sea	1.0%	3.4%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Little Common District Centre, Bexhill-on-Sea	0.9%	3.4%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bexhill-on-Sea Town Centre	0.5%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Battle	0.2%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Ashford	2.8%	0.0%	4.2%	0.0%	0.0%	5.1%	0.0%	0.0%	0.0%	56.5%
Brighton	1.2%	6.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	0.0%
Eastbourne	19.1%	31.4%	48.3%	10.9%	13.4%	2.6%	1.6%	16.6%	12.9%	0.0%
Rye	25.8%	0.0%	4.2%	50.5%	43.1%	88.8%	45.3%	21.6%	5.6%	21.0%
Royal Tunbridge Wells	3.1%	0.0%	0.0%	34.6%	21.1%	0.0%	1.6%	0.0%	0.0%	0.0%
All Other Locations	3.2%	3.2%	1.2%	4.0%	8.0%	0.0%	0.0%	3.1%	3.2%	22.5%
Sub-Total	59.2%	56.8%	73.2%	100.0%	88.3%	96.6%	48.5%	41.4%	24.9%	100.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

269. In summary, the key headlines are as follows:

- Venues in the Borough area are collectively achieving a market share of 40.8% from the wider Study Area. This market share is dominated by the Odeon, Queens Road (20.3%). It can also be inferred that a portion of those respondents that stated Hastings Town Centre, were referring to the Odeon.
- The main competition is from venues in Rye (25.8%) and Eastbourne (19.1%). In terms of individual competing cinema venues, Kino Rye, Lion Street, Rye attains a 16.9% market share and the Cineworld, The Beacon, Eastbourne some 16.8%.

270. The high-level assessment of the potential need for new commercial cinema provision in the Borough area is based on standard approaches that draw on published national and regional “screen density” averages (i.e., the number of screens per 100,000 population). According to the latest available research (from Dodona Research, Office for National Statistics (ONS) and British Film Institute (BFI), the current UK average is 6.9 screens per 100,000 people, which represents an increase from 6.1 screens in 2014. The equivalent average figure for the South East region is lower, at 6.5 screens per 100,000 people.

271. The table below shows the potential quantitative need for additional cinema screens to 2045 based on the population projections previously described.

Table 20: Potential Capacity for New Cinema Screens

	2024	2030	2035	2040	2045
Potential Cinema Catchment Population (Zones 1-9)	79,708	81,576	83,019	84,386	85,944
Cinema Screen Density (screens per 100,000 persons) based on average for South East Region	6.5	6.5	6.5	6.5	6.5
Cinema Screen Potential	5	5	5	5	6
Existing: Screen Numbers	7	7	7	7	7
Proposed: Screen Numbers	0	0	0	0	0
Net Screen Potential	-2	-2	-2	-2	-1

272. The key steps in the assessment of cinema capacity involve applying the market share (“retention level”) for cinema trips (40.8%) to the total population at the base year (some 195,478 persons). This produces the total “cinema-going population” (some 79,708 persons). Applying the average screen density of 6.5 to this population, the forecasts show that there is no capacity for new cinema screens based on existing provision.
273. In summary, there does not appear to be any significant capacity or demand for new cinema provision in the Borough area. Any market interest and demand from cinema operators seeking representation in the area should be directed to the town centres first, to further help diversity daytime and evening economies. This also does not preclude any improvements to the existing offer (e.g. through regeneration or replacement).

HEALTH AND FITNESS FACILITIES

274. The health and fitness (H&F) sector as a whole was badly hit by the pandemic, with lockdowns forcing the closure of facilities. It is undeniable that the pandemic reinforced the need for outdoor activity particularly to support mental health and wellbeing. Furthermore, alternative means of exercise increased during the series of lockdowns in 2020 and 2021, including at-home workouts, digital workouts, outdoor exercise and classes, and the purchase of home gym equipment. Whilst this was an accelerated reaction to the pandemic, the long-term impact on the sector and gym memberships remains unclear.
275. The growth of the budget gym operators has also “squeezed” the memberships and viability of some of the established mid-market chains, such as LA Fitness and Fitness First as well as not-for-profit models, such as Freedom Leisure who operate the NFP fitness facilities in the borough. This has resulted in the increasing polarisation of the gym sector between the budget operators at the value end of the spectrum, and the more exclusive health and fitness centres at the higher, more expensive end. As a result, analysts predict that those mid-market gym operators that are neither very cheap, nor particularly exclusive will struggle to maintain market share in the competitive marketplace unless they revise their business models.
276. In terms of fitness/health activity participation rates H&F facilities in the Borough area:
- Facilities are achieving a relatively good market share within the widely defined Study Area of 42.4%. Of this total, named venues with significant

market shares include Bannatyne Health Club & Spa, Battle Road (10.5%) and Summerfields Leisure Centre, Bohemia Road (9.5%)

- “Leakage” to other H&F facilities is primarily to Rother District and principally venues in Bexhill-on-Sea; followed to a lesser extent by venues in Rye and further afield to Eastbourne.

Table 21: Study Area: Health and Fitness Market Share

CENTRE / VENUE	Study Area (Zones 1-9)
	%
Hastings Town Centre	10.7%
St Leonards-on-Sea Town Centre	2.8%
All Other Venues in Hastings BC Area	0.0%
Bannatyne Health Club & Spa, Battle Road, Hastings	10.5%
Summerfields Leisure Centre, Bohemia Road, Hastings (excluding Falaise)	9.5%
Helenswood Sports Centre, The Ridge, Hastings	1.9%
All Others	6.8%
HASTINGS BC AREA	42.4%
Outside Hastings BC Area	
Bexhill-on-Sea: Town Centre	4.0%
Bexhill-on-Sea: Bexhill Leisure Centre, Down Road, Bexhill	14.6%
Bexhill-on-Sea: Bexhill Leisure Pool, Ravenside Retail Park	6.9%
Bexhill-on-Sea: All Other Venues	4.3%
Battle Town Centre	1.2%
Battle: Crowhurst Park Leisure Club, Crowhurst Caravan Park	2.8%
Ashford	0.7%
Eastbourne	6.4%
Rye Town Centre	5.7%
Rye: Other Venues	2.9%
Royal Tunbridge Wells	1.2%
All Other Locations	7.1%
Sub-Total All Other Locations	57.6%
TOTAL	100.0%

Note: As at December 2024 Helenswood Sports Centre is no longer publicly accessible

277. In terms of the need for new health club/gym facilities, the population growth projected for the study area (Zones 1-9) is +8,119 by 2035 and +15,292 by 2045. By applying the survey-derived area participation rate for H&F activities of 42.4% within the study area results in the potential for new gym/H&F members. It is 3,440 by 2035 rising to 6,479 by 2045.
278. Based on average membership levels for key premium gym operators (average 2,900 members per club) or a budget gym (average 3,450 members), the population projection increases will support one additional premium or budget gyms by 2035 but, potentially up to two premium or budget gym by 2045.

279. As with other commercial leisure sectors, the take-up of any forecast need based on population growth will be dependent on market interest and the demand from gym operators for representation.
280. Translating demand for new gyms to actual floorspace will also depend on the type of gym. For example, smaller boutique and specialist independent gyms generally require smaller units of between 300-700 sqm, and budget operators generally have requirements for unit sizes of up to circa 3,700 sqm (Anytime fitness is an example of a smaller independent gym, with a floorspace requirement generally ranging from 350sqm to 650 sqm. Budget operators Pure Gym and The Gym have requirements for up to 1,850 sqm; and NRG is acquiring units of up to 3,700sqm). Enhancement of existing facilities and promotion of the provision of new gym and fitness facilities is recommended within town centres to help maintain and enhance their overall diversity and attraction, and/or focussed on transport hubs. Town centre locations also represent the most sustainable and accessible locations for the majority of the population. Meeting needs over the plan period will also have to take account of the changes in the local demographic profile and lifestyle trends. For example, facilities, clubs and classes will need to cater for a wide range of demographics.

GAMBLING VENUES

281. Gambling represents a significant component of the leisure industry. The main sectors comprise 'games of chance' (namely bingo clubs, casinos, betting shops and amusement arcades). The latest research from the Gambling Commission Industry Statistics (published February 2024) indicates that the gambling industry in Great Britain generated a Total Gross Gambling Yield (GGY) for the year end to March 2023 of £15.1bn. This represented a +6.8% increase from the previous year. Remote (online) gambling accounted for £6.5bn of total GGY.
282. The following assesses the main trends in this sector, current provision and the potential need/demand for new uses and facilities.
- **Bingo Halls** - in response to falling admissions bingo operators are increasingly taking advantage of the online market and embracing smart-phone technology through new 'app' development. This forms part of a wider trend and has fuelled the growth in 'remote/online' gambling (which includes gambling activities through the internet, telephone, radio, etc.). Bingo operators are also increasingly looking to diversify their customer profile, and are marketing their clubs at a younger, predominantly female audience. As a result, there has been an increase in the number of younger and more affluent bingo players over recent years, particularly as deregulation has enabled clubs to offer bigger (national) prizes. At the opposite end of the scale, research shows that 55-64 age group has generated the biggest growth in online gambling as more mature bingo players' switch to online bingo sites, as they grow in confidence with the modern technology. These trends have resulted in the closure of many bingo halls in centres across the UK over the last decade, and the prospects for new openings are limited.

- **Casinos** - the latest figures published by the Gambling Commission show that non-remote casinos sector (i.e., not online) saw a £118.6 million increase of 17.2% in GGY to £810.4 million (casino games at £609.0 million and casino machines at £201.4 million) over the period April 2022 to March 2023. The casino sector is dominated by two companies: the Rank Group with 67 venues has a 44% market share and Genting UK has 44 venues and a 29% market share. There has been some consolidation of the sector in the past few years, such as Rank Group's purchase of Gala Coral Casinos.

Betting Shops – According to the Gambling Commission latest data there were some 5,995 in the UK as of March 2023 this is below the 6,219 in March 2022, 8,320 in March 2019 and also down from 9,111 in 2014. The decrease has been due to regulatory changes introduced in 2015 which led to a fall in revenue and profit. William Hill accounted for 27% of all premises in 2019, Ladbrokes had a 22% share, Tote's market share was 19% (following its purchase of Betfred), and Gala Coral Group's share was 18%. As gambling activities continue their shift to online channels, so the demand for physical outlets will inevitably dampen in the future and more betting shops will inevitably close. The presence of betting shops in high streets is also a contentious issue due to the perceived social, economic and health/wellbeing impacts on individuals and households. The Government recognised that betting shops have specific impacts and in 2016 reclassified their use from Class A2 to "Sui Generis". This was also translated in the Use Classes Order that came into effect on 1st September 2020. This reclassification means any change of use to a betting shop requires an application to the local planning authority for planning permission.

283. The survey-derived market shares for visits to bingo halls, casinos and bookmakers show that venues in the Borough area attain a high level retention of 63.7% from the Study Area (Zones 1-9) and dominated by Hastings town centre.
284. The main competing location outside of the Borough area is Bexhill-on-Sea attaining a market share of 29.2%.

Table 22: Bingo Halls, Casinos and Bookmakers - Market Shares (%)

CENTRE / VENUE	Study Area (Zones 1-9)
	%
Hastings Town Centre	63.7%
All Other Venues in Hastings BC Area	0.0%
HASTINGS BC AREA	63.7%
Outside Hastings BC Area	
Bexhill-on-Sea	29.2%
Brighton	2.6%
Rye Town Centre	3.0%
All Other Locations	1.5%
Sub-Total All Other Locations	36.3%
TOTAL	100.0%

285. Based on current provision, market and consumer demand, there appears to be no demonstrable need to enhance existing provision to help improve competitive position and the choice of venues in the Borough.

OTHER COMMERCIAL LEISURE

286. Other commercial leisure facilities can be grouped together under ‘family entertainment venues’ (FEVs), which include paid activities that appeal to adults and children (such as, for example, tenpin bowling, BMX biking, roller skating, ice skating, and similar uses).

Tenpin bowling – is possibly the most popular activity in the “family entertainment” sector. After a period of decline in the 1970s, there are currently some 320 venues in the UK according to Mintel figures. A number of the successful bowling facilities opened over the last 15-20 years (e.g., Hollywood Bowl and Ten Entertainment) tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. The critical mass of leisure uses “under one roof” help to underpin the viability of tenpin bowling centres, as they tend to struggle as standalone destinations. The sector is evolving from old-style bowling alleys, to modern, multi-generational entertainment centres where bowling is blended with other forms of activity alongside an enhanced dining offer. This is balanced by the growth of smaller independent specialist bowling facilities. There is no commercial ten pin bowling operator in the Borough at present following the closure of Owen’s Entertainment within Hastings town centre.

- **Trampoline Parks** - over recent years there has also been growth in other more specialist commercial leisure attractions, such as trampoline parks. Since the opening of the first indoor parks in the UK in 2014, trampolining has become one of the UK’s fastest growing sport and leisure trends. It is

estimated that there were some 150 parks in the UK in 2017/18, with the potential capacity for between 250-300 parks before saturation is potentially reached. This mirrors the growth in the United States and Australia, where parks first emerged in the early to mid-2000s. The main operators in this sector include Oxygen Freejumping, Ryze, and Gravity Active Entertainment. The public sector is also investing in trampoline parks, including Eastbourne Borough Council, Waltham Forest Council and Tameside Metropolitan Borough Council. In response to the broad range of “jumpers,” trampoline parks are also offering a range of activities and experiences that cater to the needs of a broader demographic, including rock-climbing (e.g. at Summerfields Leisure Centre), ninja courses, laser tag and other social events. Within the Borough provision of trampolining is at RBE Trampolines on Marine Parade, Hastings.

287. The table below summarises the findings of the survey-derived market shares for trips to FEVs. It is to be noted that there is the potential for different results to be derived should the survey be repeated.
288. The results show that venues within the Borough area are achieving a low market share of 29.7% from within the Study Area (Zones 1-9). Hastings town centre is the principal location (19%) followed to a lesser extent by specific named venues such as Smugglers Adventure (3.4%) and Hastings Adventure Golf (3.2%). The key competing locations/venues include Bexhill-on-Sea town centre (14%), Eastbourne Town Centre (10.3%), Tenpin Eastbourne (12.5%), Ashford - Hollywood Bowl (7%), Central London/West End (4.9%) and Bexhill Leisure Centre, Ravenside (4.1%).

Table 23: Family Entertainment Venues – Market Shares (%)

CENTRE / VENUE	Study Area (Zones 1-9)
	%
Within Hastings Borough Council Area	
Hastings Town Centre	19.0%
Hastings Adventure Golf, Hastings	3.2%
Hastings Beach, Hastings	1.8%
Clambers Play Centre & Battle Zone, White Rock Gardens, Hastings	1.1%
Let's Go Play, Haywood Way, Hastings	0.7%
Smugglers Adventure, Hastings	3.4%
All Other Venues	0.6%
HASTINGS BC AREA	29.7%
Outside Hastings BC Area	
Ashford Town Centre	2.9%
Ashford - Hollywood Bowl	7.0%
Battle Town Centre	1.1%
Bexhill-on-Sea: Town Centre	14.0%
Bexhill-on-Sea: Jumbos (soft play centre), Bexhill Leisure Centre, Ravenside	4.1%
Bexhill-on-Sea: All other venues	1.2%
Central London / West End	4.9%
Eastbourne Town Centre	10.3%
Eastbourne: David Lloyd, Hampden Park	1.9%
Eastbourne: Ninja Warrior UK Adventure, The Beacon	3.6%
Eastbourne: Tenpin Eastbourne	12.5%
Seaford: Seaford Museum	3.6%
Royal Tunbridge Wells: Town Centre	1.8%
Royal Tunbridge Wells: Hollywood Bowl, Knights Park	0.3%
All Other Locations	1.1%
Sub-Total All Other Locations	70.3%
TOTAL	100.0%

THEATRE AND CULTURAL ACTIVITIES

289. Cultural activities include a broad range of activities that are focused on the arts and historic attractions. This assessment is concerned with the provision and potential need for theatres and museums. The Borough has several cultural venues that are also important in supporting day and evening time centre

economies including the White Rock Theatre, Hastings Museum and Art Gallery, Hastings Castle & 1066 Experience and the Hastings Contemporary Art Gallery.

290. The household survey shows that for trips to the theatre and/or music from across the Study Area (Zones 1-9), venues in the Borough area attain a relatively low market share of 22.2% (dominated White Rock Theatre attaining a market share of 9.8% and Hastings Town centre - 8.3%). Other theatre and music venues outside the Borough area attain a substantial market share from the Study Area of 77.8%. Of this total some 31.3% is attributed to venues in Central London / West End followed to a lesser extent by venues in Eastbourne Town Centre (10.3%), Bexhill-on-Sea town centre (9.3%) and the De La Warr Pavilion (6.3%).

Table 24: Theatre and Music Venues – Market Shares (%)

CENTRE / VENUE	Study Area (Zones 1-9)
	%
Within Hastings Borough Council Area	
Hastings Town Centre	8.3%
White Rock Theatre, White Rock, Hastings	9.8%
Electric Palace, Hastings	1.9%
Bowler Crab Theatre Company, Hastings	0.8%
The Oval, Bohemia Road, Hastings	1.2%
St Leonards-on-Sea Town Centre	0.2%
All Other Venues	0.0%
HASTINGS BC AREA	22.2%
Bexhill-on-Sea	9.3%
Bexhill-on-Sea: De La Warr Pavilion	6.3%
Bexhill-on-Sea: The Blods Little Theatre, De La Warr Road	1.0%
Brighton	2.7%
Canterbury	1.2%
Central London / West End	31.3%
Eastbourne Town Centre	10.3%
Eastbourne: Congress Theatre, Carlisle Road	2.7%
Eastbourne: Devonshire Park Theatre, Compton Street	0.6%
Eastbourne: Eastbourne Theatres, Compton Street	3.3%
Eastbourne: The Little Theatre, Eldon Road	3.2%
Eastbourne: The Royal Hippodrome	1.4%
Royal Tunbridge Wells Town Centre	1.2%
All Other Locations	3.2%
Sub-Total All Other Locations	77.8%
TOTAL	100.0%

291. For trips to cultural venues from across the Study Area (Zones 1-9) venues in the Borough area attain a low market share of 28.8%. Of this share the majority 12.5%

is attributed to Hastings Museum and Art Gallery. Hastings Town Centre attains a market share of 7.2%, 1066 Battle of Hastings Abbey (3.6%) and Hastings Contemporary Art Gallery (2%).

292. Other historic and cultural venues outside the Borough area attain a substantial higher market share from the Study Area of 71.2%. This is dominated by Central London/West End with a market share of 44.8% and Bexhill-on-Sea town centre (6.1%).

Table 25: Historic and Cultural Venues – Market Shares (%)

CENTRE / VENUE	Study Area (Zones 1-9)
	%
Within Hastings Borough Council Area	
Hastings Town Centre	7.2%
Hastings Museum and Art Gallery, Hastings	12.5%
Fishermans Museum, Hastings	1.5%
Hastings Contemporary Art Gallery, Rock-a-Nore Road, Hastings	2.0%
Hastings Castle & 1066 Experience	3.6%
White Rock Theatre, White Rock, Hastings	1.8%
St Leonards-on-Sea Town Centre	0.2%
HASTINGS BC AREA	28.8%
Outside Hastings BC Area	
Bexhill-on-Sea Town Centre	6.1%
Bexhill-on-Sea: Bexhill Museum, Egerton Roa	3.5%
Bexhill-on-Sea: De La Warr Pavilion, Marina	3.8%
Bexhill-on-Sea-Other	0.9%
Battle Town Centre	2.4%
Battle Memorial Hall	0.5%
Canterbury	0.4%
Central London / West End	44.8%
Eastbourne Town Centre	2.7%
Rye Town Centre	1.4%
Rye: Castle Museum	1.2%
Royal Tunbridge Wells Town Centre	0.2%
All Other Locations	3.3%
Sub-Total All Other Locations	71.2%
TOTAL	100.0%

SUMMARY

293. This section has shown that the commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure expenditure. There will also be a continued increase in at-home activities due to the advances in computers, tablets, television, gaming, and audio technology. More immediately this will be further compounded by the current “cost of living crisis.” The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.
294. In summary, the leisure needs assessment based on the participation derived from the household survey and current provision has identified:
- Food and Beverage - there is no potential for additional new cafés, restaurants and bars by 2045 based on projected population and expenditure growth.
 - Cinemas – existing venues in the Borough area indicates a participation of 40.8%. Overall, there is no capacity for new cinema provision.
 - Gyms / Health and Fitness facilities – current venues show a participation of 42.4%. The projected growth in the population could potentially sustain one additional premium or budget gym to 2035 or up to 2 premium or budget gyms over the longer term to 2045.
 - Family Entertainment Venues – in terms of addressing future needs and supporting the overall attraction and resilience of the daytime and evening economies there could be potential to promote more family-based activities.
295. Responses from the household survey indicate that the main centres and venues in the Borough are not necessarily achieving a good market share of trips and activities focused on theatre, music, cultural and historic attractions due to access to provision in surrounding centres such as Bexhill-on-Sea, Eastbourne and further afield to central London.
296. In all cases, the potential for new commercial leisure venues, facilities and attractions will be subject to dynamic economic, market and consumer trends over time. Where demand from operators does arise for representation, this should be directed to town centres first, including the resort area (where appropriate) and aligned with national and local plan policy objectives.

9. KEY FINDINGS AND RECOMMENDATIONS

297. This concluding section provides high-level advice and recommendations to help the Council effectively plan and manage the vitality and viability of its centres. The National Planning Policy Framework (NPPF) specifically states that planning policies and decisions should support the role that town centres play “at the heart of local communities” and should promote the long term vitality and viability of centres “by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters” (paragraph 90).
298. Aligned with the NPPF and National Planning Practice Guidance (PPG), our advice takes account of the lifetime of the emerging plan period to 2041 (and the modelling goes further to 2045), but specifically focuses on the next five-to-ten-year period. We have robustly assessed both the quantitative and qualitative need for new retail (comparison and convenience goods) floorspace and commercial leisure uses over the forecast period. These assessments have been informed by a comprehensive review and update of the dynamic economic and market trends that are impacting on the retail and leisure sectors. This includes the resulting impact of the pandemic and the implications of recent high levels of inflation and the cost of living crisis.
299. This assessment draws on a robust evidence base informed by the 1,002 household surveys that informed Rother District Retail, Leisure & Town Centres Assessment (2023). It also draws on updated health check assessments for the Boroughs town, district and local centres highlighted in **Volume 3**. These health checks are based on a series of Key Performance Indicators (KPIs), informed by the NPPG, that help identify the vitality and viability of centres, their SWOTs, and their relative role and function in the Borough’s network and hierarchy of centres.
300. This study also takes account of the series of reforms to the planning system issued by the Government that were made into law through the amended Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 that came into effect from 1st September 2020.
301. It is against this background, including the legacy of the pandemic, cost-of-living crisis and worsening macro-economic position, that we provide the Council with our robust recommendations to help inform plan-making and decision-making over the next 5-10 years, and over the period to 2045. Our advice covers:
- the need (“capacity”) for new retail (convenience and comparison goods) floorspace and other main leisure and town centre uses.
 - the requirement to allocate a range of suitable sites to meet the scale and type of any forecast need identified, looking at least ten years ahead (NPPF, paragraph 90d).
 - the current definition of the network and hierarchy of centres, and whether this reflects existing and future shopping and leisure trends, planned investment and regeneration strategies, and future housing growth.

- the need to update and change the definition of town centre boundaries and Primary Shopping Areas in light of the key findings and evidence, and recent planning reforms.
- the setting of a local impact assessment threshold to inform the assessment and determination of applications for new retail and leisure developments proposed outside of town centres (NPPF, paragraph 90).

REFORM OF USE CLASSES ORDER AND PERMITTED DEVELOPMENT RIGHTS

302. As previously mentioned, the Government has issued a series of reforms to the planning system. These reforms principally relate to Permitted Development Rights (PDR); the Use Classes Order (UCO) and more recently the Levelling-up and Regeneration Act 2023.
303. The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary “commercial” area to be the foci for E and F Classes. Also, in most instances the former use classes can be “translated” into the equivalent categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions.
304. The changes have implications for the former designations of primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO.
305. Hence beyond 2024, town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transactional uses, this could include high activity-based land uses such as health and education being located in more central locations and stem previous trends of decentralisation
306. As seen in the Borough, the increase in “town centre” living and residential development in town centres is likely to be a growth area in the next 10 years and could be a positive regenerative mandate. We also expect more emphasis on residential upper floor living accompanying ground floor commercial uses. This will be a growing area especially with the increased emphasis by the newly elected government whose emphasis is on accelerating housing and infrastructure delivery. Within the town centre infrastructure, and particularly flood mitigation and drainage, will be a consideration for future sustainable development.
307. Permitted Development Changes (Amendment No. 2) (2020) released in August 2020 (under The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020), introduced Class AA and AB that allows new residential on detached or terrace buildings in commercial or mixed-use areas (but not in conservation areas). This could potentially lead to the loss of commercial floorspace to residential.

308. Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force on 21 April 2021 creates a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential. The changes within the Order allow a change in the permitted use of a property or land from a use falling with Use Class E to Use Class C3 residential use where the property has:
- been in Class E use for 2 years (including time in former uses i.e. A1, A2, A3, B1, D1 or D2 now within that Class); and
 - has been vacant for at least 3 continuous months.
309. These changes replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of this right is subject to prior approval by the local planning authority and therefore is subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues. The area that can be converted is capped, with a maximum size limit of 1,500 sqm of floorspace capable of conversion using the right.
310. Research conducted by LSH and REVO (Places & Spaces Reinvented: What is the Future for Our Towns, High Streets and Shopping Centres? – 2024) provides a broad indication of impact of these changes and shows that both have proved controversial and have divided opinion. On the one hand they are viewed positively by some as helping to revitalise and repurpose high streets and boost housing delivery, by making it easier to change the use of buildings and respond more flexibly to dynamic market trends and demand. On the other hand, it is argued that the reforms seriously undermine the plan-led approach to town centre regeneration and place-making. Almost half of respondents from the private sector believe that reform has had or will have a positive impact (49%), compared with the public sector (30%).
311. In response several Councils have turned to Article 4 Directions (A4Ds) to try to remove PDRs. Where correctly applied, they can help prevent “*wholly unacceptable adverse impacts*” (National Planning Policy Framework; paragraph 53) on the vitality and viability of centres through the potential loss of their primary shopping areas.
312. The implications arising from these changes both locally and nationally result in more flexibility and are likely to be focussed on the peripheral parts of existing town centres, reflecting the influence of land values, but the outcomes are unclear, particularly the likely scale of increased residential and loss of commercial space and this should be investigated and monitored further. In strategic terms, and especially for the future of town centres, the PDR deregulation is likely to add to the already high levels of uncertainty surrounding their future composition.

ARTICLE 4 DIRECTIONS

313. The latest revision to the NPPF has tightened the rules and restricts the ability of local authorities to secure Article 4 directions (A4Ds). The revised version of the NPPF (paragraph 53) tightens this scope in relation to changes of use from commercial to residential, stating that such directions should be used where they are "essential to avoid wholly unacceptable adverse impacts". These impacts "could include loss of the essential core of a primary shopping area", thereby "seriously undermining its vitality and viability". However, the paragraph contains the caveat that such a direction would be "very unlikely to extend to the whole of a town centre".
314. The Council should be mindful of the following in considering the use of A4Ds:
- it will be difficult to restrict the use of PD rights using A4Ds;
 - restriction is likely to be more difficult for residential PD rights than non-residential, but in all cases "robust evidence" will be needed to justify their use;
 - there is a high bar, and the scope of any A4D which is used must be limited geographically to the smallest area possible as opposed to an entire area being covered by an A4D; and
 - in terms of this area, the Council will need to be clear with targeted evidence to show why PD rights need to be restricted e.g., loss of employment space; preserving community uses or protecting a historic area / amenity.
315. Policy for permitted development was changed in March 2024 (The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2024 that came into force on 5th March 2024 (under Statutory Instruments 2024 No.141) to remove the cap on conversion sizes (previously up to 1,500 sqm) and the need for assets to be vacant (previously needed to be vacant for a continuous period of at least 3 months immediately prior to the date of the application). The changes to PDR – allowing offices of unlimited size to be converted without planning permission or the need for affordable housing – has provided an alternative use for surplus stock. As a result, it is reported that some authorities are hastening to block office-to-residential conversions and are consulting on A4Ds to limit the number of conversions.
316. In terms of retail and leisure uses our assessment has not yielded any threat to commercial integrity of a retail/leisure area or particular commercial building or ground floor use that warrants this protection.

LEVELLING-UP AND REGENERATION ACT 2023

317. The Levelling-up and Regeneration Bill received Royal Assent at the end of October 2023 and officially became the Levelling-up and Regeneration Act 2023 (LURA 2023). The government proclaimed that LURA 2023 will "speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes."

318. In relation to town centres specifically, the Act enables “*local authorities powers to instigate auctions to rent vacant commercial properties in town centres and on high streets, for leases from one to five years to attract new tenants*”. These rules “*can be exercised at the discretion of local authorities, based on their local context and need, but only on properties which have been vacant for over 12 months*”. The rules apply to commercial premises (other than premises last used as a warehouse, which are specifically exempt) and which satisfy the following criteria:
- situated in an area which a local authority has designated as being a high street or town centre. These will be areas with a high concentration of premises with high street uses. These uses include "traditional" uses associated with a high street, like shops, restaurants and pubs, as well as offices and public entertainment spaces, communal halls. Manufacturing processes are even included in high street uses as long as they are carried on near to, and compatible with, other high street uses. A local authority is required to maintain and make available to the public a list describing, and a map showing, any designations that are in force in its area.
 - unoccupied for the last year or for 366 days in the last two years,
 - suitable for high street use and
 - considered by the local authority to benefit the local economy, society or environment if occupied for high street use.
319. The general consensus is that LURA provides the potential to redefine our high streets and town centres through a collaborative process in which both the local authority and property owners will need to work together especially where premises have remained unoccupied for a specified duration and in combating long-term vacancies. It remains to be seen whether Local Authorities have the resources to execute the powers given and the extent to which they will be utilised and whether they are successful in revitalising high streets and town centres. Overall, these should be part of a mix of initiatives to revitalise high streets and town centres.

RETAIL NEEDS

320. The NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by “*looking at least ten years ahead*”. The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments “*... may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed.*” Therefore, greater weight should be placed on forecasts over the next five to ten-year period.
321. The headline retail capacity forecasts are reproduced in the table below and show no immediate capacity for both convenience and comparison goods to 2035 and beyond to 2045. There is therefore no requirement for the Council to allocate any new sites for retail provision in the period to 2035.

Table 26: Retail Floorspace Capacity Forecasts (sqm net)

HASTINGS BOROUGH COUNCIL AREA	Convenience Goods				Comparison Goods			
	2030	2035	2040	2045	2030	2035	2040	2045
Town Centre: Hastings	35	60	87	134	-270	-338	-200	188
District Centre: St Leonards	3	5	8	12	-15	-25	-5	51
District Centre: Silverhill	12	21	30	47	-8	-13	-3	27
District Centre: Old Town	0	0	0	0	-2	-3	-1	6
All Local Centres / All Other Shops	10	17	24	38	-1	-1	-0	3
All Out-of-Centre Locations	-968	-894	-813	-670	-575	-618	-530	-283
Total HBC Area	-908	-791	-664	-439	-871	-998	-739	-9

Source: CREAT[®] Retail Capacity Model (Appendix 5 and 9, Volume 2)

LEISURE NEEDS

322. A high-level assessment has been provided of the potential need for new commercial leisure uses and facilities over the next 5-10 years, and over the lifetime of the plan. Even under normal circumstance it is difficult to predict the need and demand for new leisure uses, as the sector is very diverse and highly influenced by market, lifestyle and consumer trends. Predictions as to likely future need, even over the short term (i.e. the next 2-3 years), have been further complicated by the impact of the pandemic, rising inflation and the cost of living crisis. These will have an impact on leisure expenditure trends and growth, consumer preferences and business viability.
323. Notwithstanding these caveats, commercial leisure uses are a critical part of the overall offer and attraction of centres. They make a significant contribution to their overall diversity, vitality and viability of centres, and to their daytime, evening and night-time economies (the “evening” economy generally relates to all leisure activities that are open until around 11pm. The “night-time” economy is generally defined as businesses and activities with late night licences that are open beyond 11pm, particularly at the weekend).
324. As part of their future adaptation and growth, it is therefore important that the HBC maintains and promotes diverse and flexible leisure uses, venues and events catering for a wide demographic in the main centres over the period to 2035 and beyond.
325. From a planning policy perspective therefore the key to meeting future, as yet unknown needs, will be the development of policies that can accommodate the changing needs of the sector and ones that can operate in the real world. This includes recognising that for many leisure uses the cost for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified.
326. It is also the case that the recent changes to the Use Classes Order mean that the main commercial leisure sector in terms of spend is Food and Beverage which encompasses both Class E and Sui Generis uses. As a result, any changing demand for restaurant and café uses is likely to be met by changing uses within the existing or committed town centre floorspace.

327. The headlines from the leisure needs assessment show:

- Eating out in **cafés and restaurants** is a popular leisure activity with venues within the Borough attracting between 37.1% (Cafes and Restaurants) and 40,7% (Bars, Pubs, Nightclubs) market share from the Study Area (Zones 1-9). Based on expenditure growth, and after allocating a proportion of this growth to existing businesses to help support their viability (against a backdrop of rising costs), our high-level forecasts indicate no net residual expenditure capacity up to 2045. The growth to sustain new cafés, restaurants and bars will be very much subject to market demand. Focusing new uses in town centres will help increase competition and consumer choice, and to underpin both daytime and evening economies.
- In relation to **cinemas**, the existing provision comprises some 7 screens but venues in the Borough area show a 40.8% level of participation. However, there is no identified capacity for cinema screens. This however does not preclude improvement to the current offer.
- Regarding other commercial leisure uses, there is currently no identified need for **gambling venues** (e.g., bingo halls and casinos). The presence of physical gambling activities such as betting shops in high streets is also a contentious issue due to the perceived social, economic and health/wellbeing impacts on individuals and households.
- There is no provision of **Tenpin bowling** in the Borough and any future provision will be subject to market demand which should be directed to town centres.
- In terms of theatres and music venues, the Borough has a number of cultural venues that are also important in supporting day and evening economies including the White Rock Theatre. There is also a thriving local music scene and festivals (e.g. International Piano Festival; Hasting Reggae Festival; UK Garage by the Sea; Café Mumbo Ibiza on the Pier Festival; Hidden Beach Hastings Music (and wellness) Festival; Hastings Fat Tuesday Music Festival). Despite this provision, the household survey shows that for trips to the theatre and/or music from across the Study Area (Zones 1-9), venues in the Borough area attain a relatively low market share of 22.2%. The principal competing venues are in Central London.
- **Historic** and **cultural** attractions also attain a low market share of 28.8% from across the Study Area. The principal competing venues yet again are in Central London.

328. In relation to the market share of trips and activities focused on theatre, music, cultural and historic attractions the responses from the household indicate the centres and venues in the Borough are facing substantial competition from venues in Central London and therefore are not necessarily achieving a good level of retention. This requires more place promotion especially amongst the Borough's resident community and also visitors to enable the continued vitality of the centres and venues.

329. The forecast need for any new commercial leisure uses will be subject to wider economic, consumer and market trends, and will depend on the demand from

leisure operators for representation. Where demand does exist, new uses and activities should be focussed across the Borough's main centres first, in compliance with national and local plan policy objectives to maintain and enhance their overall vitality and viability.

ACCOMMODATING RETAIL AND LEISURE NEEDS

330. The NPPF (paragraph 90d) states that planning policies should “...*allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead*”. Aligned with the NPPF, the PPG (Paragraph 004, Reference ID:2b-004-20190722) identifies that town centre strategies should establish the potential for “...*development or the redevelopment of under-utilised space*” to accommodate the scale of assessed need, and the more effective and efficient use of land (for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs, or for converting airspace above shops). In turn, this will help to establish the need for centre “expansion,” “consolidation” and/or “restructuring.”
331. It is to be recognised that the capacity forecasts do not take account of current (or future) vacant retail floorspace in the main centres and shopping locations. Some of this vacant space (particularly in prime shopping streets) will be available and suitable for re-occupation, re-purposing and/or redevelopment both now and in the future. We therefore advise that any forecast capacity and/or market demand for new retail and commercial leisure floorspace could either be accommodated in suitable vacant units, or by the mixed-use development of vacant sites/buildings (i.e., ground floor commercial uses, with residential above).
332. As the headline retail capacity forecasts have shown there is no capacity for both convenience and comparison goods and there is no requirement for the Council to allocate any new sites for retail provision to the period to 2035.

TOWN CENTRE FUTURES

333. The NPPF requires that: “...*planning policies and decisions should support the role that town centres play at the heart of communities, by taking a positive approach to their growth, management and adaptation*” (paragraph 90). Both the NPPF and the adopted development plan policies support the need to maintain and enhance the long-term vitality and viability of town centres first, as the most appropriate and sustainable locations for new investment and development.

ISSUES, CHALLENGES AND OPPORTUNITIES

334. It is apparent that centres within the Borough (like other centres across the UK) are facing a myriad of issues and challenges to their vitality and viability from the dynamic changes in the retail and leisure sectors. The challenges have been further accelerated and compounded by the legacy impact of the pandemic and current inflationary macro-economic position, and include:

- the growth of online shopping and home-based leisure activities (from watching movies to eating at home);
- the increase in retail failures and closures;
- a dramatic fall in market demand for space;
- a rise in vacancies and fall in footfall; and
- limited forecast need or market demand for new retail floorspace.

335. In the context of the issues and challenges, although retail will remain a key part of town centres overall offer, vitality and viability - helping to generate trips, footfall and spend – it is critical that the policies and strategies developed for each centre help to promote greater flexibility and diversity, so that they can respond more effectively and rapidly to future trends. This flexibility and diversity will, in turn, help to create more resilient, attractive and successful town centres. It will also help to strengthen their respective roles in the network and hierarchy of centres as places to live, work, shop, study, play and visit for a wide range of uses and activities.

336. **The tables** below summarise some of the key opportunities and initiatives identified for the main centres in the Borough based on the research and evidence. In summary the key suggestions are as follows:

- **Hastings Town Centre** is the Borough’s primary town centre for larger scale commercial, community, leisure and cultural development. Recent and ongoing regeneration projects aim to rejuvenate the town centre, improve infrastructure, enhance public amenities and place focus on sustainable development and economic growth. The extant and emerging local plan(s) point to a travel of direction in which the town centre will be a catalyst and focus for larger scale development (including housing and developing employment generating uses together with supporting carbon neutrality and green infrastructure). Furthermore, the Council has been the recipient of several recent funding streams including that from the Long Term for Towns and Levelling Up partnership. The focus therefore should be to collectively co-ordinate the visions and objectives for each intervention to ensure a comprehensive and coherent step change for Hastings town centre.

Table 27: Hastings Town Centre Opportunities for Growth and Transformation

Hastings Town Centre
Opportunity for active placemaking in the town centre.
Capitalise on regeneration funding to improve and future proof the centre. Government-backed capital funds can be used to provide a significant opportunity to kick-start transformational place-making and regeneration projects over the short to medium term.
Co-ordinate the objectives and outputs of the regeneration funding received to ensure that there is complementarity and synchronisation of outputs.
Enabling place-making and the development of strategic sites will reinvigorate key locations in the town centre.

Hastings Town Centre
Capitalise and promote greening as part of a place making and promotion strategy for the centre.
Continued improvement to the public realm will strengthen perceptions of the town as a place to invest, work and live.
Promote the evening economy further and aspire to attain Purple Flag status for the centre.
Potential for Hastings to be promoted to a wider audience by building on its rich history and maritime heritage; to be a real destination within the region and beyond, building on a night-time economy offer and creating events spaces within the public realm.
Promote active travel and walking connections. This can be strengthened or improved through safe and legible pedestrian and cycle routes in to, and across the town centre.
Vacant space can be repurposed to rebalance the existing mix of uses, with a greater emphasis on residential, office and leisure.
Redevelop/repurpose vacant buildings and sites to promote new town centre uses and a diverse residential offer for all ages and economic groups. Will help strengthen the daytime and evening economy.
Opportunity for connecting old and new town and further towards St. Leonards through better placemaking, sign-posting and promoting the resort core (see following below). Create a more coherent and compelling attraction for visitors and tourists to the area.

- St Leonards** is the second largest centre in the Borough and is a tourist draw with historical sites and year round cultural events attracting visitors. There is the potential to improve the Centre’s public realm, particularly in relation to traffic calming as well as improved pedestrian and cycle accessibility. There is also a need for placemaking and integrating the seafront with the provision within the district centre. Furthermore, signage and linkage with Hastings town centre is required as part of the wider placemaking for the centre.

Table 28: St Leonards Opportunities for Growth and Transformation

St Leonards District Centre
Improve and support the mix and diversity of town centre uses – and achieve a good balance of independents and multiples - to help promote and strengthen both the daytime and evening economies.
Promote and support pop-up and meanwhile uses in vacant premises.
Provide contemporary, flexible and temporary space to attract and nurture entrepreneurs, creatives, start-ups and small businesses.
Public realm and greening to be at the forefront.

St Leonards District Centre
Invest in updating street furniture and public realm, and shop frontages where needed.
Develop a rolling programme of place promotion including fairs / festivals in the centre (perhaps traffic free days?).
Provide for active travel, including new pedestrian and cycle routes. There is the potential to improve the network of pedestrian and cycle routes around the centre and provide linkages to the seafront and beyond.
Co-ordinate with Hastings town centre and the Old Town to create a more coherent and compelling attraction for visitors and tourists to the area.

- Silverhill** is also a district centre in the Borough dominated by the large in-centre Asda supermarket and supplemented by surrounding smaller independents. The centre is highly accessible as it is located at the junction of Sedlescombe Road South, Sedlescombe Road North, London Road and Battle Road. The centre therefore is subject to potential traffic, noise and air pollution. The centre also has a limited evening offer.

Table 29: Silverhill District Centre Opportunities for Growth and Transformation

Silverhill District Centre
Improving traffic calming and pedestrian safety.
Invest in additional greenery, street furniture and public realm.
Encourage more family orientated evening activity uses.

- Old Town** is a designated district centre with a historic character and form. The opportunities rely on the linkages with Hastings town centre, placemaking and “placekeeping” (i.e. the active care and maintenance of a place and its social fabric by the people who live and work there - source: The Land Trust).

Table 30: Old Town District Centre Opportunities for Growth and Transformation

Old Town District Centre
Opportunity for connecting Old Town and Hastings Town Centre together with St. Leonards through a wider placemaking initiative.
Potential for the Old Town to promote itself to a wider audience by building on its maritime history, associate architecture and mix of artisan culture.

Old Town District Centre
Promote specialist retail that serves the community and attracts visitors looking to discover a unique range of uses and experiences. For example, Old Town Carnival, Jack in the Green etc, events can bring together the award winning food, drink, art and craft producers in the area. It also helps to create greater community identity, pride and cohesion.
Promote traditional spaces and vacant premises for different uses. For example, some retailers are using their spaces as classrooms and workshops to hold evening sessions for activities ranging from cooking to jewellery making.
Curate a diverse mix of restaurants, bars and eateries attracting residents and visitors to spend a longer time in the centre during the day and evenings, contributing to the local economy.
Need for improved, safe and legible pedestrian and cycle routes in to, and across the centre and beyond.
Greater mobility will increase connectivity and promote greater cohesion. Promoting active travel and allowing people to move freely and safely across the centre and to Hastings town centre and beyond will bring renewed activity and interaction to the streets restoring social value of the public realm as well as supporting health and wellbeing.

- The **Local Centres** comprising Ore Village, Bohemia and Tower, Battle Road and West St Leonards (Bexhill Road) all have their unique characteristics in terms of size and provision. They support a good range and mix of independent retailers and leisure businesses. Their future will be underpinned through regular footfall and patronage. In this way place based strategies and local improvements will be critical for their future vitality and viability.

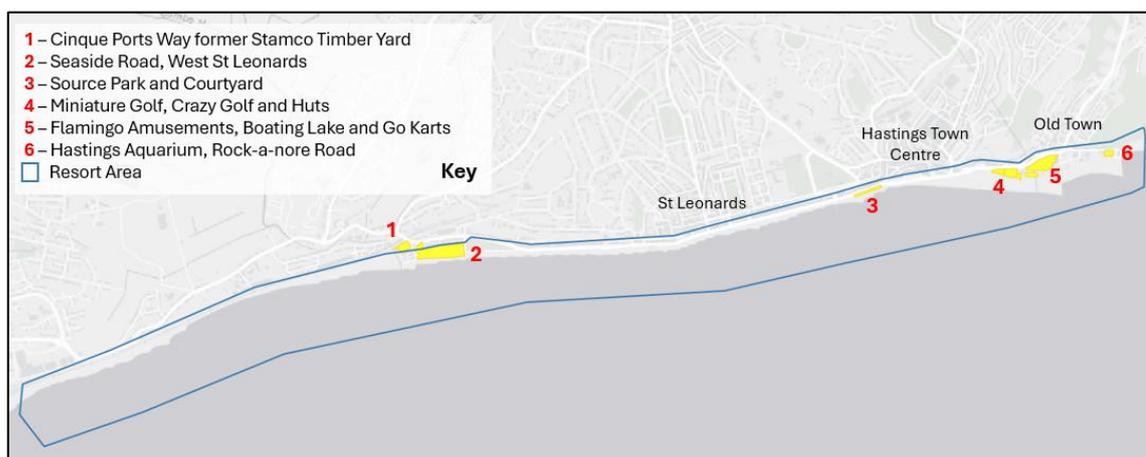
Table 31: Local Centres Opportunities for Growth and Transformation

Local Centres
Create place based strategies to increase footfall and patronage.
Improve the network of pedestrian and cycle routes.
Promote more healthy and active outdoor pursuits.
Improve the public realm to enhance the centres and improve perceptions.

PROMOTING THE SEAFRONT

337. Whilst the individual centres have inherent opportunities, the seafront as a whole also needs to be promoted. It is seen as the core resort area for the Borough (see below). It has the potential to elevate the profile of the Borough further.

Figure 18: Core Resort Area and Venues Map



338. **Policy FA6** of the extant Hastings Planning Strategy encourages (inter alia) the regeneration of key landmark sites along the seafront, from the Stade to West Marina, supporting development that builds on the Seafront's distinctive heritage and attractiveness as a destination for leisure and recreational activity.
339. In addition to the venues shown above, and as highlighted in the review of the Borough's evening economy, the Borough's coastline is home to valuable historical, cultural, and architectural heritage. It therefore provides the Council with the opportunity to encourage, create and connect places where people visit, live, work and socialise. The core resort area not only presents the opportunity to link up venues and sites such as the Cinque Port in the east to the Hastings Aquarium (also referred to locally as the Hastings Aquarium) in the west into a circuit but also provides the prospect for wider strategies on:
- **Placemaking** - creating attractive, welcoming public spaces that encourage community and visitor engagement.
 - **Placekeeping** - preserving the unique character and heritage of the surrounding centres.
 - **Place Linkage** - connecting the venues and surrounding areas and attractions through transportation, infrastructure, events and marketing the Borough and its centres as desirable destinations for visitors and residents.
340. We recommend a holistic review based on the above strategies to create opportunities for:
- nurturing cultural and creative economies; to enhance local character and promote sustainability, inclusivity, and well-being.
 - physical regeneration of infrastructure; potentially focusing on repurposing older buildings, designing environmentally friendly modern homes, and

creating affordable workspaces to attract investment, entrepreneurship, and creativity.

- direct new visitor accommodation and/ or attractions to this area.
- promote growth of existing leisure facilities taking into account the ecological, historical and landscape context of the resort area.
- prioritising the development of sustainable tourism initiatives that showcase the unique assets along the seafront.
- preservation and restoration of historical sites, the creation of recreational spaces, and the implementation of eco-friendly practices to protect the environment.
- incorporate climate-resilient design principles and strategies to alleviate the impact of extreme weather events.
- connecting places and communities; attracting tourists but also meeting resident community needs.
- improving the quality of the environment in the centres with increased pedestrian priority, planting, seating and lighting.
- improving wayfinding with themes and links to cultural assets, lighting and signage improving access to footpaths and cycleways.
- creating new, or celebrating existing, landmarks.
- partnering with communities and schools to encourage the take up of more walking and cycling.
- enhancing existing gardens and planting and for communities to take ownership of and participate.
- making the presence of the seafront and its assets more accessible and visible from the town centre.

341. Promoting these initiatives creates a coherent strategy for promotion that integrates place, the community and inherent assets to bolster future local growth.

NETWORK AND HIERARCHY OF CENTRES

342. We have reviewed the Council's existing network and hierarchy of main centres in accordance with the advice set out in the NPPF (paragraph 90a) and PPG (References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres).
343. As noted in **Section 2**, under Emerging Local Plan (Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21) **Policy 4 (SP4) on Business Development - Retail and Leisure Uses** details the hierarchy of the centres in the Borough. From our assessment we have not seen any new evidence to indicate that there is any requirement to adjust the centres included within this category at the present time. Based on the study findings, we advise that the Borough's main centres largely function in line with their current roles in the hierarchy.

344. We also do not consider that there are any external influences that would suggest any changes in the retail hierarchy would be appropriate at this stage. There has not been any significant change in national planning policy relating to retail and town centres nor any major change in any of the centres that would justify a change.

TOWN CENTRE BOUNDARIES AND PRIMARY SHOPPING AREA DEFINITIONS

345. The NPPF states that planning policies should “...define the extent of town centres and primary shopping areas and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre” (paragraph 90b). Furthermore, Annex 2 to the NPPF:

- defines the **Primary Shopping Area (PSA)** as an “...area where retail development is concentrated;”
- defines **Edge of centre** (for retail purposes) as a location that is “...well connected to, and up to 300 metres from, the primary shopping area” (our emphasis underlined); and
- for all other main town centre uses edge of centre is a location “...within 300 metres of a town centre boundary” (our emphasis underlined).

346. The NPPF explains that the **town centre** is an area defined on the local authority’s policies map, and includes the PSA and areas predominantly occupied by main town centre uses within or adjacent to the PSA.

347. There is no policy requirement under the NPPF to define primary and/or secondary shopping frontages. The revised NPPF (December 2023) removed the requirement for local authorities to identify shopping frontages.

348. Given the scrapping of the previous Class A uses (including shops) and the introduction of a much wider Class E use (which incorporates Class A1-A3, B1, D1(a), D1(b) and D2(e)), the definition of a PSA (i.e., an area where retail development is concentrated) is more problematic.

349. The policies pertaining to plan-making and decision taking for retail, leisure and town centre uses in the NPPF do still refer to the need to define a PSA. The definition of a PSA is critical, for example, to the application of both the sequential and impact tests (paragraphs 91-96). As a result, we have necessarily reviewed the current PSA boundaries, and where necessary redefined these boundaries so that they are aligned with the current NPPF.

350. Drawing on the evidence and key findings of this study, the following sets out our judgements and advice on the definition of appropriate and robust PSAs for the Borough’s centres.

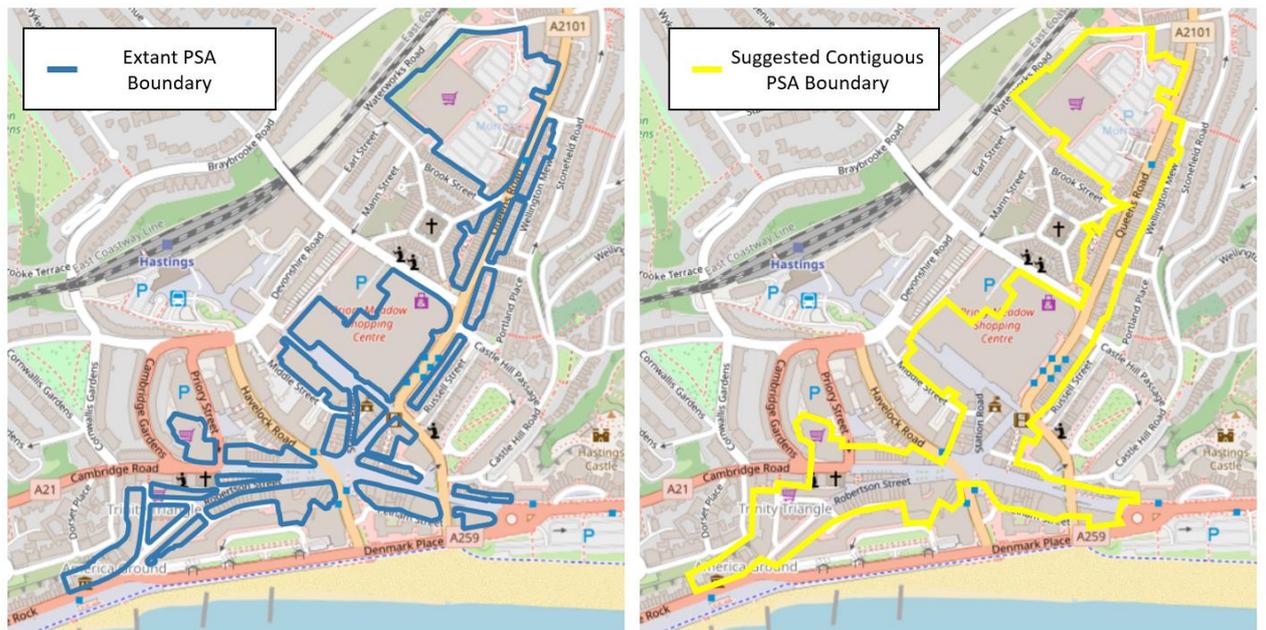
- **Town Centre: Hastings:** No proposed change to the town centre boundary. In relation to the PSA we have received a map showing distinct “islands” and would recommend a contiguous boundary as shown in the map(s) below.

Figure 19: Hastings: Current Town Centre Boundary



Notes: No recommended change

Figure 20: Hastings Town Centre: Suggested Contiguous PSA Boundary



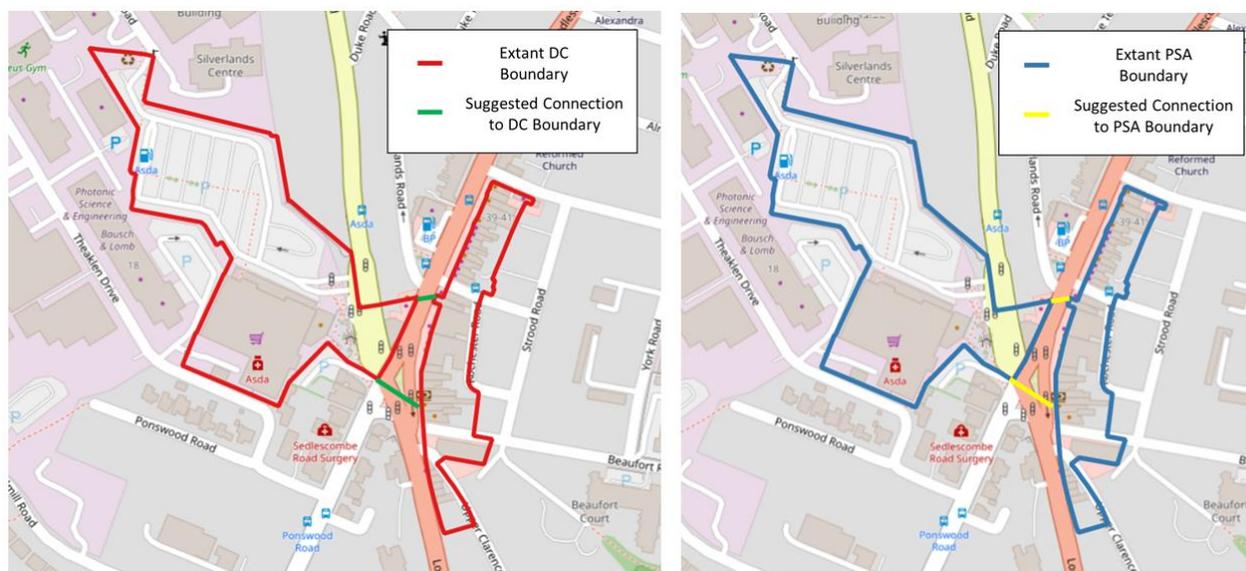
- **District Centre: St Leonards:** No proposed change to the district centre boundary or PSA.

Figure 21: St Leonards: Current Town Centre and PSA Boundary



- District Centre: Silverhill:** No proposed change to the extent of either the district centre boundary or PSA (which are the same). We would suggest that perhaps both are drawn as contiguous (as shown in the maps below).

Figure 22: Silverhill: Town Centre and PSA Boundary



- District Centre: Old Town:** Regarding the District Centre Boundary, we are satisfied that this covers the broad extent of the centre but an additional consideration for the Council would be to extend the boundary marginally to include Royal Standard (pub), Lord Nelson (pub) and Neptune Café (fish and chip shop) that seems to have been missed off the boundary coverage. In relation to the PSA there is no recommended change.

Figure 23: Old Town: Town Centre Boundary: Current and Proposed Extension

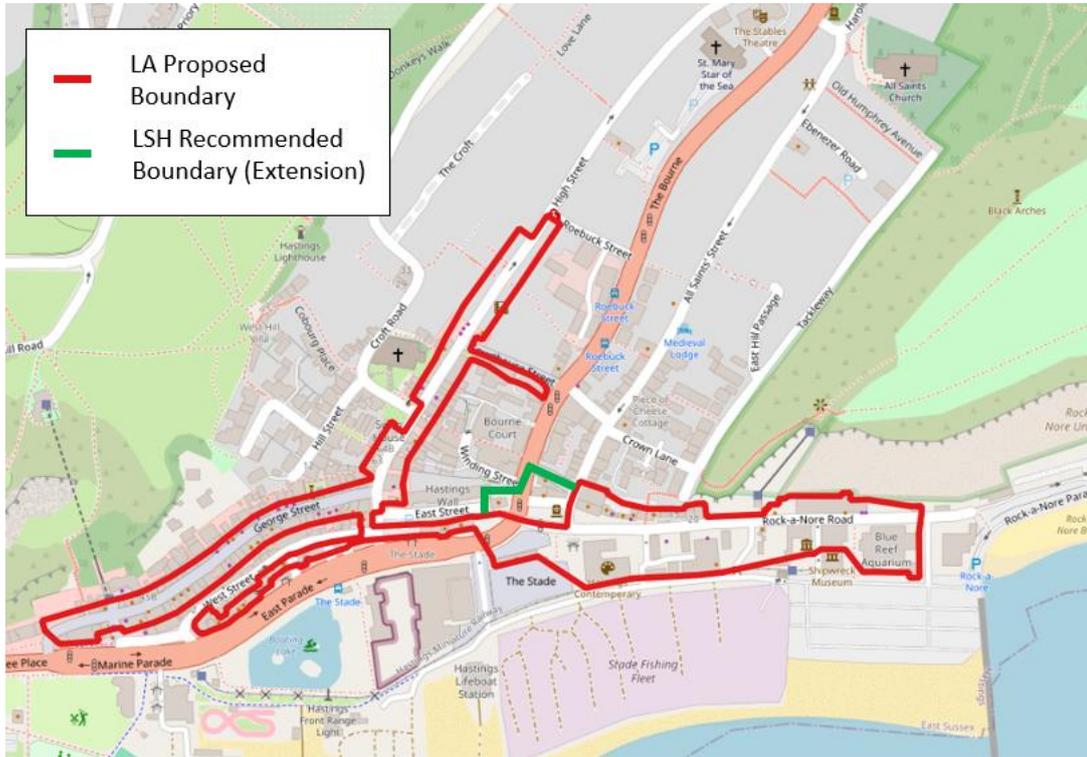
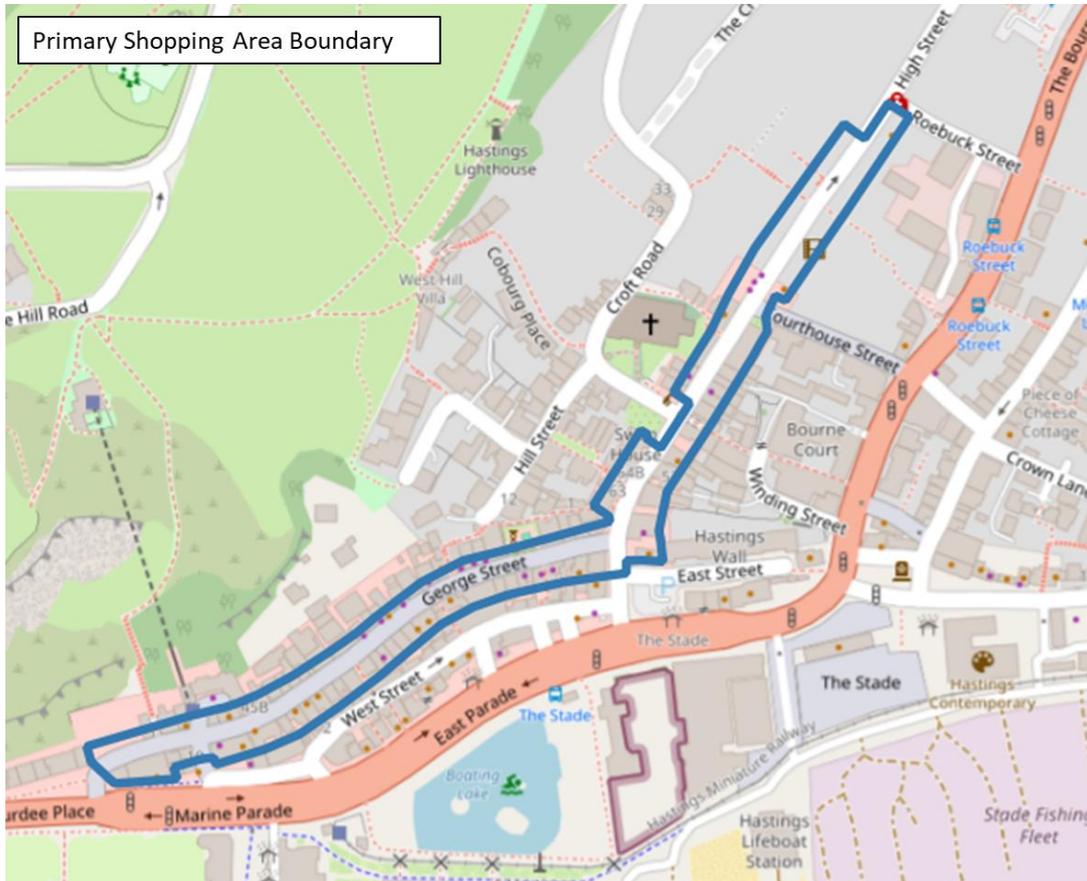


Figure 24: Old Town: PSA Boundary



351. For the Local Centres, the broad extent of their boundaries have been reviewed. Due to their size and type of provision there is no need to define a PSA; as it is more than likely that this will equate to the overall centre boundary. The evaluation of the boundaries is provided below:

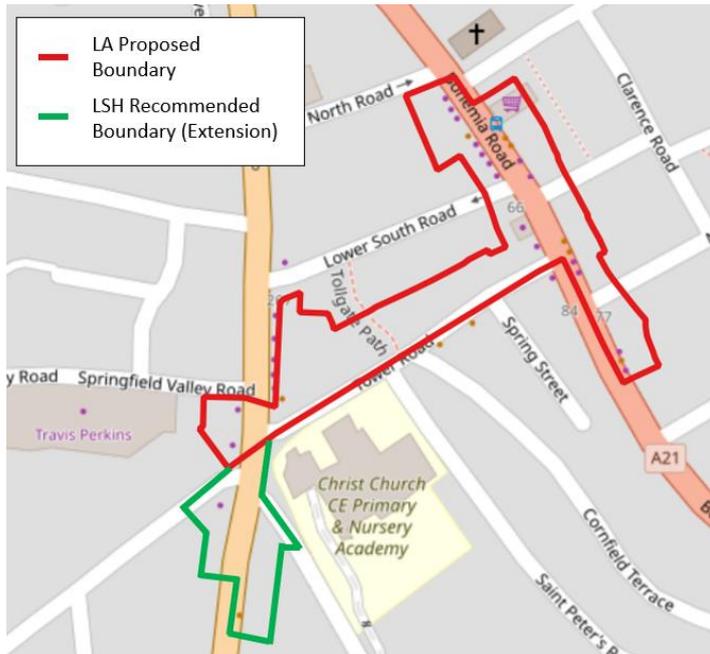
- **Local Centre: Ore Village:** No proposed change to the centre boundary.

Figure 25: Ore Village: Centre Boundary



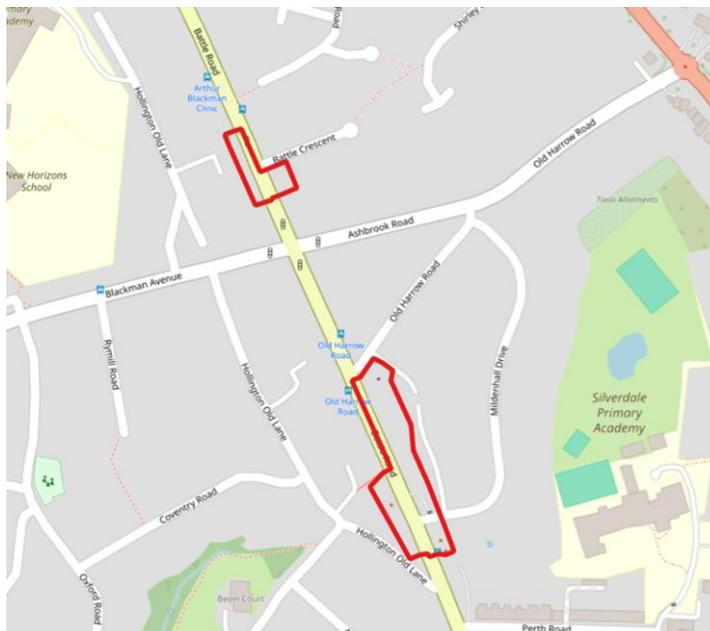
- **Local Centre: Bohemia and Tower:** The town centre boundary as defined adequately covers a broad area. The Council should consider extending the boundary to include units to the south of the centre on either side of London Road (Teddy Tinker's and Soran's Barbers on the west side and The Hoxley Thai Restaurant through to A&M Glaziers on the east side) as shown below:

Figure 26: Bohemia and Tower: Centre Boundary and Potential Extension



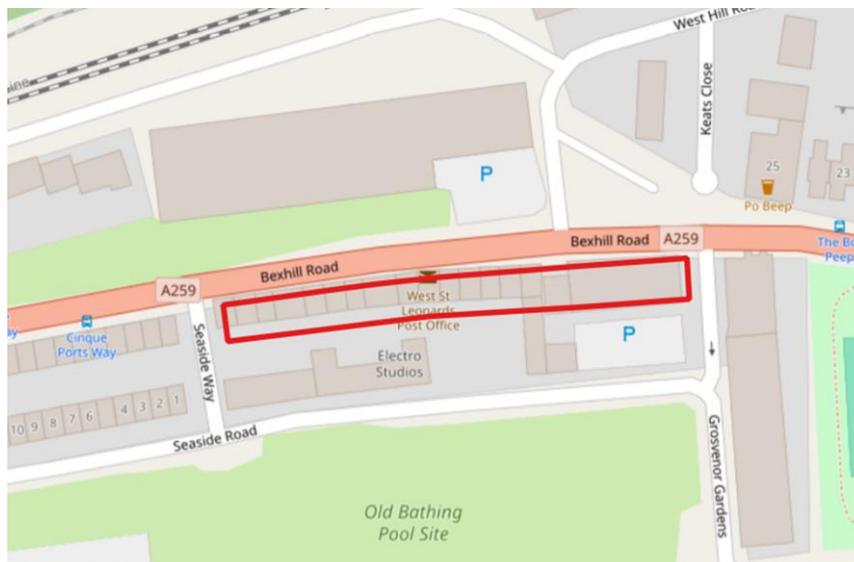
- **Local Centre: Battle Road:** No proposed change to the centre boundary.

Figure 27: Battle Road: Centre Boundary



- **Local Centre: West St Leonards (Bexhill Road):** No proposed change to the centre boundary.

Figure 28: West St Leonards (Bexhill Road): Centre Boundary



LOCAL FLOORSPACE IMPACT THRESHOLD

352. The NPPF requires an impact assessment to be undertaken for “*retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan*” (paragraph 94). Local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold, but if there is no local threshold, then the NPPF default threshold (2,500 sqm gross) should be applied. To help inform the setting of an appropriate impact threshold, the PPG (Paragraph: 015. Reference ID: 2b-015-20190722) also states that it will be important to consider the following:
- scale of proposals relative to town centres;
 - the existing viability and vitality of town centres;
 - cumulative effects of recent developments;
 - whether local town centres are vulnerable;
 - likely effects of development on any town centre strategy; and
 - impact on any other planned investment.
353. Under the **extant Local Plan Policy E3** there is no defined local impact threshold at present. Furthermore, the Council’s historic 2004 Local Plan had specified an impact threshold of some 1,000sqm. Moving forward the emerging Local Plan under **Policy SP3** refers to “Limiting main Town Centre uses to Hastings Town Centre, District or Local Centres with the ‘sequential approach’ applied to new development in line with the National Planning Policy Framework. For retail proposals, a locally set impact assessment threshold of 300sqm (Convenience retail) and 200sqm (Comparison retail) will apply (underlined our emphasis).
354. Given the many challenges facing existing retail businesses and therefore town centre vitality and viability, we consider that the inclusion of a threshold of 300sqm

for convenience retail, and a 200spm threshold for comparison retail is appropriate.

POLICY RECOMMENDATIONS

355. In terms of the existing policies that apply to retail and town centre uses and centres within the Borough, there are currently the policies from the extant DMP and furthermore those that relate to the retail and town centres in the Emerging Local Plan (Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21). The latter reflecting the Council's latest policy position based on more up to date evidence.
356. By way of background, the extant **Planning Strategy (HPS)** under **Policy FA3 (Strategy for Hastings Town Centre)** details, inter alia, the need to provide for 20,500m sqm (gross/net) retail comparison goods floorspace up to 2028 and to promote competitiveness in terms of the range and type of shops operating in the area. The extant **Development Management Plan (DMP)** reinforces these quantum and calls for the continued development of Priory Quarter, including the rest of Havelock Road north of Lacuna Place, Queensbury House, and Priory Street, to create employment, retail and leisure uses.
357. Both the HPS and DMP mirror the need to provide for 20,500 sqm retail comparison goods floorspace in the Town Centre boundary area. The Council reassessed these forecasts in 2018 and showed a much lower forecast of between 3,342 sqm net and 11,496 sqm net to 2036. The advice given was that the forecast growth should support and enhance the turnover of the town centre's comparison goods offer rather than planning for significant net additional floorspace.
358. This report has subsequently updated these capacity forecasts and has shown there is no identified capacity for both convenience and comparison goods over the broad period to 2035.
359. Furthermore, the Emerging Local Plan (Hastings Local Plan: Consultation Draft (Regulation 18), Winter 2020/21) provides for a specific policy on retail and leisure uses under Strategic Policy 4 (SP4): Business Development (detailed previously). We support the direction of this policy. Planning policies for the Borough should continue to support and reflect the broad forms of development that the Council would like to promulgate, whilst not seeking to be too prescriptive (as in the extant local plan) in terms of quantum, timescales, and/or the mix and format of the uses.

10. GLOSSARY OF TERMS

Term	Definition
Town Centres	Town are the principal centre or centres in a local authority's area. When planning the future of town centres, local planning authorities should consider the function of various parts of the centre and how these contribute to its overall vitality and viability.
District Centres	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. These centres generally contain between 10,000-50,000sqm of retail, leisure and service floorspace; and provide a higher proportion of convenience over comparison goods.
Local Centres	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office, a pharmacy or a launderette.
Town Centre Uses	As defined in the NPPF, main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
Neighbourhood Centres	Normally comprise all parades of shops that are of purely local significance.
Town Centre Boundary	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined in Local Plans and on the policies map.
Primary Shopping Area	Defined area where retail development is concentrated.

Term	Definition
Edge-of-Centre	As defined in the NPPF, for retail purposes a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
Out-of-Centre	A location which is not in or on the edge of a town centre. Out-of-centre locations are at the bottom of the retail hierarchy and any application for retail development in an out-of-centre location must fully assess impacts and rule out potential for locating in a more sequentially preferable location.
Convenience Retailing	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
Comparison Retailing	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
Supermarkets	Stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
Superstores	Stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
Retail Warehouses	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
Retail Parks	An agglomeration of at least 3 retail warehouses.
Warehouse Clubs	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
Factory Outlet Centres	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.

Term	Definition
Leisure Parks	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
Convenience Goods Expenditure	Expenditure (including VAT as applicable) on goods in COICOP (Classification of individual consumption by purpose categories): Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
Comparison Goods Expenditure	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
Special Forms of Trading	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
Gross Ground Floor Footprint Floorspace	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
Gross Retail Floorspace	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
Net Retail Sales Area	The sales area within a building (i.e., all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.

Term	Definition
Retail Sales Density	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
Quantitative Need	Is conventionally measured as expenditure capacity (i.e., the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
Qualitative Need	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.