# Southend-on-Sea
# Integrated Needs Assessment

**Executive Summary**

Southend-on-Sea City Council

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# Executive Summary

Southend-on-Sea City Council ('the Council') commissioned Lichfields to prepare an Integrated Needs Assessment ('INA') to inform the preparation of the new local plan for Southend. The INA comprises:

- Part A: Housing Needs Assessment;
- Part B: Economic Needs Assessment; and
- Part C: Retail and Leisure Needs Assessment.

The INA will help frame the approach to meeting the housing, employment and retail needs of Southend in a fully aligned and integrated manner, in line with the relevant National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). The analysis was prepared throughout 2025 and early 2026, and completed just prior to the publication of the August 2026 NPPF, however for plan-making purposes the December 2024 version of the NPPF will apply in Southend.

The key findings of each element are summarised below; policy implications are considered within respective Topic Papers published separately by the Council.

## Part A: Housing Needs Assessment

1 **National policy context** - national policy requires that the plan is informed by an overall assessment of housing need based on the 'standard method' set out in national guidance, but the housing requirement in the plan will need to consider the amount of new homes that can actually be provided in an area (which may be higher or lower than needs for different relevant reasons). In respect of housing need, national policy also sets out that policies should address the needs of a variety of groups including those in need of affordable housing, private renters, students, disabled people, older people and those seeking to build their own homes.

2 **Local context** - Southend's population has grown at a slower rate than wider averages over the last decade, with the younger working-age population declining marginally (in line with trends across similar coastal areas). Its current housing stock generally skews smaller compared with wider averages, reflecting the urban nature of the area. The City has a lower proportion of affordable rented housing than wider averages and more private rented housing, and housing affordability issues are more acute (driven by faster rising prices coupled with lagging wage growth). All of these factors serve to compound the general affordability issues faced by households in Southend, with pressure across all sectors of the housing market.

3 **Overall housing need** - the standard method set out in national guidance currently indicates a figure of 1,405 homes per year for Southend. However, this figure is not linked to any demographic projection (as it is based on stock and affordability), nor is there any guidance set out on how plan-makers should derive population projections from the standard method. Furthermore, in Southend, significant constraints on housing land availability mean that the plan is unable to meet the level of housing need as identified by the standard method. Therefore to understand the likely future population and household change for Southend (from which other requirements, such as employment and retail are derived) the housing need assessment has considered the latest official projections (2022-based, produced by ONS) and how these link to the levels of housing supply in Southend. This results in two supply-led scenarios – Scenario 1 'Lower supply' of 490 dpa and Scenario 2 'Higher supply' of 735 dpa. In broad terms, the former aligns with the 2022-based projections as published, and the latter aligns with the 2022-based projections if they are re-based

to the 2024 population estimates. This therefore shows that the level of supply that the Council has notionally been able to identify would be sufficient to meet the needs associated with demographic change in Southend, as indicated official population projections.

4 **Affordable housing need** – there are currently just over 1,400 households on the Council's waiting list, and in the future it is estimated that affordable rented housing need will be 678 per year. Planning guidance acknowledges that in some cases the needs of specific groups can be high in relation to overall need given it is typically calculated on a gross, rather than a net, basis. This is the case in Southend owing to the high number on the waiting list and the high proportion of households unable to afford to rent in the market (combined with high rates of gross household formation). Owing to affordability issues, Social Rented need represents a high proportion of the overall affordable rented need. However, it will be for the Council to determine what level of Social Rented housing to seek in policy, taking into account viability and other relevant factors. The need for intermediate housing has also been assessed (on a net basis), based on the number of households who can afford to rent but are unable to afford to buy in the open market – this comprises c.180-190 per year. There are a range of potential tenures that could help address this need and the Council should be cognisant of the impacts that local affordability indicators (earnings, rents, house prices), wider macroeconomic factors (interest rates, mortgage lending) and changing social and personal preferences have on this demand. The extent to which the Council reflects these demands in its policies will need to have regard to other priorities and factors, including viability.

5 **Housing mix** – to understand the potential future housing mix for Southend, projections of population and household change from the two scenarios has been considered, and combined with occupancy patterns for different tenures. The projections shows growth across all household types (particularly older households) and a decline in the number of households with children. Analysis of overcrowding and home-working has also informed the recommended mix. It should be acknowledged that there are inevitably limitations with this approach (particularly in the open market) and therefore a degree of flexibility is maintained in the recommended mix of housing. The findings are:

a For market housing, future need is likely to be substantially skewed towards 2-3 bed housing. This offers flexibility for older households (particularly those in 4+ bed housing) to downsize whilst also being suitable for most families with children (of which there are c.800 in Southend which are currently in overcrowded housing). 3-bed housing in particular may also offer the flexibility sought by households who work from home, which has become increasingly prevalent;

b For intermediate and private rented housing the mix is predominantly skewed towards 1-2 bed housing, although this partly reflects that most stock in these tenures is 1-2 beds. However, given high levels of overcrowding and the relevance of home-working in these groups it would be prudent for any mix to allow for some flexibility of 2-3 beds to reflect these likely needs; and

c For affordable housing, the waiting list currently indicates a range of needs across 1, 2 and 3-beds. Given this represents the immediate needs of Southend's residents, and given the existing prevalence of overcrowding, it would be prudent for delivery in the earlier part of the plan period to reflect the need for family-sized affordable housing. However, evidence suggests there is currently some scope for 'right-sizing', with a number of single person and couple households living in homes with 3-4 beds, and over the longer term changing demographic trends are likely to alleviate some of the pressure on affordable family housing, with more of the affordable need being for 1-beds.

6 **Other groups** – for other groups, needs have been considered as follows:

a **Private renters** – though often cited as being linked inherently to affordability, renting is also a necessary step for those who want to eventually buy and represents a preference for many households (e.g. due to flexibility). In line with national trends private renters have represented a growing group in Southend, with the number of households increasing by over 20% between 2011 and 2021; it is reasonable to expect this trend to continue. Whilst much of the demand will be met through housing within Southend's existing stock, there is evidence of the emerging Build-to-Rent sector in other urban and suburban areas across Essex, and this could play a role in meeting needs in Southend by increasing choice for households whilst also helping to improve overall standards of accommodation in this sector.

b **Older people** – for planning purposes, the needs of older people can be considered in two groups; those in need of communal or institutional accommodation (often falling in Use Class C2) and those in need of specialist housing where they continue to live as a household but where some support is provided (e.g. 'sheltered' or 'extra care' housing, which may fall in C3 use). Whilst this assessment has provided an estimate of increase in the number of older people living in C2 accommodation in Southend over the plan period, the Council has commissioned a more detailed Housing Need Assessment for Older People which provides more detailed analysis of the existing stocking and changing demographic trends and should be considered. For specialist housing, this assessment estimates that around 1,300-1,500 specialist homes may be needed over the plan period, across a mixture of housing with support and care.

c **Disabled people** – analysis of the proportion of people living in different tenures who identify themselves as having a disability that limits their day-to-day activities has informed the identified need for adaptable and accessible housing. The assessment also considers the number of people on the waiting list who require accessible housing for the purposes of affordable rented needs. The assessment concludes that for market housing 20% of all new housing should be built to M4(2) standards and 10% to M4(3)(a) standards, and for affordable rented housing this should be 60% and 10% respectively. The amount set in policy will also need to be informed by viability, particularly given the additional costs associated with M4(3).

d **Self-build** – based on historic self-build register data for Southend, if long-term trends were to continue this could equate to demand for around 250 self-build plots over the plan period. However, trends have been on the decline and if more recent trends persisted demand could be lower at c.100-200 plots (or marginally less if it excluded households that did not have a local connection to Southend). Given potential need represents a relatively low proportion of overall need, and given that the Council has not verified its self-build data, it would be prudent for the Council to consider self-build needs on a site-by-site basis taking into account the most up-to-date position on demand at the point of decision-making.

e **Students** – housing needs assessments are required to consider the needs of students. However, in December 2025 it was announced that the University of Essex Southend Campus would close at the end of Summer 2026, with all c.800 students being transferred to the University's Colchester Campus. Students will be relocated to Colchester, supported to commute to Colchester, or transferred to alternative institutions via the University's compensation scheme. On this basis it is not necessary for this need assessment to consider the future housing needs of students in Southend.

# Part B: Economic Needs Assessment

1 INA Part B has been prepared in line with the National Planning Policy Framework (Dec 2024), the latest Planning Practice Guidance (PPG), and the identified methodology for determining future economic development needs. It includes consideration of economic development set out in the Business Use Classes B2 - industrial, B8 – storage and distribution, E(g)(i) - office, Eg(ii) – research and development, and Eg(iii) – light industrial space. In the context of the NPPF and PPG, the Council's policy approach should aim to plan positively to meet Southend's employment space needs, so the city's economy is not constrained, but recognising the supply constraints that the area is experiencing and the competing pressures from other land uses.

2 The evidence herein tests the validity of the South Essex Functional Economic Market Area extending across the boundaries of Brentwood, Basildon, Castle Point, Rochford, Southend and Thurrock. The findings reinforce that this is the appropriate area in which Southend operates; however, it should be noted that there are also economic interrelationships that extend beyond the FEMA with London and the nearby centres of Chelmsford and Harlow. Furthermore, and in light of the Secretary of State's decision in March 2026 to reorganise Essex into five unitary authorities (which has been withdrawn in September 2026), the evidence also examined the self-containment of the proposed South East Essex authority, comprising Southend, Rochford and Castle Point. Indeed, these councils appear to have strong commuting flows amongst their administrative areas; however, there is no indication of a self-contained labour market area on its own merits.

3 The commercial property market in Southend is characterised by a constrained supply and an ageing and declining stock. The city has seen significant losses of office space (by -36.2%), which has helped to 'right-size' the stock to some degree by removing older, outdated space, while industrial stock has also been reduced by 7.0% since 2015. Apart from the poor supply, the demand (expressed in net absorption and take-up trends, and also considering rental growth, vacancy and availability) is very modest across both office and industrial sectors; at a level not sufficient to justify speculative development. Future demand in the industrial and logistics sectors will more likely relate to the increasing population of the area and consequently to the need for space to accommodate last-mile and smaller-scale warehousing to serve the population, alongside flexible and hybrid industrial/warehousing space for SMEs. In terms of the office market, this has shifted away from the previous office/administrative hub. The demand for office space is nowadays weak, focusing mainly on small, flexible units that should be located centrally.

4 The six scenarios considered by the assessment indicate the broad scale and type of growth arising from different PPG-compliant approaches to modelling the city's future employment space requirements. The overall employment floorspace requirements related to these different scenarios range from -182,600 sq.m to 94,900 sq.m during the plan period 2025 to 2045, which implies, indicatively, from a surplus of 28.6 ha to a need for 16.4 ha of employment land.

5 The future employment potential of Southend will be influenced by a number of factors. In particular, there is currently reported to be some shortage of available industrial land and floorspace to meet the indigenous growth requirements of the commercial market, as well as to enable the necessary level of churn and upgrading of existing sites required to sustain a functioning industrial and warehousing property market. There is also a need to consider the changing working patterns that we have been experiencing since the COVID-19 pandemic, and the establishment of the new norms of hybrid working patterns, particularly amongst people of higher qualifications, more senior occupations and primarily in office-based sectors.

6 Southend is a very constrained area where employment land has seen significant losses in recent years; however, the planning requirements should be in line with a positive plan-making process and should not overlook any potential growth opportunities, alongside the relevant mechanisms should be in place to ensure that those well-established and well-performing business areas are protected from future losses and their prosperity and economic function is not jeopardised. On this latter point, the Council should consider introducing an Article 4 Direction for those specific areas.

7 The quantitative and qualitative assessment concludes that there is a total requirement between ***58,600 sq.m (11.2 ha) and 68,300 sq.m (13.6 ha)***, which is further distributed to:

a. ***25,600 sq.m (around 2.9 ha) of office space***, which derives from Scenario 3B (Labour Supply, 735 dpa, including hybrid working patterns adjustment). This comprises the most balanced figure across the scenarios, is aligned with the housing need and provides a positive headroom to allow for future growth in the long term and against the weak market signals that currently occur in the area, without overestimating the future requirements.

b. ***Between 33,000 sq.m (around 8.3 ha) and 42,700 sq.m (10.7 ha) of industrial (including light industrial) and distribution space***, with the upper scale allowing for some further flexibility and considering the economic forecasting and the emerging market trends, while the lower scale is aligned with the housing delivery of 735 dpa.

## Part C: Retail and Leisure Needs Assessment

1 In accordance with the NPPF, INA Part C (Retail and Leisure Needs Assessment) provides an assessment of future retail and leisure development needs within Southend, as well as the District Centres of Westcliff and Leigh and the city's seven Neighbourhood Centres.

2 Since the Council's previous 2022 Study, key trends including cost of living pressures and the long-term effects of COVID-19 have continued to affect town centres, which have had to change and diversify over the past five years. Amendments to national planning policies under the National Planning Policy Framework (NPPF) and Use Class Order (UCO) have allowed for greater flexibility of uses within town centres and are continuing to affect the high street and demand for town centre uses. Shopping behaviour will continue to change, subject to other emerging trends and economic uncertainties, and town centres will need to respond by providing a more diversified retail and leisure experience.

3 This study adopts a standard and widely recognised methodology including a household telephone survey to establish existing shopping and leisure expenditure patterns within the Southend Study Area. Population and expenditure projections sourced from Experian and informed by Lichfields analysis have been adopted to forecast future high- and low-growth levels of available expenditure for comparison retail goods, convenience retail goods, food/beverage and leisure/entertainment/ cultural activities. Expenditure projections have been compared with the projected turnover of existing facilities to quantify future levels of surplus or deficit expenditure. Surplus expenditure is converted into potential new floorspace capacity projections, based on average sales densities; similarly, deficit expenditure is converted into over-supply floorspace estimates. A qualitative needs assessment for new facilities is based on a detailed audit of town centre uses.

4 Southend has a relatively low shop vacancy rate (8.4%), below the UK average which according to Goad, has increased to over 14.7%. Cyclical trends in vacancy rates reflect macroeconomic trends,

requiring a cautious approach to future development needs. Southend has a good restaurant/café offer, but its nightlife is limited with a lower provision of bars/pubs in designated centres. It features a higher than average provision of hot food takeaways, which may reflect local demand. The centre has a good range of non-retail services, meaning it meets the immediate convenience and service needs of its catchment area. In addition, Southend City Centre has a higher proportion of comparison retail floorspace than the UK average, partly attributed to the presence of two indoor Shopping Centres: The Victorias Shopping Centre at the north end of High Street and The Royals Shopping Centre at the south end of High Street.

5 The combined cumulative total floorspace capacity projections for retail and food and beverage uses in Southend is 41,180 sq.m gross to 2045 under the high-growth option and 25,830 sq.m gross under the low-growth option. These figures do not represent targets or supersede the evidence underpinning the Local Plan but suggest how Southend might best respond to emerging trends and opportunities from an updated position. This capacity is mainly for comparison and food/beverage categories, with limited capacity identified for additional convenience retail floorspace. Most of this requirement could be accommodated within existing vacant floorspace; however, there may be an opportunity for additional comparison retail provision in the catchment. For food and beverage requirements, there is likely to be a shift from retail space to more food/beverage and leisure / entertainment / cultural uses, with vacant shop premises converting to these uses. Not all vacant units will be suitable for conversion to these uses; therefore, new development may be required to accommodate some new uses. Nevertheless, there is no pressing need that should be accommodated through a specific allocation for retail uses.

6 A review of commercial leisure / entertainment / cultural floorspace identified capacity for between 1,200 sq.m and 1,900 sq.m by 2045. A detailed review of each category identified the potential for future demand for the following, but there is no current qualitative or quantitative need to provide for this in the short term and would be subject to securing operator interest:

- one or two cinemas;
- one venue for theatres or live music;
- two large or four medium sized health and fitness facilities (around 440 to 560 stations);
- one bowling facility;
- new leisure innovations e.g. indoor climbing, escape rooms, virtual sport activities; and
- four bingo facilities (albeit the relatively low participation rate for bingo activities is likely to restrict local demand) or one casino.

7 These quantitative floorspace projections should not be adopted as rigid targets, nor as maximum or minimum requirements, but be viewed as broad guidance and as a starting point for approaches to seeking or responding to operator interest.

8 In summary, the capacity projections suggest that there is no pressing need to promote major retail or commercial leisure development to accommodate projected growth in the short term. Longer-term projections are subject to uncertainty, and forecasts will need to be amended to reflect emerging changes, as and when new information becomes available. Accordingly, projections beyond 2035 should be treated with caution and regarded as broad guidance only.

9 This study has identified potential approaches and recommendations, including the following:

a Southend does not need to plan for additional convenience retail floorspace, as **emerging population and spending projections can be absorbed by the current provision**. Notwithstanding these findings, any future planning applications will need to be assessed on their own planning merits on a case-by-case basis against the relevant policy position.

b Southend **could increase its comparison goods market share** through the provision of additional retail floorspace, as reflected in the capacity projections. This could be met through utilising vacant floorspace within the city centre and edge-of-centre and may attract a national multiple, as demonstrated by recent operator interest.

c Despite high floorspace projections, there is **no need for Southend to actively plan for new food and beverage floorspace**. This use is likely to naturally expand to fill town centre vacancies in line with national trends.

d For commercial leisure, the Council should be flexible to **accommodate emerging operator interest** and seek to identify opportunities to incorporate this into town centre investment.

10 This Study provides an analysis of the potential need for retail and leisure development in the immediate, as well as medium- to long-term, up to 2045. Going forward, continued monitoring is needed and the findings of this study will need to be updated to inform an ongoing strategy. The projections and recommendations within this Study will assist the Council in the review of development plan policies to inform the draft Local Plan and future development management decisions.

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