

ROTHER RETAIL AND MAIN TOWN CENTRE USES STUDY

2026 REFRESH – FINAL REPORT

Prepared for:

Rother District Council

October 2026

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1. INTRODUCTION

1. In March 2026 Lambert Smith Hampton (LSH) was commissioned by Rother District Council hereafter ‘the Council’ to update and provide a ‘refresh’ (hereafter the ‘2026 Refresh’) to the key findings of their ‘Retail and Main Town Centre Uses Study 2023’ (hereafter the ‘2023 Study’).
2. The study was commissioned to inform the emerging Rother Local Plan, which at the time of preparing this report, was subject to Regulation 18 consultation. The findings of this study will inform whether draft policies pertaining to the district’s centres and policies that seek to manage town centre uses are still appropriate.
3. The findings on retail and leisure needs presented in this study represent a partial update. The assessment is informed by new data on:
 - Population projections derived from the East Sussex County Council and the Office of National Statistics (ONS);
 - Latest estimates on retail expenditure per capita sourced from Experian (2024 price base);
 - The latest annual growth projections for retail expenditure and productivity growth published by Experian Business Strategies in their Retail Planner Briefing Note 23 (March 2026); and
 - Planning consents for retail and leisure floorspace that has come forward since the publication of the 2023 Study.
4. The above updates have been incorporated into the retail capacity model, which results in revised forecasts on capacity for new convenience and comparison retail floorspace at district level. Updated estimates on leisure expenditure and expenditure growth provide an updated position on available leisure expenditure for the district and against key leisure activities.
5. This 2026 Refresh supersedes the future need (‘capacity’) assessment for new retail (convenience and comparison goods) floorspace identified in the 2023 Study. The assessment findings are based on a revised study period, which applies a base year of 2025 with projections to 2042. The assessment period aligns with the emerging Local Plan period.
6. To help interpret the updated findings on retail and leisure needs and inform the review of draft policies, this study also provides an overview of the district’s three main centres. This exercise identifies changes in the diversity of uses and notable changes to retail and leisure operator representation since the publication of the 2023 Study.
7. 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; focusing on changes to national and local development plan policies since

the 2023 Study. The overview focuses on policies pertaining to town centres in the Regulation 18 Local Plan submission.

- **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 urban and retail landscape over the short to long term.
- **Section 4** provides an overview of Bexhill-on-Sea, Rye, and Battle town centres based on an update of each town's diversity of uses, vacancies, operator representation, and recent and planned investment.
- **Section 5** updates the strategic retail capacity assessment for new convenience and comparison goods retailing up to 2042.
- **Section 6** provides a review of the commercial leisure sector, including an update on the 2023 leisure expenditure calculations, changes to leisure provision across the district, and whether there is potential market demand to support new provision.
- **Section 7** draws on the previous sections and provides a sense check on draft policies for the new Local Plan, focusing on policies aimed at maintaining and enhancing the vitality, viability and competitive position of the district's centres over the lifetime of the new plan.

8. This Volume 1 document should be read in conjunction with Volume 2, which contains the quantitative assessment tables that inform the retail and leisure needs assessments.
9. This report is a revision to an earlier version that was submitted to the Council in June 2026. This version contains a revision to Tables 4 to 13 in Appendix 9, Volume 2.
10. A further update has been undertaken on the retail capacity forecasts which are contained in a separate addendum document 'Retail Capacity Addendum'. These capacity forecasts take account of population projections from Edge Analytics which informed the Council's Housing and Economic Development Needs Assessment. The assessment tables on retail as set out in the Retail Capacity Addendum supersede the assessment tables in Volume 2 of this study.

2. PLANNING POLICY CONTEXT

11. To help inform the preparation of this study, this section provides an update on key national, regional and local planning policies pertaining to retail, leisure and other main town centre uses. The review focuses on any changes to national and development plan policy since the 2023 Study including legislative changes to the Use Classes Order and Permitted Development Rights (PDR), particularly in relation to PDRs that allow the conversion of buildings and units in commercial use to residential.

NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

12. The NPPF was updated in December 2024 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.
13. 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 NPPF (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).
14. 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 32). 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).
15. 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”.

16. 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.
17. 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).

Consultation Draft NPPF

18. The 2025 Consultation Draft of the NPPF (DNPPF) and the associated Consultation Document (NPPF CD) provide an indication of the changes that are likely to be made to the NPPF in the coming months. At this stage neither document can be given weight and therefore the current requirements relating to retail and town centre policies are as set out above. However, this may change during the preparation of the Rother Local Plan.
19. The proposed changes to the NPPF are intended to achieve three principal objectives:
 - To ensure that national planning policy is accessible and understandable for everyone who uses it;
 - To establish a comprehensive suite of national policies on general planning matters which will apply across the country, to avoid these matters being repeated or deviated from in locally produced plans; and
 - To make the policy which it contains more ‘rules-based’ and certain, and so more capable of supporting timely and consistent planning (DNPPF, page 10).
20. For retail and town centres support for town centres is retained (Section 7), but possible changes include:
 - Removal of the reference to such uses under the definition of strategic development (PM1, para 2b). This suggests retail and main town centre uses will be considered primarily at a local level.
 - A statement that evidence required for plan-making should use existing data where possible (PM8, para 1) and that once a need has been identified at an early stage of plan preparation, it should not normally require reviewing and updating (PM8, para 3).
 - Potential changes to the criteria for finding a plan sound, including a requirement for site allocations to be realistic (PM15, para 1c). The

implications of this for sites intended for retail and main town centre uses may need more detailed consideration.

- Retention of the need to define town centre boundaries (Policy S2, paras 1b & 2) but removal of the reference to Primary Shopping Areas.
- Introduction of national decision-making policies for proposals within settlements (Policy S4) and outside of settlements (Policy S5).
- Potential inclusion of local shops in rural areas within the definition of rural business development (Policy E4).
- Extending the policy requirements when developing a hierarchy of centres to include a consideration of areas within them that may be particularly suitable for a greater diversity and/or intensification of use, including through residential development and where infrastructure and public realm improvements are proposed (Policy TC1).
- Specific encouragement to utilise design guides, design codes and masterplans to support town centre visions and the potential use of Article 4 directions to remove a permitted development right where these are justified as a means to support the vitality and viability of particular centres and maintain their character (Policy TC1).
- Removal of the specific reference to markets, because, as noted in the accompanying Consultation document “...*their existence is not controlled directly by planning*”.
- Introduction of two national decision-making policies that (i) support development in town centres (Policy TC2) and (ii) require new development to demonstrate compliance with the sequential test (Policy TC3). However, the current wording does not require a sequential test for other development proposals.
- Potential requirement to consider disaggregation when applying the sequential test (Policy TC3, para 3). The impact test is retained (Policy TC4).
- Discouraging single use, low density development and encouraging the re-use of under-utilised retail sites (Policy L1).
- New/amended definitions for:
 - Community facilities (meeting places, public houses, places of worship, cultural venues, allotments and facilities for play, sport and informal recreation); and
 - Main town centre uses (including banks and professional services); and
- Possible removal of the need to undertake a sequential test is consulted on in the NPPF CD (page 15).

PLANNING PRACTICE GUIDANCE (PPG)

21. The Planning Practice Guidance (PPG)¹ 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 (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.
22. 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.
23. Paragraph 004 of the PPG (004 Reference ID: 2b-004-20190722) 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". 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. Paragraph 006 of the PPG (006 Reference ID: 2b-006-20190722) also sets out several Key Performance Indicators (KPIs) that "may be relevant in assessing the health of town centres, and planning for their future".

DEVELOPMENT PLAN CONTEXT

24. The development plan is defined in Section 38 of the Planning and Compulsory Purchase Act 2004 and includes adopted local plans, neighbourhood plans that have been made and published spatial development plans together with any regional strategy policies that remain in force. Neighbourhood plans that have been approved at referendum are also part of the development plan unless the local planning authority decides that the neighbourhood plan should not be made (NPPF, Annex 2).

¹ [Town centres and retail - GOV.UK https://www.gov.uk/guidance/ensuring-the-vitality-of-town-centres](https://www.gov.uk/guidance/ensuring-the-vitality-of-town-centres)

Adopted Development Plan Documents

25. The relevant adopted Development Plan Documents that support policies to promote Rother's main town centres and manage town centre uses include:
 - Rother Local Plan Core Strategy (2014)
 - Saved policies of the Rother District Local Plan (2006)
 - Rother Development and Site Allocations Local Plan (2019)
 - Rye Neighbourhood Plan (2019)
 - Battle Civil Parish Neighbourhood Plan (2021)
26. A detailed review of the adopted DPDs was provided in the 2023 Study.
27. Of relevance to this Study Update are the draft policies contained in the Rother Local Plan 2020–2040 Draft (Regulation 18) Version (April 2024) and the Rother Draft Local Plan 2025–2042 Site Allocations document. This study considers whether changes are required to the draft policies following the updated assessments of retail and leisure needs.

Emerging Local Plan: Rother Draft Local Plan 2020-2040

28. Regulation 18 consultation on the proposed planning policies and long-term strategy of the new local plan took place in summer 2024.
29. Relevant policies to retail and town centres are as follows:
 - **Policy EC03:** Designated Town Centres defines' the town centres, district centres and Primary Shopping Areas in the District. The town centre areas are Bexhill-on-Sea Town Centre, Rye Town Centre and Battle Town Centre and the district centres areas are Sidley District Centre and Little Common District Centre.
 - **Policy EC04:** Retail and Leisure Impact Assessments states that a retail impact assessment is required for new retail development of 280 sqm or more outside a designated Primary Shopping Area and for new leisure development of 280 sqm or more outside of designated Town Centres

Emerging Local Plan: Rother Draft Local Plan 2025-2042 Site allocation

30. Rother District Council are in the process of preparing a new local plan which will guide development in the district up to 2042.
31. The new local plan is at regulation 18 stage, where regulation 18 consultation for the proposed site allocations ended on the 23rd of March 2026. Consultation on the regulation 19 plan is anticipated for summer 2026, with the local plan expected to be submitted for independent examination in December 2026.
32. The plan identifies no need for new retail floorspace over the next ten years at district level, based on the conclusions of the Rother Retail and Town Centre Uses

Study 2023. The Council is not seeking to allocate land for new retail floorspace other than as part of mixed-use developments.

33. Despite the limited identified need for new retail floorspace in Rother at present, the Council is taking a positive and proactive approach to supporting town centre uses through the new Local Plan, including by refreshing policies for managing new town centre development and reviewing town centre boundaries.
34. Proposed site allocations related to retail and leisure uses are as follows:
 - **Policy BX1 (Bexhill Urban Area)** supports higher-density residential development within the Bexhill Urban Area (around 110 dph), including intensification of existing sites, provided proposals achieve high-quality design, respect heritage and amenity, reduce car reliance, enhance sustainable transport and green infrastructure, support climate resilience, deliver mixed-use where appropriate, and comply with relevant town centre and conservation policies.
 - **Policy BX2 (Bexhill Cultural Area)** identifies the location as the central focus for arts, culture and tourism activities where the loss of significant existing arts, culture and tourism uses will be resisted.
 - **Policy BX3 (London Road- Sackville Road Enhancement Area)** supports development within the London Road–Sackville Road Enhancement Area where it delivers public realm improvements, strengthens the commercial and residential environment, and enhances safe, accessible movement for all users, with the Council working in partnership to achieve these outcomes.
 - **Policy BX4 (Beeching Road Enhancement Area)** supports employment and community development within the Beeching Road Enhancement Area where it enhances the public realm, protects amenity, promotes active travel, delivers high-quality design, and makes efficient use of land to intensify and diversify the employment area.
 - **Policy BX5 (Land South-east of Beeching Road)** is allocated for a residential mixed-use development consisting of commercial uses including convenience retail floorspace of food and ancillary retail sales.
 - **Policy BX7 (Sainsburys site, 1 Buckhurst Place)** is allocated for a mixed-use redevelopment with the retention of the supermarket use with separate small retail units fronting Town Hall Square.
 - **Policy BX12 (2a Sackville Road, Bexhill)** is allocated for a mixed-use development which includes 95 sqm of Class E retail floorspace.
 - **Policy BX23 (Land north of Rosewood Park)** allocates the site for a mixed-use development, incorporating centrally located retail or community facilities (Class E/F) which will include a convenience retail element.
 - **Policy BX39 (Land west of Ninfield Road, Bexhill)** is allocated for a residential led mixed-use development with convenience retail floorspace and a separate community space.

- **Policy BX46 (Land at Worsham Farm (West), Bexhill)** is allocated for a residential mixed-use development comprising 540 sqm retail floorspace.
- **Policy BX47 (Plot 7, Bexhill Enterprise Park, Mount View Street, Bexhill)** supports the development of 15,000 sqm of commercial floorspace. Further consideration of this policy allocation is discussed in Section 7.
- **Policy BT11 (Battle Market Square, Battle)** is allocated for a mixed-use development which includes the retention and expansion of existing retail floorspace.
- **Policy CM3 (Lydd Road Garage, Lydd Road, Camber)** is allocated for a mixed-use development consisting of 80 sqm of new retail floorspace.
- **Policy HG4 (Land at The Lodge, London Road, Hurst Green)** allocates the site for a residential mixed-use development that consists of a mix of uses including leisure or retail.
- **Policy FW2b (Hawkhurst Road, Flimwell- east)** allocates the site for a residential led mixed-use development with a convenience retail unit (or retention of existing retail use).

35. The findings of this Study, in particular the updated retail and leisure need assessments (Sections 5 and 6) will inform whether there is a need to amend the draft Local Plan policies discussed above. The recommendations are set out in Section 7.

Bexhill-on-Sea Place Plan

36. The Bexhill-on-Sea Place Plan has been prepared for the Bexhill Neighbourhood Board. While not a planning policy document, the Place Plan is relevant in that it seeks to provide a long-term framework for investment, regeneration and community development across the town. The document sets out a 10-year vision for Bexhill-on-Sea and identifies a programme of projects intended to strengthen the local economy, improve connectivity, enhance public spaces and support community wellbeing. The emphasis is on improving opportunities for residents while retaining the character that makes Bexhill-on-Sea distinctive.
37. The key objectives are to:
- Revitalise the town centre and support local businesses.
 - Strengthen community wellbeing and reduce inequalities across neighbourhoods.
 - Improve access to skills, employment and opportunities for young people.
 - Enhance connections between neighbourhoods, the town centre and the seafront.
 - Promote sustainable travel and environmental improvements.
 - Build on Bexhill's cultural and creative assets to attract visitors and investment.

38. To achieve the vision, the Place Plan identifies 25 projects for delivery over the next ten years. The principal project themes are set out below:

Town Centre Regeneration: • Public realm improvements around Town Hall and Buckhurst Place. • Enhancements to Devonshire Road and surrounding streets. • A programme to bring vacant town centre units back into active use. • Improved gateways, signage and wayfinding
Transport and Connectivity • New entrances to Bexhill Station from Devonshire Square and Endwell Road. • New walking and cycling routes linking key destinations. • Mobility hubs to support sustainable travel. • Expansion and coordination of community and volunteer transport services.
Economic Development • Support for business growth and town centre activity. • Development opportunities around key employment sites. • Initiatives to strengthen the creative, cultural and visitor economy.
Community and Environmental Improvements • Investment in community facilities and neighbourhood projects. • Measures to improve access to green spaces and the seafront. • Environmental enhancements that support sustainability and quality of place.

39. The Place Plan seeks to bring together regeneration, economic growth and community investment through a coordinated programme of projects. The overall aim is to create a more connected, vibrant and resilient Bexhill-on-Sea, with a revitalised town centre, stronger communities and improved opportunities for residents over the next decade.

Planning Reforms

40. The Government issued a series of reforms to the planning system over the past 6 years, which principally relate to Permitted Development Rights (PDR) and the Use Classes Order (UCO). These reforms were not discussed in the 2023 Study and are summarised in the following paragraphs.
41. The revised 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.

42. Changes of use within a defined Use Class are not considered to be development and as such do not normally require planning permission. As a result, the ability to restrict the use of an existing premises to retail or another specific town centre use has now been largely removed.
43. The Government also issued new PDR on 1st August 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”. 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).

Summary

44. The planning system in England is plan-led, with Local Plans forming the primary basis for decision-making and setting out a clear vision for future development.

National policy, as set out in the NPPF, places strong emphasis on maintaining and enhancing the vitality and viability of town centres through defined hierarchies, a flexible mix of uses, and the allocation of sites to meet identified needs. It also requires plans to be supported by up-to-date evidence and to respond to changing market conditions.

45. Recent and emerging changes to national policy and regulations further reinforce the need for flexibility. Amendments to the Use Classes Order (2020) and the expansion of permitted development rights have reduced local authorities' control over changes between commercial uses and the conversion of commercial premises to residential. While these measures can help support adaptability and reduce vacancy, they also present challenges in maintaining the retail function and overall balance of centres. Article 4 Directions remain one of the few mechanisms available to manage these impacts where there is clear justification.
46. The planning policy context for Rother District comprises a series of adopted Development Plan Documents, including the Core Strategy (2014), saved policies from the 2006 Local Plan, the Development and Site Allocations Plan (2019), and a number of Neighbourhood Plans. These provide the established framework for managing town centres and retail development, supported by earlier evidence set out in the 2023 Study.
47. Emerging policy through the draft Rother Local Plan (2020–2040) and the Draft Site Allocations Plan (2025–2042) introduces updated approaches to town centre planning. Key draft policies define the hierarchy of town and district centres and set thresholds requiring impact assessments for retail and leisure development outside designated areas. While evidence indicates no overall need for significant new retail floorspace, the Council is taking a proactive approach by supporting mixed-use development, reviewing town centre boundaries, and strengthening policy mechanisms to sustain vitality and viability.
48. Site allocations within the emerging plan focus on integrating retail and leisure uses within mixed-use developments across Bexhill-on-Sea and other settlements, alongside protecting key cultural and commercial areas. These policies aim to balance limited quantitative demand with qualitative improvements to town centre function and experience.
49. The Bexhill-on-Sea Place Plan complements the statutory planning framework by establishing a 10-year vision and delivery programme for regeneration. It prioritises town centre revitalisation, improved accessibility, economic development, and community wellbeing through a coordinated set of projects, including public realm enhancements, transport upgrades, business support initiatives, and environmental improvements.
50. Overall, the policy framework reflects a plan-led approach aligned with national guidance, emphasising flexibility, mixed-use development, and evidence-based decision-making. However, recent changes to use classes and permitted development rights present challenges for managing town centre composition, requiring targeted tools such as Article 4 Directions to retain balance and vitality.

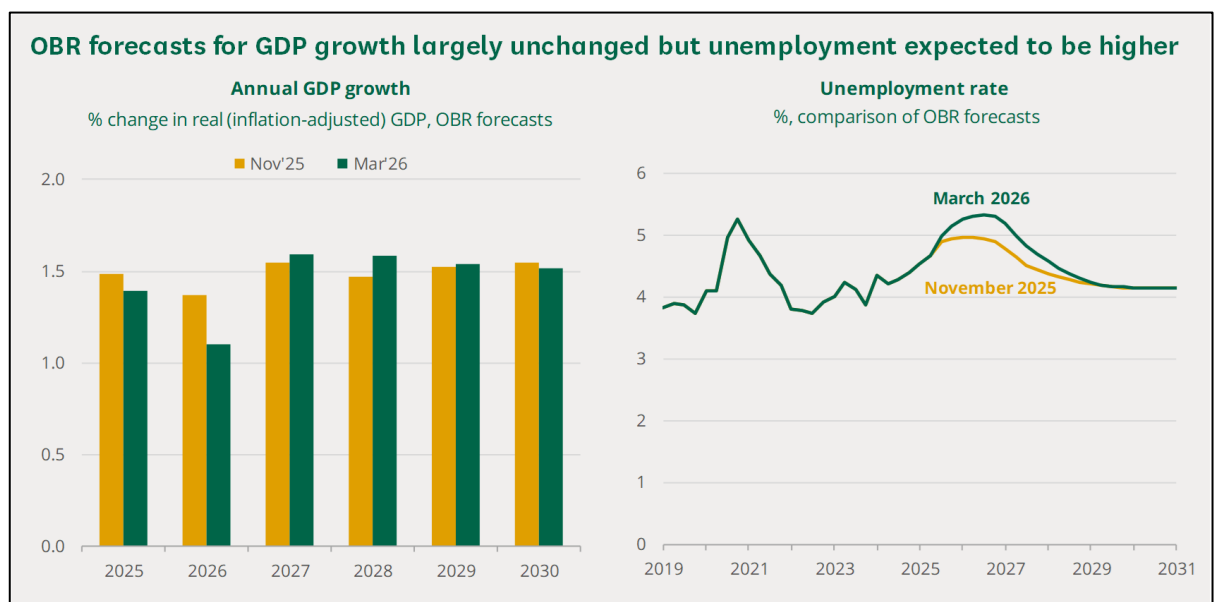
3. ECONOMIC AND MARKET TRENDS

51. 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.

UK ECONOMIC OUTLOOK

52. Over the past six years, the UK economy has endured multiple shocks including the COVID-19 pandemic, high inflation, elevated energy costs, supply chain disruptions, and trade tensions. This has been compounded by the recent crisis in the Middle East that is expected to compound the already fragile state of the economy.
53. This is reflected in the forecasts from the Office for Budget Responsibility (OBR) (Economic and Fiscal Outlook – March 2026) where it lowered its forecast for GDP growth for 2026 from 1.4% to 1.1%. This reflects weaker-than-anticipated GDP data at the end of 2025, higher unemployment and subdued business sentiment. OBR forecasts for 2027 and 2028 were raised slightly from 1.5% to 1.6% in each year. However, uncertainty remains high as global geopolitical disruptions and global trade policy remain highly volatile as well as uncertainties relating to UK labour force, GDP and productivity data.

Figure 1: OBR GDP Forecasts (Economic and Fiscal Outlook March 2026)



Source: House of Commons Library - 2026 spring forecast

54. Annual CPI inflation returned to the Bank of England's 2% target in mid-2024 as post-pandemic supply-chain pressures eased and energy prices stabilised but rose above target again in 2025 due to renewed global energy and food price increases, higher administered prices and strong wage growth. The OBR's central

forecast anticipates CPI falling to 3.4% in 2025, 2.3% in 2026 and stabilising at 2% from 2027, though ongoing Middle East conflict is expected to place upward pressure on near-term inflation through higher energy and commodity costs.

55. Experian's latest Retail Planner Briefing Note (RPBN 23, March 2026) projects mild GDP growth in 2026, supported by front-loaded government spending commitments from the 2025 Autumn Budget. Retail sales are expected to grow modestly, particularly in comparison goods, reflecting improvements in real discretionary incomes.

RETAIL SPENDING

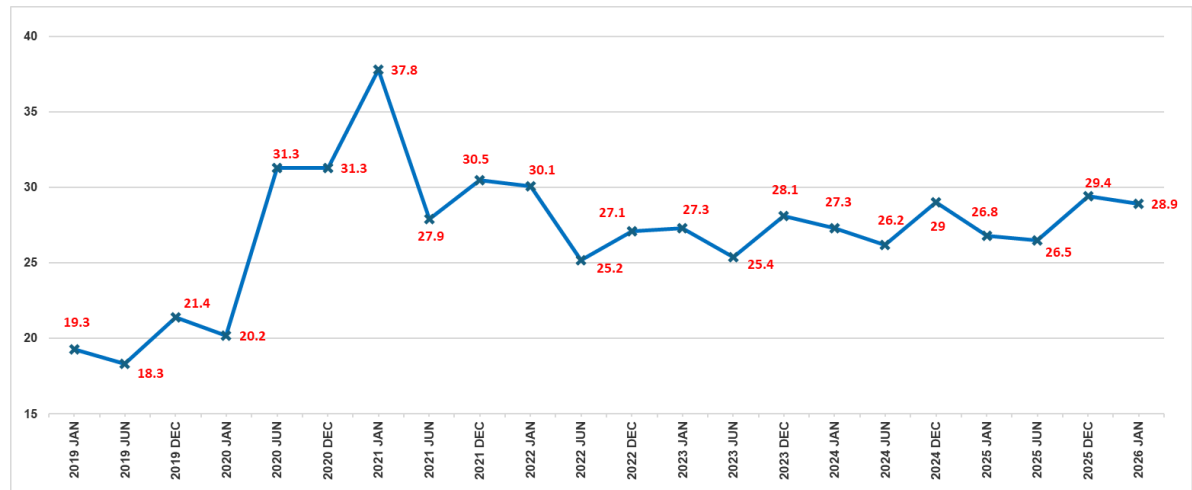
56. The latest Experian forecasts from RPBN 23 for retail spending per capita show:
- **Convenience goods:** The impact of COVID-19 resulted in a significant +7.2% surge in spend per head in 2020 but a contraction of -1.2% in 2021. This followed negative growth of -0.4% between 1998 and 2024. The overall 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 (-5.1%); 2024 (-2.8%); and 2025 (-1.5%). With no growth projected over the medium term to 2032 and beyond over the longer term to 2041.
 - **Comparison goods:** Experian figures show negative growth to 2025 (-9.4% in 2023, -0.5% in 2024; -0.5% in 2025). The predicted (per capita) growth for 2026 is 1.2%, 1.8% in 2027, which will settle at around +2.5% to 2032 and to +2.6% up to 2041. The longer-term growth forecast is higher than the historic long-term trend (1998-2024) of +2.4% 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. Experian's expenditure and productivity growth only provide forecasts to 2041 and as such, we have assumed the same rate of growth over the period to 2043 for this assessment.

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 28.9% of sales in January 2026. The graph also shows the steep increase from 20.2% in January 2020 to 37.8% in January 2021.

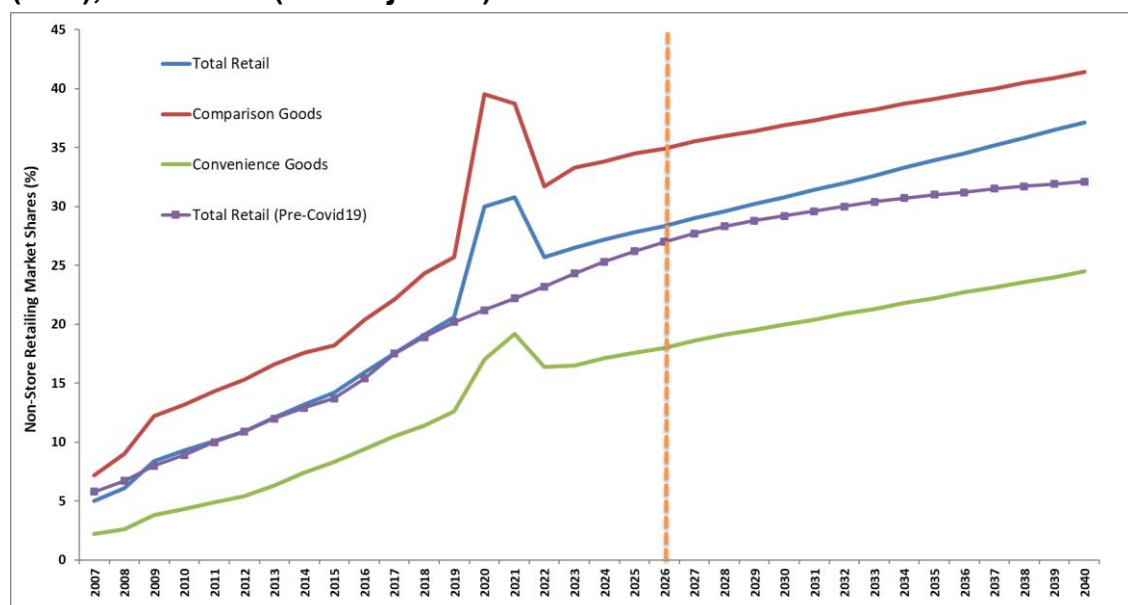
Figure 2: Internet Sales as a Percentage of Total Sales (%) (to January 2026)



Source: ONS: Retail sales, Great Britain: March 2026

61. As the figure below shows, SFT's share of total UK retail sales rose from 5% in 2006 to 30% in 2020, meaning online channels accounted for nearly one-third of all retail spending. Within this, comparison and convenience goods achieved market shares of 39.5% and 17% respectively. Experian projects that by 2026, total SFT will represent 28.3% of retail sales, with comparison and convenience goods reaching 34.9% and 18%. By 2041, SFT is forecast to rise further to 37.8%, with online comparison and convenience shares increasing to 41.8% and 24.9%.

Figure 3: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2007-2041 (Not Adjusted)



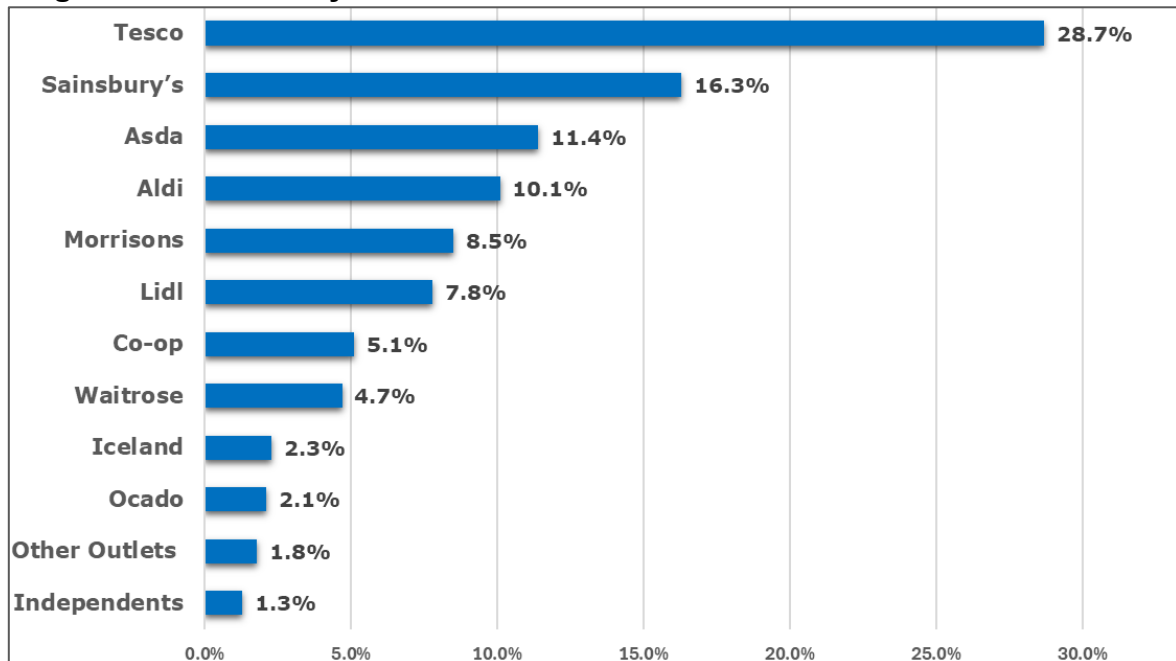
Source: Experian Retail Planner Briefing Note 23 (March 2026)

62. Growth in online retailing is attributed to improved digital platforms, faster fulfilment, expanded 5G and fibre networks, and the rise of buy-now-pay-later and price-tracking tools. Despite this, Experian estimates that physical stores still support around 25% of comparison and 70% of convenience SFT sales. When adjusted for this store-based component, SFT market shares used for capacity forecasting fall to 18% in 2026, 19.8% in 2030, and 24.9% in 2041 for total retail.
63. These trends reinforce the need for high streets and town centres to strengthen their competitive position by leveraging their core strengths (e.g. diverse retail, services, hospitality, leisure, and residential uses) to offer compelling experiences that attract a broad consumer base.

RETAILER BUSINESS MODELS AND REQUIREMENTS

64. Challenging economic conditions and sustained growth in online sales have permanently reshaped consumer shopping behaviour. Retailers have faced supply-chain pressures, inflation, economic uncertainty and wider geopolitical factors, creating significant difficulties for traditional high-street operators. National multiples are therefore continually reassessing their strategies, formats and operational models to respond to rapid sectoral change.
65. The emerging “new normal” is characterised by hybrid, technology-enabled retailing. Key trends include seamless ‘phygital’ shopping across physical and digital channels; increased use of AI for customer support and personalised recommendations; greater reliance on social-media sentiment analysis and social-commerce platforms; and the growing importance of click-and-collect and BOPIS models. Retailers are also testing new store formats and responding to rising consumer interest in repair, reuse and circular-economy initiatives, particularly among younger demographics.
66. Persistent inflation and the cost-of-living crisis continue to constrain discretionary spending, intensifying margin pressures from labour costs and business rates. These dynamics are evident in the grocery sector, where major operators have shifted towards online fulfilment and smaller convenience formats, resulting in a marked decline in large-store development. At the same time, discount operators such as Aldi and Lidl have expanded rapidly, with Aldi now entering the top five by market share.

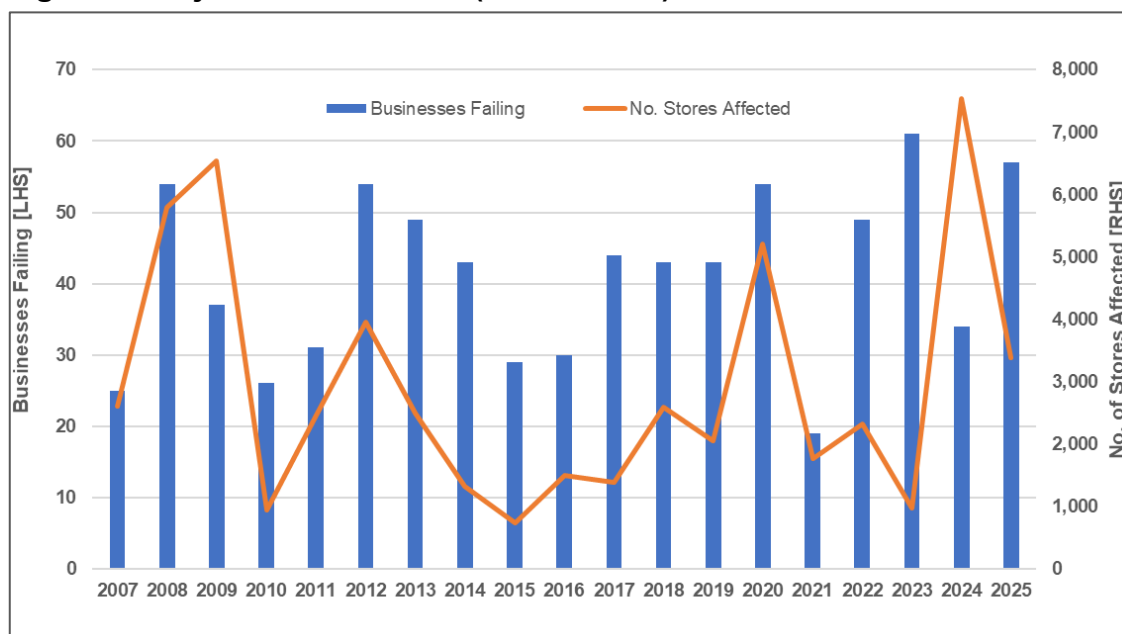
Figure 4: UK Grocery Market Share



Source: Kantar (January 2026)

67. 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. Contributing factors included reduced financial support post-COVID-19, rising operational costs, and the shift towards online shopping.
68. National retailers with large high-street portfolios are finding it increasingly difficult to maintain market share and profitability, as trading costs remain significantly higher than for online and out-of-centre operators. This imbalance continues to contribute to widespread store closures.
69. The latest industry research shows that 3,384 stores closed in 2025 due to businesses entering administration, with almost 32,553 jobs lost. These closures included major chains such as Claire's Accessories, LK Bennett and The Original Factory Shop. The scale of closures has fluctuated over time, reflecting the uneven impact of wider economic shocks and structural change in the retail sector. Closures increased sharply during the COVID-19 period, rising from 2,051 stores and over 46,506 job losses in 2019 to 5,200 stores and over 109,000 job losses in 2020. The latest figures for 2025 indicate that pressures on the retail industry have continued, with weaker consumer confidence and rising operating costs continuing to affect retailer viability.

Figure 5: Major Retail Failures (2007 – 2025)



Source: Centre for Retail Research (January 2026)

RISING OCCUPANCY COSTS

70. 'Bricks and mortar' retailers continue to face above-inflation increases in occupancy costs; including rents, business rates, utilities and staffing, which are outpacing sales growth and eroding profitability, leading to further store closures. The competitive imbalance between high-street, online and out-of-centre retailing persists, requiring operators to increase efficiencies and productivity within existing floorspace to remain viable.
71. Retail planning assessments typically apply year-on-year sales density growth allowances to ensure existing and new floorspace remains viable. However, there is limited evidence on long-term changes in retailer turnover and profitability. The latest Retail Planner Briefing Note (RPN 23, March 2026) provides updated forecasts of annual floorspace productivity growth to 2041 under two scenarios: a 'constant floorspace' scenario, assuming limited new development and greater efficiency of existing stock, and a 'changing floorspace' scenario, reflecting the impact of new retail development on average sales performance.

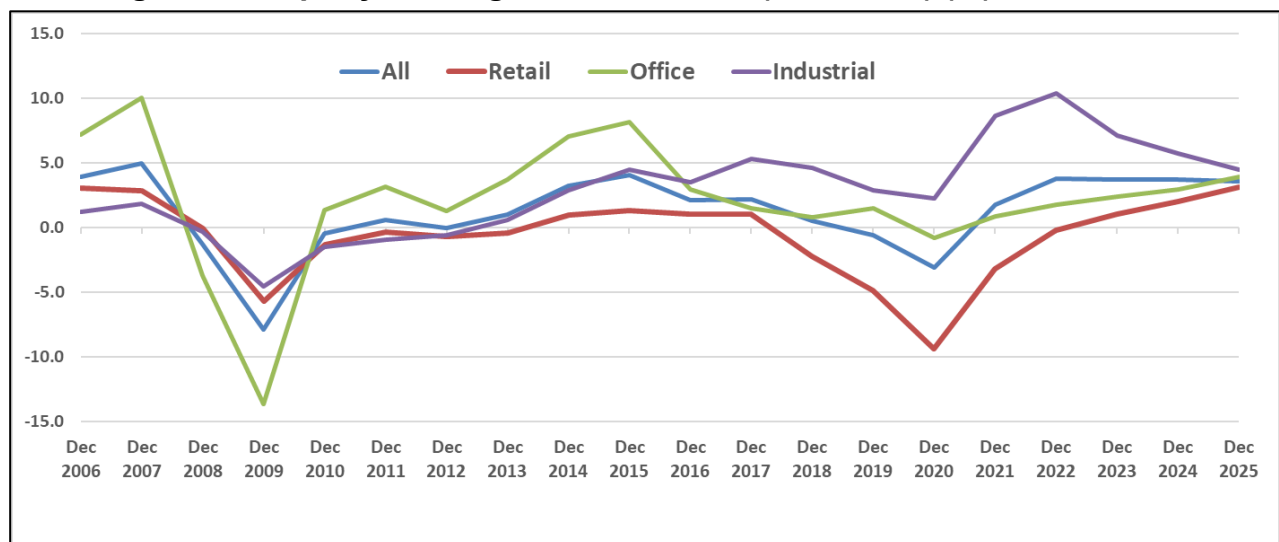
Table 1: Floorspace Productivity Growth Rates (year-on-year growth %)

	2024	2025	2026	2027	2028-2032	2033-2041
CONSTANT FLOORSPACE						
Convenience Goods	-3.4%	-1.9%	0.1%	0.0%	0.1%	0.1%
Comparison Goods	0.4%	0.9%	1.5%	1.9%	2.5%	2.5%
CHANGING FLOORSPACE						
Convenience Goods	-3.4%	-0.7%	0.0%	0.0%	0.0%	-0.1%
Comparison Goods	0.4%	-0.2%	1.3%	1.8%	2.3%	2.3%

Source: Experian Retail Planner Briefing Note 23 (March 2026); Figures 3a/3b and 4a/4b

72. Experian notes that sales-density growth has been highly volatile in recent years due to pandemic-related closures and subsequent inflationary pressures. A rebound is expected in 2026, driven mainly by comparison goods and improving consumer affordability. However, rising costs and tight margins are expected to shape medium- and long-term floorspace efficiencies, with outcomes varying significantly between local areas.
73. Budgetary pressures mean retailers will need to extract greater efficiency from existing floorspace through redevelopment or repurposing, adoption of new technologies, stronger marketing and integrated omni-channel strategies. These adjustments are occurring against a backdrop of weak demand for retail property, high vacancy levels and a substantial decline in new retail-led development.
74. Given these conditions, higher constant-floorspace productivity growth rates are preferred for retail planning assessments, as they better reflect national trends and the need for retailers to enhance sales performance to remain viable. Demand for retail space has fallen sharply since 2007, contributing to declining property values and rents, with the sector continuing to underperform relative to other property markets. This is indicated in the graph overleaf, which shows how average rental growth across the retail, office and industrial sectors has performed since 2006.

Figure 6: Property: Average Rental Growth (2006-2025) (%)



Source: MSCI UK Quarterly Property Index (March 2026)

75. Retail sector pressures have contributed to a sustained fall in retail rental values. Major national retailers now hold a stronger negotiating position, using lease events to reduce costs and increase operational flexibility. Over the past 18 months, many have sought provisions such as:
- Turnover-linked rents rather than traditional market-value rents.
 - Capped market-rent reviews to limit future increases.
 - Shorter leases with frequent break options.
 - Capped service-charge increases.
 - Pandemic-related rent-cessation clauses.

76. Across the UK, many centres now have either an oversupply of retail floorspace or stock that no longer meets modern retailer requirements for larger, more flexible formats. Research by LSH and REVO (Shaping Tomorrow's Places, 2025) highlights business rates, excess floorspace and the growth of online retail as key structural challenges affecting centre viability.
77. This oversupply, combined with limited market demand, continues to undermine the viability of existing stores and shopping centres, making it increasingly difficult for landlords, investors and operators to justify further capital investment.

OUT-OF-CENTRE RETAILING

78. Development and take-up of food and non-food out-of-centre space has slowed in recent years, mirroring trends in high streets and town centres. Major grocery operators have largely withdrawn from large superstore formats to focus on online growth and smaller convenience outlets, with the exception of discounters Aldi and Lidl, who continue to seek new edge- and out-of-centre sites.
79. Despite reduced activity, out-of-centre locations retain strong competitive advantages, including modern large-format units, ease of access, lower occupancy costs, extensive free parking and suitability for last-mile logistics. These factors continue to attract retailers revising their business models, for example, Marks & Spencer replacing some traditional high-street stores with out-of-centre Simply Food formats.
80. According to the IPF Consensus Forecasts (March 2026), rental growth in 2026 is projected at 1.8% for shopping centres, 2.3% for retail warehouses and 3% for standard retail.

VACANCY RATES

81. At the end of 2025, the national average vacancy rate for retail stood at c.13.5% (a decrease from 14% in 2023). The current rate is still higher than the pre-pandemic (Q4 2019) level of 12.1%, so the sector has yet to fully recover.
82. 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 circa 16.5% at the end of 2025.
83. The LSH/Revo survey has consistently identified there is too much retail floorspace in the UK. As a result, centres and locations are competing to attract limited occupier interest. There is also competition to secure public and private sector investment to help deliver critical redevelopment and regeneration projects.

USE CLASSES ORDER & PERMITTED DEVELOPMENT RIGHTS

84. Government planning reforms since 2020 have significantly widened flexibility in town centres, most notably through restructuring the Use Classes Order to introduce broad Class E and new community-focused classes, while moving

several former A and D uses to sui generis. These changes allow many activities to occur without planning permission, supporting the reuse of redundant buildings.

85. Despite this, town-centre boundaries and primary shopping areas remain important for policy application, and former use-class distinctions (particularly between convenience and comparison retail) continue to assist with interpretation and condition-setting. Traditional frontage policies have become less enforceable because changes within Class E no longer require permission, though planning control may still be necessary for certain sui generis uses such as hot food takeaways, betting shops and payday lenders.
86. Town centres are expected to consolidate around a broader mix of commercial, service and activity-based uses, with reduced reliance on retail and greater emphasis on placemaking. Residential growth, especially upper-floor living, is anticipated to play a key regenerative role, supported by opportunities to repurpose vacant space for housing, offices and leisure.
87. New permitted development rights introduced in 2020 (Classes AA and AB) allow additional residential storeys on certain commercial buildings, potentially reducing commercial floorspace. Class MA (2021) enables conversion from Class E to C3 residential, and since March 2024 no longer requires vacancy periods or floorspace limits. These rights broaden conversion opportunities but remain subject to prior-approval considerations including flooding, transport, contamination, noise, natural light, fire safety and agent-of-change principles.

SUMMARY

88. The section highlights the continuing structural challenges facing traditional town centres and shopping locations, including subdued retail expenditure growth, the sustained growth of online shopping, changing retailer business models, rising occupancy costs, persistent vacancy pressures and competition from out-of-centre retailing. These trends are reducing demand for traditional retail floorspace and increasing the need for existing centres to adapt to a more flexible, mixed-use role. In this context, town centres will need to continue diversifying beyond traditional comparison retail by supporting a broader mix of service, leisure, cultural, community, hospitality and residential uses, while retaining active frontages and a sufficient commercial function.
89. For Rother, these trends are particularly relevant given the role of Bexhill-on-Sea, Rye and Battle as centres with distinct local, visitor and service functions. Future policy will need to balance flexibility and adaptation with the need to maintain the vitality and viability of the district's main centres, especially where increased flexibility under the Use Classes Order and permitted development rights reduces the Council's ability to manage the precise mix of town centre uses. This points to the need for a positive but carefully managed approach that supports diversification, reuse of vacant or underused floorspace and town centre investment, while ensuring that changes of use and out-of-centre proposals do not undermine the commercial role of existing centres.

4. TOWN CENTRES OVERVIEW & CONTEXT

90. This section provides an overview of Rother District's retail and leisure offer, focusing on provision in the district's three main centres of Bexhill-on-Sea, Rye, and Battle. A review is also provided on out of centre retail and leisure, notably Ravenside Retail & Leisure Park, which is the district's primary retail park destination.
91. The diversity of uses information presented in this section relates to centre survey data provided by the Council, which has been updated by LSH to align with Experian Goad's retail and leisure use categories (convenience retail, comparison retail, services and vacant).
92. The review is not intended to serve as an update to the detailed health checks undertaken as part of the 2023 Study. Instead, the outputs of this section provide context to the later assessment findings on how residents and visitors use the centres (Section 5) and the findings of the retail capacity assessment update (Section 5) and commercial leisure assessment update (Section 6).

BEXHILL-ON-SEA TOWN CENTRE

Context

93. Bexhill-on-Sea is the largest centre in Rother and functions as the district's principal commercial centre, with a strong local service role as well as a seaside leisure function. The town centre is characterised by Victorian and Edwardian architecture, a seafront setting, and cultural assets such as the De La Warr Pavilion. The centre's commercial hub has focused on Devonshire Road, Western Road and Sackville Road, although the evidence that is discussed in this assessment suggests that activity is gravitating to what was previously considered to be secondary streets.

Diversity of Uses

94. The table overleaf which sets out the diversity of uses of shop units in Bexhill-on-Sea, which is based on the most recent Experian Goad survey data for February 2026. The table compares the latest data against the Experian Goad survey data for October 2021, which informed the health check of Bexhill-on-Sea in the 2023 Study.
95. The latest Experian Goad survey shows that the number of convenience retail units has increased, but this is negated by a reduction in the number of units for other commercial categories. Of particular note is that the number of vacancies has increased, which is discussed separately.

Table 2: Diversity of Uses - Bexhill-on-Sea

	October 2021		February 2026		UK Average	Change in Units
	Units	% of Total	Units	% of Total		
Convenience Retail	28	8.0%	30	8.9%	9.5%	2
Comparison Retail	116	33.3%	97	28.9%	25.9%	-19
Retail Services	64	18.4%	61	18.2%	15.9%	-3
Leisure Services	71	20.4%	65	19.3%	26.8%	-6
Financial & Business Services	36	10.3%	30	8.9%	7.8%	-6
Vacant	33	9.5%	53	15.8%	14.0%	20
Total Units	348	100.0%	336	100.0%		-12

Source: Experian Goad Surveys; October 2021 and February 2026

96. Independents are especially important to the centre's identity and resilience, which was highlighted in the 2023 Study. Sackville Road continues to serve a unique role in supporting vintage and specialist shops, which creates a distinctive offer for the centre. However, it is evident from the latest data on vacancies shows that other streets with continuous commercial frontages such as St Leonards Road and Western Road performing well, with independents driving demand for space.
97. The table below compares leisure offer recorded in the October 2021 and February 2026 Experian Goad surveys.

Table 3: Leisure Service Offer - Bexhill-on-Sea

	October 2021			February 2026		
	No. Outlets	% of Total Leisure Services	% of Total Outlets	No. Outlets	% of Total Leisure Services	% of Total Outlets
Cafes	20	28.2%	5.8%	15	22.7%	4.5%
Restaurants	18	25.4%	5.2%	18	27.3%	5.4%
Fast Food & Takeaways	14	19.7%	4.0%	16	24.2%	4.8%
Public Houses/ Bars/ Wine Bars	10	14.1%	2.9%	9	13.6%	2.7%
Sports & Leisure	4	5.6%	1.2%	3	4.5%	0.9%
Hotels & Guesthouses	2	2.8%	0.6%	2	3.0%	0.6%
Gambling	3	4.2%	0.9%	3	4.5%	0.9%
Total	71	100.0%	20.4%	66	100.0%	19.6%

Source: Experian Goad Surveys; October 2021 and February 2026

98. Leisure offer in the town centre is mainly supported by food and beverage businesses, which account for approximately 89% of all leisure service outlets. Within this market, the overall number of F&B outlets has remained broadly unchanged since 2021, although it is noted that the number of cafes has reduced from 20 to 15 which bucks the trend for many town centres where cafes outlets have increased. The number of restaurants and takeaway outlets has increased slightly and there is one less public house/ bar.
99. With regard to other leisure services, the number of sports and leisure outlets has reduced. Current offer comprises only one gym/fitness venues, with the other two outlets comprising aesthetic and wellbeing activities. It remains the case that Bexhill-on-Sea is still underserved by gym offer; a point highlighted in the 2023 Study.

100. The number of gambling outlets, which comprise three betting offices remains unchanged since 2021.
101. The number of hotels and guesthouses in the town centre also remains unchanged at two. Current offer comprises the Dunselma guesthouse (8 bedrooms) and a restaurant (The Driftwood) that also trades as a boutique B&B (6 bedrooms).
102. The 2023 Study noted Bexhill-on-Sea's relatively active evening economy which is largely supported by events and performances at the De La Warr Pavilion, and this remains the case now. Given the prominence of the venue, it is expected to support other evening time businesses, particularly restaurants and bars. However, restaurant provision is relatively modest, particularly restaurants aimed at serving evening activity. This is all the more notable when we consider the strength of restaurant offer available in Rye, but also in closer competing destinations such as St Leonards and Hastings.
103. Similarly, given the popularity of the De La Warr Pavilion and Bexhill-on-Sea's general appeal as a coastal visitor location, it is hotel accommodation is considered to be particularly under-represented. Current offer only provides for 14 bedrooms, and the lack of choice is likely to constrain opportunities to develop the town's overnight stay visitor economy.

Representation of National Multiples and Independents

104. The town has a mix of national multiples and independent traders, with reasonable number of high street brands for a centre of Bexhill-on-Sea's size. The range of national multiples has remained largely the same since 2021. Where high street brands and national multiples have closed in the centre these have been due to nationwide shop or branch closures (e.g. closure of M&Co, Lloyds bank, Clinton Cards, etc.).

Table 4: National Multiple Representation - Bexhill-on-Sea

Convenience	Comparison	Services	F&B
Sainsbury's	Vodafone	Nationwide	Subway
Iceland	Boots	Yorkshire Building Society	Wetherspoons
Holland & Barrett	Savers	Santander	Dominos
Co-op	TG Jones	Specsavers	
	Card Factory	Vision Express	
	F Hinds		

105. Independents are especially important to the centre's identity and resilience, which was highlighted in the 2023 Study. As highlighted earlier in this section, the town centre continues to serve a unique role in supporting vintage and specialist shops, which creates a distinctive offer for the centre.

Vacancies

106. The 2023 Study reported 33 vacant units in the centre based on an Experian Goad survey of units in October 2021 out of a total of 348 commercial town centre units.

This equated to a vacancy rate of 9.48%, which was below the national average at the time of reporting (13.82%).

107. The most recent Experian Goad survey for the centre (undertaken in February 2026) identifies 53 vacancies across the Goad survey area. This equates to a vacancy rate of 15.8%. This is well above the vacancy rate for Rye Town Centre (9%) and Eastbourne (11.7%) but is broadly on par with Hastings (15.5%).
108. The Council carried out a vacancy survey of the town centre in March 2026 which identified 55 vacant units out of 439 units surveyed. This equates to a vacancy rate of 12.5%. The survey area applied to the Council's audit is larger than the Experian Goad survey area and represents the town centre boundary defined in the Local Plan. This will partly explain the difference in vacancy rates identified for Experian Goad and the Council's data despite the total number of vacant units identified being broadly comparable. It is also possible that the Council's total unit count may include units that are excluded from Experian Goad Category Report analysis.
109. However, irrespective of the differences, it is apparent that shop vacancies is a key issue for the town centre. As noted in the Council's vacancy report, vacancies are highest on London Road, where over a fifth of shop units are vacant. There is also a concentration of vacancies along Sackville Road, Sea Road and Devonshire Road where the vacancy rate ranges from 14.7% to 16.9% of shop units.
110. By comparison, the Council's audit highlights very strong occupancy rates along St Leonards Road and Western Road, which have a strong independent business sector. The fact that these two street frontages are performing stronger than the town's traditional commercial high street (Devonshire Road) will be due to a combination of factors including potentially more affordable rents that have helped to support independent businesses, which in turn have created a more interesting and unique shopping/ leisure destination for residents and visitors.

Investment

111. Bexhill-on-Sea is the focus of a number of investment initiatives. The Bexhill-on-Sea Place Plan being an ambitious and transformative vision that once delivered should bring prosperity to the town centre. The Plan is discussed in Section 2.
112. The other initiatives include:
Bexhill-on-Sea Pride in place
113. Since the 2023 Study was published Rother District Council secured £20 million in Government funding under the Pride in Place Programme. This led to the creation of the Bexhill-on-Sea Neighbourhood Board Plan 2026–2030 which sets out a longer-term framework for continued town centre investment, including further public realm improvements, support for sustainable business growth, and stronger integration between the seafront and commercial core. The Bexhill Neighbourhood

Board oversaw the preparation of the Bexhill Place Plan (discussed in Section 2) and will lead the first four years of the Bexhill Place Plan.

114. The Neighbourhood Board's proposals for Bexhill-on-Sea Town Centre focus funding on initial priorities identified in the Bexhill Place Plan, which are centred on improving the quality of the high streets and increasing footfall. A significant share of investment is directed towards public realm upgrades, including wider pavements, additional planting and more flexible space for outdoor seating and events. These changes are intended to make the town centre more attractive and easier to use, encouraging people to spend more time and money locally.
115. Funding is also prioritised towards improving access into the town centre. In particular, the Board highlights the need to enhance connections from the railway station, including opening side exits that lead directly into the high streets. This will be supported by clearer signage and digital wayfinding tools to better link the station, seafront and town centre, addressing current issues around poor navigation and fragmented visitor flows.
116. Alongside these physical and access improvements, a proportion of funding is aimed at increasing activity and use of the town centre. This includes support for events, cultural programming and digital walking trails that encourage residents and visitors to explore local attractions and businesses. There is also an emphasis on strengthening the connection with the seafront through targeted activation projects, helping to draw visitors further into the town centre.
117. Further investment is expected in greening and environmental improvements to enhance the appearance and resilience of the high streets, as well as in community transport to make the town centre more accessible to residents from surrounding areas. In addition, the plan includes funding to bring vacant or underused buildings back into use, for example as flexible workspaces or community and skills hubs, to broaden the town centre offer.

Other Investment

118. In recent years, investment in Bexhill-on-Sea Town Centre has focused on public realm improvements, support for independent businesses, and strengthening the town's cultural and visitor economy. Much of this work has been led through partnership activity between Rother District Council, the Bexhill-on-Sea Neighbourhood Board, and local cultural organisations. The overall approach reflects a wider shift in the role of coastal town centres, with increasing emphasis on leisure, culture, hospitality, and experience-led activity rather than traditional retail alone.
119. A significant recent project has been the restoration of the Colonnade building on Bexhill-on-Sea seafront. The refurbishment formed part of wider investment in the public realm and aimed to improve the quality and attractiveness of the central seafront area adjoining the town centre. The scheme included restoration works, accessibility improvements, and upgrades to public facilities.

120. Town centre regeneration plans also identify the need for further improvements to pedestrian routes, wayfinding, public spaces, and connections between the seafront and commercial centre. These improvements are intended to increase footfall.
121. The De La Warr Pavilion continues to play a central role in Bexhill-on-Sea's town centre economy and identity. Ongoing investment and fundraising activity linked to the Pavilion has focused on maintaining and improving the building, enhancing visitor facilities, and strengthening its role as a regional cultural destination. The Pavilion generates year-round visitor activity and supports surrounding cafés, restaurants, and independent retailers. Local regeneration strategies increasingly position culture and heritage as central to Bexhill-on-Sea's long-term economic development and tourism offer.
122. There has also been growing emphasis on arts programming, community events, and seasonal activity designed to increase town centre footfall outside the traditional summer tourism period and encourage longer visitor stays within the town centre.
123. The planned regeneration of the De La Warr Pavilion will further reinforce this role through a phased programme of conservation, refurbishment and upgrading works to restore the Grade I listed building, improve visitor and community facilities, enhance accessibility, and incorporate more energy-efficient systems to support its long-term sustainability and viability.

Summary

124. Bexhill-on-Sea Town Centre continues to perform an important role as Rother's principal commercial and service centre, supported by its coastal setting, independent business sector and cultural assets, most notably the De La Warr Pavilion. Since 2021, the centre has experienced a reduction in comparison retail provision and a notable increase in vacancies, with concentrations along London Road, Devonshire Road and parts of Sackville Road. However, stronger occupancy on St Leonards Road and Western Road indicates that independent-led areas are performing comparatively well and that activity is no longer confined to the traditional commercial core. The leisure offer remains focused on food and beverage uses, with continuing gaps in gym provision, evening economy depth and visitor accommodation.
125. Notwithstanding these challenges, Bexhill-on-Sea is the focus of a significant programme of planned investment. The Bexhill Place Plan and Pride in Place funding provide a coordinated framework for town centre regeneration, including public realm improvements, better links between the railway station, seafront and commercial core, enhanced wayfinding, greening, community transport, cultural programming, and initiatives to bring vacant or underused buildings back into active use. Alongside this, the planned regeneration of the De La Warr Pavilion will support the town's cultural and visitor economy through conservation, refurbishment, improved accessibility, new community and learning facilities, and sustainability upgrades. Overall, the direction of travel is towards a more diverse,

accessible and experience-led town centre, with investment focused on improving vitality, strengthening the visitor economy and supporting long-term resilience.

Rye Town Centre

Context

126. Rye is a historic citadel and tourism-led market town with a strong heritage and visitor economy. The town’s medieval character, conservation status and architectural significance are central to its identity and economic function. Tourism is identified as a key driver of Rye’s economy, particularly during summer months.

Diversity of Uses

127. The table below compares Experian Goad’s most recent survey (August 2025) of diversity of uses for Rye against the survey data for February 2022, which informed the health check of Rye in the 2023 Study.

Table 5: Diversity of Uses - Rye

	February 2022		August 2025		Change in Outlets
	No. Outlets	% of Total	No. Outlets	% of Total	
Convenience Retail	19	9.1%	21	10.1%	2
Comparison Retail	87	41.6%	82	39.4%	-5
Retail Services	15	7.2%	16	7.7%	1
Leisure Services	52	24.9%	59	28.4%	7
Financial & Business Services	10	4.8%	11	5.3%	1
Vacant	26	12.4%	19	9.1%	-7
Total Units	209	100.0%	208	100.0%	-1

Source: Experian Goad Surveys February 2022 and August 2025

128. The latest Experian Goad survey shows that the total number of town centre outlets has remained broadly stable, with a net reduction of one outlet. There has been some shift in the number of retail units, with an increase in convenience retail outlets and a reduction in comparison retail outlets (-5). The biggest change in the composition of uses was in leisure service outlets, which increased by seven outlets since February 2022. Vacancies reduced by the same number and are discussed in more detail later in this section.
129. The shift in retail and leisure provision reflects national trends, with traditional retail contracting in many centres while experience-led and service uses have increased.
130. Looking at leisure provision in more detail, the following table provides a breakdown on key categories and how this has changed since 2022.
131. The table shows that leisure service offer has remained broadly similar for the majority of leisure categories. The exception is restaurants and hotels/ guesthouses which have seen an increase by 3 outlets each. This investment is

likely to serve the town's visitor market with the new hotel offer mainly catering to the premium boutique rooms market.

132. While the number of outlets identified as sports and leisure has increased based on Experian Goad's survey, the current offer relates to a tanning salon and a heritage attraction. There are no gym or fitness venues recorded in the centre, or at least within the curtilage of Experian Goad's survey area.
133. Other leisure categories include the Kino Cinema, which serves as the only cultural/ entertainment outlet in Rye. The town's only betting office, which was recorded in the 2022 Experian Goad survey is no longer trading.
134. The two social clubs recorded by Experian Goad in August 2025, The Rye and The Brewery Yard Club, are no longer trading. The buildings that formerly accommodated both clubs have subsequently been sold, with the Brewery Yard Club building converted to residential use.

Table 6: Leisure Service Provision - Rye

	February 2022			August 2025			Change in Outlets
	No. Outlets	% of Total Leisure Services	% of Total Outlets	No. Outlets	% of Total Leisure Services	% of Total Outlets	
Cafes	10	19.2%	4.8%	10	16.9%	4.8%	0
Restaurants	11	21.2%	5.2%	14	23.7%	6.7%	3
Fast Food & Takeaways	6	11.5%	2.9%	7	11.9%	3.4%	1
Public Houses/ Bars/ Wine Bars	12	23.1%	5.7%	12	20.3%	5.8%	0
Hotels & Guesthouses	8	15.4%	3.8%	11	18.6%	5.3%	3
Culture/ Entertainment	1	1.9%	0.5%	1	1.7%	0.5%	0
Clubs	2	3.8%	1.0%	2	3.4%	1.0%	0
Sports & Leisure	1	1.9%	0.5%	2	3.4%	1.0%	1
Gambling	1	1.9%	0.5%	0	0.0%	0.0%	-1
Total	52	100.0%	20.4%	59	100.0%	28.4%	7

Source: Experian Goad Surveys February 2022 and August 2025

Note: The two social clubs are now closed.

Representation of National Multiples and Independents

135. The town's retail and service offer is primarily underpinned by the independent sector, which accounts for 97% of all outlets. This adds to the appeal and character of the centre's offer. This will be influenced by demand from the visitor market, but also the town's affluent catchment, an observation also highlighted in the 2023 Study.
136. Retail multiples are limited in range, with representation mainly within the services sector. Notably, there are no chain restaurants, cafés or takeaways, in contrast to Bexhill-on-Sea and many other centres in East Sussex.

Table 7: National Multiple Representation - Rye

Convenience	Comparison	Services	F&B
Costcutter	Boots	Nationwide	Enterprise Inns (The Union)
Cornish Bakery	Day Lewis	Royal Mail	The Cornish Bakery
	Sue Ryder (Charity shop)	Wilson & Hancock (Opticians)	
		Reeds Rains (Property Agents)	
		Murphy Oil (Petrol Filling Station)	

137. The town is represented by regional operators, notably Jempson's which trade from a medium to large sized foodstore, which serves as the town's only foodstore anchor and main food shopping destination. As was highlighted in the 2023 Study, the store is closed on Sundays.
138. The lack of a mainstream foodstore stands out as an obvious gap in provision for a town of Rye's size. The Council's resolution to grant planning permission for an Aldi store on an edge of centre site to the south of the town centre will help to improve main food shopping choice for the settlement and the surrounding catchment.

Vacancies

139. The August 2025 Experian Goad survey recorded 18 vacant units in the town centre, representing a significant reduction from the 26 vacant units recorded in February 2022. The latest vacancy rate of 9% is considered healthy and is well below the vacancy rate for other shopping and leisure destinations in East Sussex.
140. It is noted that current vacancies are focused along High Street, which account for 42% of vacant outlets. Two of the vacancies were recorded as under alteration at the time of the Experian Goad survey in August 2025. It is unclear whether 42 High Street is still in commercial use, while the second unit that was listed as under alteration is now part of the adjoining George Hotel.

Figure 7: Distribution of vacant outlets - Rye



Investment

141. Recent investment activity in Rye has focused mainly on supporting local businesses and strengthening the town centre economy. Rather than large-scale commercial development, investment in recent years has generally come through targeted public funding and business support initiatives. These programmes have aimed to encourage business growth, improve collaboration across the local economy and help establish a more coordinated approach to future economic development.
142. An important part of this work was the development of the proposed Rye Business Improvement District (BID). Preparatory work began through feasibility studies, consultation with businesses and wider stakeholder engagement. The BID was intended to create a long-term investment framework funded through a levy on local businesses, with projected annual funding of approximately £90,000. Proposed priorities included promoting Rye as a destination, supporting local businesses, improving the town environment and enhancing the visitor experience.
143. Although the BID initiative represented a significant step towards a more structured investment approach for Rye, it did not progress to implementation. Following a business ballot in February 2026, the proposal was not approved and therefore did not come into operation. However, the process itself helped identify shared priorities within the business community and highlighted continued interest in finding coordinated ways to support Rye's economic development.

Summary

144. Rye Town Centre remains stable and resilient, with its strong heritage and tourism offer continuing to underpin its role. While the total number of outlets has changed little since 2022, there has been a shift towards convenience and leisure uses, reflecting wider national trends towards more service- and experience-led centres. Growth in restaurants and visitor accommodation has strengthened the town's appeal as a destination, although gaps remain in areas such as fitness and broader cultural provision.
145. Vacancy levels have improved to a healthy 9%, indicating positive demand, though vacancies remain concentrated along parts of the High Street. Investment has primarily been small-scale and focused on business support rather than major development. Although the Business Improvement District was not implemented, it identified shared priorities and demonstrated ongoing appetite for coordinated action to support long-term vitality.

BATTLE TOWN CENTRE

Context

146. Battle is the smallest of the three centres and functions primarily as a small historic market town serving local residents and visitors associated with its heritage assets, particularly Battle Abbey. The town lies within the High Weald National Landscape and has a conservation area focused on its historic high street.
147. The 2023 Study health check of the centre noted that the centre relies heavily on independent traders rather than national multiples. This is typical of smaller market towns and contributes to local distinctiveness and more affordable commercial accommodation.

Diversity of Uses

148. The table below compares Experian Goad's most recent survey (November 2024) of diversity of uses for Battle against the survey data for October 2021, which informed the health check of Battle in the 2023 Study.

Table 8: Diversity of Uses - Battle

	October 2021		November 2024		Change in Outlets
	No. Outlets	% of Total	No. Outlets	% of Total	
Convenience Retail	15	9.1%	12	10.4%	-3
Comparison Retail	35	41.6%	34	29.6%	-1
Retail Services	23	19.0%	23	20.0%	0
Leisure Services	22	18.2%	25	21.7%	3
Financial & Business Services	11	9.1%	10	8.7%	-1
Vacant	15	12.4%	11	9.6%	-4
Total Units	121	100.0%	115	100.0%	-6

Source: Experian Goad, November 2024

149. Overall, the number of town centre outlets that are recorded as occupied or unoccupied for retail or service activity has reduced. This may relate to shop units that have converted to residential, office or other another use.
150. Notably, the number of convenience retail outlets has reduced with 3 less outlets recorded in November 2024. In contrast, the number of outlets supporting leisure services increased by 4. As the table below shows, the increase in leisure services relates to the opening of two new bars/public houses in the town centre and a new restaurant. There is no change to the number of other leisure service outlets. It should be noted that while Experian Goad record two sports and leisure facilities in the town centre, these comprise a tanning salon and the Gatehouse building that forms part of the Battle Abbey complex. The town is not served by any gym and fitness outlets or sports facilities in the true sense.

Table 9: Leisure Services - Battle

	October 2021			November 2024			Change in Outlets
	No. Outlets	% of Total Leisure Services	% of Total Outlets	No. Outlets	% of Total Leisure Services	% of Total Outlets	
Cafes	7	31.8%	5.8%	7	28.0%	6.1%	0
Restaurants	4	18.2%	3.3%	5	20.0%	4.3%	1
Fast Food & Takeaways	2	9.1%	1.7%	2	8.0%	1.7%	0
Public Houses/ Bars/ Wine Bars	4	18.2%	3.3%	6	24.0%	5.2%	2
Hotels & Guesthouses	1	4.5%	83.0%	1	4.0%	0.9%	0
Culture/ Entertainment	0	0.0%	0.0%	0	0.0%	0.0%	0
Clubs	2	9.1%	1.7%	2	8.0%	1.7%	0
Sports & Leisure	2	9.1%	1.7%	2	8.0%	1.7%	0
Gambling	0	0.0%	0.0%	0	0.0%	0.0%	0
Total	22	100.0%	20.4%	25	100.0%	21.7%	3

Source: Experian Goad, November 2024

Representation of National Multiples and Independents

151. The town's retail and service offer is primarily underpinned by the independent sector, which accounts for 87% of all outlets. This is expected for a town of Battle's size and rural position, which will invariably be supported by the independent sector.
152. Like for Rye, the presence of retail multiples in Battle are limited in terms of their range with representation mainly within the services sector.

Table 10: National Multiple Representation - Battle

Convenience	Comparison	Services	F&B
Co-operative	Boots	Nationwide	Costa Coffee
COOK	Day Lewis	Royal Mail	Enterprise Inns (Ye Olde Kings Head)
Holland & Barrett	Age UK (Charity shop)	Castle (Property Agent)	
	Demelza (Charity shop)	Taylor's (Property Agents)	

153. Key retail multiple anchors are Co-operative, which operates a medium-sized foodstore to the north of the town centre, COOK, Holland & Barrett and Boots. Costa Coffee is located on High Street and serves as the main F&B operator for the town alongside Enterprise Inns, which operates the Ye Olde Kings Head public house.

Vacancies

154. The number of vacant outlets in Battle has reduced from 15 recorded in October 2021 to 11 in November 2024, which equates to a vacancy rate of 9.6%. This is below the vacancy rate for other towns in Rother and compares to similarly sized towns in East Sussex.

Figure 8: Distribution of vacant outlets - Battle



155. As the figure shows, vacancies are concentrated along High Street (8 out of 11), which is to be expected given the town's linear form. Vacancies are concentrated midway along High Street, including two former bank outlets, and in the southern area of High Street around Abbey Green.

Investment

156. Recent investment in Battle Town Centre has followed a gradual, heritage-led approach rather than large-scale regeneration. Due to the town's historic character and concentration of listed buildings, development has focused on infrastructure, tourism and supporting sustainable local growth rather than major redevelopment projects.
157. The most significant recent investment is the Blackfriars development area, where infrastructure works are supporting around 200 new homes and associated facilities. The scheme is being brought forward by Rother District Housing Company as master developer. Although located outside the town centre, the development is expected to increase local spending, footfall and demand for services, potentially benefiting businesses in Battle Town Centre.
158. Investment activity in the town centre has largely focused on supporting town-centre vitality and retaining existing commercial uses within a highly constrained historic environment. This is recognised in the aspirations of the Battle Neighbourhood Plan which seeks to resist the loss of existing ground floor retail space and ensure that shop fronts are in keeping with the surrounding character of the conservation area.
159. Investment and strategic activity in the wider Sussex and 1066 Country visitor economy aims to strengthen tourism through destination development, partnership

working and enhanced visitor experiences, with Battle likely benefiting through its role as a key heritage destination.

Summary

160. Battle Town Centre remains a stable small market town serving both local needs and its important heritage-based visitor role. The number of commercial units has declined slightly since 2021, reflecting some loss of retail and service uses, although there has been a modest shift towards leisure activity, particularly new bars and restaurant provision. The centre continues to be defined by its strong independent sector and historic character, although there remain gaps in provision such as the absence of modern fitness and leisure facilities.
161. Vacancy levels have improved and remain relatively low at 9.6%, indicating a generally healthy level of occupancy, although vacant units are concentrated along the High Street. Investment has been modest and focused on heritage-led improvements, supporting local vitality and tourism rather than large-scale redevelopment. The Blackfriars development is expected to increase footfall and spending, while wider tourism strategies and neighbourhood planning policies aim to protect the town's character and support long-term resilience.

RAVENSIDE RETAIL & LEISURE PARK AND OTHER OUT OF CENTRE PROVISION

162. Ravenside Retail & Leisure Park is a prominent out-of-town retail warehouse scheme located at Glyne Gap, between Bexhill-on-Sea and St Leonards. The park extends to approximately 23,690 sqm and provides around 880 parking spaces, serving a wide coastal catchment and functioning as a key retail destination for the Bexhill-on-Sea and Hastings-fringe area.
163. The scheme is anchored by major national operators including Tesco, B&Q, Marks & Spencer and Wickes, which drive consistent footfall and position Ravenside as a convenience and bulky goods destination. Supporting tenants such as Currys, B&M, Boots, Halfords, Pets at Home and Tapi Carpets reinforce this focus on essential retail.
164. Leisure provision is limited but complementary, comprising mainly quick-service restaurants such as McDonald's and KFC, alongside the Bexhill Leisure Pool, which supports strong local usage as evidenced by the household survey results (discussed in Section 6).
165. Recent activity demonstrates ongoing asset management and investment appeal. In 2026, Mountain Warehouse took occupation of a former Poundland unit following its closure, evidencing continued occupier demand. At an investment level, the park was sold in October 2025 for approximately £70 million, highlighting sustained investor appetite for well-let, convenience-led retail park assets.
166. Elsewhere, the district has a number of edge and out of centre standalone foodstores, although the offer remains unchanged since the 2023 Study. They

include the Jempson's Superstore in Peasmarsh and the Aldi on London Road north of Bexhill-on-Sea, which was subject to refurbishment works in 2023.

167. More recently, the Council has resolved to grant planning consent for a new Aldi store on an edge of centre site to Rye Town Centre. Given that existing main food grocery offer is limited to the Jempson's store in the town centre, the new Aldi will improve access to main food shopping offer for Rye's resident catchment, particularly on Sundays when the Jempson's store is closed.

SUMMARY

168. Across Rother, the town centres show a gradual shift away from traditional retail towards more service-based and experience-led uses, with independent businesses continuing to play an important role in defining their character.
169. Bexhill-on-Sea remains the district's primary centre but is facing increasing vacancy levels and a reduction in comparison retail. Activity is no longer confined to the traditional core, with stronger performance emerging on secondary streets supported by independent businesses. While the leisure offer is steady, there are clear gaps in areas such as fitness provision and overnight accommodation. Investment continues to focus on improving the public realm, strengthening cultural assets, and better linking the seafront with the town centre.
170. Rye benefits from a strong tourism market and a distinctive historic environment. Its centre has remained relatively stable, with low vacancy rates and a high proportion of independent businesses. Growth in restaurants and visitor accommodation reflects its role as a destination, although there are still gaps in everyday retail and leisure provision. Investment has generally been modest, focusing on supporting local businesses.
171. Battle functions as a small market town with a strong heritage focus. There has been a slight contraction in retail, alongside some growth in leisure uses such as cafés and pubs. Vacancy levels remain relatively low, and the centre continues to rely heavily on independent traders. Investment has been gradual and heritage-led, aimed at maintaining character and supporting local activity.
172. Ravenside Retail Park provides a significant out-of-centre offer, anchored by major national retailers and focused on convenience and bulky goods. It plays an important complementary role to the town centres and continues to attract both occupiers and investment.
173. Overall, the district reflects wider national trends, including a shift away from traditional comparison retail towards service-led and experience-based uses, increasing importance of independent businesses, and growing emphasis on public realm, culture, and tourism in supporting town centre vitality.

5. RETAIL CAPACITY UPDATE

174. The retail capacity model used to inform the 2023 Study has been updated to take account of the latest data on population projections for Rother District, and the latest economic data published by Experian Business Strategies.
175. The retail capacity update uses the same Study Area and zones that informed the 2023 Study. A plan of the Study Area is provided in Appendix 1, Volume 2. In addition, the assessment has been based on the same economic capacity model that informed the 2023 Study. However, the model has been updated to account for new data on the following socio-economic variables:
- Population projections for Rother District and the wider study area (ONS 2022-based Sub-National Population Projections (SNPP), June 2025 Release; East Sussex County Council (ESCC) projections for Rother District)
 - Expenditure per head estimates (2024 prices, Experian Location Analyst)
 - Forecast annual expenditure growth rates (RPBN 23)
 - Forecast annual productivity growth rates (RPBN 23)
 - Average sales densities for convenience and comparison retail floorspace (Global Data 2025)
176. The update is also informed by the results of a household survey conducted in August 2022, which informed the 2023 Study. The monetary market shares previously identified for the 2023 Study have been updated to reflect the revised socio-economic data highlighted above. It is assumed that market shares have remained constant since the 2022 household survey was conducted. New store openings in the district since 2022 are accounted for within the retail capacity assessment alongside extant commitments for new retail development.

POPULATION & EXPENDITURE

Population Projections

177. **Table 1, (Volume 2, Appendix 2)** sets out the base year (2025) population and projections (to 2030, 2035, 2040 and 2042).
178. The 2023 Study applied population estimates and projections for the study area and zones that are derived from on the ONS' 2022-based Sub National Population Projections (June 2025 release). Population projections for Zones 1 to 6 were adjusted to incorporate ESCC's latest available dwelling-based population projections for Rother District which cover the period 2023 to 2038.
179. The same approach has been applied to this 2026 Study Update by using the ONS's latest SNPP data (June 2025 release) and ESCC projections for Rother District that were available at the time of preparing the previous study.
180. Based on the above, the population projections show the Study Area population (Zones 1-9) is forecast to increase by +6.7% (+13,093 people) between 2025 and 2042.

Expenditure per Capita & Special Forms of Trading (SFT)

181. **Tables 2 and 4 of Appendix 2 (Volume 2)** presents revised forecasts for total available convenience goods and comparison goods retail expenditure (total expenditure is derived by multiplying the population and average expenditure per capita levels together) respectively across the Study Area and zones between 2025 and 2042 (excluding SFT).
182. The base year average expenditure figures have been updated using Experian's Location Analyst GIS system. It is based on 2024 prices (the 2023 Study was based on 2020 prices).
183. 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 and over the forecast period. As with previous updates an allowance for SFT at the base year has been informed by the results of the household telephone interview survey and 'adjusted' to take account of goods sourced from traditional ('physical') retail space based on Experian's latest **Retail Planner Briefing Note 23** (March 2026).

Total Available Retail Expenditure

184. Total available retail expenditure over the period to 2042 show:
 - a +1.3% (+£7.1m) growth in total **convenience goods** expenditure over the period 2025 and 2042 (**Table 3, Appendix 2, Volume 2**).
 - a +30% (+£196.7m) growth in total **comparison goods** expenditure over the same period (**Table 5, Appendix 2, Volume 2**).
185. The outputs for available retail expenditure are then applied to the market share percentage for convenience and comparison goods (excluding SFT), which identifies the turnover for centres and stores, as well as identifying the value (£m) of expenditure retained by retail businesses in Rother District. This informs the calculations on retail capacity.
186. The updated available retail expenditure calculations (including SFT) are used to inform an updated market share analysis (including SFT) for convenience and comparison goods in **Appendices 3 and 4 (Volume 2)**. Similarly, the updated and adjusted market share analysis is then applied to available retail expenditure (excluding SFT) to identified updated convenience and comparison goods turnovers by centres and identified stores in **Appendices 5 and 6 (Volume 2)**.

Productivity Growth

187. Section 3 provides a detailed overview of productivity growth rates which are used to forecast how the turnover of existing retail floorspace and committed retail forecasts is projected to increase over a defined period.
188. The 2023 Study provided a detailed rationale for the use of the constant floorspace scenario, which in summary is on the basis that retailers will need to seek efficiencies in their sales floorspace to counter rising operational and supply

costs. The latest productivity growth rates based on the constant floorspace scenario shows a higher rate of growth compared to the previous forecasts (RPBN19).

RETAIL CAPACITY FORECASTS

189. The updated detailed capacity tabulations for convenience and comparison goods are set out in **Appendices 8 and 9 (Volume 2)**, which take account of the turnover of new store openings and extant committed development (**Appendix 7, Volume 2**). The capacity findings show the following:

Convenience Goods Capacity

190. There is no identified District-wide capacity for new convenience goods retail floorspace over the broad 10-year period to 2035 and beyond to 2042.
191. While capacity is identified for some centres it is very limited. However, any potential 'need' identified at centre level 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.

Comparison Goods Capacity

192. The updated capacity assessment identifies no District-wide capacity for new comparison goods retail floorspace over the broad 10-year period to 2035 and beyond to 2042. Where capacity is identified at centre-level this is very limited. As highlighted in respect to the centre-level capacity findings for convenience goods floorspace, it should be treated as indicative. At the scale identified, capacity for new comparison retail floorspace is likely to be satisfied through reoccupation of town centre outlets (i.e. via vacant units and/or changing provision within Class E outlets).
193. The capacity findings in this update are mainly influenced by the following factors:
- Forecasts for annual convenience goods expenditure growth being outstripped by forecasts for annual productivity growth.
 - Lower population projections than those used to inform the 2023 Study.
 - Extant and new pipeline retail development and new store openings that absorb forecast residual spend.
194. The findings do not represent a material change from the capacity figures identified in the 2023 Study, which identified limited need for new convenience goods floorspace over the study period and no capacity for new comparison goods floorspace.

MARKET DEMAND FOR NEW RETAIL

195. A review of published site requirements from retail operators over the year to May 2026 identifies limited interest from national retailers in the district as a whole. The table below sets out the recorded requirements, which show a higher number of brands seeking sites in the Bexhill area.

Table 11: Retail Operator Requirements

Operator	Retail Type	Target Location	Unit Size sqm		Site requirement notes
			Minimum	Maximum	
City Plumbing	Trade Counter	Bexhill	186	186	Locations with surrounding trade counters
Edinburgh Woollen Mill	Clothing Retailer	Bexhill & Rye	239	398	Seeking sites in tourist locations
Grape Tree	Health foods	Rye, & Battle			An outlet opened in Bexhill.
Lidl	Discount foodstore	Bexhill - North	1,672	2,323	Seeking relocation to new site.
Lidl	Discount foodstore	Bexhill - South			New store requirement.
The Range	Variety store	Bexhill	1,858	7,432	
Sense	Charity shop	Bexhill	111	557	
Between the Lines	Gift shop	Rye	125	167	Prime high street location.

196. Key brands include Edinburgh Woollen Mill, which states a preference for town centre sites in Bexhill and Rye. The operator previously traded from Bexhill before entering administration, which led to store closures nationwide. Following a recovery deal, the company is now seeking new sites and would be a welcome addition to Bexhill-on-Sea's high street. Grape Tree, which had a listed requirement for Bexhill-on-Sea that has now been met through a new store on Devonshire Road, is also seeking units in Rye and Battle town centres.
197. Lidl and The Range stand out as major retailers whose investment in Rother should be supported. However, it is noted that Lidl are seeking to relocate from their existing store in Bexhill-on-Sea (London Road) and it is likely that the operator will be focusing on larger sites to support the retailers larger store format. This is unlikely to be achieved within Bexhill-on-Sea Town Centre given the absence of obvious available sites to support a foodstore and Lidl's typical requirement for dedicated parking.

SUMMARY

198. This update of the 2023 Study capacity assessment has again indicated that over a 10-year period to 2035 (in line with NPPF paragraph 90(d)) there is no need to identify and allocate new sites for retail development over the ten-year period up to 2035 and beyond to 2042.
199. Any capacity findings for individual centres must be seen in the context of the global capacity. This does not preclude facilitating any further investment or improvements to town, district or local centres.
200. 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. Overall, capacity should be directed to the existing network of centres.

6. LEISURE EXPENDITURE AND PROVISION UPDATE

201. This section analyses forecast commercial leisure expenditure over the study period, focusing on key sectors that are most likely to support opportunities to promote investment in Rother District's centres. A high-level overview on how commercial leisure provision has changed in the borough since the 2023 Study and any gaps in provision that could be met through investment from the market.

LEISURE EXPENDITURE OVERVIEW

202. Expenditure on leisure items and activities is an important element of a household budget, and it is estimated that in 2024, UK households spent in excess of £259 billion on such items including:
- Recreational and sporting services – i.e. services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing and skating;
 - Cultural services – i.e. cinemas, theatres, concerts, circuses, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing;
 - Restaurants, cafes etc (F&B) – i.e. catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes etc;
 - Accommodation services – i.e. accommodation in hotels, motels, inns, “bed and breakfast” establishments, caravan sites, youth hostels, boarding schools, universities and other educational establishment accommodation; and
 - Hairdressing salons & personal grooming – i.e. hairdressers, barbers, beauty shops and salons, men's personal grooming centres, massage parlours, saunas, tanning centres.
203. The table overleaf sets out average expenditure per capita for residents within Rother District and how it compares to the Study Area as a whole (Zones 1 to 6). It shows that average spend on leisure services is dominated by F&B, which includes cafés, restaurants and bars. F&B accounts for approximately 53% of all average spend per capita on leisure services in the Study Area and the District area.
204. This value remains unchanged from the 2023 Study analysis on leisure expenditure and once again highlights the importance of F&B spending for town centres. Cultural spend will be important for the larger centres, at the top of the hierarchy such as Bexhill-on-Sea and Rye where there are cultural attractions, but less so for Battle. Hairdressing and personal grooming services may generate less expenditure per head but are more likely to be spent locally.
205. As detailed previously, spend generated by the residents of Rother on accommodation services is not likely to be spent within the authority area, but

spend from visitors staying in Rother or elsewhere whilst visiting the region, will be vital to supporting the hospitality market. Spend on recreational & sporting activities is likely to be less important for town centres as is spend on games of chance (i.e. gambling activities, such as casinos, betting shops, bingo) – the former due to the scale on expenditure on activities that will not be located in town centres and the latter due to the significance of online spend.

Table 12: Expenditure per Capita on Leisure Services (2025)

	Hotels, B&Bs, etc	Culture	Games of chance	Personal Grooming	Recreation & sport	Restaurants, cafes etc	Total
Zone 1 Bexhill East	£270	£574	£135	£145	£298	£1,743	£3,165
Zone 2 Bexhill West	£345	£625	£137	£150	£343	£1,737	£3,337
Zone 3 Rother North West	£505	£675	£127	£173	£366	£1,994	£3,840
Zone 4 Battle	£460	£667	£132	£165	£369	£1,905	£3,698
Zone 5 Rye	£425	£656	£134	£146	£354	£1,793	£3,508
Zone 6 Westfield	£431	£655	£131	£148	£364	£1,779	£3,508
Zone 7 Hastings	£249	£548	£109	£117	£283	£1,642	£2,948
Zone 8 St Leonards	£246	£551	£112	£120	£288	£1,613	£2,930
Zone 9 Lydd	£323	£564	£106	£117	£292	£1,499	£2,901
Study Area Average:	£362	£613	£125	£142	£329	£1,745	£3,315
Rother District Average:	£386	£638	£135	£154	£347	£1,814	£3,474

Source: Table 3, Appendix 10, Volume 2

LEISURE EXPENDITURE FORECASTS

206. The analysis of available commercial leisure expenditure follows the same methodology to the 2023 Study. The base year expenditure per capita levels for leisure have been projected forward to 2042 using the latest Experian's forecast annual growth rates. The expenditure per head projections are then applied to the updated population projections for each study zone to identify the total available expenditure on leisure and recreation goods and services.
207. The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in Retail Planner Briefing Note 23 (RPBN23); published in March 2026.

Table 13: Actual & Forecast Growth in UK Leisure Spend (% per annum)

	2025	2026	2027	2028-32	2033-41
Annual Leisure expenditure growth (%)	0.7%	0.8%	0.6%	1.1%	1.0%

Source: Retail Planner Briefing Note 23 (March 2026)

208. In summary, leisure spend nationally is expected to increase by on average 0.84% per annum between 2025 and 2041. This represents an improvement over time, with the period 1998 to 2024 having experienced a lower rate of growth of 0.2%

per annum. This takes account of a sharp drop in 2020 during the height of the COVID19 pandemic and subsequent spike in 2021 as leisure venues reopened. However, it should be noted that these quoted rates of expenditure are for total leisure expenditure. Expenditure for different types of leisure will experience different rates of growth during this period, with varying degrees of spend being made online.

209. By applying the forecast leisure expenditure per capita to the population projections results in an increase in total available commercial leisure expenditure across the study area. Key headlines on available spend forecasts (**Table 4, Appendix 10, Volume 2**) include that:
 - Available leisure spend across the study area will increase by +15.2% (or +£94.7m) from £624.3m in 2025 to £719m by 2035; or by +26.7% (+£166.8m) to £791.1m over the entire study period of 2025 to 2042.
 - There is a higher rate of growth in Rother District with Available leisure spend forecasted to increase by +18.4% (or +£61.2m) from £332.2m in 2025 to £393.3m by 2035; or by +30.8% (+£102.4m) to £434.5m over the entire study period of 2025 to 2042.
210. **Table 5 in Appendix 10 (Volume 2)** disaggregates growth in leisure expenditure by category. It shows that F&B expenditure between 2025 and 2035 in the district area is forecast to increase by +£49.9m; accounting for 53% of the total growth. Cultural services follow with a forecast growth in expenditure of £17.5m and representing approximately 18% of total growth in expenditure for the ten-year period.
211. Against this background of 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 district.
212. From a planning perspective this clearly shows the potential importance of spending on F&B for town centres, given much of that spend will, or has the potential to be spent in defined centres at all levels of the retail hierarchy. However, the scale of spend will be commensurate to what can realistically be supported by the market. For example, opportunities to capture F&B spend in Rother will be focused on the larger centres, particularly driven by the district's visitor economy. In some cases, the value of F&B visitor spend can be greater than for retail, highlighting the important role of F&B in sustaining town centre economies that rely on the visitor market. Cultural spend will be important, also a driver for visitor spend where there are cultural leisure attractions (e.g. De La Warr Pavilion in Bexhill-on-Sea), whilst hairdressing and personal grooming services may generate less expenditure per head but are more likely to be spent locally.
213. As detailed previously, spend generated by the residents of the District on accommodation services is not likely to be spent within the District, but spend from visitors staying in the District or elsewhere in region whilst visiting the area, will be vital to supporting the hospitality market (as also described previously). Spend on recreational & sporting activities is likely to be less important for town centres as is

spend on games of chance – the former due to the scale on expenditure on activities that will not be typically located in town centres and the latter due to the significance of online spend. As a result, the relevance of different leisure uses to town centres varies, as does the planning policy response.

214. Most, if not all hairdressing and personal grooming premises will be considered as Class E uses and therefore will be subject to the same planning policies as retail uses both within and outside town centres; while demand for the development of new cultural and intensive sports uses will be market led. Demand is likely to be linked to identified needs in a catchment area that will be defined by industry specific factors. The proximity of cinemas and family activity venues in Eastbourne and Hastings is likely to satisfy demand for major venues (e.g. opportunities for large multi-plex cinemas). In such cases, catchments will extend to wide geographies meaning that demand from district residents alone may not be enough.

Eating & Drinking Out

215. The food and beverage (F&B) sector include 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.
216. The district's food and beverage offer is mainly supported within the district's larger towns and for Bexhill-on-Sea and Rye in particular it forms a key sector in supporting town centre economy and tourism.
217. The overview of the diversity of uses for each of the three towns highlighted changes across the different leisure service categories, which includes F&B.
218. The main changes to the district's F&B offer from what was identified in the 2023 Study is summarised as follows:
219. The overall number of F&B outlets reduced by 5 in Bexhill-on-Sea, with variances across the different F&B sectors:
- While the number of restaurants and public houses/ bars has remained static.
 - There was a notable reduction in the number of cafés (-5 outlets). However, it is noted that a new café (Hughies at Earls) opened at 39 Western Road in (recorded as vacant by Experian Goad in August 2025) in autumn 2025; occupying an outlet that was recorded as vacant in the August 2025 Experian Goad survey.
 - The number of takeaways increased (+2 outlets). It is noted that a new takeaway and restaurant (Tony's) opened in March 2026, which has occupied a former vacant outlet at 3 Western Road.

- The overall number of F&B outlets in Rye increased by 4 outlets including three additional restaurants and one additional public house/ bar. There was no change recorded in the number of cafes and takeaways.
- The overall number of F&B outlets in Battle increased by 3 outlets including one additional restaurant and two new public houses/ bars. There was no change in the number of cafes and takeaways.

220. As identified previously, the F&B sector dominates average household expenditure in Rother District and the Study Area as a whole. Spend on F&B is also forecast to experience the greatest monetary growth over the longer period (i.e. towards the end of the study period). In theory, this expenditure growth should support the potential to enhance the scale, quality and choice of F&B uses across the district area. In reality though, this growth will be determined by current and future trends in the sector (see **Section 3**) and market demand. As highlighted earlier, meaningful demand for new F&B will be focused in Bexhill-on-Sea and Rye which support larger resident catchments and attract a visitor market.
221. The data on F&B spend and projected spend over the study period highlights the opportunity to capture resident expenditure growth. The 2023 survey identified strong rates of market share retention of resident spend on dining out (73.8% for Zones 1 to 6) and drinking out (68.5% for Zones 1 to 6). This indicates a strong market for the F&B sector which is expected to be even stronger if we were to account for visitor F&B spend.
222. However, given the volatile nature of the F&B market, which has had to evolve with major economic challenges (e.g. cost of living crisis, energy crisis, rising supply costs, wage inflation, etc) the best option for supporting growth is for the Council to continue promoting the town centre first approach to new investment for F&B uses. Opportunities to support F&B in town centre locations should be encouraged by supporting F&B uses as part of mixed-use developments rather than identifying specific sites to support new F&B floorspace. Ultimately, the market will decide where F&B investment will be viable. Where this relates to edge or out of centre locations proposals should be appropriately assessed against the sequential and impact policy tests.

Cultural Services

223. Cultural services include theatres, cinemas, music venues, and museums which have an important role in providing education and promoting wellbeing to residents. These services can also have a key role in drawing visitors to a centre and help generate linked trade to other town centre businesses.
224. The 2023 Study highlighted the district's rich cultural heritage that ranges from historical attractions such those linked to the battle of Hastings (e.g. Battle Abbey and grounds) and contemporary attractions such as the De La Warr Pavillion in Bexhill-on-Sea and the Kino Cinema in Rye.
225. As highlighted earlier, spend on cultural services will increase by £17.5m over the ten-year period to 2035, or by +£30.8m over the entire study period (2025 to

2042). Spending on entertainment and cultural services is based on per capita rates of expenditure sourced from Experian. When applied to population projections it is estimated that Rother District residents generate £61m in available expenditure on culture and entertainment in 2025, which is forecast to increase by +£11.2m over the ten years to 2035 or by +£18.2 over the entire study period.

226. As for F&B, it is reasonable to assume that a proportion of this expenditure uplift will be absorbed by existing businesses seeking to improve their trading position within what is a very competitive sector. However, the forecasts indicate potential to capture additional expenditure from population growth and potential opportunity to claw back expenditure lost to competing venues outside of the Rother District area.
227. The cinema screen capacity assessment in the 2023 Study identified potential need for 5 additional cinema screens based on the application of the BFI's cinema screen density multiplier to the district's projection population. There is no change to the capacity figure when based on the updated population projections and an updated screen density multiplier published by the BFI (2023 Statistical Yearbook). The same caveat applies to this updated position as it did to the 2023 Study, which is that the potential to support new cinema screens in the district will be led by the market. It is likely that the catchments for existing multiplexes in Eastbourne and Hastings will include Rother.
228. Provision for other cultural attractions such as performing arts venues remains unchanged from the 2023 Study. The previous study highlighted plans to upgrade the De La Warr Pavilion. The venue is a key cultural asset for Rother District and a popular performing arts venue for the sub-region as well as hosting major exhibitions. As highlighted in Section 4, there are major investment plans for the De La Warr Pavilion, which are earmarked for building upgrade works, which will help strengthen Bexhill's role as a cultural destination.
229. Demand for new performing arts venues is likely to be satisfied by existing provision, particularly given the proximity of established theatre venues and music venues in Hastings. However, this should not be prejudice to opportunities to support investment particularly of smaller scale where market interest arises.

Gym & Fitness Services

230. As Section 3 highlights, the UK gym sector has experienced significant growth and transformation in recent years, driven by evolving consumer preferences, technological advancements, and shifting economic factors. The sector is dominated by a number of key gym operators, particularly within the budget market, such as PureGym, which is the largest UK operator by membership, followed by the Gym Group. Other key budget operators include Snap Fitness, and Anytime Fitness, JD Gyms, while Nuffield (Mid Market), Bannatyne (Mid-Market), Fitness First (Mid-Market), Virgin (Premium), and David Lloyd (Premium) lead the sector in terms of mid-market to premium providers.
231. The 2023 Study assessment of gym and fitness provision highlighted the most popular gyms and fitness venues based on responses from the household survey,

with Bexhill Leisure Centre identified as the most popular venue amongst District residents (based on Zones 1 to 6). Bexhill Leisure Pool (located within to Ravenside Retail & Leisure Park) and Rye Sports Centre followed, albeit attracting a lower response rate. Of note the 2023 Study identified no branded gym operators in the district with the nearest providers located in Hastings and Eastbourne. This remains the case now with existing provision supported by Council owned leisure centres and small independent operators. It is also noted that the latest Experian Goad survey data for the district's three centres indicates that the number of gym and fitness facilities remains unchanged and with limited provision located within the town centres.

232. Looking beyond traditional major gym operators, many new fitness formats have emerged across the UK in the past 10 years. Recent examples of new gym formats include dedicated gyms for high-intensity training, spin (stationary cycling), rowing, padel tennis, and non-competitive boxing. Alongside this, operators for other boutique fitness operators have emerged over the last 10 years such as CrossFit and F45 to name two examples. The nearest outlets are located in Hastings, Uckfield and Haywards Heath. Whilst these brands are mainly located in larger urban centres, they are a growing market, particularly amongst the young adult market, alongside other growth leisure markets such as padel tennis and well-being related fitness (e.g. reformer pilates).
233. The Council's plans to replace Bexhill Leisure Centre and Bexhill Leisure Pool centres with a new state of the art leisure centre on former the Bexhill High School site were put on hold in 2025 due to delivery costs. Instead, the Council has allocated £2m in capital funding structural repairs and refurbishment of Bexhill Leisure Centre and Bexhill Leisure Pool centres. For the former, the works will include investment in new gym equipment. The 2023 Study highlighted that Bexhill Leisure Centre is the most popular gym venue amongst respondents to the household survey, followed by Bexhill Leisure Pool. However, it is noted that a PureGym recently opened Bexhill Retail Park (and located immediately outside the district), which is likely to create some competition for membership numbers.
234. At the time of writing a planning application was submitted for a major health, fitness and racquets club at Bexhill Enterprise Park, in Mount View Street (planning reference: RR/2026/0293). The site is out of centre in retail planning terms. The proposed club would include a range of facilities including three outdoor tennis courts housed within an enclosed air dome, three covered padel courts, indoor and outdoor swimming pools, a multi-use sports court, and other facilities.
235. Generally, it is considered that there is a reasonably good offer of health, gym and fitness facilities in the district, but this is largely supported by aging public sector owned centres. with limited offer in the town centre. The absence of any branded gym operators in the district is notable, and this may reflect a lack of available sites to support the requirements for a major gym operator. The proposal for a major fitness and leisure facility at Mount View Street would help to improve offer beyond the current public sector facilities. For the district's towns, there may be

opportunities to support smaller and independent gyms, particularly Bexhill-on-Sea where there should be potential to repurpose vacant retail space.

Other Commercial Leisure

236. Other commercial leisure facilities are often classified as ‘family entertainment venues’ (FEVs), which include paid activities that appeal to adults and children (such as, for example, tenpin bowling, roller skating, ice skating, and similar uses).
237. Rother currently has a limited FEV offer, with only a small number of facilities offered within Bexhill Leisure Centre (i.e. soft play). This constrained provision is reflected in low participation locally, with around 60% of residents travelling outside the district (i.e. to Eastbourne and Ashford) to access a broader range of FEVs, particularly ten-pin bowling.
238. While this outflow suggests some potential to capture lost expenditure, the scope for delivering new FEVs in the District should be viewed cautiously. In many locations, successful FEV developments, such as bowling and other active leisure uses are typically supported by strong anchors such as cinemas and high-footfall leisure destinations. Rother currently lacks a major cinema offer, which reduces the attractiveness of the District for FEV operators and limits opportunities for co-location and linked trips.
239. Although there may be longer-term potential tied to any future cinema-led development, this is uncertain and dependent on market interest. In addition, other FEV formats (such as trampoline parks) face strong competition from nearby centres and require large, purpose-built units, typically in out-of-centre locations.
240. Overall, while there is evidence of unmet demand, the commercial viability and deliverability of new FEVs in Rother are constrained, particularly in the absence of a strong leisure anchor such as a cinema. Opportunities are therefore likely to be limited, incremental, and dependent on wider leisure development coming forward.

MARKET DEMAND FOR NEW LEISURE PROVISION

241. A review of published requirements over the year to May 2026 identified only two operators seeking sites for commercial leisure use in the district including Travelodge and Premier Inn.
242. The 2023 Study highlighted demand from Travelodge for sites in the district, notably Bexhill-on-Sea. This requirement remains and it is not surprising given the lack of hotel provision in Bexhill-on-Sea. The interest by Travelodge and Premier Inn for sites in Rye by two hotel operators reflects the popularity of the centre as a tourist destination.
243. There are likely to be site requirements for other leisure operators that are being sought out on a confidential basis or from independent operators that do not publish requirements but instead seek sites through local commercial property agencies.

244. However, it is reasonable to expect that requirements will be more muted from branded operators for sites in Rother District compared to neighbouring authorities with higher order centres. For example, there is a notable difference in the site requirements for Hastings and Eastbourne. However, these centres are considerably larger and attract a bigger resident catchment and visitor market.

SUMMARY

245. This section reviews current and projected commercial leisure expenditure in Rother District, with a focus on identifying sectors that are most likely to support future investment in town centres. Leisure spending represents a significant component of household expenditure, with over £259 billion spent across the UK in 2024 on activities such as eating and drinking out, cultural attractions, accommodation, recreation and personal services. Within this, food and beverage (F&B) spend continues to dominate, accounting for around 53% of total leisure spend, underlining its importance to the vitality and viability of town centres, particularly in larger locations such as Bexhill-on-Sea and Rye. Cultural services also play an important role, particularly in attracting visitors, while other categories such as accommodation and large-scale recreation tend to be less locally retained or are often located outside of town centre environments.
246. Looking ahead, leisure expenditure is forecast to grow steadily over the study period, with total spend across the study area expected to increase by around 26.7% between 2025 and 2042, and at a slightly higher rate within Rother itself (30.8%). Growth will be driven primarily by the F&B sector, which is expected to account for more than half of the overall increase, followed by cultural services. Since the 2023 Study, changes in provision have been relatively limited, although there have been some shifts in the number and mix of F&B outlets across the district's centres. The existing offer performs reasonably well in supporting day-to-day needs and visitor activity, but there remain gaps in provision, particularly in relation to branded gyms, larger-scale leisure attractions and family entertainment uses. These gaps contribute to expenditure leakage to competing centres such as Hastings and Eastbourne.
247. While there is some evidence of unmet demand, the scope to address this is constrained by market factors, including viability, operator requirements and the scale of the local catchment. The limited presence of anchor attractions, such as major cinemas, also reduces the district's ability to attract certain types of leisure investment. As a result, future opportunities are likely to focus on incremental improvements, particularly strengthening the F&B offer, supporting cultural provision, and accommodating smaller-scale or independent leisure operators. More significant schemes will remain dependent on market demand and the ability to attract investment to key centres, especially where linked to the visitor economy.

7. CONCLUSIONS & POLICY ADVICE

248. This report provides an update on the quantitative need for new retail (comparison and convenience goods) floorspace in the Borough area and its centres over the period to 2042, as well as changes in leisure expenditure, provision and demand for leisure offer.
249. The capacity forecasts supersede those identified in the 2023 Study and take account of new data on:
 - population estimates and projections for the study area and zones based on the ONS's 2022-based Sub National Population Projections (released in June 2025) and adjusted to account for the latest dwell-based projections for Rother District (sourced from East Sussex County Council for the years 2023 to 2038);
 - the most recent base year estimates for convenience and comparison goods expenditure (2024 prices) by zone as derived from Experian; and
 - the latest forecast growth rates for retail expenditure, Special Forms of Trading (SFT) and floorspace productivity, informed by Retail Planner Briefing Note 23 published by Experian Business Strategies (EBS) in March 2026.
250. The assessment is also informed by the following key baseline assumptions:
 - the retail market is in 'equilibrium' at the base year (2025).
 - market shares identified in the 2022 household telephone survey have remained constant over the study period.
 - accounting of new store openings and planned retail floorspace.
251. Based on the above, the assessment identifies no capacity for new convenience or comparison goods retail floorspace over the period to 2042.
252. Overall, and consistent with the findings of the 2023 Study, the Council should plan for less rather than more retail floorspace, with an emphasis on repurposing and diversifying the high street. However, the absence of identified capacity to support new retail floorspace in the district should not preclude consideration of opportunities that could improve the retail offer, particularly where they would improve expenditure retention and claw back expenditure from competing locations outside the district. The priority for such investment should be within Bexhill-on-Sea, Rye and Battle, as well as the district's smaller centres. Careful consideration should be given to retail proposals in edge-of-centre or out-of-centre locations. While such schemes could in some cases improve Rother's overall retail market share retention, this should not be at the expense of the district's centres.
253. The same conclusions broadly apply to planning for new commercial leisure uses, particularly opportunities to attract investment into the district's three towns and support gym and fitness uses where they help repurpose vacant town centre outlets. As for retail, proposals for commercial leisure uses in edge-of-centre and

out-of-centre locations should be subject to the sequential and impact tests in line with national and local planning policy.

APPROPRIATENESS OF REGULATION 18 LOCAL PLAN POLICIES FOR TOWN CENTRES

254. Consideration is now given to the draft policies within the Regulation 18 Rother Local Plan and whether the findings of the 2023 Study and this 2026 Study Refresh continue to support policies relevant to the borough's centres and the development of town centre uses.

Policy EC03: Designated Town Centres

255. No changes are recommended to the centre hierarchy based on the evidenced produced from this study refresh.

Policy EC04: Retail and Leisure Impact Assessments

256. No changes are recommended to the local impact thresholds defined for retail and leisure proposals. Given the increase in vacancies in Bexhill-on-Sea in particular, and the scale of investment planned for the town centre, it is critical that edge-of-centre and out-of-centre retail and leisure proposals demonstrate that they would not lead to a significant adverse impact on town centre investment or on the vitality and viability of the centre. This will also be relevant for Rye and Battle, where the priority should be to encourage investment within the centre. Policy EC04 should apply to edge-of-centre and out-of-centre site allocations that support retail and leisure uses.

Town Centre & Primary Shopping Area Boundaries

257. The 2023 Study recommended changes to the town centre and primary shopping area (PSA) boundaries defined in the adopted policy maps for Bexhill-on-Sea, Rye and Battle. For Rye and Battle, the findings of this study refresh do not provide any evidence that necessitates any deviation from the 2023 boundary recommendations for the two centres.
258. However, for Bexhill-on-Sea, the qualitative assessment of the town centre has identified increased commercial activity along the length of St Leonard's Road. The Council's recent vacancy survey identified the highest rate of occupancy along the street. The 2023 Study recommended that the eastern half of St Leonard's Road is excluded from the PSA, which was informed by higher rates of vacancy and less focus on retail activity on this part of the street. However, we consider that there is merit in including the full length of the street to provide policy support for the retention of commercial businesses in this area.

Draft Site Allocations with Town Centre Uses

259. Proposed site allocations related to retail and leisure uses that are identified in the Draft Local Plan 2025-2042 Site Allocation Document are considered against the updated retail capacity findings.

Policy BX5 (Land South-east of Beeching Road)

260. Whilst the retail capacity assessment does not identify quantitative need to support a new foodstore or convenience retail floorspace over the plan period, we consider that there is still merit in retaining retail as a supported land use within the allocation. The forecasts for need are based on the assumption that market shares identified in the 2022 household telephone survey remain constant. However, investment in new retail, particularly improving foodstore offer in Bexhill-on-Sea has the potential to claw back expenditure that is lost to foodstores in outside the district. This is likely to be the case in respect to Bexhill-on-Sea where investment in new discount foodstores in St Leonards and Eastbourne has taken place in recent years.
261. However, Policy BX5 should still require proposals for retail and other town centre uses to satisfy the sequential test in terms of demonstrating the proposals cannot be supported within Bexhill-on-Sea or edge of centre (applying the boundary definitions for retail and other town centre uses). In addition, proposals should still be subject to the impact tests as set out in draft Policy EC04.

Other Allocations

262. Other draft site allocations that support retail and leisure provision:

Allocation Policy	Guidance on town centre uses
Policy BX2 (Bexhill Cultural Area)	Identifies the location as the central focus for arts, culture and tourism activities where the loss of significant existing arts, culture and tourism uses will be resisted. Comment: no change.
Policy BX7 (Sainsburys site, 1 Buckhurst Place)	Allocated for a mixed-use redevelopment with the retention of the supermarket use with separate small retail units fronting Town Hall Square. Comment: No change recommended. The site represents a potential key regeneration site, but it is critical that proposals retain a foodstore use given the store serves as a key retail anchor for Bexhill Town Centre.
Policy BX12 (2a Sackville Road, Bexhill)	Allocated for a mixed-use development which includes 95 sqm of Class E retail floorspace. Comment: no change.

Policy BX23 (Land north of Rosewood Park)	Allocates the site for a mixed-use development, incorporating centrally located retail or community facilities (Class E/F) which will include a convenience retail element. Comment: Retail proposals should be of a scale that support the immediate community. Proposals should still be subject to the sequential and impact tests in order to demonstrate that any proposed retail is serving a local catchment.
Policy BX39 (Land west of Ninfield Road, Bexhill)	Allocated for a residential led mixed-use development with convenience retail floorspace and a separate community space. Comment: As above.
Policy BX46 (Land at Worsham Farm (West), Bexhill) is	Allocated for a residential mixed-use development comprising 540 sqm of retail floorspace. Comment: As above.
Policy BT11 (Battle Market Square, Battle)	Allocated for a mixed-use development which includes the retention and expansion of existing retail floorspace. Comment: No change.
Policy CM3 (Lydd Road Garage, Lydd Road, Camber)	Allocated for a mixed-use development consisting of 80 sqm of new retail floorspace. Comment: No change.
Policy HG4 (Land at The Lodge, London Road, Hurst Green)	Allocated for a residential mixed-use development that consists of a mix of uses including leisure or retail. Comment: Retail proposals should be of a scale that support the immediate community. Proposals should still be subject to the sequential and impact tests in order to demonstrate that any proposed retail is serving an immediate local catchment.
Policy FW2b (Hawkhurst Road, Flimwell- east)	Allocated for a residential led mixed-use development with a convenience retail unit (or retention of existing retail use). Comment: Retail proposals should be of a scale that support the immediate community. Proposals should still be subject to the sequential and impact tests in order to demonstrate that any proposed retail is serving an immediate local catchment.

266. It is noted that a number of the sites support the provision of local retail facilities to serve the wider housing or mixed-use elements. The retail tests should still apply

to ensure that retail proposals are aimed at supporting a local function. For the sequential test in particular, there will be a locational requirement (as per Paragraph: 012 Reference ID: 2b-012-20190722 of the 'Retail and Town Centres' Planning Practice Guidance) and this should be demonstrated as part of a supporting retail statement for future planning applications.

Policy BX47 (Plot 7, Bexhill Enterprise Park, Mount View Street, Bexhill)

267. The 6.5-hectare site was previously allocated in the 2006 Local Plan and was also previously permitted for business floorspace and is located adjacent to Combe Valley Countryside Park. The draft policy supports the development of 15,000 sqm of commercial floorspace. The site's position close to the junction to Mount View Street, Combe Valley Way and Haven Brook Avenue means that it is easily accessible, albeit mainly by car.
268. Representations were made by Sea Change on the site's policy allocation seeking to broaden the allocated uses to include support for retail uses. The main argument promoted in the representations is that Bexhill-on-Sea does not offer suitable accommodation to support retail brands, either within the town centre or at Ravenside Retail & Leisure Park or meet customer demand that will arise from the build out of housing supply over the plan period.
269. The representations also questioned whether the 2023 Study appropriately considered the population that will emerge from housing supply, which in their view would underestimate forecast need for new retail floorspace. The 2023 Study and this refresh use dwelling-led population forecasts issued by East Sussex County Council, with the latest forecasts based on 2023 ONS mid-year estimates and planned housing numbers at district level to estimate future population change. It is noted that the Regulation 18 Local Plan identifies the potential for 8,427 dwellings to be delivered through committed development sites, windfall sites and new or updated housing allocations. It is unclear how much of this potential future housing supply is accounted for within East Sussex County Council's population projections. If the Council's revised housing supply figures in the Regulation 18 Local Plan represent an increase on earlier estimates, then it is reasonable to assume that population projections would be higher than those currently projected by East Sussex County Council. However, this is unlikely to translate into a meaningful impact on retail capacity and is likely to relate to longer-term projections beyond ten years.
270. Whilst there will be new expenditure generated from the delivery of housing sites across the district over the plan period, this does not directly equate to support for new floorspace. As the calculations within the retail capacity model demonstrate, potential need for new retail floorspace must take account of variables such as increasing online market share and productivity growth adjustments to existing store turnover. Capacity outputs are highly sensitive to these variables.
271. It is recognised that Bexhill-on-Sea has lost many high street retailers since the 2023 Study was prepared, as Sea Change highlights in its representations, and that the town's ageing retail accommodation is likely to be a constraint in attracting

new retail brands. However, the Council should be cautious in supporting an out-of-town retail park given that Bexhill-on-Sea Town Centre is in need of investment. There would be concern that the provision of a new retail park at Mount View Street would draw trade from the town centre and, given the site's distance from the town centre, the potential for linked trips would be limited. A similar effect could occur if a new retail park at Mount View Street diverts trade from Ravenside Retail & Leisure Park, which is likely to support some linked trips to Bexhill Town Centre.

272. It is LSH's recommendation that, if retail or leisure uses are included within the site allocation for Policy BX47, the policy should require such uses to be ancillary to the site's principal commercial/employment function or otherwise robustly justified. Any retail or leisure proposal should be subject to both the sequential and impact tests in accordance with national policy and draft Policy EC04, with particular regard to potential impacts on Bexhill-on-Sea Town Centre.

SUMMARY

273. The findings of this study refresh and the broader findings of the 2023 Study support the approach and objectives of the above policies in respect of strengthening the vitality and viability of the district's centres. No significant changes are recommended to the draft policies contained in the Regulation 18 Local Plan submission that seek to strengthen the economies of Rother's network of centres, and in particular the district's three town centres. Instead, minor changes are recommended, including amending the Primary Shopping Area for Bexhill-on-Sea so that it includes the full length of St Leonards Road. Policies that support new town centre uses on allocated sites should be maintained despite the absence of identified quantitative need to support new retail floorspace. However, site allocations that result in proposals for retail and leisure provision should nonetheless be subject to the sequential and impact tests. This is particularly critical for Bexhill-on-Sea Town Centre, where the centre is undergoing structural change in its commercial offer and where shop vacancies have increased markedly in recent years.