Newcastle-under-Lyme Housing and Economic Needs Assessment

Further Update

April 2024

Turley

Contents

Executive summary

1. Newcastle-under-Lyme Borough Council partnered with Stoke-on-Trent City Council in 2020 to jointly commission evidence on the housing and economic needs of their shared geographic area. This culminated in the production of two reports – a Housing Needs Assessment[1] (hereafter 'the original HNA') and an Economic Needs Assessment[2] ('the original ENA') – which were both dated June 2020.

2. While intended to form part of the evidence base for a joint Local Plan, the commissioning authorities subsequently resolved to produce separate Local Plans, with Newcastle-under-Lyme Borough Council ('the Council') commencing this process through a consultation on Issues and Options which ran until January 2022. It later commissioned Turley to review and update selected elements of the HNA and ENA, taking account of newly available data – as well as a business survey – and considering how this affected the previously reported need for housing and employment land in Newcastle-under-Lyme. This led to the production of a Housing and Economic Needs Assessment Update[3] (HENAU) dated March 2023.

3. The Council subsequently consulted on a First Draft of its Local Plan, until August 2023, and it is now working on a Publication Draft that will be subject to a Regulation 19 consultation this summer and submitted for Examination before the end of 2024. It has commissioned Turley to support this process by further reviewing the need for housing and employment land in Newcastle-under-Lyme, in light of the latest available evidence, updates to the National Planning Policy Framework[4] (NPPF) and views shared during the most recent consultation. It has also requested further advice, beyond the scope of the HENAU, on how the potential allocation of one or more strategic employment site could have a potential impact on the need for housing in the borough within the plan period.

Minimum need for housing

4. The revised NPPF continues to reference a standard method for determining the minimum number of homes needed in an area. This suggested that **at least 347 dwellings per annum** are needed in Newcastle-under-Lyme when the Council last reported on completions in March 2023.

5. This does appear to have merit as a minimum starting point for the borough, due to its very close alignment with recent delivery and the absence of truly exceptional circumstances that would warrant a lower figure, in the context of an NPPF that now offers examples of when this could be justified.

6. Modelling presented in this report suggests that such a level of provision, from 2023 onwards, could add around 5,460 people to the population of Newcastle-under-Lyme

[1] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

[2] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

[3] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme

[4] Department for Levelling Up, Housing and Communities (December 2023) National Planning Policy Framework

by 2040. It would very slightly increase the average annual rate of growth seen over the last reported decade but would bring virtually no growth in the working age population, aged 16 to 64, with the greatest growth being amongst older people aged 65 or above. Changing behaviours could though leave a labour force capable of supporting the creation of around **167 jobs per annum**.

Future employment growth and implications for housing need

7. The HENAU took a midpoint between forecasts from Experian and Cambridge Econometrics, both released in 2022, and concluded that slightly more jobs – around 207 per annum – could be created between then and 2040.

8. These are though becoming dated, with each provider having released new forecasts in the last year which envisage the creation of between 194 and 364 new jobs per annum between 2023 and 2040. Either would represent an improvement on the past trend, with Newcastle-under-Lyme having created only 20 jobs per annum on average since 2009, but the higher forecast – from Cambridge Econometrics – appears particularly optimistic given that it adds 100 jobs per year to its previous forecast, presented in the HENAU. This appears due to an unexplained upgrading of the growth prospects of three sectors that have not actually created any jobs in Newcastle-under-Lyme over the past five years, suggesting a need for caution before assuming that these sectors will indeed create far more jobs than forecast only a year ago.

9. While this is not considered to warrant a complete dismissal of Cambridge Econometrics' forecast, there arguably are grounds to give it less weight than Experian's when blending the two, as in the HENAU. This produces a figure of **237 jobs per annum**, with a sectoral profile that is very similar to that presented in the HENAU.

10. Such a level of job growth would evidently exceed that which could be supported if the Council simply aims to meet the minimum need suggested by the standard method. Further modelling suggests that **400 dwellings per annum**, around 15% more, would be needed to grow the labour force and support this level of job creation, by attracting and retaining more people and growing the working age population in particular. The Council may therefore need to plan for such a number of homes, surpassing the minimum figure suggested by the standard method as the NPPF allows when reflective of economic growth ambitions and infrastructure investment.

Size, type and tenure of housing needed

11. Aside from the overall number of homes needed, national policy also continues to require assessment of the size and type of housing that might be required. This can once again be understood, as in the HENAU, by disaggregating the modelling introduced above.

12. It suggests that the profile of households forming in Newcastle-under-Lyme would be relatively similar regardless of whether the Council plans to meet only the minimum need suggested by the standard method, or provides more housing to support forecast job growth as is permitted by the NPPF. The number of additional households would though naturally be greater in the latter scenario, such that a slightly different mix of housing – weighted more towards larger homes – is implied to be needed when

repeating the approach of the HENAU and estimating the size of housing needed by different households, based on the trends recorded by the 2021 Census.

13. The greatest need nonetheless remains for homes with three bedrooms, in each scenario, with houses – as opposed to flats and bungalows – likely to be most often needed to deliver such a mix. This does though continue to be only illustrative, being suitable for guidance and monitoring but not as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors.

14. This report has also revisited the HENAU's conclusion that 278 affordable homes are needed annually in Newcastle-under-Lyme, not to update the calculation – where this is not considered necessary – but to check the ongoing validity of key inputs. This does show that the existing need, drawn from the housing register, has grown over the last year but this is likely to be offset over the remainder of the plan period by a reduction in the newly arising need, caused by rising earnings and fewer existing households falling into need according to newly shared data. This gives confidence that the need for affordable housing is not being underestimated by the HENAU, allowing the Council to continue to use it in considering whether its chosen housing requirement could help to increase the supply of such homes.

15. This report has not reconsidered the needs of specific groups in detail, where much of the data presented in the HENAU – including information from the 2021 Census – remains the latest available. It has though recognised that the previously calculated need for specialist older persons' accommodation was linked to demographic modelling that has now been updated. This has had only a modest impact, continuing to suggest that there is a need for circa 15-16 bedspaces per annum in communal establishments and a separate need for circa 42-43 bedspaces per annum in other forms of specialist accommodation. These remain only indicative estimates based on past trends with it being possible that more such specialist housing could be needed if it is increasingly favoured by older people.

Need for employment land

16. This report has also reconsidered the amount of employment land that could be needed in Newcastle-under-Lyme, factoring in the latest employment forecasts and the extra year of take-up data that has become available since the HENAU was produced.

17. It suggests that **between 43.1ha and 83.0ha** of employment land could be needed throughout the borough between 2023 and 2040, effectively reinforcing the range presented in the HENAU (36.5-68.8ha) – for a slightly different period (2022-40) – but markedly elevating its upper end.

18. In a technical sense, provision at the lower end of the range (43.1ha) would directly align with the standard method, accommodating the jobs that could be supported mainly through changing behaviours where this report's modelling suggests that this scenario would bring limited growth in the working age population. The forecasts introduced in section 5 suggest that more jobs could be reasonably expected, at an average rate of 237 jobs per annum, and this would not only require the provision of 400 dwellings per annum – to sufficiently grow the labour force – but could also

require around 48.2ha of employment land. Either of these scenarios would though slow the recent rate of take-up, with provision towards the upper end of this range (63.3-83.0ha) more likely to mitigate this risk without necessarily creating more jobs.

19. While need has increased, the supply of employment land has contrastingly continued to reduce, standing at only **48.9ha** as of March 2023. Much of this supply is also expected to be imminently lost, or not come forward according to Aspinall Verdi, such that as little as 18.1ha could be available in the coming years.

20. This suggests that there is likely to be a quantitative shortfall of employment land in Newcastle-under-Lyme, requiring the identification of new sites to clear it. There also continues to be an issue with the *quality* of the remaining supply, with Aspinall Verdi having classified most sites as "average" based on criteria devised by the Council.

21. The need for different types of employment land has also been reviewed, at a high level. This indicates that there is at least a quantitative or qualitative shortage of offices, industrial space and warehouses, requiring the Council to consider opportunities to add new sites to its existing supply.

22. This report has also briefly considered new sites that the Council believes could in future form part of its supply. Reference has been made to such sites in considering how they are positioned to potentially respond to evidenced need, but it is important to recognise that it is the role of policy – rather than this study – to allocate them. The Council is encouraged to remain positive in considering other sites, beyond those it has already identified, where they respond to the evidenced market need and demand.

Potential impact of strategic sites

23. While the above has effectively updated parts of the HENAU, this report has a slightly broader scope with the Council now requiring advice on how the allocation of a strategic site – still under consideration – could potentially impact upon the need for housing in Newcastle-under-Lyme.

24. This report's modelling suggests that there is unlikely to be surplus labour to support job growth beyond the baseline forecast, if the Council either aligns with the outcome of the standard method (347dpa) or plans to support that forecast by providing 400 dwellings per annum.

25. It is nonetheless possible that the higher of these two options could result in there being sufficient labour to service a strategic site, albeit this is difficult to definitively prove and would require careful monitoring over the plan period. Jobs created on such a site may not be wholly additional to a baseline that itself allows for a marked improvement from past trends in sectors such as logistics, in a possible reflection of the borough's ability to play a more strategic role. Such large sites – especially those suited to both local and strategic needs – may well be required for the borough to do even that, given that this is likely beyond the existing supply of employment land which is set to diminish further in the coming years.

26. Any shortfall that does arise would likely also appear gradually, in the final decade of the new plan period, as Aspinall Verdi believe that only one of the three sites under

consideration could be building out by 2030. It is also notable that the promoters of all three expect most newly created jobs to be filled by people living outside of Newcastle-under-Lyme, lessening reliance on the borough's resident labour force and thus reducing their impact on local housing need.

27. The Council is therefore not necessarily restricted from allocating a strategic site if it plans to provide 400 dwellings per annum, exceeding the minimum starting point set by the standard method as the NPPF explicitly allows when reflective of economic growth ambitions and infrastructure investment. It would though be important to closely monitor the availability of labour in such a scenario, and evaluate the approach accordingly within the review of the Local Plan.

1. Introduction

1.1 Newcastle-under-Lyme Borough Council partnered with Stoke-on-Trent City Council in 2020 to jointly commission evidence on the housing and economic needs of their shared geographic area. This culminated in the production of two reports – a Housing Needs Assessment[5] (hereafter 'the original HNA') and an Economic Needs Assessment[6] ('the original ENA') – which were both dated June 2020.

1.2 While intended to form part of the evidence base for a joint Local Plan, the commissioning authorities subsequently resolved to produce separate Local Plans, with Newcastle-under-Lyme Borough Council ('the Council') commencing this process through a consultation on Issues and Options which ran until January 2022. It later commissioned Turley to review and update selected elements of the HNA and ENA, taking account of newly available data – as well as a business survey – and considering how this affected the previously reported need for housing and employment land in Newcastle-under-Lyme. This led to the production of a Housing and Economic Needs Assessment Update[7] (HENAU) dated March 2023.

1.3 The Council subsequently consulted on a First Draft of its Local Plan, until August 2023, and it is now working on a Publication Draft that will be subject to a Regulation 19 consultation this summer and submitted for Examination before the end of 2024. It has commissioned Turley to support this process by further reviewing the need for housing and employment land in Newcastle-under-Lyme, in light of the latest available evidence, updates to the National Planning Policy Framework[8] (NPPF) and views shared during the most recent consultation. It has also requested further advice, beyond the scope of the HENAU, on how the potential allocation of one or more strategic employment site could have a potential impact on the need for housing in the borough within the plan period.

1.4 The report is structured as follows:

- **Section 2 – Overview of Previous Studies** – a concise summary of the HENAU, and the original HNA and ENA on which it is built;
- **Section 3 – Recalculating the Outcome of the Standard Method** – confirmation of the minimum need for housing suggested for Newcastle-under-Lyme by the standard method, as of this study's base point;
- **Section 4 – Revisiting the Economic Growth Scenario** – further testing of the economic growth scenario established in the HENAU, in light of the latest available data and forecasts;

[5] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

[6] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

[7] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme

[8] Department for Levelling Up, Housing and Communities (December 2023) National Planning Policy Framework

- **Section 5 – Reconsidering the Number, Size and Type of Homes Needed** – consideration of whether provision in line with the standard method would support the future job growth that is likely in Newcastle-under-Lyme, before revisiting earlier conclusions on the size, type and tenure of housing needed;

- **Section 6 – Reconsidering the Need for Employment Land** – checking the balance between the supply of and demand for employment land in Newcastle-under-Lyme, allowing for the evolution of supply and the testing of the economic growth scenario;

- **Section 7 – Potential Impact of Allocating Strategic Sites** – consideration of how the potential allocation of one or more strategic employment sites could potentially impact the need for housing in Newcastle-under-Lyme within the plan period; and

- **Section 8 – Conclusions** – a concise overview of the analysis presented in this report and its implications for the emerging Local Plan.

2. Overview of previous evidence

2.1 The HENAU acknowledged that the standard method was still – as in the original HNA – required to be used in all but exceptional circumstances to determine the minimum need for housing in Newcastle-under-Lyme. This suggested that at least 358 dwellings per annum were needed throughout the borough, as of April 2022 which was then the endpoint of the Council's monitoring of housing completions[9].

2.2 Such a level of housing provision would have effectively sustained the rate of development recorded in Newcastle-under-Lyme over the prior eight years[10]. It would have also grown the population and labour force, combining with changing behaviours to support the creation of around 269 jobs per annum throughout the borough between 2022 and 2040, according to modelling by Edge Analytics which drew upon the latest data then available[11].

2.3 The HENAU compared the latter to a range of baseline forecasts, which offered divergent views on the potential for job growth in Newcastle-under-Lyme. One, from Oxford Economics, actually envisaged job *losses*, although this was acknowledged – as in the original ENA – to be underpinned by an assumption of population decline that arguably conflicted with the NPPF[12].

2.4 The midpoint of the remaining two forecasts from Experian and Cambridge Econometrics, setting the other aside, equated to circa 207 jobs per annum and aligned closely with the level of job growth previously considered reasonable, over a slightly different plan period, in the original ENA[13]. It was observed that the taking of such a midpoint was not without precedent and indeed had merit in reflecting the views of more than one forecaster, this being of value in economically turbulent times when change is more difficult to predict.

2.5 Edge Analytics' modelling suggested that such a level of job growth could have been supported by aligning housing provision in Newcastle-under-Lyme with the outcome of the standard method, at that point. There was consequently little evidence that economic growth would generate a substantially higher need for housing than suggested by this method, the outcome of which therefore appeared to represent a reasonable estimate of housing need for Newcastle-under-Lyme.

2.6 The HENAU proceeded to illustratively estimate the size and type of housing that could be required to accommodate projected growth, assuming that this minimum need is met[14]. It also presented an updated calculation of affordable housing need, which

[9] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, Table 3.1

[10] *Ibid*, paragraph 3.5

[11] *Ibid*, paragraph 3.10

[12] *Ibid*, paragraph 4.8

[13] *Ibid*, Figure 4.3

[14] *Ibid*, section 6

suggested that 278 such homes would be needed annually throughout Newcastle-under-Lyme[15].

2.7 Turning to employment land, the HENAU reported that the Council's supply had diminished since the original ENA was produced, with only 49.9ha remaining as of March 2022[16]. This could have been sufficient to meet need in certain scenarios, with several having been developed, but there would have been a shortfall of up to 18.9ha relative to the upper estimates of need, or indeed even more if lower density office development prevailed[17].

2.8 The supply of employment land was considered likely to be eroded even further, potentially to as low as 12.1ha, where sites had progressed since March 2022 or were deemed unlikely to actually deliver employment space by Aspinall Verdi[18]. This strongly indicated that new land would be required to meet need over a plan period which then ran to 2040, both in a quantitative and *qualitative* sense where much of the supply was categorised as "average" based on the scoring methodology previously devised by the Council[19].

[15] *Ibid*, Table 7.7

[16] *Ibid*, Table 5.8

[17] *Ibid*, Table 5.9

[18] *Ibid*, paragraph 5.28

[19] *Ibid*, paragraph 5.26

3. Recalculating the outcome of the standard method

Outcome of the standard method

3.1 The NPPF continues to reference a '*standard method*' for determining '*the minimum number of homes needed*' in a particular area, as it has done since July 2018[20].

3.2 The outcome of the standard method regularly changes, as the demographic baseline is always calculated from the '*current year*' and it is adjusted based on affordability ratios that are updated annually in March[21]. As such, while the standard method suggested a need for 358 dwellings per annum in March 2022 – the base point for the HENAU, to reflect the Council's monitoring of housing completions – this had reduced to **347 dwellings per annum** by the same point of the following year, which forms the base point for this further update for similar reasons[22]. This change – which was acknowledged when the HENAU was written[23] – reflects an anticipated slowing of household growth, further from the base year of the projections, and a slight drop in the median affordability ratio.

Table 3.1: Evolving Outcome of the Standard Method for Newcastle-under-Lyme[24]

		March 2022	March 2023
1	Baseline: projected annual household growth[25]	311.9	307.7
2	Median affordability ratio	6.38	5.99
	Adjustment factor (rounded; unrounded in calculation)	14.9%	12.4%
	Baseline with affordability adjustment	**358**	**347**
3	Latest adopted housing requirement	(285)	(285)
	Notional cap relative to baseline, which is higher	437	432
4	Cities and urban centres uplift	n/a	n/a
	Minimum local housing need per annum	**358**	**347**

Source: MHCLG; ONS; Turley analysis

[20] DLUHC (December 2023) National Planning Policy Framework, paragraph 61

[21] PPG Reference ID 2a-004-20201216

[22] This has fallen further to 340 dwellings per annum, as of January 2024, but will likely change again when new affordability data is released in March

[23] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 3.4

[24] Updating Table 3.1 of the HENAU

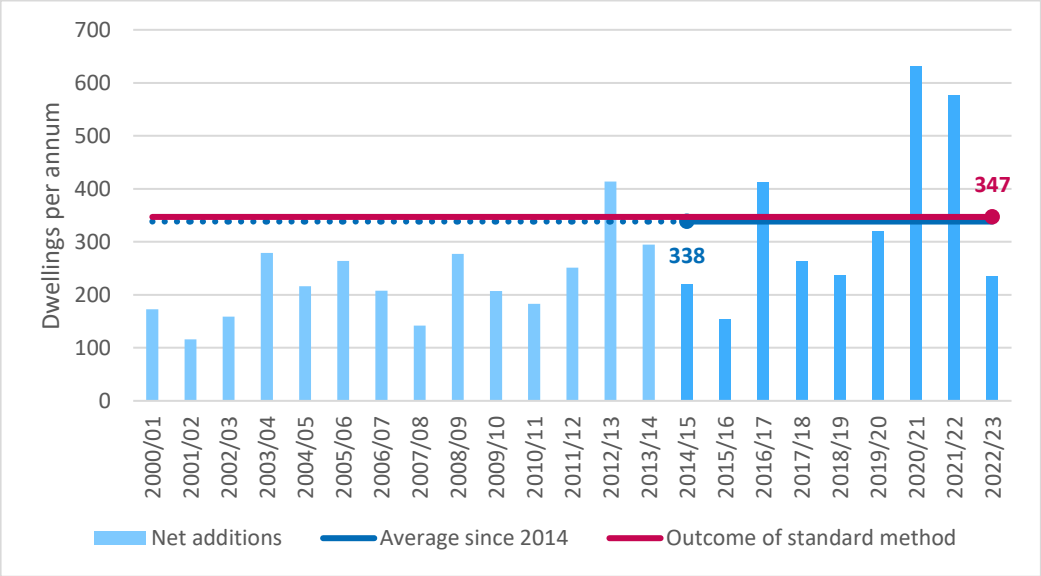
[25] 2014-based household projections, over ten years from the base year (2022 or 2023)

Comparing to past delivery

3.3 Planning Practice Guidance (PPG) continues to encourage plan-makers to test the outcome of the standard method against '*previous levels of housing delivery*', to check whether the latter has been '*significantly greater*' and thus suggests a higher need for housing[26].

3.4 It remains the case, as observed in the HENAU, that the outcome of the standard method for Newcastle-under-Lyme closely aligns with the recent rate of delivery. The HENAU noted that an average of 351 homes per annum had been completed over the eight most recent years then reported (2014-22) and this drops only slightly, to **338 dwellings per annum**, when incorporating the extra year of data now available (2022/23). This remains within 3% of the outcome of the standard method, and therefore continues to provide assurance that past delivery has not been '*significantly greater*' in Newcastle-under-Lyme[27].

Figure 3.1: Outcome of the Standard Method Relative to Past Delivery in Newcastle-under-Lyme (2000-23)



Source: Council monitoring; Turley analysis

Considering exceptional circumstances that could justify a lower figure

3.5 The NPPF has acknowledged, ever since the standard method was first introduced as the expected means of determining '*the minimum number of homes needed*' in 2018, that '*exceptional circumstances*' could justify use of '*an alternative approach which also reflects current and future demographic trends and market signals*'[28]. The

[26] PPG Reference ID 2a-010-20201216

[27] *Ibid*

[28] Ministry of Housing, Communities and Local Government (July 2018) National Planning Policy Framework, paragraph 60

accompanying PPG further explained at the time that '*any alternative approach which results in a **lower** housing need figure*' (our emphasis) would '*in principle be considered to be unsound*', with authorities required to '*demonstrate, through a robust evidence base, that the lower need figure is based on realistic assumptions of demographic growth and that there are **exceptional local circumstances** to deviate from the standard method*'[29] (our emphasis) Alternative approaches that produced *higher* figures were contrastingly considered '*sound*' in principle, with the PPG more openly accepting that '*there will be circumstances where actual housing need may be higher than the figure identified by the standard method*'[30].

3.6 The latest revisions to the NPPF have slightly evolved the Government's position, suggesting for the first time that '*exceptional circumstances*' may relate to the '*particular demographic characteristics of an area*' and offering the example of '*islands with no land bridge that have a significant proportion of elderly residents*'[31]. This clearly does not apply to the landlocked borough of Newcastle-under-Lyme – or indeed to most of the country – but it is equally intended to be '*a non-exhaustive list*', with the Government planning to '*revise supporting guidance to provide further clarity in due course*'[32].

3.7 While this guidance is still awaited at the time of writing, the slight shift of emphasis in the revised NPPF is considered to warrant further investigation of whether there are exceptional circumstances in Newcastle-under-Lyme that would justify a lower housing need figure than is suggested by the standard method. Consideration is separately given later, in section 5, to whether there could be a *greater* need for housing where the PPG continues to more openly accept that there will be '*circumstances where it is appropriate to consider*' this, to account for '*changing economic circumstances*' for example[33]. Indeed, the revised NPPF is now more explicit in inviting authorities to set a housing requirement that is higher than the identified need where it '*reflects growth ambitions linked to economic development or infrastructure investment*'[34].

3.8 While its specific example concerns islands, the revised NPPF does imply that areas with '*a significant proportion of elderly residents*' could potentially be justified in claiming that there is a lower need for housing than suggested by the standard method, albeit without clarifying precisely what would qualify as '*significant*'[35]. Newcastle-under-Lyme does have a relatively large number of elderly residents aged 65 or above, compared to the country as a whole, but some 114 of the 309 local authorities in England – over a third (37%) – have proportionately more[36]. This suggests that the borough cannot be reasonably viewed as having an exceptionally large, or nationally '*significant*', elderly population.

---

[29] PPG Reference ID 2a-015-20180913

[30] PPG Reference ID 2a-010-20180913/2a-015-20180913

[31] DLUHC (December 2023) National Planning Policy Framework, paragraph 61

[32] DLUHC (December 2023) Government response to the Levelling-up and Regeneration Bill: reforms to national planning policy consultation

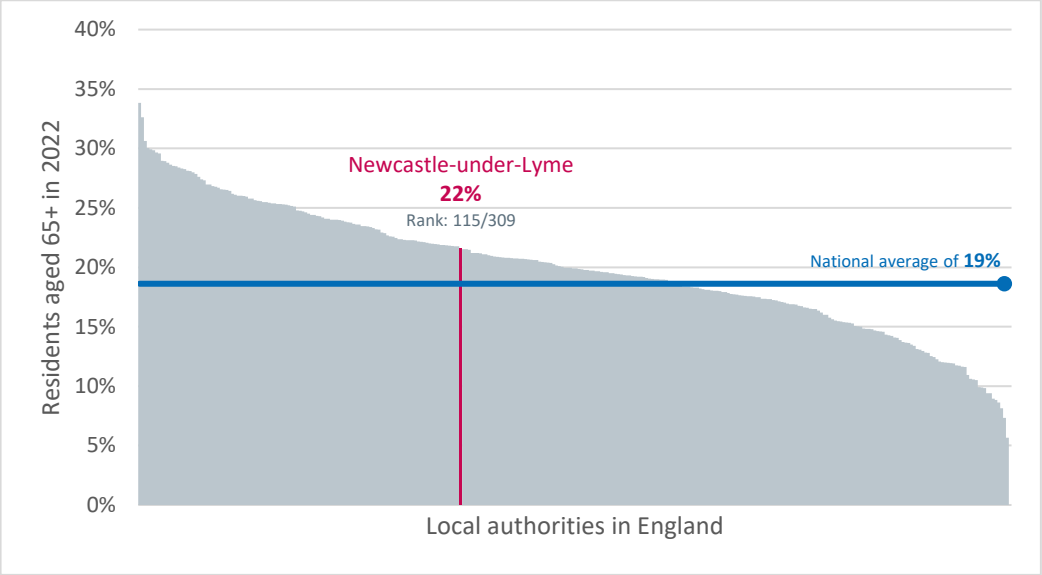
[33] PPG Reference ID 2a-010-20201216

[34] DLUHC (December 2023) National Planning Policy Framework, paragraph 67

[35] DLUHC (December 2023) National Planning Policy Framework, footnote 25

[36] ONS (2023) Population estimates – local authority based by single year of age, mid-2022

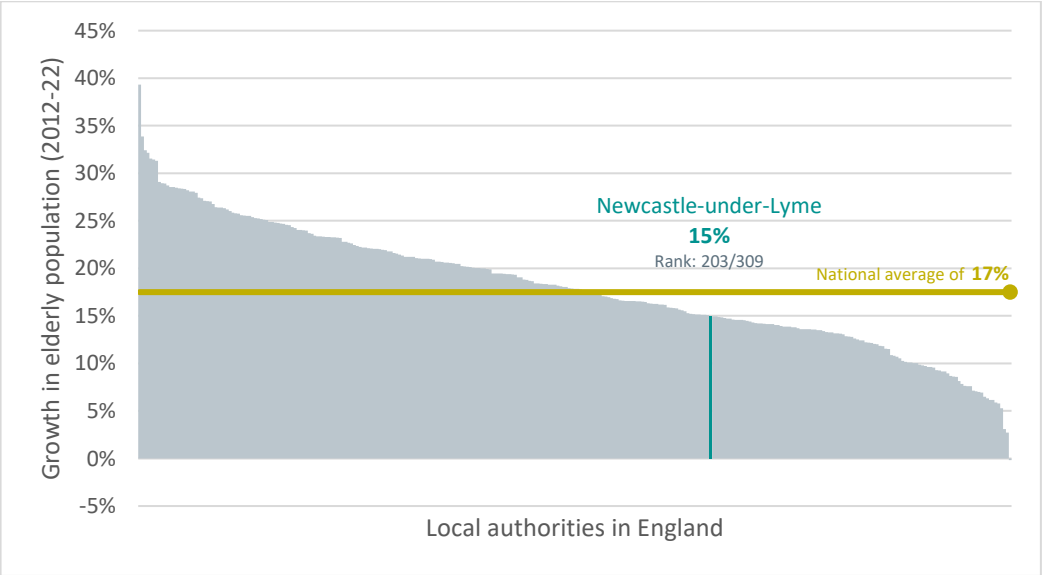
Figure 3.2: Relative Size of the Elderly Population in Newcastle-under-Lyme (2022)



Source: ONS

3.9 It equally cannot be claimed that the elderly population has been growing at an exceptionally fast rate in Newcastle-under-Lyme. It has grown by circa 15% over the last reported decade (2012-22) but this has been exceeded by some 202 local authorities and indeed by the country as a whole, which has seen growth of 17% over the same period[37].

Figure 3.3: Benchmarking Recent Growth in the Elderly Population of Newcastle-under-Lyme (2012-22)



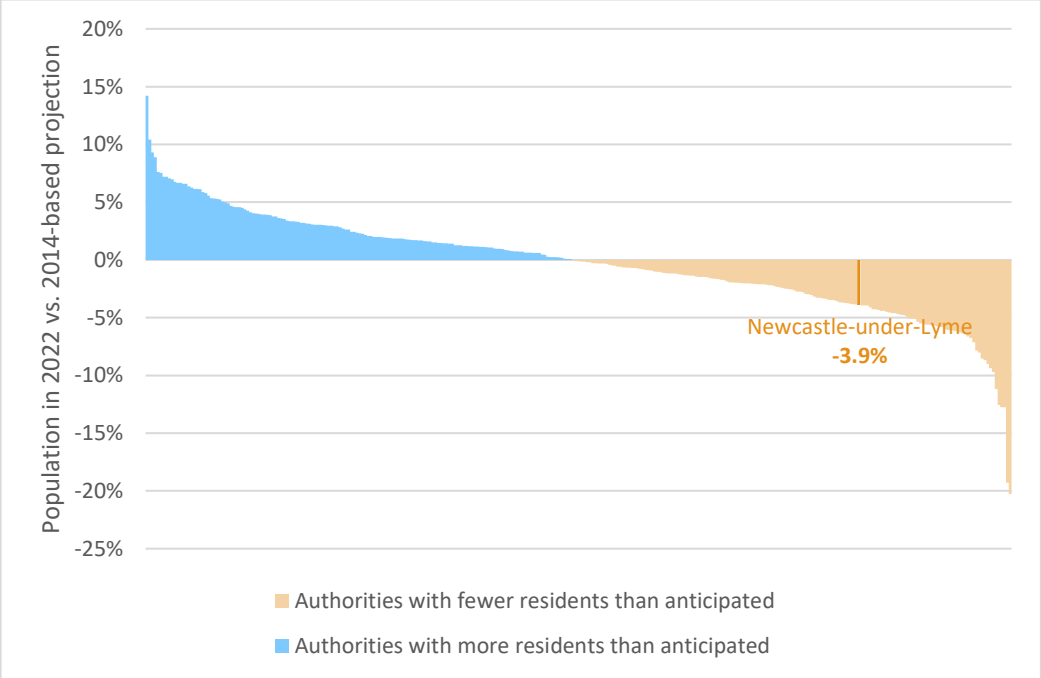
Source: ONS

[37] *Ibid*

3.10 The overall population of the borough, as a whole, has also not been growing at an exceptional rate. It has increased by only 2% over this last reported decade, amongst the lowest of all local authorities – ranking 271st out of all 309 – but still surpassing 38 others[38].

3.11 It is reasonable to note, in this context, that the population of Newcastle-under-Lyme has not increased at the rate that was anticipated by official 2014-based projections, which continue to underpin the standard method. They envisaged the borough having some 130,368 residents as of 2022, whereas it is now estimated to have had 125,297 residents at that point – around 3.9% fewer[39]. Roughly half of all local authorities – some 157 – did though have fewer residents than were anticipated by these projections, and of these around one third (54) saw a greater deviation than Newcastle-under-Lyme in proportionate terms. This suggests that the borough is not '*exceptional*' in this regard and indeed it is unclear whether this would have justified departure from the standard method even had it been, given that the Government has explicitly and recently chosen to overlook '*more up-to-date projections*' in favour of 2014-based projections that are seen to provide '*stability, consistency and certainty to local planning authorities*'[40].

Figure 3.4: Benchmarking Divergence to Date from 2014-based Population Projections



Source: ONS; Turley analysis

[38] *Ibid*

[39] *Ibid*; ONS (2016) 2014-based sub-national population projections

[40] DLUHC (December 2023) Government response to the Levelling-up and Regeneration Bill: reforms to national planning policy consultation

3.12 There is clearly a lack of clarity on the demographic characteristics that could reasonably qualify as '*exceptional*', in the context of the revised NPPF, and the recency of its publication also means that this is yet to have been considered through the examination of other Local Plans. That said, the above analysis suggests that it would be challenging to claim that there are truly exceptional circumstances in Newcastle-under-Lyme, compared to other parts of the country, that would justify departure from the standard method as the benchmark on '*the minimum number of homes needed*'. Its outcome can therefore be reasonably taken forward as the '*minimum starting point*' in the remaining sections of this report, which consider how such a level of housing provision could change the population and explore whether economic changes could generate a greater need for housing[41].

Impact of meeting the minimum need suggested by the standard method

3.13 The HENAU used information available at the time to estimate how housing provision aligned with the outcome of the standard method, at that point, could have changed the size and profile of the population in Newcastle-under-Lyme.

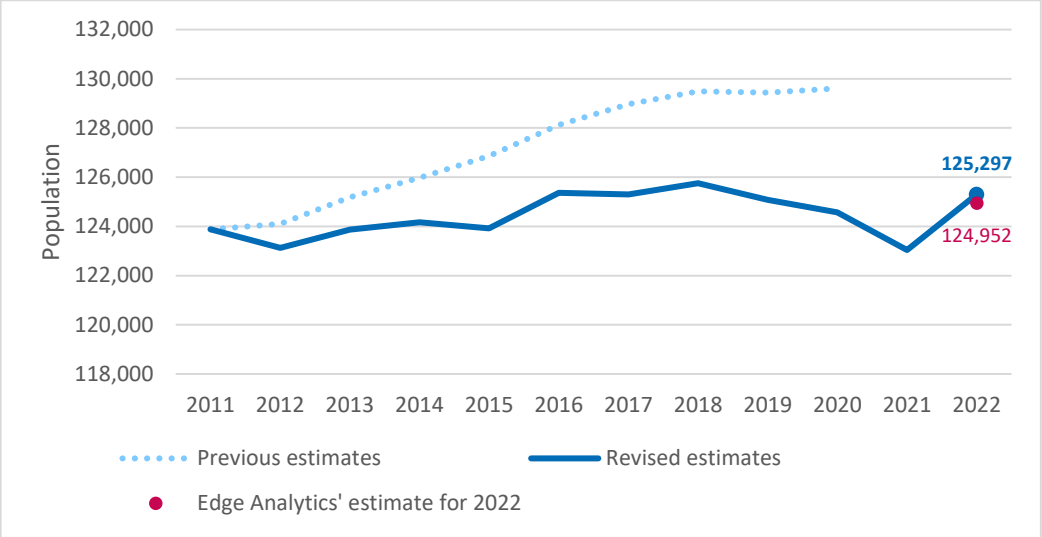
3.14 This is though in need of review, not only because the outcome of the standard method has slightly changed but also because new demographic data has been released by the Office for National Statistics (ONS) during the last year. This includes revised population estimates, for the period from 2012 to 2020, that were anticipated by the HENAU and now fully reconcile with the findings of the 2021 Census[42]. A further year of data, for 2022, is also now available but closely aligns with the estimate previously made by Edge Analytics who sought to account for housing development over the prior year[43].

[41] PPG Reference ID 2a-010-20201216

[42] ONS (November 2023) Rebasing of mid-year population estimates following Census 2021, England and Wales; Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 3.7

[43] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 3.6 and Figure 3.2

Figure 3.5: Revisions to Population Estimates for Newcastle-under-Lyme (2011-22)



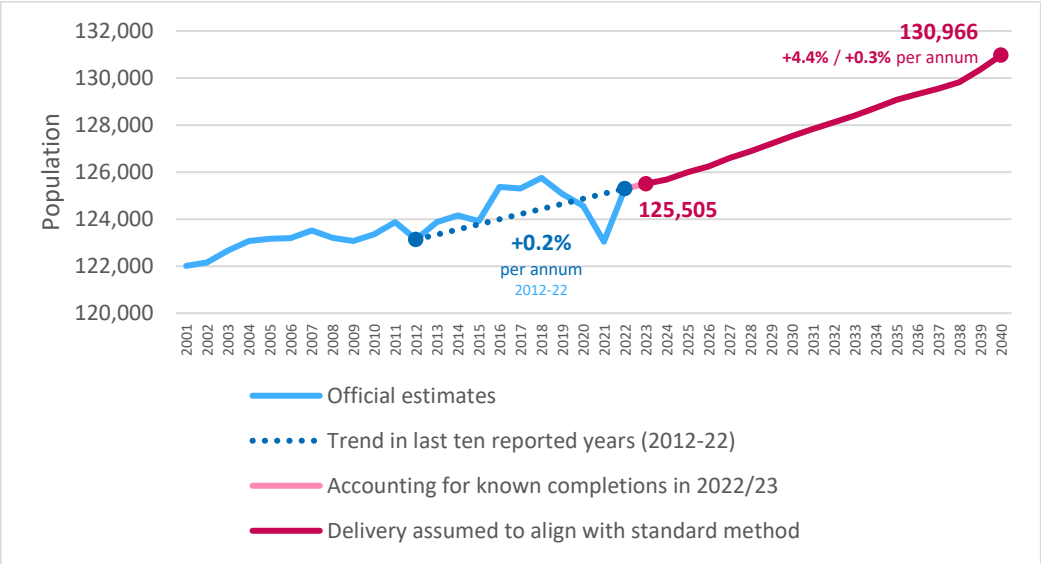
Source: ONS; Edge Analytics

3.15 The revised estimates can be used to reconsider how provision in line with the outcome of the standard method – from 2023 onwards[44] – could change the size and profile of the population in Newcastle-under-Lyme, otherwise following a similar approach to the HENAU as explained by Edge Analytics at **Appendix 1**.

3.16 This updated modelling suggests that the delivery of 347 dwellings per annum, from 2023 onwards, could add around 5,460 people to the population of Newcastle-under-Lyme over the period to 2040. This would represent growth of around 4% in total or circa 0.3% per annum on average, the latter slightly exceeding that seen over the last decade reported by the ONS (0.2%).

[44] Aligning, as in the HENAU, with the Council's monitoring of completions in the prior year yet to have been officially estimated by the ONS

Figure 3.6: Population Impact of Meeting the Minimum Need for Housing in Newcastle-under-Lyme (2023-40)



Source: ONS; Edge Analytics

3.17 The modelling suggests that this growth would be driven by older people, due both to the ageing of the existing population and such individuals moving to the borough. The number of residents aged 65 or above is projected to increase by some 22% to grow the proportionate size of this cohort relative to the population as a whole. None of the other cohorts presented at Table 3.2 are projected to grow by more than a tenth of this rate, and indeed two cohorts – those aged 40 to 64 and those aged 15 or under – are expected to reduce in size. The overall number of residents aged 16 to 64, traditionally viewed as the working age population, is projected to grow only marginally, with the addition of only 63 people.

Table 3.2: Modelled Impact of Housing Provision on Age Profile (2023-40)

	2023	%	2040	%	Change	% change
15 and under	20,251	16%	19,668	15%	-583	-3%
16 to 24	15,694	13%	15,959	12%	+265	+2%
25 to 39	22,163	18%	22,660	17%	+497	+2%
40 to 64	39,916	32%	39,216	30%	-700	-2%
65 and over	27,482	22%	33,464	26%	+5,982	+22%
Total	**125,505**	**100%**	**130,966**	**100%**	**+5,461**	**+4%**
16 to 64	77,772	62%	77,835	59%	+63	0%

Source: Edge Analytics

3.18 The job growth enabled by such a profile of job growth can be estimated, as in the HENAU, by reasonably assuming that:

- **Unemployment** remains at the rate of 3.8% recorded in the last full calendar year for which data is currently available[45] (2022) where this aligns closely with the recent trend and in the context of longer-term trends remains comparatively low;

- **Economic activity rates** amongst residents aged 16 to 89 have evolved from the position recorded by the 2011 Census, as was forecast by the Office for Budget Responsibility[46] (OBR). This replicates the approach of the HENAU and indeed the original HNA, rather than using newer data from the 2021 Census which appears to be less reliable in the case of Newcastle-under-Lyme having taken place during the COVID-19 pandemic[47];

- **Commuting** occurs at the rate recorded by the 2021 Census, when there was a net *out*-commute from Newcastle-under-Lyme due to the borough having 1.13 working residents for every person working in the borough at that point. This does not appear to have been unduly skewed by the COVID-19 pandemic that was ongoing at the time, as a very similar rate (1.16) was recorded previously in 2011; and

- **Double jobbing**, with residents holding more than one job, continues at the average rate of 4.2% recorded by the Annual Population Survey over the last ten reported years (2013-22).

3.19 When applying these assumptions, the modelling suggests that changing behaviours and additional residents could support the creation of around 2,840 jobs throughout Newcastle-under-Lyme between 2023 and 2040, equivalent to circa **167 jobs per annum**. This is compared to the latest available forecasts of job growth in the next section.

Summary

3.20 The NPPF continues to reference a standard method for determining the minimum number of homes needed in an area. While its outputs are subject to change – depending on housing affordability and the year of calculation – it suggests that **at least 347 dwellings per annum** are needed in Newcastle-under-Lyme, as of March 2023 when the Council last reported on housing completions.

3.21 This does appear to have merit as a minimum starting point for Newcastle-under-Lyme, due to its very close alignment with recent delivery and the absence of truly exceptional circumstances that would warrant a lower figure, in the context of an NPPF that now offers examples of when this could be justified.

[45] ONS (2023) Model-based estimates of unemployment

[46] OBR (July 2018) Fiscal Sustainability Report

[47] The 2021 Census indicates that economic activity amongst certain age cohorts has reduced since 2011 but this is often contradicted by the Annual Population Survey, suggesting that the timing of the Census during the COVID-19 pandemic served to understate residents' participation in the labour market

3.22 Meeting this need, from 2023 onwards, could add **around 5,460 people** to the population of Newcastle-under-Lyme by 2040, according to modelling presented in this section which updates comparable analysis in the HENAU. It would very slightly increase the average annual rate of growth seen over the last reported decade. It would also bring particularly strong growth in the older population, influenced too by the ageing of existing residents, with the working age population – aged 16 to 64 – contrastingly seeing virtually no growth.

3.23 Changing behaviours, plus an evolution of the population, could though support the creation of **circa 167 jobs per annum** throughout Newcastle-under-Lyme. With authorities still able to plan for more housing than implied by the standard method to support their local economies, the extent to which this additional labour will be sufficient is explored in the following sections of this report.

4. Revisiting the economic growth scenario

4.1 The updated modelling presented in the previous section suggests that meeting the minimum annual need for 347 homes now suggested by the standard method could support the creation of around 167 jobs per annum in Newcastle-under-Lyme, between 2023 and 2040.

4.2 This falls short of the job growth previously envisaged in the HENAU, which calculated the midpoint between two forecasts – from Experian and Cambridge Econometrics – and suggested that 207 jobs per annum could be created throughout Newcastle-under-Lyme over a slightly longer period (2022-40).

4.3 Both of these forecasts are though becoming dated, with Cambridge Econometrics' having been released around two years ago – in March 2022 – and Experian's being finalised in December of the same year[48]. With both having since released further forecasts, this section compares them to those presented in the HENAU to reconsider the level of job growth that can be reasonably expected in Newcastle-under-Lyme.

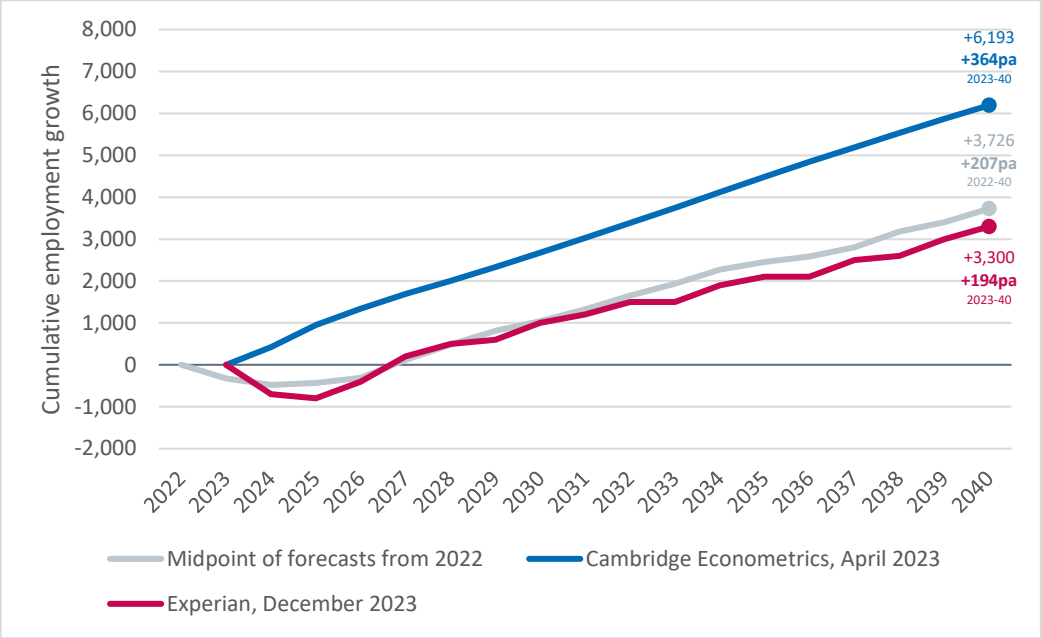
Introducing the latest available baseline forecasts

4.4 At the time of writing, the last quarterly forecast produced by Experian – comparable to the one presented in the HENAU – is dated December 2023. Cambridge Econometrics update their own forecasts less regularly, with its most recent being dated April 2023.

4.5 These continue to offer differing views on the level of job growth that can be expected in Newcastle-under-Lyme from 2023 onwards, reflecting what is now the base year of the modelling presented in the previous section. Experian align most closely with the previous midpoint, envisaging the creation of circa 194 jobs per annum rather than 207 per annum over a slightly different period (2022-40). Cambridge Econometrics are considerably more optimistic in forecasting the creation of almost twice as many jobs (c.364pa).

[48] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 4.4

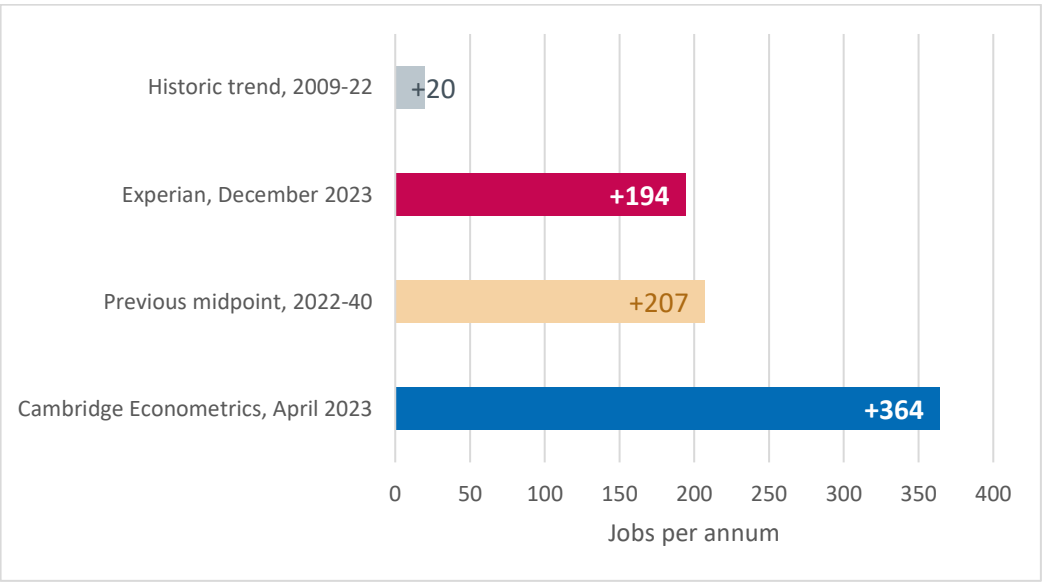
Figure 4.1: Comparing Recent Employment Forecasts to the Previous Midpoint



Source: Experian; Cambridge Econometrics; Turley analysis

4.6 Either – like the previous midpoint – would improve upon the recent trend, with the borough having created an average of only 20 jobs per annum over the period from 2009 to 2022 which is currently covered by the Business Register and Employment Survey (BRES).

Figure 4.2: Historic and Forecast Job Growth in Newcastle-under-Lyme



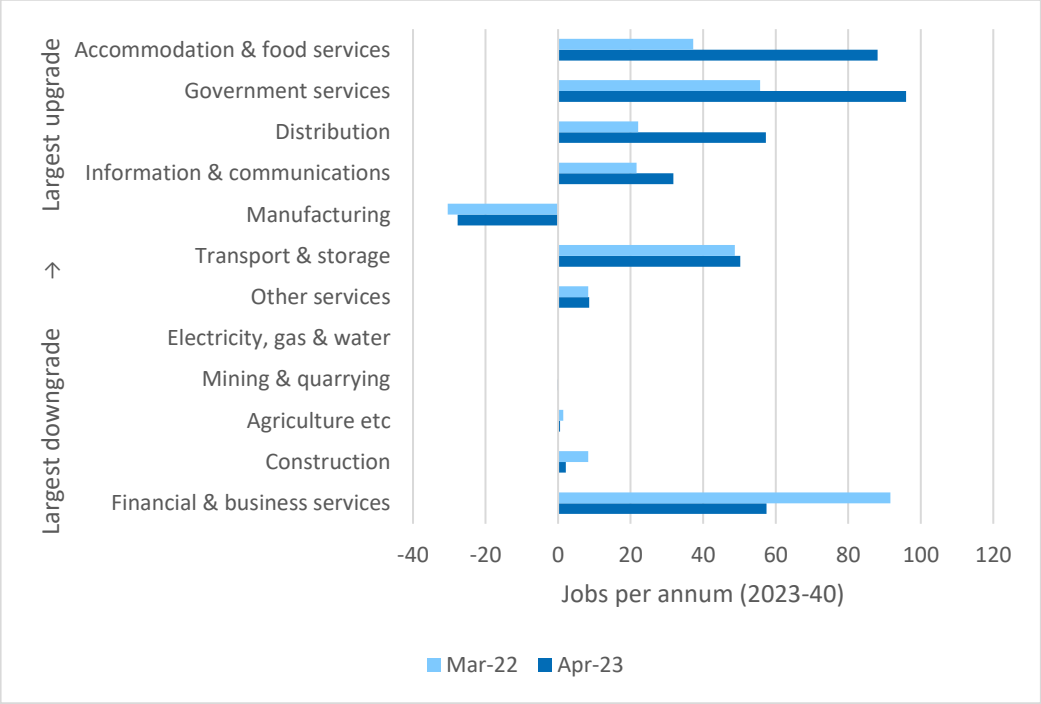
Source: BRES; Experian; Cambridge Econometrics; Turley analysis

Scrutinising the higher forecast from Cambridge Econometrics

4.7 Cambridge Econometrics' forecast is evidently much higher than both the historic trend and the previous midpoint. It is also much more optimistic than its own previous forecast, presented in the HENAU and released in March 2022, where this envisaged the creation of only 265 jobs per annum – around 100 fewer – over the period being considered here (2023-40).

4.8 Figure 4.3 shows that this is primarily due to its upgrading of the growth prospects for three sectors in particular, namely accommodation and food services; Government services; and distribution[49] (the latter covering wholesale and retail trade, importantly being distinct from transport and storage). These sectors – now responsible for roughly two in every three additional jobs forecast – are each expected to create at least 35 and as many as 51 more jobs annually, relative to the previous forecast.

Figure 4.3: Comparing Cambridge Econometrics' Forecasts by Sector (2023-40)



Source: Cambridge Econometrics

4.9 The rationale for improving the outlook for these sectors in Newcastle-under-Lyme is unclear, given that none have actually seen job growth in recent years according to BRES. Distribution – essentially, as noted above, the retail and wholesale sector – is reported to have *lost* around 200 jobs per annum over the last five reported years (2017-22) while the accommodation and food services sector has lost around 100 every year. Although Government services – capturing public administration, health, education, residential and social care – has not lost jobs, it equally is not reported to have created any. This suggests a need for caution before assuming, as the Cambridge

[49] Other sectors have changed by only a fifth as much, in total (increase of 126 jobs vs. reduction of 27 jobs)

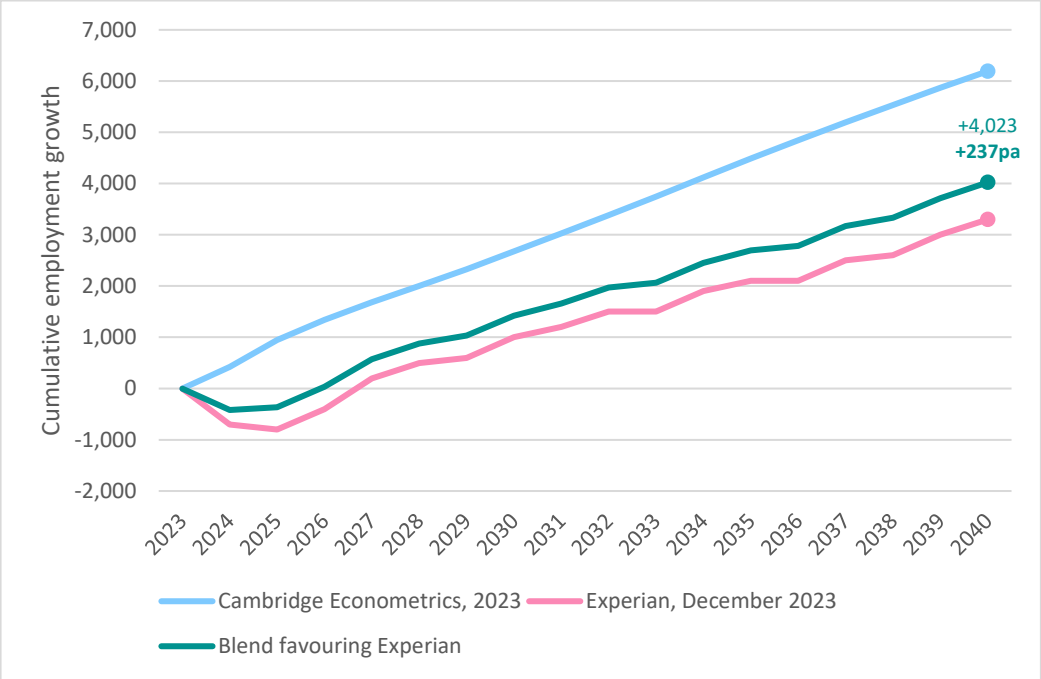
Econometrics forecast does, that these sectors have the potential to create some 241 jobs per annum between them, over twice the number forecast only a year prior (115).

Adjusting the weight given to each forecast

4.10 It would not be appropriate to completely disregard Cambridge Econometrics' latest forecast due simply to its relative optimism, but there arguably are grounds to give it less weight because of its unexplained but consequential upgrading of the prospects for sectors that have not been creating jobs in Newcastle-under-Lyme.

4.11 While the previously calculated midpoint implicitly gave each forecast equal weight, it could now be appropriate to align more closely with Experian, by giving it extra weight when blending the two[50]. Such an approach produces a figure of **237 jobs per annum**, above the Experian forecast (194pa) but not so high as the one from Cambridge Econometrics (364pa). Coincidentally, this also aligns almost exactly with the previous midpoint which rises from 207 to 238 jobs per annum when calculated over an identical period, from 2023 onwards.

Figure 4.4: Blending Up-to-date Forecasts for Newcastle-under-Lyme

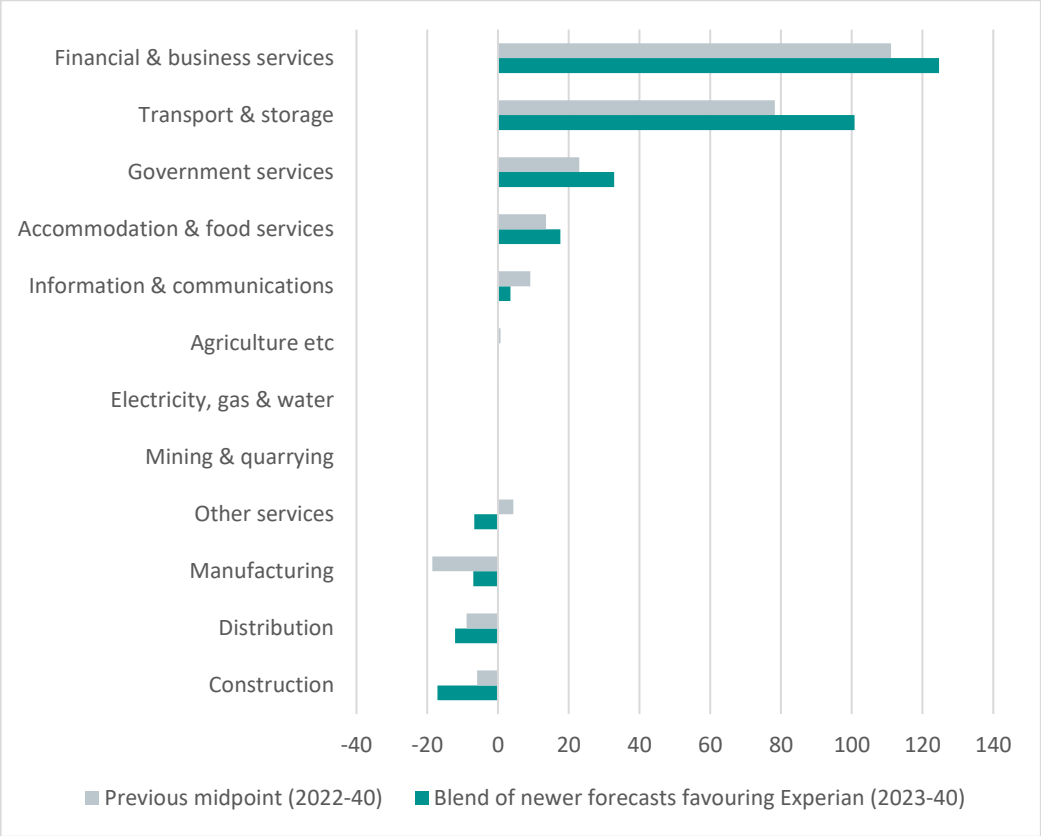


Source: Experian; Cambridge Econometrics

4.12 This approach – aligned with the HENAU but informed by the latest available information, though once again blind to land availability – also results in a broadly similar profile of growth, as shown at Figure 4.5. Financial and business services are once again implied to create the most jobs, followed by transport and storage and Government services.

[50] The Experian forecast is given three times as much weight in blending it with Cambridge Econometrics' so that it effectively sits midway towards the midpoint

Figure 4.5: Comparing Sectoral Profile of Employment Growth



Source: Experian; Cambridge Econometrics; Turley analysis

Summary

4.13 Meeting the minimum annual need for 347 homes now suggested by the standard method could support the creation of around 167 jobs per annum in Newcastle-under-Lyme, according to the updated modelling presented in the previous section.

4.14 This falls short of the job growth envisaged in the HENAU, which calculated a midpoint between two forecasts – both released in 2022 – that equated to 207 jobs per annum from then until 2040.

4.15 These are though becoming dated, with both Experian and Cambridge Econometrics having released newer forecasts in the last year that respectively envisage 194 to 364 new jobs annually between 2023 and 2040. Either would represent an improvement on the past trend – with Newcastle-under-Lyme having created only 20 jobs per annum on average since 2009 – but Cambridge Econometrics' forecast appears particularly optimistic, adding an extra 100 jobs per year to its previous forecast.

4.16 Further interrogation shows that it has upgraded the growth prospects of three sectors in particular, despite none having seemingly created any jobs in Newcastle-under-Lyme during the past five years. This suggests a need for caution before assuming that these sectors will indeed create substantially more jobs than anticipated only a year earlier.

4.17 While this is not considered to warrant a complete dismissal of Cambridge Econometrics' forecast, there arguably are grounds to reduce the weight that it is given, by continuing to factor in both – as when previously calculating a midpoint – but giving Experian's extra weight. Such an approach produces a figure of **237 jobs per annum**, which coincidentally aligns almost exactly with the previous midpoint when similarly calculated from 2023 onwards (238pa). The sectoral profile of growth is also very similar, with financial and business services and transport and storage still expected to create the most jobs.

4.18 Such a level of job growth would evidently exceed that which could be supported if housing provision simply aligns with the minimum need suggested by the standard method. The next section therefore considers the number of homes that could be needed in this scenario.

5. Reconsidering the number, size and type of homes needed

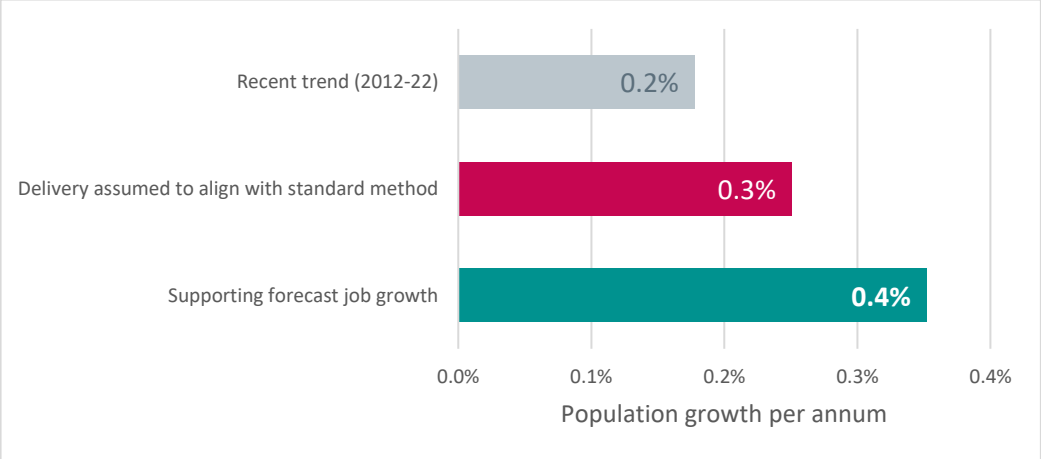
5.1 With provision in line with the standard method having been shown to support the creation of fewer jobs than are now forecast in Newcastle-under-Lyme, this section estimates how many more – beyond this minimum – could be needed to increase the size of the labour force and support such a level of job growth. It also reconsiders the size and type of housing needed, repeating the approach of the HENAU but incorporating the updated modelling presented in this report.

Number of homes needed

5.2 Having already developed modelling – presented in section 3 – in which housing delivery in Newcastle-under-Lyme is assumed to align with the outcome of the standard method, Edge Analytics have produced a further scenario which uses an identical approach but assumes that the borough does indeed create 237 new jobs per annum between 2023 and 2040. This shows how both the resident labour force and the wider population could need to grow to support such a level of growth, when consistently making the reasonable assumptions on behaviour that were outlined in section 3, and allows for an estimation of the associated need for housing.

5.3 This further modelling suggests that the population of Newcastle-under-Lyme would need to grow by around 7,700 people – or 6% – to increase the size of the labour force and support the creation of 237 jobs per annum. This would represent growth of circa 0.4% per annum on average, so would slightly exceed that which could result from simply meeting the minimum need suggested by the standard method (0.3% per annum) and approximately double the growth seen over the last ten reported years (0.2% per annum).

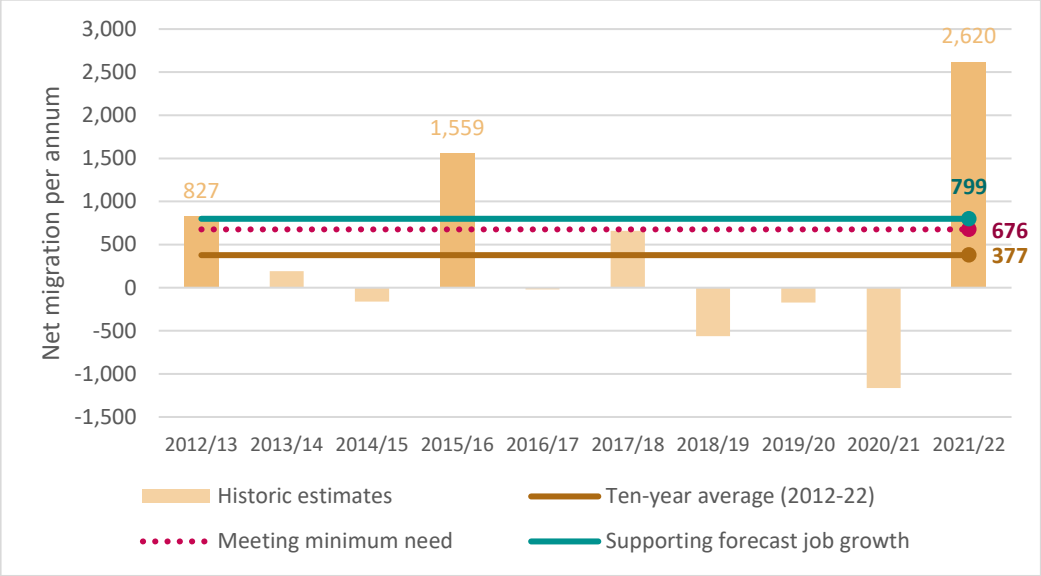
Figure 5.1: Comparing Average Annual Population Growth (2023-40)



Source: ONS; Edge Analytics

5.4 Achieving this population growth would likely require a larger net inflow of people from elsewhere, and/or a more effective retention of existing residents, relative to that which could result from meeting the minimum need suggested by the standard method. While the latter could lead to there being a net inflow of circa 676 people per annum – already around 79% higher than the average over the last decade[51] – the modelling suggests that this would need to rise to circa 799 people per annum to support forecast job growth. While this is more than double the recent trend, with there having typically been a net inflow of only 377 people per annum over ten years to 2022, it is not necessarily unprecedented as three of the last ten reported years have seen larger net inflows, albeit only on isolated occasions.

Figure 5.2: Benchmarking Assumed Net Migration to Newcastle-under-Lyme



Source: ONS; Edge Analytics

5.5 While the modelling suggested that the working age population – aged 16 to 64 – would barely grow if housing delivery aligned with the outcome of the standard method, this further scenario indicates that it would need to grow by around 2% to support the creation of 237 jobs per year. This is assumed to be driven by younger working age people, under 40 years old, with the number of young children consequently reducing by less as these residents are assumed to form more families. The strongest growth does though continue to be amongst older people, with existing residents ageing in either scenario.

[51] ONS (2023) Annual mid-year population estimates, estimated components of population change

Table 5.1: Comparing Growth by Age Cohort (2023-40)

	Meeting minimum need[52]		Supporting forecast job growth	
	Change	% change	Change	% change
15 and under	-583	-3%	-155	-1%
16 to 24	+265	+2%	+606	+4%
25 to 39	+497	+2%	+1,228	+6%
40 to 64	-700	-2%	-179	0%
65 and over	+5,982	+22%	+6,204	+23%
Total	**+5,461**	**+4%**	**+7,704**	**+6%**
16 to 64	+63	0%	+1,655	+2%

Source: Edge Analytics

5.6 The modelling suggests that exactly **400 dwellings per annum** could be needed to accommodate this growth and support the creation of 237 jobs every year to 2040. This exceeds the minimum need for only 347 dwellings per annum suggested by the standard method and thus indicates that the Council may need to plan for a higher level of housing provision to support this job growth. It would clearly be permitted to do so by the NPPF – which states that a housing requirement can be higher than the identified housing need if it '*reflects growth ambitions linked to economic development*'[53] – and the PPG also accepts that there will be '*circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates*', acknowledging that it makes no attempt to predict '*the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour*'[54].

5.7 While this is now a judgement for the Council, it can be observed that such a rate of provision would not be unprecedented in Newcastle-under-Lyme, as over 400 homes have been delivered in four of the last eleven reported years. Such a level of provision would also align almost exactly with the average over the last five reported years (399dpa) albeit the peak years within this period are known to have seen the development of a substantial amount of student accommodation[55].

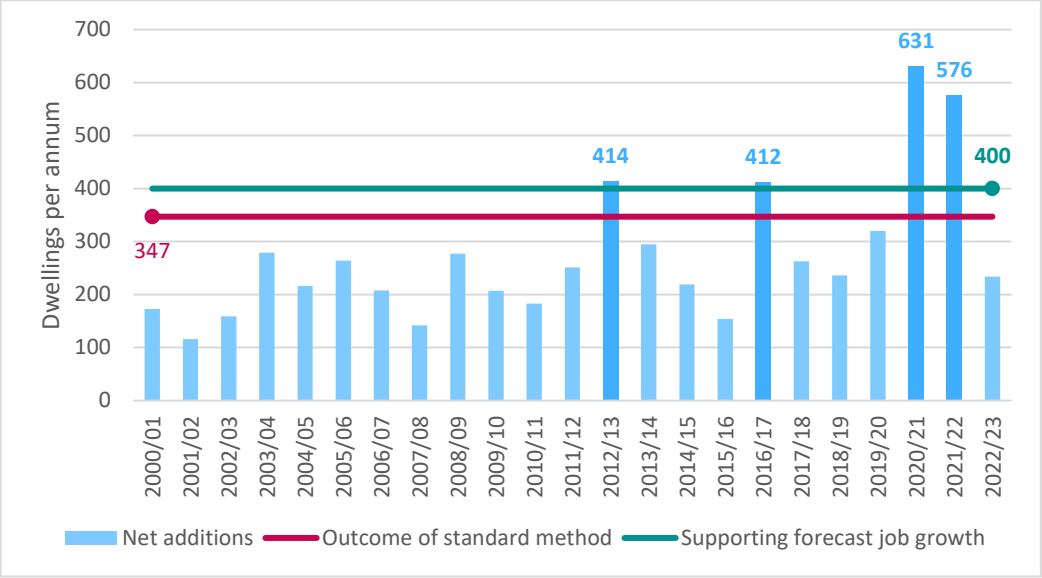
[52] Originally presented at Table 3.2

[53] DLUHC (December 2023) National Planning Policy Framework, paragraph 67

[54] PPG Reference ID 2a-010-20201216

[55] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 3.5

Figure 5.3: Benchmarking Housing Growth Needed to Support Future Job Growth

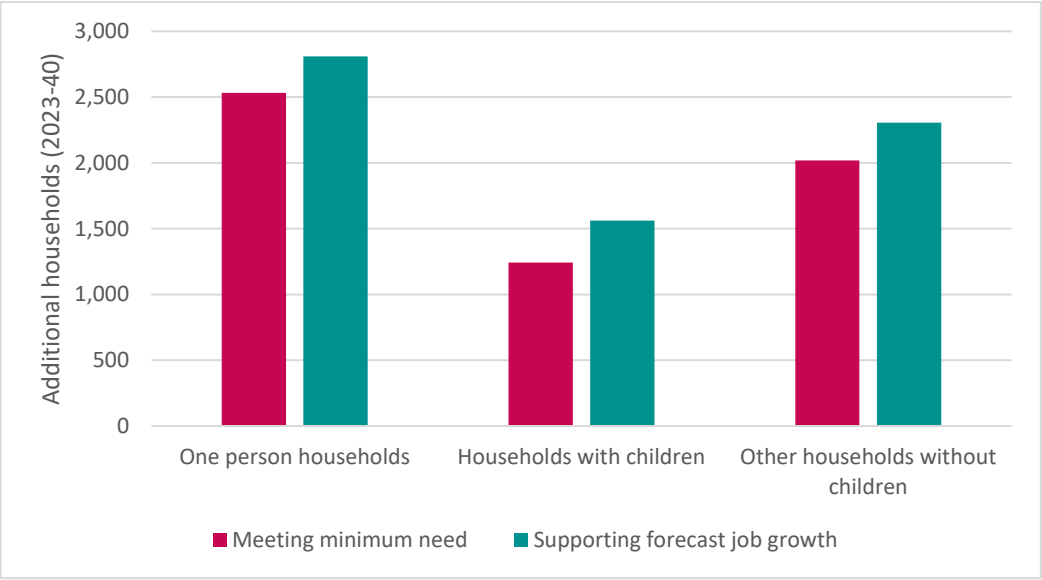


Source: Council monitoring; Turley analysis

Size and type of housing needed

5.8 Similar types of households would be expected to form in Newcastle-under-Lyme regardless of whether only the minimum need for housing is met, or delivery is higher to support forecast job growth. The greatest growth – in either scenario – would be amongst one-person households, followed by other households without children and then those with dependent children. The *number* of additional households, of each type, would though be higher in the second jobs-led scenario.

Figure 5.4: Additional Households by Type (2023-40)



Source: Edge Analytics

5.9 The size of housing occupied in Newcastle-under-Lyme varies by household type, as the HENAU explained with reference to what remains the most up-to-date information from the 2021 Census[56]. Variation in the overall number of households forming does therefore suggest that a different mix of housing sizes will be needed in each scenario, when assuming – as in the HENAU[57] – that these existing tendencies endure. While the difference is relatively subtle, it does suggest that slightly larger homes will be needed to support future job growth in Newcastle-under-Lyme.

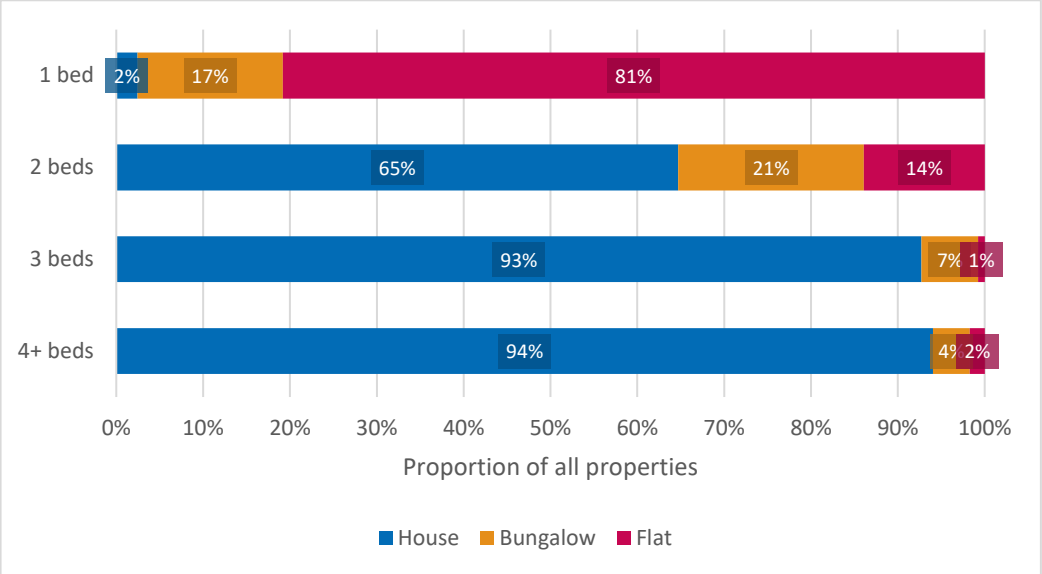
Table 5.2: Estimating the Size of Housing Needed (2023-40)

	1 bed	2 beds	3 beds	4+ beds	Total
Meeting minimum need	11%	30%	44%	15%	100%
Supporting forecast job growth	10%	29%	45%	16%	100%

Source: Edge Analytics; Census 2021; Turley analysis

5.10 The type of housing that could be needed to deliver such a mix can once again also be estimated, as in the HENAU, using the latest available data from the Valuation Office Agency (VOA) which confirms how many of the borough's homes, of each size, are flats, bungalows and houses as of 2023[58]. This continues to show that most one-bedroom properties in Newcastle-under-Lyme are flats, as are some of the borough's two-bedroom homes, with houses still accounting for the vast majority of larger properties.

Figure 5.5: Profile of Existing Housing in Newcastle-under-Lyme (2023)



Source: VOA

[56] *Ibid*, Figure 6.1

[57] *Ibid*, p42

[58] VOA (2023) Council Tax: stock of properties, 2023

5.11 Given this stock profile, it can be reasonably estimated that meeting the need for different property sizes in Newcastle-under-Lyme – as summarised at Table 5.2 – could require 75% of all new homes to be houses, with this being notably consistent between the two scenarios. The residual is then broadly split between bungalows and flats, with the implied need for the latter being only marginally higher.

Table 5.3: Estimating the Type of Housing Needed (2023-40)

	Houses	Flats	Bungalows	Total
Meeting minimum need	75%	13%	12%	100%
Supporting forecast job growth	75%	13%	12%	100%

Source: Edge Analytics; Census 2021; VOA; Turley analysis

5.12 The above continues to represent only **illustrative modelling using available evidence**, as it did in the HENAU and the original HNA. It can be used for guidance and monitoring but should not be prescribed as an explicit requirement for all sites, given the need to respond to changing market demands, local context and viability factors[59].

Need for affordable housing

5.13 The HENAU drew upon the latest information available in early 2023 to recalculate the need for affordable housing in Newcastle-under-Lyme, updating the assessment presented in the original HNA. It concluded that circa 278 affordable homes would be needed annually throughout the borough, between 2022 and 2040[60].

5.14 This is considered to remain broadly up-to-date, having incorporated data that was supplied by the Council in February 2023 and is generally less volatile, compared to employment forecasts for example. The Council has nonetheless shared some comparable data, not to fully update the previous calculation – where this is not considered necessary – but to check the ongoing validity of key inputs.

5.15 This does show that the housing register, used to measure the *existing* need, has grown in size since February 2023. While circa 1,550 households were enrolled on the housing register at that point, the Council's records suggest that this has risen to some 2,215 households as of January 2024. Such households are slightly less likely to be transfer tenants already living in affordable housing, where this was true of 46% of all on the housing register previously but only 42% now. The size of home needed is though broadly unchanged, in proportionate terms.

[59] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 5.21 and 5.22; Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 6.12

[60] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, Table 7.7

Table 5.4: Changes to Housing Register (2023-24)

	Transfer tenants	Others on register	**All on housing register**	Bedrooms needed			
				1	2	3	4+
Feb 23	715	835	**1,550**	54%	25%	15%	5%
Jan 24	934	1,281	**2,215**	56%	25%	14%	5%
Change	+219	+446	**+665**	+2%	0%	-1%	0%

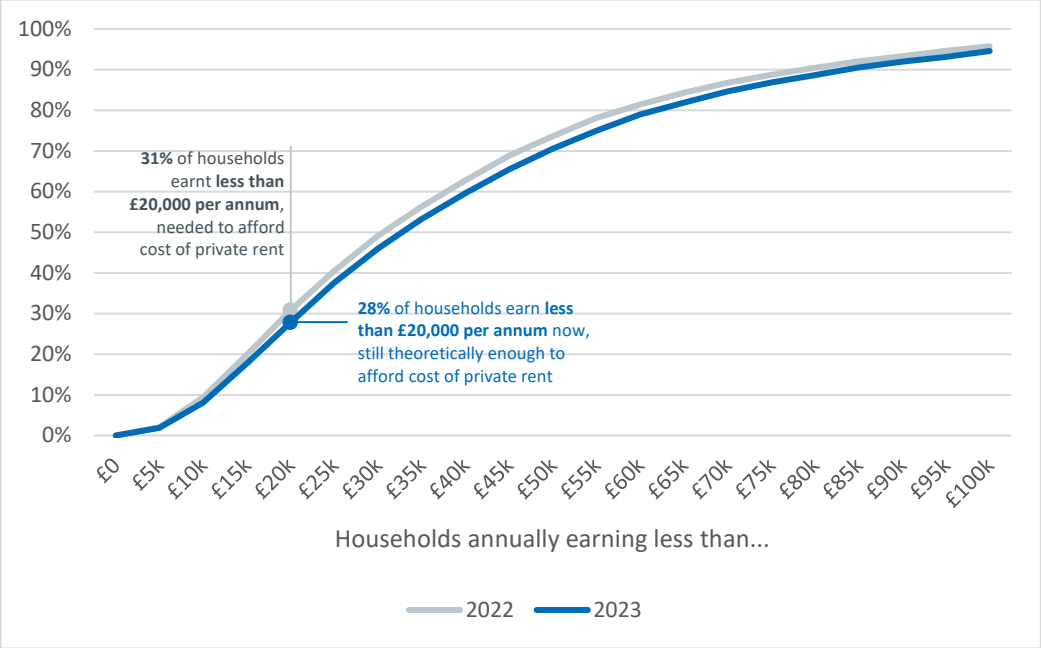
Source: Council data; Turley analysis

5.16 While the existing need has grown over the last year, it contrastingly appears that the newly arising need in future will be smaller than estimated in the HENAU. This is partly due to changes in the income profile of residents, with the latest available Paycheck data suggesting that fewer households will earn less than would likely still be needed to afford the cost of privately renting in Newcastle-under-Lyme, as recently reported by the ONS[61]. Assuming that 28% of newly forming households will be unable to privately rent – rather than 31% previously[62] – and applying this to a comparable output of Edge Analytics' latest modelling suggests that they will generate a gross need for only 305 affordable homes per annum, rather than 332 as estimated in the HENAU.

[61] ONS (December 2023) Private rental market summary statistics in England, October 2022 to September 2023. This indicates that the lower quartile rent in Newcastle-under-Lyme is £520 per month, equivalent to £6,240 per annum. This could require an annual income of circa £18,720 based on the principle, applied in the HENAU and the original HNA, that up to a third of earnings can be reasonably spent on housing costs. This rounds to £20,000 per annum, as it did when a comparable exercise was undertaken at Table 7.3 of the HENAU

[62] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, Table 7.4

Table 5.5: Shrinking Proportion of Households Unable to Afford Entry-level Market Housing



Source: CACI; ONS; Turley analysis

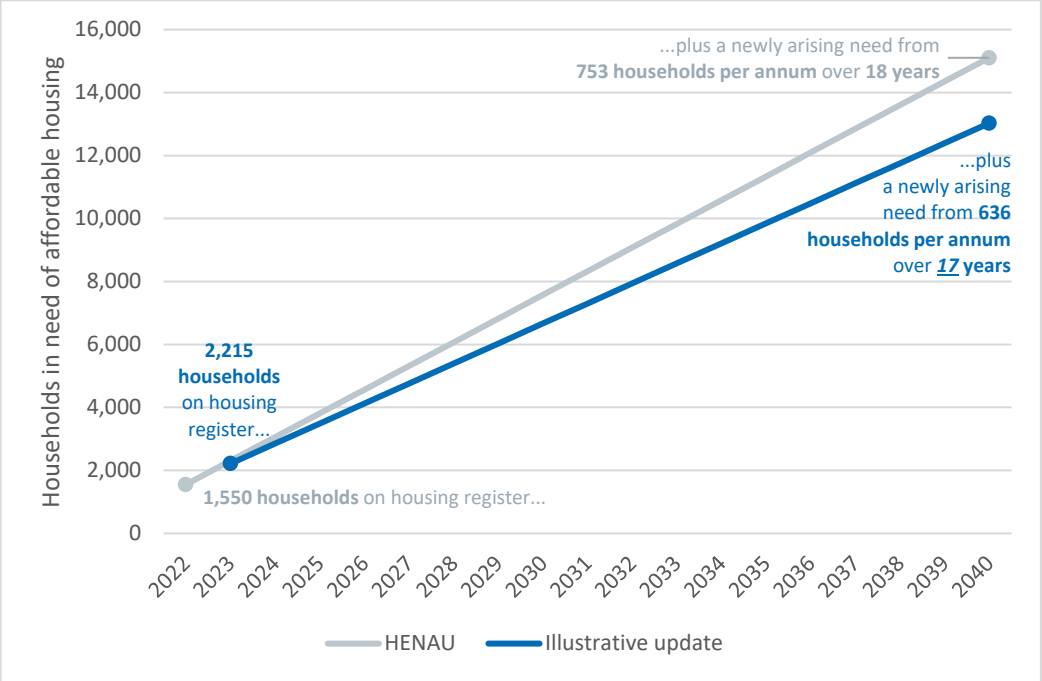
5.17 The number of existing households falling into need from other tenures also appears likely to be smaller than estimated in the HENAU, which used a '*proxy*' to compensate for the Council having then been unable to advise on the previous tenure of those on the housing register[63]. It is now able to provide such insight, confirming that only 331 of the households joining the housing register over the past year were privately renting or homeowners. This is markedly less than was allowed for in the HENAU (421).

5.18 These two factors suggest that the newly arising need – from newly forming and existing households – will be smaller than estimated in the HENAU, and it will also arise in fewer years where the calculation no longer needs to be based to 2022 and cover 18 years to the end of the proposed plan period in 2040. Rolling the base date forward even by one year – to match the approach of the HENAU[64] – would lead to a new need arising in only 17 years, such that the total need over the plan period would be slightly lower despite the existing need being greater.

[63] *Ibid*, paragraph 7.14

[64] *Ibid*, footnote 85. This explains that data supplied in February 2023 was taken to reflect the situation in 2022, to align with the base date of the study, and repeating this approach leads to data from January 2024 being taken as a reflection of 2023

Table 5.6: Illustrating Impact of Less Newly Arising Need from Base Years



Source: Council data; Turley analysis

5.19 While it is not the intention of this report to recalculate the need for affordable housing – balancing the gross need outlined above against supply – this further analysis does suggest that the overall need is unlikely to have grown since the HEANU was produced. This gives confidence that its estimate of an annual need for 278 affordable homes is not understating the scale of the issue in Newcastle-under-Lyme.

5.20 It can thus still – as required by the PPG – be '*considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments*', so that the Council can consider whether there needs to be '*an increase in the total housing requirement…[to] help deliver the required number of affordable homes*'[65].

5.21 Meeting this need would still require the delivery of more affordable homes than have been completed in Newcastle-under-Lyme during any year since at least 1991, as observed in the HENAU and illustrated at its Figure 7.2. A further year of data has though become available, for 2022/23, with some 263 affordable homes reportedly being completed in that year to surpass the previous peak (156 in 2010/11) and come very close to the estimated need for the first time[66]. Delivery would clearly have to be sustained around this level to meet the full need, however, which could prove challenging where the past five years have seen an average of only 97 affordable homes completed annually.

[65] PPG Reference ID 2a-024-20190220

[66] DLUHC (2023) Table 1008C: Total additional affordable dwellings provided by local authority area – completions

5.22 The Council's existing policies aim for 25% of the homes provided on larger sites to be affordable housing[67]. On a purely numerical basis, and as noted in the HENAU, this could theoretically require the provision of over 1,112 homes per annum to meet the annual need for affordable housing in full. Planning instead for 347 dwellings per annum, based on the standard method, could be expected to deliver only around 87 affordable homes each year on the same basis. This could rise to around 100 per annum, and thus sustain the recent trend, if the Council plans for 400 dwellings per annum to support forecast job growth, but even this would meet little more than a third of the evidenced need.

5.23 Such basic calculations do though oversimplify what is widely known to be a complex relationship between market and affordable housing, as explained in the HENAU[68]. These complexities have previously led the High Court to confirm that neither the NPPF nor the PPG require affordable housing needs to be met in full when determining the overall need for housing, with the Court of Appeal – in upholding this judgment – subsequently confirming that '*planning judgment*' is required[69]. The Council will therefore need to exercise this in selecting a housing requirement for the new Local Plan, balancing the prospective delivery of affordable housing against viability and market factors for example.

Needs of older people as a specific group

5.24 The HENAU responded to a requirement of the NPPF by considering the housing needs of different groups in the community, building upon the original HNA by introducing new evidence from the 2021 Census and integrating newer modelling from Edge Analytics[70].

5.25 Much of the information presented is still the latest available, at the time of writing. This report does though introduce further modelling from Edge Analytics, which has modest implications for the previously reported needs of older people.

5.26 This latest modelling continues to suggest that the number of older residents aged 65 and above will grow over the new plan period, regardless of whether the Council simply meets the minimum need suggested by the standard method or plans for more housing to support forecast job growth. The eldest in this cohort, aged 85 and above, would be expected to grow at the fastest rate in each scenario.

[67] Newcastle-under-Lyme Borough Council and City of Stoke-on-Trent Council (2009) Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy 2006-2026, Policy CSP6

[68] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, p54-55

[69] Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd [2015] EWHC 2464 (Admin); Jelson Ltd v Secretary of State for Communities and Local Government and Hinckley and Bosworth Borough Council [2018] EWCA Civ 24

[70] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, section 8

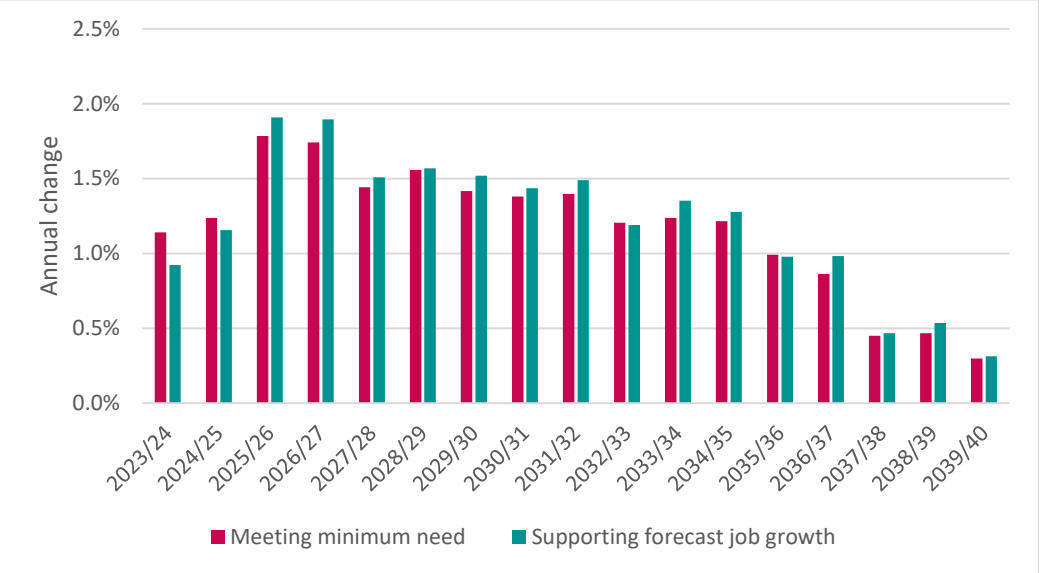
Table 5.7: Projected Future Population Change by Age Cohort (2023-40)

	Meeting minimum need		Supporting forecast job growth	
	Change	% change	Change	% change
Aged 65+	+5,982	+22%	+6,204	+23%
Aged 75+	+4,220	+31%	+4,336	+31%
Aged 85+	+1,937	+51%	+1,985	+53%

Source: Edge Analytics

5.27 Growth continues to be frontloaded, as was observed in the HENAU, with the rate of increase likely to slow in later years.

Table 5.8: Projected Annual Change in Older Population (2023-40)



Source: Edge Analytics; Turley analysis

5.28 The PPG continues to indicate that such '*projections of population and households by age group can…be used*' to estimate the housing needs of older people[71].

5.29 In doing so, it remains important – as explained in the original HNA[72] – to first recognise that Edge Analytics' modelling itself makes assumptions about the number of people living in a communal establishment like a care home rather than a private household. This is based on past trends, albeit only up to the 2011 Census, but allows for growth in the overall size of the population aged 75 or above. The updated modelling continues to suggest a similar level of need to the HENAU, for **circa 15-16 bedspaces per annum** or 261-269 in total over the new plan period (2023-40). The assumption that these individuals will live in communal establishments, rather than

[71] PPG Reference ID 63-004-20190626

[72] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 7.18

conventional dwellings, means that they are once again not captured within the reported need for the latter, instead being separate and additional. Furthermore, with the modelling applying assumptions based on past trends – which will have been influenced to some extent by the available supply – it should be recognised that there is a possibility of this need being greater, if older people in Newcastle-under-Lyme show an increased tendency to occupy care homes than they have in the past.

5.30 The HENAU, like the original HNA, also estimated the demand for other forms of specialist accommodation that is *included* in the assessed need for dwellings, based on national prevalence rates that feature in the Strategic Housing for Older People Analysis (SHOP@) tool which continues to be widely used in similar studies and is still explicitly referenced in the PPG[73]. While any such rates are subject to change, updating the analysis from the HENAU suggests that there could be demand for **circa 42-43 units** of such accommodation in every year that remains of the new plan period, as shown at Table 5.8. The Council could once again be aware of the prospect of a greater need if the growing elderly population favour different types of specialist housing to their predecessors.

Table 5.9: Projected Demand for Specialist Housing in Newcastle-under-Lyme (2023-40)

	Meeting minimum need		Supporting job growth	
	Total	Annual	Total	Annual
Sheltered housing	528	31	542	32
Enhanced sheltered housing	84	5	87	5
Extra care	106	6	108	6
Total	**717**	**42**	**737**	**43**

Source: Edge Analytics; Housing LIN; Turley analysis

Summary

5.31 With provision in line with the standard method having been shown to support the creation of fewer jobs than are now forecast in Newcastle-under-Lyme, this section has presented further modelling which suggests that **400 dwellings per annum** could be needed to grow the labour force and support the creation of 237 jobs every year. This would allow the population to grow by more than if only 347 homes were provided annually, through the attraction of new residents and the retention of those already living in the borough, which in turn would grow the size of the working age population and provide greater capacity to fill jobs.

5.32 The profile of households forming would likely be relatively similar regardless of whether provision aligns with the standard method or the Council plans for more homes to support forecast job growth, as is permitted by the NPPF. The number of

[73] PPG Reference ID 63-004-20190626

additional households would though naturally be greater in the latter scenario, such that a slightly different mix of housing – weighted more towards larger homes – is implied to be needed when repeating the approach of the HENAU and estimating the size of housing needed by different households based on the trend amongst their counterparts at the 2021 Census. The greatest need nonetheless remains for homes with three bedrooms, with houses – as opposed to flats and bungalows – likely to be most often needed to deliver such a mix. This does though continue to be only illustrative, being suitable for guidance and monitoring but not as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors.

5.33 This section has also revisited the HENAU's conclusion that 278 affordable homes are needed annually in Newcastle-under-Lyme, not to update the calculation – where this is not considered necessary – but to check the ongoing validity of key inputs. This does show that the existing need, drawn from the housing register, has grown over the last year but this is likely to be offset over the remainder of the plan period by a reduction in the newly arising need, caused by rising earnings and the sharing of new data implying that fewer existing households fall into need. This gives confidence that the HENAU is not underestimating the need for affordable housing, meaning that the Council can still use it in considering whether its chosen housing requirement could help to increase the supply of such homes.

5.34 This section has not reconsidered the needs of specific groups in detail, where much of the data presented in the HENAU – including information from the 2021 Census – remains the latest available. It has though recalculated the need for specialist older persons' accommodation, to take account of Edge Analytics' latest modelling, albeit this has had a modest impact with there remaining an implied need for circa 15-16 bedspaces per annum in communal establishments and a separate need for circa 42-43 bedspaces per annum in other forms of specialist accommodation. These continue to be only indicative estimates based on past trends, however, with it possible that more such specialist housing could be needed if it becomes favoured by more older people in future.

6. Reconsidering the need for employment land

6.1 The original ENA and the HENAU included calculations estimating the amount of employment land which could be needed in Newcastle-under-Lyme. These took account of the identified forecasts of future employment growth as well as historical trends in the take-up of land. The studies both arrived at a range of potential need, reflecting the different methodologies deployed. The more recent HENAU identified a greater need – for 36.5-68.8ha – than the original ENA, which had calculated a need for 33.1-56.5 ha albeit over a slightly different period.

6.2 With section 4 having reconsidered economic forecasts to arrive at an updated position on future job growth in Newcastle-under-Lyme, this section presents an updated calculation of the need for employment land which also incorporates an additional year of take-up data.

6.3 It also provides a high-level update on the available supply of employment land, from Aspinall Verdi, given that it has continued to be taken up since the HENAU was produced.

6.4 The HENAU identified that a potential quantitative supply demand deficit had arisen, where need had increased and supply had fallen. It also identified a qualitative deficit, with a reducing amount of land being categorised as "good". This section concludes by reconsidering the supply demand balance and ascertaining the extent to which this gap has further increased, in both a quantitative and qualitative sense.

Reconsidering future demand

6.5 Section 8 of the original ENA introduced the various approaches towards quantifying the future demand for employment land that were, and still are, endorsed by the PPG[74]. These were subsequently used once again in section 5 of the HENAU, which reiterated that each approach has strengths and limitations such that none can be viewed as definitive[75].

6.6 The PPG continues to encourage the use of employment forecasts, of the kind reviewed in section 4 to arrive at a reasonable position on future job growth in Newcastle-under-Lyme. It also advocates demographically derived assessments based on labour supply, which can in this case reflect the prospect of fewer jobs being created if only the minimum need for housing – suggested by the standard method – is met[76].

6.7 As required by the PPG, the jobs envisaged in these scenarios have been assigned to Use Classes, repeating the approach of the HENAU – summarised at its Appendix 3 –

[74] PPG Reference 2A-027-2019220

[75] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 5.3

[76] It is necessary to assume, as in the HENAU, that the sectoral profile of growth in this scenario is identical to the employment forecast. Sectors forecast to decline have not been adjusted but the scale of growth in other sectors has been proportionately decreased to allow for reduced labour availability

which had in turn followed the original ENA[77]. This discounts roughly a fifth of jobs on the basis that they are unlikely to require the office, industrial and warehousing premises that remain the focus of this assessment, albeit the Council is still advised to consider how forecast change in sectors like healthcare and hospitality can be accommodated through policies or site allocations that meet this implied need.

Table 6.1: Job Growth Accommodated in "Non-B" Use Classes (2023-40)

	Additional jobs per annum	Total jobs over rest of plan period	Assumed to be in "non-B" Use Classes	%
Blended forecast	237	4,024	858	21%
Labour supply	167	2,840	516	18%

Source: Experian; Cambridge Econometrics; Edge Analytics; Turley analysis

6.8 The remaining jobs have once again been assigned to specific property types, converted into full-time equivalents[78] (FTEs) and then translated into floorspace by applying the employment densities summarised at Table 8.2 of the original ENA. While these were based on national research from 2015 and thus take no account of subsequent changes – accelerated by the pandemic – there continues to be no similarly comprehensive or reliable analysis of how recent events have affected businesses' use of space, and as such these assumptions are considered to remain justified.

6.9 This process, summarised at Table 6.2, suggests that there could be additional jobs requiring office and warehousing space in either of the two scenarios. Forecast decline in sectors requiring industrial space contrastingly leads to a *negative* requirement for such premises, in each scenario.

Table 6.2: Implied Need for Employment Space in B Use Classes[79] (2023-40)

	Blended forecast			Labour supply		
	Additional jobs	Additional FTE jobs	Floorspace (GEA, sqm)	Additional jobs	Additional FTE jobs	Floorspace (GEA, sqm)
Office	2,095	1,748	23,220	1,573	1,313	17,438
Industrial	-106	-94	-4,232	-106	-94	-4,232
Warehouse	1,176	927	68,158	856	676	49,662
Total	**3,165**	**2,581**	**87,146**	**2,324**	**1,894**	**62,868**

Source: Experian; Cambridge Econometrics; Edge Analytics; Turley analysis

[77] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 5.6

[78] Averaging the ratio between workforce and FTE jobs in each sector in 2023 and 2040, thus closely aligning with the approach taken in the HENAU and the original ENA

[79] Unrounded figures have been used in the conversion of FTE jobs to floorspace

6.10 The land needed to accommodate such amounts of floorspace can subsequently be estimated, using plot ratios introduced in the original ENA that are considered to remain valid[80].

Table 6.3: Implied Need for Employment Land in B Use Classes (2023-40)

	Blended forecast		Labour supply	
	Floorspace (GEA, sqm)	Additional land	Floorspace (GEA, sqm)	Additional land
Office	23,220	1.5ha	17,438	1.2ha
Industrial	-4,232	-1.1ha	-4,232	-1.1ha
Warehouse	68,158	17.0ha	49,662	12.4ha
Total	**87,146**	**17.5ha**	**62,868**	**12.5ha**

Source: Experian; Cambridge Econometrics; Edge Analytics; Turley analysis

6.11 The above, like the corresponding figures from the HENAU and the original ENA, represent only net estimates which simplistically assume that floorspace is only required when a new job is created, and is vacated whenever a job is lost. This makes no allowance for the ongoing loss of employment space in Newcastle-under-Lyme, which the HENAU identified as having occurred at an average rate of 5,737sqm per annum over the prior decade (2012-22). This increases to 6,489sqm per annum when rolled forward to incorporate the further year of data now available, and looking back over an equivalent period of ten years (2013-23). If this continues and such space is once again assumed to be replaced – as in the HENAU and the original ENA – then the resulting need for floorspace and land would increase in both scenarios, as shown at Table 6.4.

Table 6.4: Implied Need for Employment Land Allowing for Losses (2023-40)

	Lost floorspace to be replaced…			…added to each scenario	
	Annual (sqm)	Remaining 17 years of plan period (sqm)	**Land required**	Blended forecast	Labour supply
Office	2,100	35,700	**+2.4ha**	3.9ha	3.6ha
Industrial	744	12,648	**+3.2ha**	2.1ha	2.1ha
Warehouse	3,645	61,965	**+15.5ha**	32.5ha	27.9ha
Total	**6,489**	**110,313**	**+21.0ha**	**38.5ha**	**33.6ha**

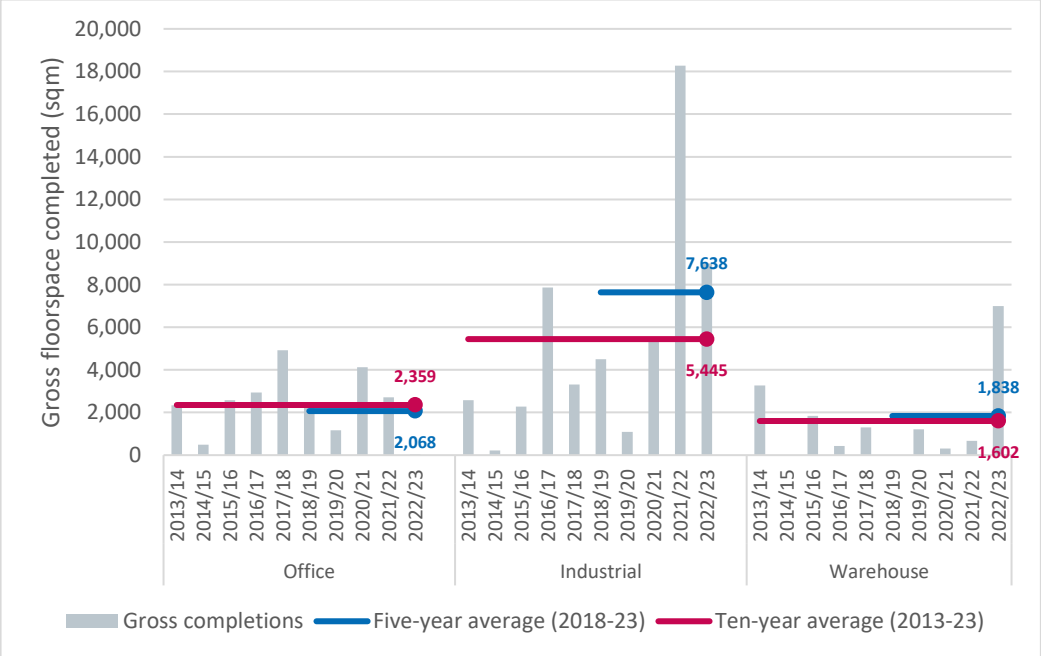
Source: Turley analysis

[80] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 8.54 and 8.55

6.12 Both the HENAU and the original ENA complemented these scenarios with others linked to past take-up, as the PPG continues to encourage[81]. This addresses a limitation of the above scenarios – which assume a direct relationship between job growth and floorspace requirements, when the reality is more complex – but does have its own limitations, where it implicitly assumes that land will continue to be available as it has (or has not) in the past.

6.13 The HENAU presented two past take-up scenarios, respectively extrapolating the trends recorded over five and ten years to 2022 where this was the last year for which monitoring was available. A further year of data is though now available, allowing these averages to be recalculated and brought up-to-date. The relatively strong take-up of industrial land in this extra year, shown at Figure 6.1, serves to increase both of the previously reported averages[82]. The take-up of warehousing space in this additional year similarly increases the five-year annual average, from only 698sqm to some 1,838sqm, albeit the longer-term average has contrastingly dropped (from 1,853sqm to 1,602sqm) due to the removal of 2012/13, which saw even greater take-up than this latest year. The averages for offices both drop from the figures reported in the HENAU due to the historically low take-up of only 38sqm in 2022/23, less than a tenth the previous low recorded in 2014/15.

Figure 6.1: Employment Space Completed in Newcastle-under-Lyme (2013-23)



Source: Council monitoring; Turley analysis

[81] PPG Reference ID 2a-027-20190220

[82] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, Table 5.5. An average of 4,613sqm of industrial space was taken up over ten years to 2022, with an average of 6,502sqm taken up over the preceding five years

6.14 A continuation of these trends would see between 159,902sqm and 196,248sqm developed over the period from 2023 to 2040. This could require 32.6-42.6ha of land, based on the plot ratios that have once again been applied earlier in this section, and this would rise even further if the losses respectively recorded over the last five or ten years continue and are fully replaced.

Table 6.5: Extrapolating Past Completion of Employment Space

	2013-23				2018-23			
	Average take-up per annum (sqm)	Over 17 years (sqm)	Land required (ha)	Allowing for losses (ha)	Average take-up per annum (sqm)	Over 17 years (sqm)	Land required (ha)	Allowing for losses (ha)
Office	2,359	40,103	2.7	5.1	2,068	35,156	2.3	5.2
Industrial	5,445	92,565	23.1	26.3	7,638	129,846	32.5	34.5
Warehouse	1,602	27,234	6.8	22.3	1,838	31,246	7.8	30.7
Total	**9,406**	**159,902**	**32.6**	**53.7**	**11,544**	**196,248**	**42.6**	**70.5**

Source: Council monitoring; Turley analysis

6.15 Before comparing the above to the other scenarios, each needs to allow once again for choice and flexibility, to align with best practice and plan positively for employment growth[83]. Both the HENAU and the original ENA made similar allowances, equivalent to the average rate of supply over five years where they recognised that establishing such a margin is not an exact science and requires a degree of judgement. Repeating this approach using the long-term average reported above adds a buffer of circa 9.6ha, except in the shorter-term past take-up scenario where the use of a shorter-term average is arguably justified for consistency and increases the size of the buffer to circa 12.5ha.

[83] *Ibid*, paragraph 5.14

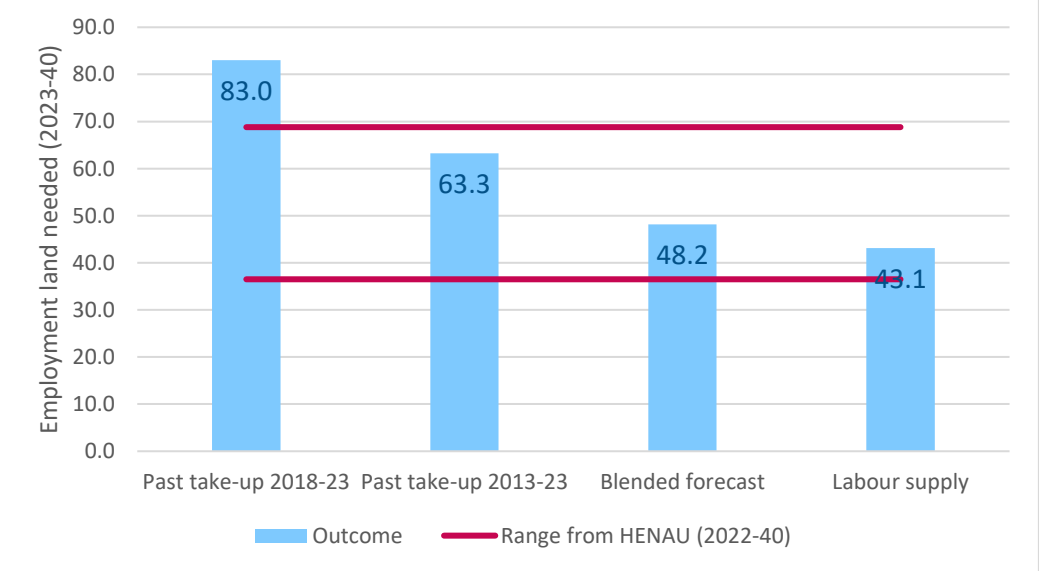
Table 6.6: Need For Employment Land with Flexibility Margin (hectares; 2023-40)

	Blended forecast		Labour supply		Past take-up 2013-23		Past take-up 2018-23	
	Gross need	…with margin	Gross need	…with margin	Gross need	…with margin	Gross need	…with margin
Office	3.9	4.7	3.6	4.3	5.1	5.8	5.2	5.9
Industrial	2.1	8.9	2.1	8.9	26.3	33.1	34.5	44.1
Warehouse	32.5	34.5	27.9	29.9	22.3	24.3	30.7	33.0
Total	**38.5**	**48.2**	**33.6**	**43.1**	**53.7**	**63.3**	**70.5**	**83.0**

Source: Turley analysis

6.16 The scenarios can be seen to imply a need for between 43.1ha and 83.0ha of employment land in Newcastle-under-Lyme over the period from 2023 to 2040. This widens the range reported in the HENAU (36.5-68.8ha) and increases both its upper and lower end, despite covering a slightly shorter period. This is primarily due to the omission of an unadjusted baseline forecast – with a scenario linked to Cambridge Econometrics' producing the lowest estimate of need in the HENAU (36.5ha) – and the increased take-up seen over the past five years to 2023, relative to the slightly earlier period considered previously.

Figure 6.2: Updated Range of Employment Land Requirements

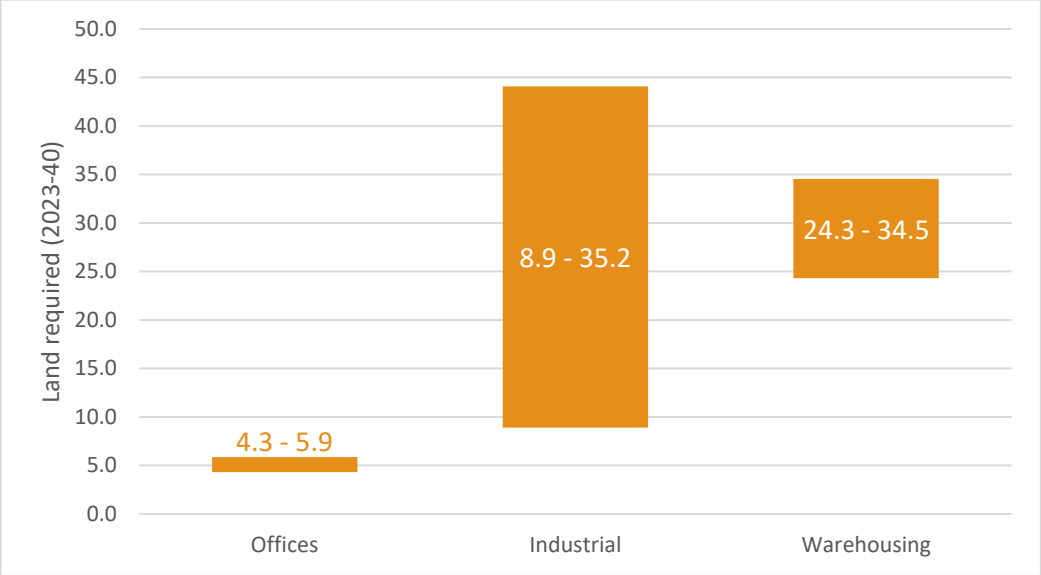


Source: Turley analysis

6.17 Figure 6.3 shows the ranges implied for different types of property. There remains a particularly wide range for industrial land, as in the HENAU, albeit this has slightly

narrowed from that previously reported[84] (3.7-39.8ha). The range for offices has both narrowed and reduced (from 4.7-8.1ha) while the lower end of the range for warehousing has risen – from 20.9ha to 24.3ha – with the upper end remaining broadly steady.

Figure 6.3: Range of Employment Land Requirements by Type (2023-40)



Source: Turley analysis

6.18 Both the original ENA and the HENAU did present a sensitivity which explored how much land could be needed if lower density office development was to prevail, in business parks for example, rather than the relatively high densities that continue to be assumed in calculating the above[85]. Altering this assumption would once again increase the amount of land needed to accommodate office space, and consequently increase the amount of land needed overall as shown at Table 6.7.

[84] *Ibid*, Figure 5.2

[85] *Ibid*, paragraph 5.17 and Table 5.7

Table 6.7: Land Required with Lower Density Office Development (ha; 2023-40)

	Total land needed	Office land needed with higher density development (150% plot ratio)	Office land needed with ***lower*** density development (40% plot ratio)	Total land needed with lower density offices
Past take-up 2018-23	83.0	5.9	22.1	99.2
Past take-up 2013-23	63.3	5.8	21.9	79.3
Labour supply	48.2	4.7	17.7	61.1
Blended forecast	43.1	4.3	16.2	55.1

Source: Turley analysis

Establishing current supply

6.19 In line with the approach of the HENAU, Aspinall Verdi have undertaken a selective review of the previous update to their assessment of the employment land supply in Newcastle-under-Lyme, documented in the original ENA. This update has again deployed a consistent methodology and has integrated further updated information provided by the Council regarding the progress of sites, including adjustments where appropriate to net developable areas. It has once again adhered to the approach outlined at Appendix 4 of the HENAU, by reviewing the schedule of employment land to provide updates where applicable to the existing use and the planning situation, taking account of any updated evidence-based assessments. With little more than a year having passed since Aspinall Verdi visited selected sites in March 2023, this update has been based on desktop analysis alone, albeit while feeding in the views of the Council.

6.20 This update considered the same 60 sites as the HENAU, albeit with the position remaining that 18 of these sites were removed from the supply by the Council for reasons explained in the HENAU[86]. The Council did not add or remove any further sites from the supply, such that this review continues to focus on 42 sites in total.

6.21 The assessment of supply has broadly sought to reflect the situation in March 2023, to reflect the Council's latest annual monitoring[87].

6.22 The existing supply includes land which the Council classes either as being a Local Plan allocation, vacant land within an existing employment area or a site with an extant planning permission for commercial development. Table 6.8 shows the updated assessment of the current supply broken down into these three categories.

[86] *Ibid*, paragraph 5.19 and Appendix 4

[87] Aspinall Verdi provided their market inputs and the review of available updates regarding planning status in early 2024. This means that in capturing Aspinall Verdi's updated insight the assessed position may be more up-to-date than the position as at the monitoring date of March 2023.

Table 6.8: Existing supply of employment land (March 2023)

	Land, net (ha)
Local Plan allocations	45.8
Vacant land within existing employment sites	2.9
Sites with extant planning permission for B-class employment development	0.3
Total	**48.9**

Source: Newcastle-under-Lyme Borough Council; Aspinall Verdi analysis

6.23 The existing supply as of March 2023, amounting to circa **48.9ha**, has modestly fallen since the HENAU reported an equivalent figure of 49.9ha one year earlier, which had itself fallen from what was reported in the original ENA (64.8ha).

Updating the balance between supply and demand

6.24 Table 6.9 provides an initial comparison between the identified existing supply of land and the scenarios of need. It indicates that there is insufficient land to support a continuation of past take-up, in line with the conclusions of the HENAU but with the scale of the shortfall having grown. As previously, there is an implied surplus for the other scenarios although it is important to note that this has now shrunk, and indeed is very modest – at only 0.7ha – in the scenario linked to the blended employment forecast.

Table 6.9: Current Supply vs Need (ha)

	Estimated need (2023-40)	Total supply at base point (March 2023)	**Estimated surplus/shortfall**
Past take-up 2018-23	83.0ha	48.9ha	**-34.1ha**
Past take-up 2013-23	63.3ha	48.9ha	**-14.4ha**
Blended forecast	48.2ha	48.9ha	**+0.7ha**
Labour supply	43.1ha	48.9ha	**+5.8ha**

Source: Turley analysis

6.25 When set against the higher land requirements derived when allowing for lower density office development, as considered at the earlier Table 6.7, there would be a shortfall in each of the four scenarios ranging from 6.2ha to some 50.3ha. This continues to suggest, as per the HENAU, that there is a need for the Council to identify further sites to increase the supply available to meet business needs.

6.26 This is reinforced when considering the outcomes of Aspinall Verdi's assessment of land, following the Council's prescribed scoring matrix. In line with the preceding assessments, it remains the case that only 12ha of the identified current supply

achieves the grading "good", with one site – Keele Science Park – responsible for more than half of this supply. Both the HENAU and the original ENA identified that most sites were classified as "average" and it is noted that the completion of two such sites since March, whilst offset to a degree by changes to developable site areas, has reduced the supply of such land to 34ha. This further emphasises that it will be important for the Council to carefully consider land, to ensure that it caters for the needs of businesses looking to invest in and / or move into the borough.

A continued depletion of supply

6.27 **Appendix 2** explains why it remains reasonable – as discussed in both the HENAU and the original ENA – to expect the existing supply to diminish further in the short-term, as indeed has been proven by the reduction of supply in the three years since the original ENA was produced.

6.28 It identifies that several of the sites within the existing supply are already seeing development activity, or are expected by Aspinall Verdi to commence imminently. It also notes Aspinall Verdi's continuing view that one of the sites categorised as "poor" has little prospect of coming forward for employment uses in a reasonable timeframe. Removing these sites – particularly the large one of some 26.5ha at Chatterley Valley (West of Mainline) – leaves a supply of only around 18.1ha.

6.29 Accounting for this likely further depletion of land would increase the size of the shortfall beyond that indicated by Table 6.9 – reaching **up to 64.9ha** – and would also create a shortfall in all four of the presented scenarios, of at least 22.0ha.

6.30 The business survey conducted to inform the HENAU reinforced the importance of acknowledging the need to add to the supply[88]. Some 15% of responding businesses were not satisfied with their current accommodation, with the majority (55%) saying that it was not large enough. Furthermore, circa 19% of all responding businesses expected to need larger accommodation in the next five years, presumably reflecting intentions to grow. In this context, it is important that the Council considers allocating new sites in order to ensure a supply of land which will accommodate needs.

Potential future supply and qualitative factors

6.31 The original ENA and the subsequent HENAU both considered additional sites, viewed by the Council as having potential for employment use despite not forming part of its current supply. This included sites which had been identified through a call for sites exercise.

6.32 A number of these sites are significant in scale and were identified by the Council as forming potential strategic sites. Aspinall Verdi considered these in a separate study – updated alongside this report[89] – such that they continue to be omitted from the analysis in this section, as in the HENAU. Excluding these sites, the HENAU identified a potential additional supply of some 72ha.

[88] Turley (March 2023) Housing and Economic Needs Assessment Update: Newcastle-under-Lyme, paragraph 5.33 and Appendix 1

[89] Aspinall Verdi (2024) Newcastle-under-Lyme Strategic Employment Sites Assessment

6.33 Along with the sites referenced above as being previously omitted the expansion land at Keele Science Park (2020-N34) has also been omitted, with this site separately considered as well in the Aspinall Verdi Strategic Sites Study. This is considered further below in the context of its role in accommodating demand for office space, with separate consideration given to the development potential and implications of the largest of these sites in section 7, with information taken directly from Aspinall Verdi's most recent assessment.

6.34 The removal of 2020-N34, changes to the developable area of one site and the progression of two sites for other uses means that the identified future supply has reduced to circa 47ha.

6.35 The HENAU revisited detailed analysis – presented in section 9 of the original ENA – which considered the supply that was potentially available to respond to the identified shortfall of employment land, both overall and with reference to different types of premises. With only a year having since passed, this section largely repeats the analysis of the HENAU, updating mainly to account for known changes to sites as well as the further market insights provided by Aspinall Verdi, the latter being particularly important given acknowledged market uncertainties following the pandemic. It continues to reference the findings of a business survey, commissioned to inform the HENAU – and documented in its Appendix 1 – but not updated as part of this further study.

Office floorspace

6.36 In headline terms, the analysis of need above indicates that there will be a future requirement for additional office floorspace in Newcastle-under-Lyme. It identifies that as a minimum this need is likely to range between 4.3ha and 5.9ha over the period to 2040, albeit this need – slightly lower than reported in the HENAU (4.7-8.1ha) – could rise as high as 22.1ha if lower density development prevails as it has in the past.

6.37 The reduced need, compared to the HENAU, is partly due to a fall in take-up which reflects uncertainty and change in the office market, arising from changing working behaviours during and since the pandemic. It is currently still too early to confidently predict how changing working patterns and the expectations of business leaders will affect the type and amount of office space occupied by workers. As the HENAU reported within the business survey conducted in January 2023, questions specifically aimed at exploring the issue confirmed that changes had arisen from the pandemic with 23% of respondents confirming that they were introducing or retaining flexible working hours, but only 4% suggesting that fully remote working would be retained as a working practice. One of the businesses interviewed through the research, who occupied office space in Newcastle-under-Lyme, specifically noted that whilst they had fully embraced working from home this had not changed their office space requirements[90]. This was because the flexibility of working patterns meant they were able to less intensively occupy the space they had filled for over ten years, which in turn was considered to better meet needs as a result. Another business also noted that the nature of their work and the smaller size of the workforce meant that it was

[90] This business employed circa 12-13 people in Newcastle-under-Lyme as part of a workforce of around 20 in total

preferable to continue working in the office and that staff had been keen to return as soon as it had been allowed.

6.38 The HENAU concluded from the above that it was reasonable to assume that there would be ongoing demand for specific office-based business accommodation for the foreseeable future. It is, however, useful to consider the latest evidence of market activity, in the context of historic trends. This is undertaken drawing upon a snapshot of indicators considered in the original ENA (section 6) using the latest data from CoStar and complemented by Aspinall Verdi's insight into local market activity.

6.39 Table 6.10 shows office transactions 2009 – 2024 YTD (March) within Newcastle-under-Lyme.

Table 6.10: Office transactions 2009-2024 YTD (March)

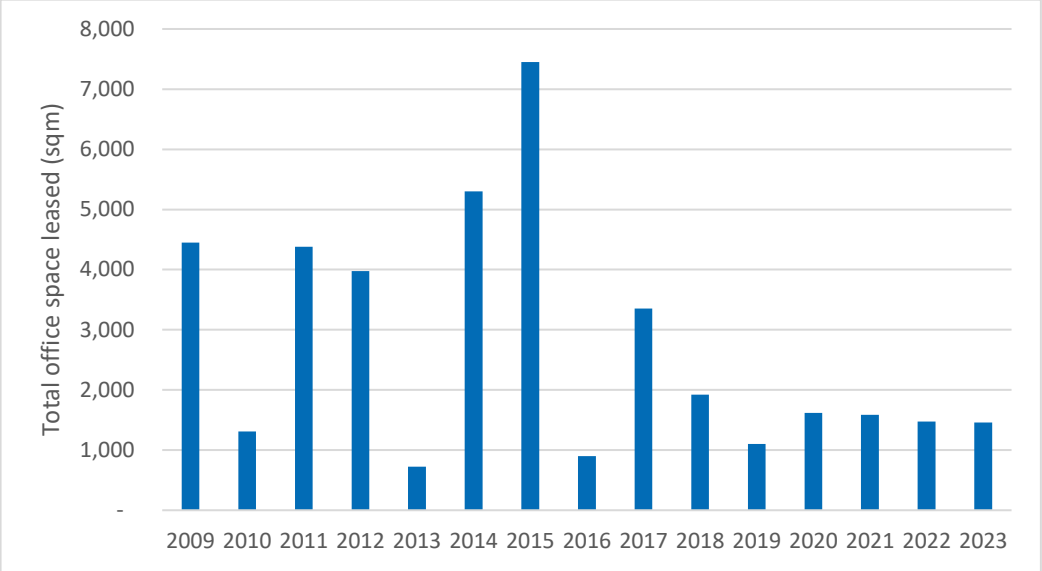
Year	Leases	Sqm Leased
2009	16	4,448
2010	10	1,308
2011	14	4,382
2012	23	3,975
2013	6	727
2014	11	5,299
2015	12	7,448
2016	7	902
2017	11	3,354
2018	11	1,920
2019	7	1,100
2020	9	1,618
2021	8	1,585
2022	6	1,475
2023	5	1,459
2024 YTD	1	85
Total	157	41,085
Annual Average (2009/23)	10	2,733

Source: Turley analysis of CoStar data, 2024

6.40 Figure 6.4 shows the amount leased annually over-time for full years only. This shows that post 2015 the amount of office floorspace leased annually has fallen

substantially[91]. It is noted that there appears very little variation in and around the pandemic in 2021, with rates remaining consistently low at around 1,500 sqm a year over the last four years. This confirms the trend identified in the original ENA and suggests a limited level of market activity in the office sector in the borough.

Figure 6.4: Office Floorspace Leased (2009-23)

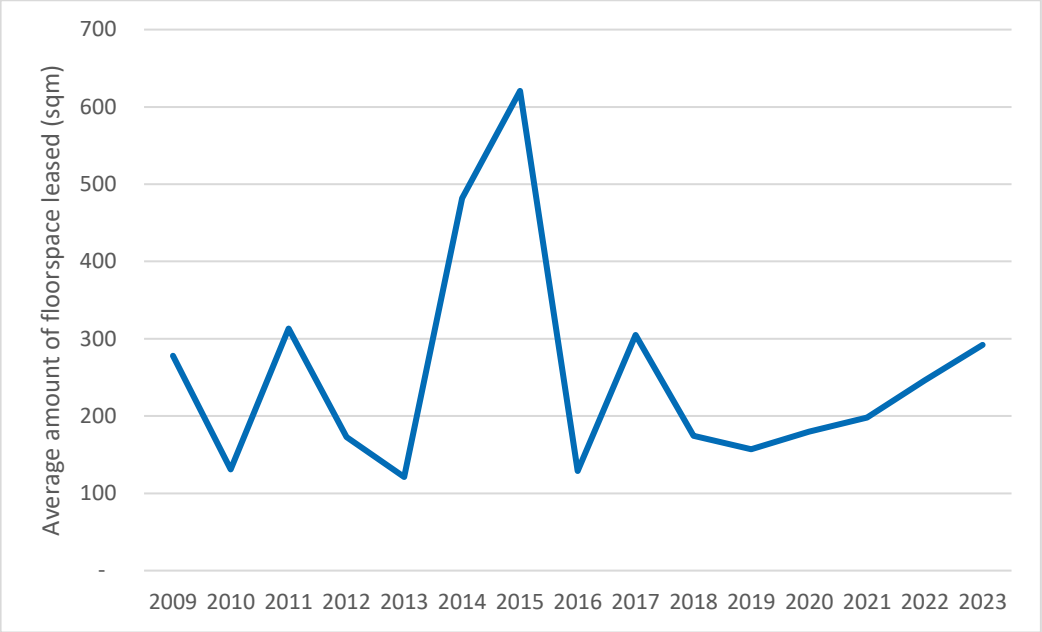


Source: Turley analysis of CoStar data, 2024

6.41 The average size of transactions provides further insight into market activity. This is shown at Figure 6.5, which shows that in more recent years there has been a modest increase in the size of premises typically leased, albeit from a low base in 2019. The average size recorded in 2023 is broadly in line with other higher years, except for the period 2014 – 2015. This continues to suggest, in line with the observation made back in the 2015 ELR, that the local office market is generally driven by smaller occupiers, seeking offices of less than 500 sqm.

[91] The original ENA notes at paragraph 6.15 that the high figure in 2015 was largely attributable to one large transaction, the lease of circa 3,750 sqm by TMT First at Lymedale Business Park.

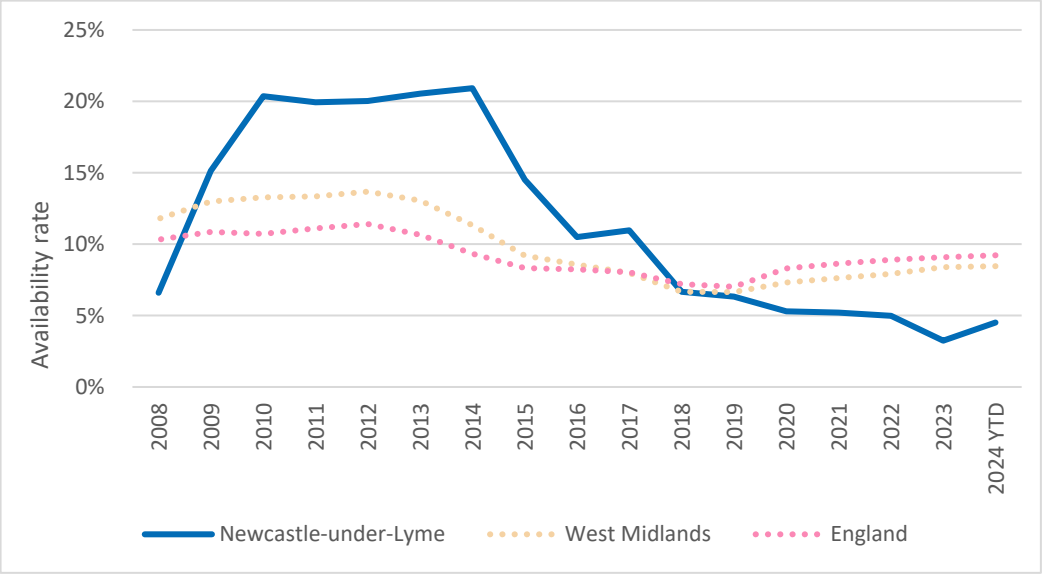
Figure 6.5: Average Space Leased per Office Transaction (2009-23)



Source: Turley analysis of CoStar data, 2024

6.42 Levels of availability are a further indicator of the demand for floorspace and the health of the market. Data from CoStar is presented in Figure 6.6 to show the proportion of office space in Newcastle-under-Lyme that is available compared to the wider West Midlands and the country as a whole[92].

Figure 6.6: Availability of Offices in Newcastle-under-Lyme (2009-24)



Source: Turley analysis of CoStar data, 2024

[92] CoStar defines 'available' space as the total amount of space that is currently being marketed as available for lease or sale in a given time period, this including any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date. This metric therefore provides a broader measure of floorspace availability than the vacancy rate.

6.43 It is evident, as observed in the original ENA, that between 2009 and 2018 office availability in Newcastle-under-Lyme was higher than that recorded regionally and nationally, with notably high rates seen up until 2014. While the regional and national rates have increased over recent years, albeit modestly, the rate in Newcastle-under-Lyme has fallen to sit below 5%. This suggests there is a demand for the office space available, with the lack of new stock coming onto the market likely to mean that companies have been constrained by supply choosing to occupy relet and potentially poorer quality stock. Where the Employment Land Review (ELR) of 2015 – referenced in the original ENA[93] – suggested that a typical 'liquid' market (i.e. a market with a suitable number of premises available for firms to relocate and expand into) would display availability rates of around 8 – 10 % (close to the current national / regional picture) the relatively low rates seen at present suggest that the local market is potentially constrained.

6.44 In line with the original ENA, Aspinall Verdi continue to observe that whilst there remains demand for offices in the right locations, the overall scale of demand is low with this meaning that there is currently not a fully functioning office market in the borough, reflected in the absence of any significant concentration of office floorspace. Whilst in their view there is not a functioning office market the survey of businesses within the HENAU suggested a sustained, if limited, demand for new office space reflecting businesses' desire to improve their accommodation and the benefits of newer space in terms of energy efficiencies / sustainability credentials for example. Aspinall Verdi observed that the largest current take-up of new space relates to the office component of the new logistics space at Ergo, located on the site of the old Speedway stadium, with this evidently not representing a traditional standalone commercial office development. In this context it is noted that Aspinall Verdi previously considered it likely that public subsidy would be required for new space to come forward as dedicated office development, albeit such space could play a role in supporting businesses to start-up and grow. They remain of the same view, based on their understanding of the market, with development economics such that the development of new office space is not a viable proposition, making it unlikely that new commercial space will come forward as led by the market currently.

6.45 Where availability is low, however, and it is the case that there is a modelled need for new office floorspace over the plan period, it remains important to ensure there is a supply of land available to potentially respond to need and accommodate new floorspace, as identified by the HENAU.

6.46 The original ENA identified that in Newcastle-under-Lyme the primary site to accommodate potential office space was Keele Science Park. However, the site is one considered specifically within the Aspinall Verdi Strategic Sites Study. This affirms that the site is understood to be targeted by the University for a further innovation centre / business park to accommodate occupiers with specific links to its sectoral specialisms. Whilst there is the potential for the site to include offices, thus possibly accommodating a component of the general need identified for office space, for this reason it has been removed from the quantified future supply so as not to overstate

[93] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 6.26

potential provision. It is noted that engagement undertaken as part of the Strategic Sites Study suggests that there were currently two live enquiries from inward investors looking to locate next to the university campus. In this context it is important to note that the specific nature of targeted occupiers is understood to present a different and distinct market context to that referenced above by Aspinall Verdi, with reference to the viability of the provision of office space at this specific location.

6.47 Noting the specific nature of occupier expectations at the Science Park the original ENA highlighted that the centre of Newcastle-under-Lyme was identified in planning strategy as an appropriate location for new office space. However, when reviewing the existing and potential future sites previously identified in the centre, it continues to be the case that these offer relatively little land between them. Indeed, the granting of permission for non-employment uses on the Ryecroft site means that the supply of such land has fallen to only circa 0.4ha[94], with the Ryecroft site representing approximately 1.6ha of the 2.0ha identified in the HENAU in this location. Whilst the two remaining sites continue to score relatively well, they have not progressed significantly in the intervening period, and interest to date has reflected a preference for them to come forward as mixed-use developments potentially reducing the amount of commercial floorspace that they could provide. This would suggest a relative shortfall of land in previously identified areas to bring forward new office space.

6.48 It is of note that the original ENA arrived at a similar conclusion but also considered the potential role that pavilion-style and smaller flexible office space could play in meeting needs. This responded to uncertainty around the size of offices required but also different flexibilities that such premises can offer. One of the businesses interviewed identified that they had struggled to find office space with linked storage space, for example, which would help their business to operate efficiently. The provision of such space evidently requires land in different areas outside of the urban environments to be considered alongside potential opportunities which emerge in the town centre

Industrial and Warehousing

6.49 The analysis above confirmed a strong need for industrial and warehouse space within Newcastle-under-Lyme over the period to 2040. Indeed, the need for such floorspace represents the substantive part of the overall need.

6.50 There is a greater divergence of potential need for industrial land with the scenarios suggesting that between 8.9ha and 44.1ha of land is required. This is a wider range, that extends slightly higher, than reported in the HENAU (3.7-39.8ha).

6.51 For warehousing a narrower range is identified (29.9-34.5ha). This reinforces a strong need for land to accommodate floorspace of this nature, with this level of need broadly aligning with at least the upper end of the range reported in the HENAU (20.9-34.3ha).

6.52 The comparatively strong need for industrial and warehouse space is reflected in the ongoing loss of land to such uses, documented by Aspinall Verdi in their updating of the supply available. It also aligns with feedback from the survey conducted to inform the HENAU, where one of the businesses interviewed operated a distribution type

[94] This is made up of sites 2020-N49, 2020-N52

business and was clear to emphasise the growth in their sector and indeed their own operation. This resulted in them outgrowing their current premises, with the business having recently found a new site close to their existing location, having previously relocated from Stoke-on-Trent.

6.53 Comparable to the analysis presented for the office sector, it is useful to revisit CoStar data to understand how levels of activity for industrial and warehouse space has changed in recent years. Table 6.11 again provides a summary of activity since 2009, updating the information presented in the original ENA and spanning the period since the pandemic.

Table 6.11: Industrial and warehouse transactions, 2009 – 2024 YTD (March)

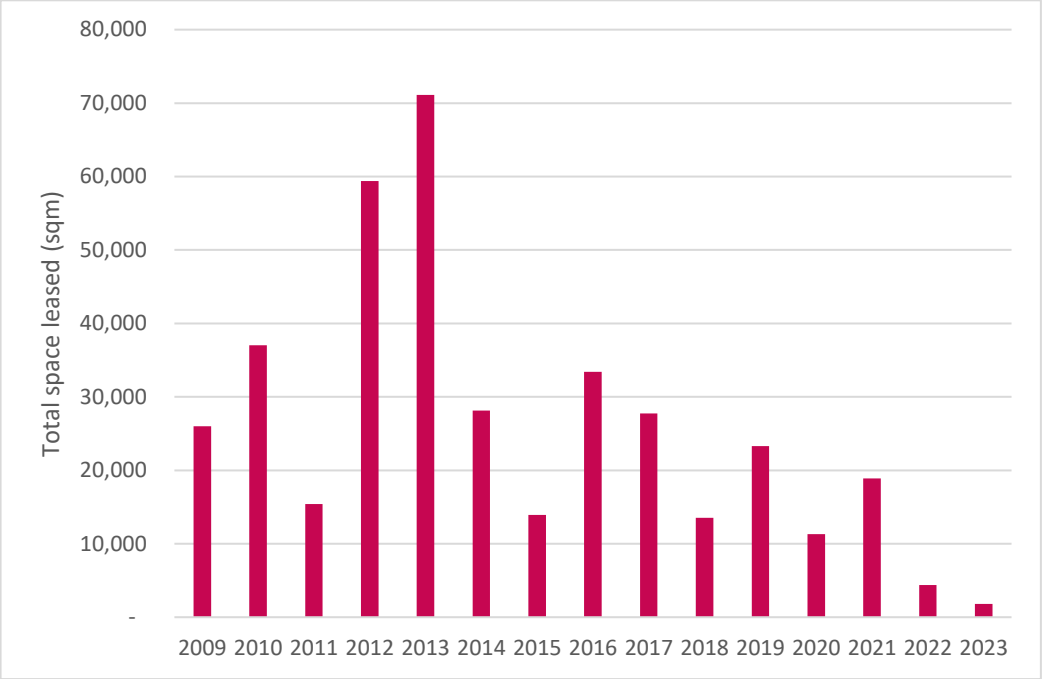
Year	Leases	Sqm Leased
2009	31	25,983
2010	28	37,007
2011	25	15,396
2012	30	59,379
2013	21	71,102
2014	10	28,152
2015	11	13,943
2016	17	33,400
2017	21	27,759
2018	7	13,524
2019	20	23,303
2020	10	11,299
2021	14	18,914
2022	3	4,364
2023	9	1,829
2024 YTD	3	31,731
Total	260	417,084
Annual Average (2009/23)	17	25,690

Source: Turley analysis of CoStar data, 2024

6.54 Figure 6.7 shows the amount of space leased annually over time. It highlights a general decline over more recent years, with particularly little take-up in 2022 and 2023. The original ENA observed that the much higher rates achieved prior to 2016 reflected several notable transactions including circa 24,100 sqm leased by TK Maxx at Lymedale Business Park in 2016, circa 35,600 sqm leased by JCB World Logistics to the west of Tunstall in 2013 and circa 38,500 sqm leased by Smyths Toys at Lymedale Business Park

in 2012. It is important to observe, as the original ENA did, that the fall in activity must be considered in the context of comparatively low levels of new development and as identified above a decreasing supply of available sites.

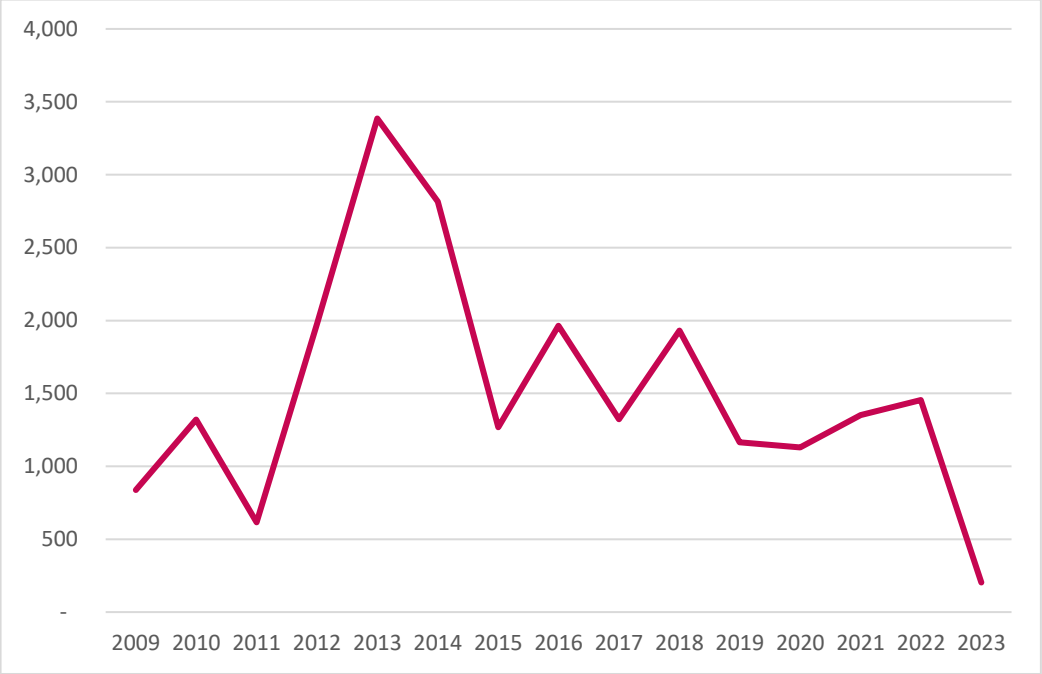
Figure 6.7: Industrial and Warehousing Space Leased (2009-23)



Source: Turley analysis of CoStar data, 2024

6.55 Figure 6.8 shows change in the average amount of space leased per transaction, highlighting a fall over recent years reflecting the absence of any large deals.

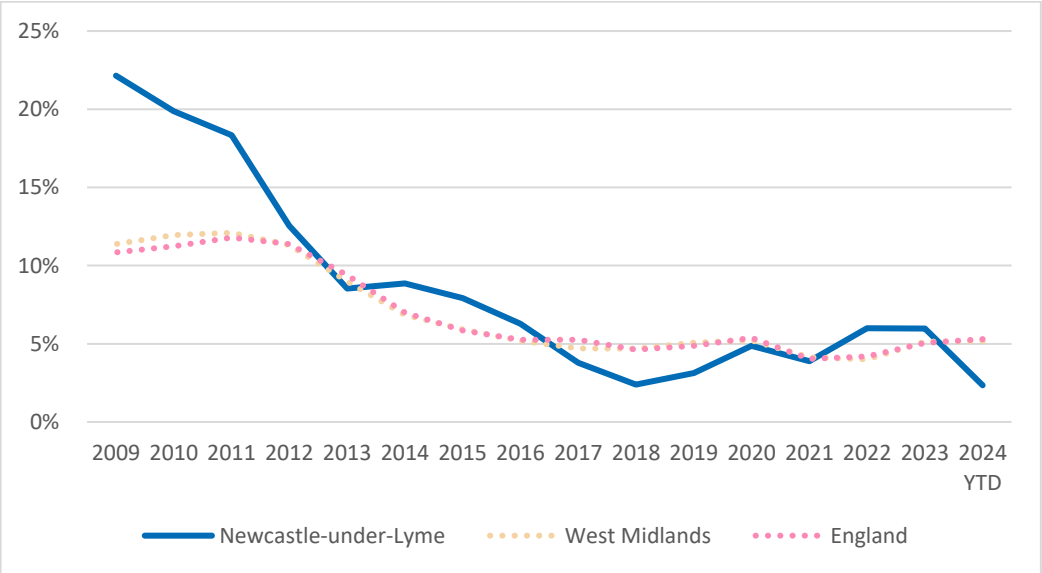
Figure 6.8: Average Amount of Industrial and Warehousing Space Leased per Transaction (2009-23)



Source: Turley analysis of CoStar data, 2024

6.56 Figure 6.9 confirms that availability rates have continued to hover around 5% during recent years, albeit having seemingly fallen – to below regional and national benchmarks – during the current year to March. This continues to suggest, as the original ENA found, that there is an undersupply of both industrial and warehouse space in Newcastle-under-Lyme, as there is at a national and regional level, when again using the barometer of an 8-10% availability rate better signifying a healthy market.

Figure 6.9: Availability of Industrial and Warehousing Premises (2009-24)



Source: Turley analysis of CoStar data, 2024

6.57 In the context of the above Aspinall Verdi continue to consider that their understanding of market activity and requirements confirms that the industrial and logistics market remains resilient in Newcastle-under-Lyme. This is reflected in their identification of positive trends in achieved market rents, stable sales prices and low vacancy rates, which they observe have remained low whilst slightly increasing over the last four quarters (broadly consistent with the analysis above). They consider that the market has shown adaptability to economic conditions and consumer behaviour, which have evolved in recent years. In this context they note that where the market experienced a surge in positive net absorption in 2020, arising from the increased demand for online retailing during the pandemic, preceding this there was evidence of negative absorption. They consider that this was likely to be attributable to the domination of outdated spaces that fall short of the current requirements of modern logistics and industrial businesses. Where they consider that Newcastle-under-Lyme continues to be an attractive location for investors and businesses in the industrial and logistics sector, this reaffirms their previous identification of the importance of delivering modern and spacious employment floorspace in the borough.

6.58 Where the above focuses on Newcastle-under-Lyme, as both the HENAU and original ENA were clear to identify it is important to recognise that the need for warehousing land in particular must be considered in the context of Stoke-on-Trent as well, where sites are also continuing to deliver and be occupied suggesting a high demand for such accommodation. It will be important for the Council to consider both its need and supply response within this context.

6.59 Looking at the potential supply of land in Newcastle-under-Lyme likely to be better suited to accommodate warehousing, the original ENA identified sites 2020-N12 and 2020-N13 as parts of a wider cluster which had seen such uses progress. The latter site – some 26.5ha in size – is understood to be in the early stages of development, albeit with progress limited to date due to infrastructure. The progressing of a site of such scale reinforces the strength of demand in the borough and will go some way towards meeting the identified need. It is also the case, however, that the attraction of such users could serve to further stimulate need and demand, and while site 2020-N12 remains available it is much smaller offering only 5.5ha in total. Given what is anticipated to be the quick take-up of site 2020-N13, further land is likely to be required to help meet the evidenced future need for this type of space and ensure flexibility and choice.

6.60 In looking for sites within the borough to meet need the future supply continues to include several sites around Lymedale Business Park. Indeed, subsequent development of a 350,000sqft unit, for B2/B8 use on site 2020-N27, arguably reinforces the potential role of this location in accommodating warehousing as well as industrial needs, albeit it has also evidently reduced the remaining potential residual land within the area[95].

6.61 Whilst there are other sites in the supply that could accommodate industrial uses – as identified in both the HENAU and the original ENA – the relative quality of many of

[95] Sites N26 and N30, which are in close proximity to Lymedale Business Park, continue to be included within the future supply, noting that they are retained from the previous assessment, and represent approximately 4.2ha between them.

these sites and their attractiveness to the market for modern industrial space was identified as an issue, noting that much of this land was classed as "average". In this context, where the range of need is wide and certainly at the upper end would represent a significant amount of the potential future supply identified, as the HENAU identified the Council should continue to consider whether other sites, including the strategic sites considered suitable for such uses and referenced separately in the Strategic Sites Study, could offer the opportunity to respond positively to growing businesses requiring such space. Such sites would need to align with the Council's strategic economic objectives as well as market demand to ensure that a proactive response is provided to support these sectors of the economy.

6.62 The identification of new land to accommodate warehousing will also need to be considered in the context of the sites available in Stoke-on-Trent, noting that the original ENA identified several specific locations in which land existed and was being developed.

Summary

6.63 This section has reconsidered the amount of employment land that could be needed in Newcastle-under-Lyme, accounting for the level of job growth now considered likely – following analysis of newer forecasts in section 4 – and the extra year of take-up data that has become available since the HENAU was produced.

6.64 It has suggested that between 43.1ha and 83.0ha of employment land could be needed throughout the borough between 2023 and 2040. While the lower end falls within the ranges reported – for slightly different periods – in both the HENAU (36.5-68.8ha) and the original ENA (33.1-56.5ha) its upper end is much higher, continuing to suggest a need for offices, industrial premises and warehouses.

6.65 In a technical sense, provision at the lower end of the range (43.1ha) would directly align with the standard method, accommodating the jobs that could be supported mainly through changing behaviours where this report's modelling suggests that this scenario would bring limited growth in the working age population. The forecasts introduced in section 5 suggest that more jobs could be reasonably expected, at an average rate of 237 jobs per annum, and this would not only require the provision of 400 dwellings per annum – to sufficiently grow the labour force – but could also require around 48.2ha of employment land. Either of these scenarios would though slow the recent rate of take-up, with provision towards the upper end of this range (63.3-83.0ha) more likely to mitigate this risk without necessarily creating more jobs than implied by the forecast given that less than half as many were created during the years in which this take-up has occurred[96].

6.66 The growing need for land is reflected in its ongoing take-up, where it has been available and of sufficient quality, which has contributed to a further erosion of supply. Aspinall Verdi's high-level updating of the current supply of land to a base date of March 2023 suggests that it has fallen to 48.9ha, roughly a quarter less than reported

[96] The two past take-up scenarios extrapolate trends between 2013-23 and 2018-23. While BRES data is not yet available to 2023, the other years in these periods saw an average of 106 and 22 jobs created per annum

in the original ENA (64.8ha) due to both take-up, loss to other uses as well as other adjustments to net developable areas. A significant proportion of this remaining supply is also expected to either be lost in the coming years or not come forward, based on Aspinall Verdi's assessment of its attractiveness to the market, such that the supply could fall as low as 18.1ha when taking these factors into account.

6.67 The analysis therefore suggests that there is likely to be a pronounced quantitative shortfall. This strongly indicates that new land is required to meet the full scale of potential need over the remainder of the plan period, at least in a quantitative sense. This is only reinforced through Aspinall Verdi's consideration of the quality of the remaining supply, with a large proportion continuing to be "average" based on the scoring methodology previously devised by the Council.

6.68 In considering the need for different types of commercial floorspace, a high-level review has been undertaken of the detailed assessment presented in the original ENA and revisited in the HENAU. With a positive requirement for all types of space – offices, industrial and warehousing – continuing to be identified, there once again appears to be either a quantitative or qualitative shortfall of each, which will require the Council to consider opportunities to add new sites to its existing supply.

6.69 This update has considered the sites identified by the Council as potentially forming part of its future supply, which collectively offer around 47ha of land. Where appropriate, reference has been made to locations or sites which do not form part of the existing supply to inform a high-level consideration as to how the potential sources of additional land are positioned to respond to evidenced need. It is important to highlight that where such sites / locations are referenced it is the role of policy to identify them as allocations rather than this study. It is recommended following this review that the Council remains positive in its response to the identification of other sites which respond to the evidenced market need and demand for land. This recognises the results of the business survey undertaken as part of the HENAU, and the discussions with individual businesses conducted in 2023, which highlighted that several have a need for new land and premises to support their plans for growth. It also reflects updated evidence suggesting limited availability of commercial floorspace within Newcastle-under-Lyme.

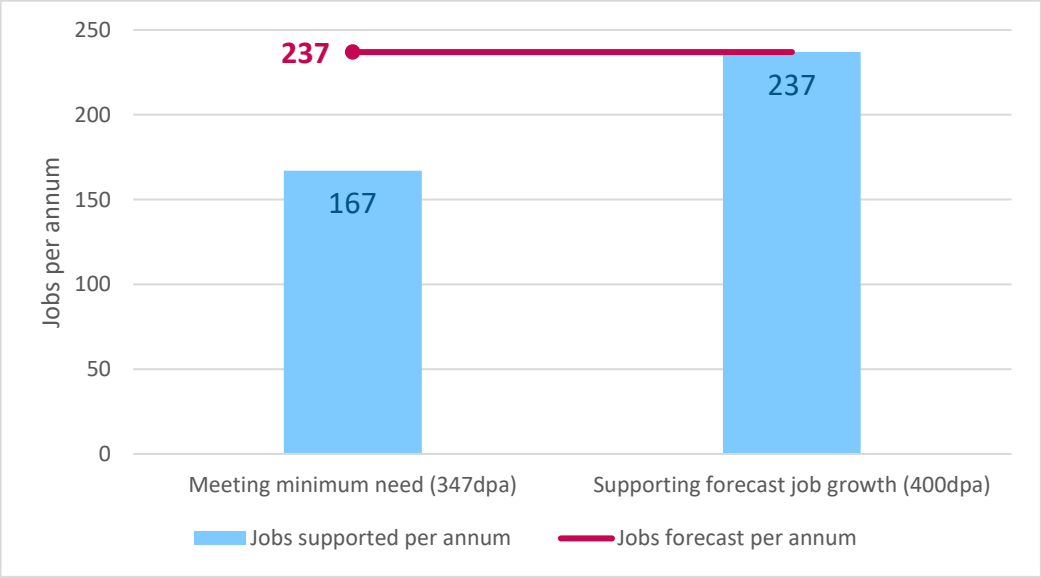
7. Potential impact of allocating strategic sites

7.1 While the previous sections of this report have effectively updated parts of the HENAU, this report has a slightly broader scope with the Council now requiring advice on how the allocation of one or more strategic employment site – still under consideration at the time of writing – could potentially impact upon the need for housing in Newcastle-under-Lyme during the new plan period. This is therefore considered within this section.

Headroom to support job growth beyond baseline

7.2 At a basic level, any excess of labour beyond a baseline employment forecast could be assumed to provide capacity to support the creation of additional jobs, generated for example by a strategic site. This is though unlikely to materialise in Newcastle-under-Lyme if only the minimum need for housing – suggested by the standard method – is met, because the earlier modelling suggested that this could enable the creation of only 167 jobs per annum, whereas the forecasts reviewed in section 4 indicate that it would be reasonable to expect 237 every year. The modelling suggests that 400 dwellings per annum would be needed to support this higher level of job growth, with the implication being that more would have to be provided to accommodate additional labour, and thus support stronger job growth.

Figure 7.1: Job Growth Supported vs. Baseline Forecast (2023-40)



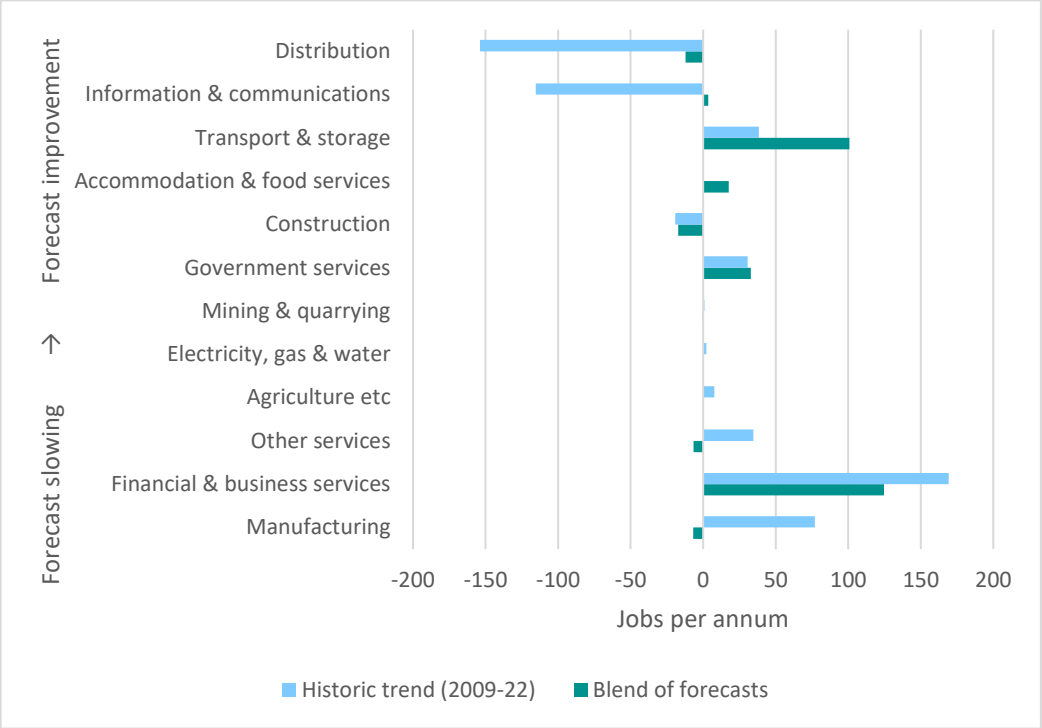
Source: Edge Analytics; Experian; Cambridge Econometrics

Additionality of jobs created on strategic sites

7.3 This does though assume that any strategic site would accommodate jobs that are wholly excluded from – and therefore additional to – the baseline forecast, which is unlikely to be the case. This forecast envisages a virtual trebling of the historic growth trend in the transport and storage sector, for instance – capturing logistics – which

likely reflects the borough's potential to play a more strategic role than it has done previously, according to the forecasters, rather than being assumed to continue local trends.

Figure 7.2: Forecast Job Growth by Sector vs. Historic Trend

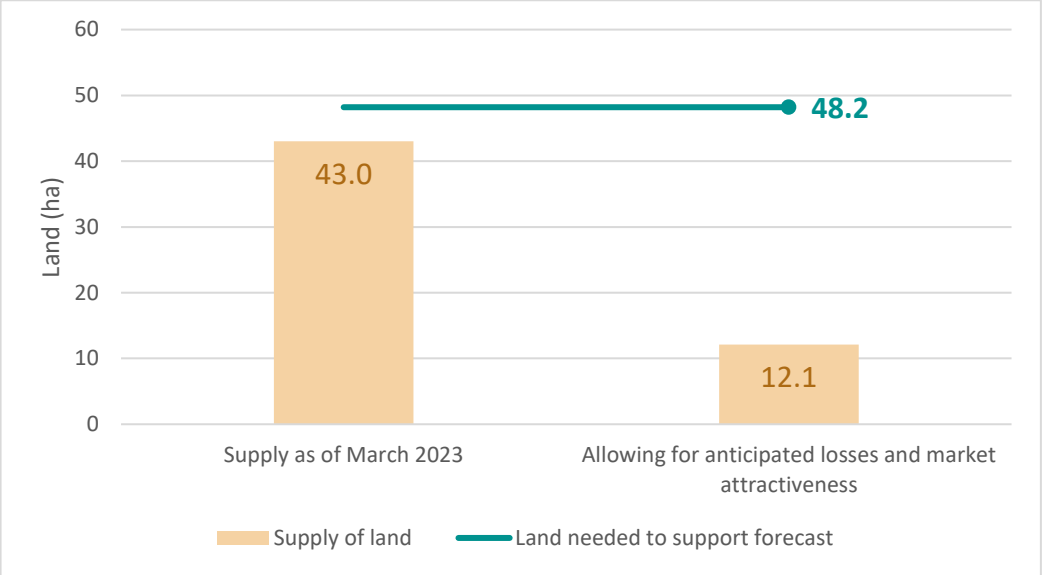


Source: BRES; Experian; Cambridge Econometrics

Role of strategic sites in accommodating forecast job growth

7.4 In practice, it may also be the case that strategic sites – being relatively large – could play a critical role in helping Newcastle-under-Lyme to improve upon the historic trend and so deliver the baseline job growth that is forecast, especially if they are suited to meeting both local and strategic needs. The analysis in section 6 indicated that the existing supply of employment land would not support such a level of job growth, falling around 5.2ha short according to the earlier Table 6.9, and the shortfall could be even greater given that the existing supply is expected to diminish over the coming years.

Figure 7.3: Shortfall of Employment Land in Newcastle-under-Lyme



Source: Turley analysis

Timing of strategic sites

7.5 Even if a strategic site was to generate demand for additional labour, beyond that envisaged in the baseline forecast, current information suggests that it would be unlikely to arise for some time.

7.6 While the Council is yet to have decided whether to allocate a strategic site, at the time of writing, it is understood to be considering three options as follows:

- Circa 54 hectares of land adjoining the corner of the A500 and M6 southbound, considered suitable for logistics development (2020-N2 / 'AB2');
- Circa 51 hectares of land off Talke Road and the A500, which could potentially suit advanced manufacturing and last-mile logistics (2023-N9 / 'TK30'); and
- Circa 13 hectares of land south of the A525 between Keele University and Newcastle, which could support the development of Keele Science Park into a Sustainable Innovation District accommodating businesses attracted to locate close to the university (2020-N34 / 'KL15').

7.7 Having been commissioned by the Council to review these sites in further detail, Aspinall Verdi consider that all three have potential but only one (AB2) could realistically be under construction by 2030 – at least in their view – with the developer committed, funding in place and market demand strong[97]. Development could still though take up to five years, meaning that even if construction starts in 2027/28 – as Aspinall Verdi consider a possibility – it could be well beyond 2030 before the site is fully occupied and making its full demand for labour.

[97] Aspinall Verdi (2024) Newcastle-under-Lyme Strategic Employment Sites Assessment

7.8 Aspinall Verdi have judged that the other two sites are further from delivery, due either to new leadership – in the case of KL15 – or unresolved viability issues, for TK30, following a shift in the investment market.

7.9 It therefore appears that any labour shortage that could be attributed to these sites would emerge only gradually, and indeed only if Newcastle-under-Lyme has by that point managed to create substantially more jobs than it has done historically, as the baseline forecast envisages. If it does not, or if at least one strategic site is needed to deliver at least some of that growth, then there could well be sufficient labour to fill the jobs that they create, where even provision in line with the standard method would provide the labour to fill 167 jobs every year.

Use of a wider labour market

7.10 It is also important to acknowledge that strategic sites will not only look to the resident labour force of Newcastle-under-Lyme to fill jobs, when they are eventually created, but also to the wider labour market.

7.11 An assessment submitted by the promoters of TK30 envisages, for example, that it would rely on the borough's residents to fill only 29% of the jobs that it would create throughout the UK[98]. An equivalent assessment for AB2 references existing trends in estimating that only 30% of the future workforce could live in Newcastle-under-Lyme[99]. A comparable study for KL15, commissioned by Keele University, notes that only 36% of its directly employed existing staff live in the borough[100].

7.12 These assessments therefore indicate that most of the jobs created by any of the sites currently under consideration, either directly or indirectly, are expected by the promoters themselves to be filled by people living elsewhere.

Impact on housing need

7.13 In light of the above, it is considered possible that the provision of 400 dwellings per annum would provide sufficient labour to serve at least one strategic site in Newcastle-under-Lyme, at least in the short-term.

7.14 This is because the jobs created on such a site may not be wholly additional to the baseline forecast that would be supported through such a level of provision. This forecast already allows for a marked improvement from past trends in sectors such as logistics in a possible reflection of the borough's ability to play a more strategic role. Such large sites may well be needed for the borough to do even that, given that this is likely beyond the existing supply of employment land which is set to diminish further in the coming years.

---

[98] WSP (2023) Talke Park, Newcastle-under-Lyme: socio-economic benefits. While unspecified, this is believed to capture jobs for the borough's residents given that on-site jobs, by implication in Newcastle-under-Lyme, are also reported to be filled by individuals living elsewhere in the West Midlands and indeed the wider UK

[99] Hatch (2022) Potential Industrial and Logistics Development at J16, M6: Socio-Economic Benefits Update Report, paragraph 5.16

[100] Hatch Regeneris (2018) University Growth Corridor – Economic Impact Assessment, paragraph 6.14

7.15 Any shortfall that does arise – in a worst-case scenario – would likely appear gradually, and in the final decade of the new plan period, as Aspinall Verdi believe that only one of the three sites under consideration could be building out by 2030. It is also notable that the promoters of all three expect most newly created jobs to be filled by people living outside of Newcastle-under-Lyme, lessening reliance on the borough's resident labour force and thus reducing their impact on local housing need.

7.16 The Council is therefore not necessarily restricted from allocating a strategic site if it plans to provide 400 dwellings per annum, exceeding the minimum suggested by the standard method as it is permitted to do by the NPPF where this '*reflects growth ambitions linked to economic development or infrastructure investment*'[101]. It would though be important to closely monitor the availability of labour in such a scenario, and the Council should be prepared to take a different approach when it eventually comes to review the Local Plan if such a site has by that point come forward and appears to be creating labour shortages.

Summary

7.17 The Council is considering whether to allocate at least one strategic employment site, and requires advice on how this could impact upon the need for housing over the plan period.

7.18 This report's modelling suggests that there is unlikely to be surplus labour to support job growth beyond the baseline forecast, if the Council either aligns with the outcome of the standard method (347dpa) or plans to support that forecast by providing 400 dwellings per annum.

7.19 It is nonetheless possible that the higher of these two options could result in there being sufficient labour to service a strategic site. This is because the jobs created on such a site may not be wholly additional to a baseline that itself allows for a marked improvement from past trends in sectors such as logistics, in a possible reflection of the borough's ability to play a more strategic role. Such large sites may well be needed for the borough to do even that, given that this is likely beyond the existing supply of employment land which is set to diminish further in the coming years.

7.20 Any shortfall that does arise would likely also appear gradually, in the final decade of the new plan period, as Aspinall Verdi believe that only one of the three sites under consideration could be building out by 2030. It is also notable that the promoters of all three expect most newly created jobs to be filled by people living outside of Newcastle-under-Lyme, lessening reliance on the borough's resident labour force and thus reducing their impact on local housing need.

7.21 The Council is therefore not necessarily restricted from allocating a strategic site if it plans to provide 400 dwellings per annum, exceeding the minimum starting point set by the standard method as the NPPF explicitly allows when reflective of economic growth ambitions and infrastructure investment. It would though be important to

[101] DLUHC (December 2023) National Planning Policy Framework, paragraph 67

closely monitor the availability of labour in such a scenario, and evaluate the approach accordingly within the review of the Local Plan.

8. Conclusions

8.1 Turley has been reappointed by Newcastle-under-Lyme Borough Council ('the Council') to further update its evidence on the borough's housing and economic needs, building upon the Housing and Economic Needs Assessment Update (HENAU) that was produced last year by taking account of the latest available information as well as updates to the National Planning Policy Framework (NPPF).

Minimum need for housing

8.2 The revised NPPF continues to reference a standard method for determining the minimum number of homes needed in an area. This suggested that **at least 347 dwellings per annum** are needed in Newcastle-under-Lyme when the Council last reported on completions in March 2023.

8.3 This does appear to have merit as a minimum starting point for the borough, due to its very close alignment with recent delivery and the absence of truly exceptional circumstances that would warrant a lower figure, in the context of an NPPF that now offers examples of when this could be justified.

8.4 Modelling presented in this report suggests that such a level of provision, from 2023 onwards, could add around 5,460 people to the population of Newcastle-under-Lyme by 2040. It would very slightly increase the average annual rate of growth seen over the last reported decade but would bring virtually no growth in the working age population, aged 16 to 64, with the greatest growth being amongst older people aged 65 or above. Changing behaviours could though leave a labour force capable of supporting the creation of around **167 jobs per annum**.

Future employment growth and implications for housing need

8.5 The HENAU took a midpoint between forecasts from Experian and Cambridge Econometrics, both released in 2022, and concluded that slightly more jobs – around 207 per annum – could be created between then and 2040.

8.6 These are though becoming dated, with each provider having released new forecasts in the last year which envisage the creation of between 194 and 364 new jobs per annum between 2023 and 2040. Either would represent an improvement on the past trend, with Newcastle-under-Lyme having created only 20 jobs per annum on average since 2009, but the higher forecast – from Cambridge Econometrics – appears particularly optimistic given that it adds 100 jobs per year to its previous forecast, presented in the HENAU. This appears due to an unexplained upgrading of the growth prospects of three sectors that have not actually created any jobs in Newcastle-under-Lyme over the past five years, suggesting a need for caution before assuming that these sectors will indeed create far more jobs than forecast only a year ago.

8.7 While this is not considered to warrant a complete dismissal of Cambridge Econometrics' forecast, there arguably are grounds to give it less weight than Experian's when blending the two, as in the HENAU. This produces a figure of **237 jobs per annum**, with a sectoral profile that is very similar to that presented in the HENAU.

8.8 Such a level of job growth would evidently exceed that which could be supported if the Council simply aims to meet the minimum need suggested by the standard method. Further modelling suggests that **400 dwellings per annum**, around 15% more, would be needed to grow the labour force and support this level of job creation, by attracting and retaining more people and growing the working age population in particular. The Council may therefore need to plan for such a number of homes, surpassing the minimum figure suggested by the standard method as the NPPF allows when reflective of economic growth ambitions and infrastructure investment.

Size, type and tenure of housing needed

8.9 Aside from the overall number of homes needed, national policy also continues to require assessment of the size and type of housing that might be required. This can once again be understood, as in the HENAU, by disaggregating the modelling introduced above.

8.10 It suggests that the profile of households forming in Newcastle-under-Lyme would be relatively similar regardless of whether the Council plans to meet only the minimum need suggested by the standard method, or provides more housing to support forecast job growth as is permitted by the NPPF. The number of additional households would though naturally be greater in the latter scenario, such that a slightly different mix of housing – weighted more towards larger homes – is implied to be needed when repeating the approach of the HENAU and estimating the size of housing needed by different households, based on the trends recorded by the 2021 Census.

8.11 The greatest need nonetheless remains for homes with three bedrooms, in each scenario, with houses – as opposed to flats and bungalows – likely to be most often needed to deliver such a mix. This does though continue to be only illustrative, being suitable for guidance and monitoring but not as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors.

8.12 This report has also revisited the HENAU's conclusion that 278 affordable homes are needed annually in Newcastle-under-Lyme, not to update the calculation – where this is not considered necessary – but to check the ongoing validity of key inputs. This does show that the existing need, drawn from the housing register, has grown over the last year but this is likely to be offset over the remainder of the plan period by a reduction in the newly arising need, caused by rising earnings and fewer existing households falling into need according to newly shared data. This gives confidence that the need for affordable housing is not being underestimated by the HENAU, allowing the Council to continue to use it in considering whether its chosen housing requirement could help to increase the supply of such homes.

8.13 This report has not reconsidered the needs of specific groups in detail, where much of the data presented in the HENAU – including information from the 2021 Census – remains the latest available. It has though recognised that the previously calculated need for specialist older persons' accommodation was linked to demographic modelling that has now been updated. This has had only a modest impact, continuing to suggest that there is a need for circa 15-16 bedspaces per annum in communal

establishments and a separate need for circa 42-43 bedspaces per annum in other forms of specialist accommodation. These remain only indicative estimates based on past trends with it being possible that more such specialist housing could be needed if it is increasingly favoured by older people.

Need for employment land

8.14 This report has also reconsidered the amount of employment land that could be needed in Newcastle-under-Lyme, factoring in the latest employment forecasts and the extra year of take-up data that has become available since the HENAU was produced.

8.15 It suggests that **between 43.1ha and 83.0ha** of employment land could be needed throughout the borough between 2023 and 2040, effectively reinforcing the range presented in the HENAU (36.5-68.8ha) – for a slightly different period (2022-40) – but markedly elevating its upper end.

8.16 In a technical sense, provision at the lower end of the range (43.1ha) would directly align with the standard method, accommodating the jobs that could be supported mainly through changing behaviours where this report's modelling suggests that this scenario would bring limited growth in the working age population. The forecasts introduced in section 5 suggest that more jobs could be reasonably expected, at an average rate of 237 jobs per annum, and this would not only require the provision of 400 dwellings per annum – to sufficiently grow the labour force – but could also require around 48.2ha of employment land. Either of these scenarios would though slow the recent rate of take-up, with provision towards the upper end of this range (63.3-83.0ha) more likely to mitigate this risk without necessarily creating more jobs.

8.17 While need has increased, the supply of employment land has contrastingly continued to reduce, standing at only **48.9ha** as of March 2023. Much of this supply is also expected to be imminently lost, or not come forward according to Aspinall Verdi, such that as little as 18.1ha could be available in the coming years.

8.18 This suggests that there is likely to be a quantitative shortfall of employment land in Newcastle-under-Lyme, requiring the identification of new sites to clear it. There also continues to be an issue with the *quality* of the remaining supply, with Aspinall Verdi having classified most sites as "average" based on criteria devised by the Council.

8.19 The need for different types of employment land has also been reviewed, at a high level. This indicates that there is at least a quantitative or qualitative shortage of offices, industrial space and warehouses, requiring the Council to consider opportunities to add new sites to its existing supply.

8.20 This report has also briefly considered new sites that the Council believes could in future form part of its supply. Reference has been made to such sites in considering how they are positioned to potentially respond to evidenced need, but it is important to recognise that it is the role of policy – rather than this study – to allocate them. The Council is encouraged to remain positive in considering other sites, beyond those it has already identified, where they respond to the evidenced market need and demand.

Potential impact of strategic sites

8.21 While the above has effectively updated parts of the HENAU, this report has a slightly broader scope with the Council now requiring advice on how the allocation of a strategic site – still under consideration – could potentially impact upon the need for housing in Newcastle-under-Lyme.

8.22 This report's modelling suggests that there is unlikely to be surplus labour to support job growth beyond the baseline forecast, if the Council either aligns with the outcome of the standard method (347dpa) or plans to support that forecast by providing 400 dwellings per annum.

8.23 It is nonetheless possible that the higher of these options could result in there being sufficient labour to service a strategic site, albeit this is difficult to definitively prove and would require careful monitoring over the plan period. Jobs created on such a site may not be wholly additional to a baseline that itself allows for a marked improvement from past trends in sectors such as logistics, in a possible reflection of the borough's ability to play a more strategic role. Such large sites – especially those suited to both local and strategic needs – may well be required for the borough to do even that, given that this is likely beyond the existing supply of employment land which is set to diminish further in the coming years.

8.24 Any shortfall that does arise would likely also appear gradually, in the final decade of the new plan period, as Aspinall Verdi believe that only one of the three sites under consideration could be building out by 2030. It is also notable that the promoters of all three expect most newly created jobs to be filled by people living outside of Newcastle-under-Lyme, lessening reliance on the borough's resident labour force and thus reducing their impact on local housing need.

8.25 The Council is therefore not necessarily restricted from allocating a strategic site if it plans to provide 400 dwellings per annum, exceeding the minimum starting point set by the standard method as the NPPF explicitly allows when reflective of economic growth ambitions and infrastructure investment. It would though be important to closely monitor the availability of labour in such a scenario, and evaluate the approach accordingly within the review of the Local Plan.

Appendix 1: Demographic modelling assumptions

Newcastle-under-Lyme

DATA INPUTS AND ASSUMPTIONS

April 2024

EDGE ANALYTICS

Nexus | Discovery Way | University of Leeds | Leeds | LS2 3AA
0113 819 5087 | www.edgeanalytics.co.uk

ACKNOWLEDGEMENTS

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

The authors of this report do not accept liability for any costs or consequential loss involved following the use of the data and analysis referred to here; this is entirely the responsibility of the users of the information presented in this report.

CONTENTS

1 POPGROUP METHODOLOGY

1.1 POPGROUP is a suite of demographic models used to derive forecasts of populations, households and labour force, for areas and social groups. The main POPGROUP model (Figure 1) is a 'cohort component' model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

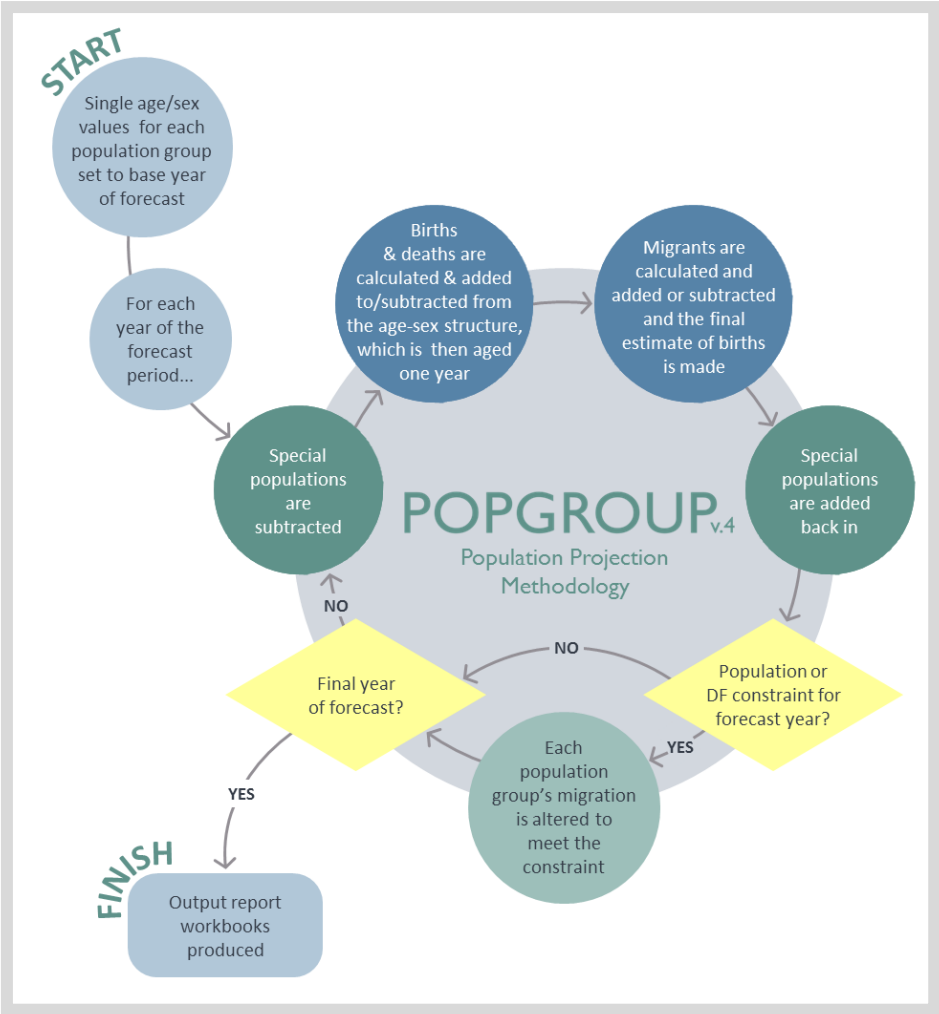


Figure 1: POPGROUP population projection methodology

1.2 The Derived Forecast (DF) model sits alongside the population model (Figure 2), providing a headship rate model for household and dwelling projections and an economic activity rate model for labour force and employment projections.

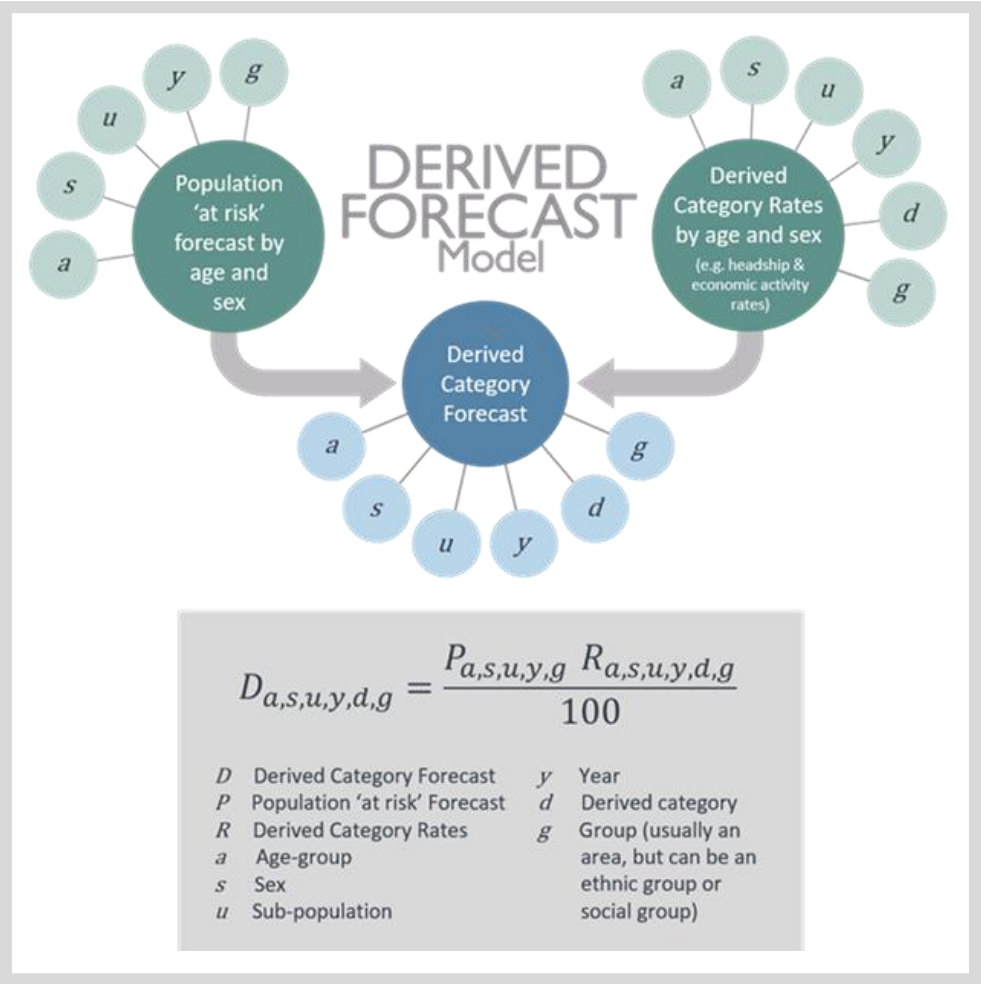


Figure 2: Derived Forecast (DF) methodology

2 DATA INPUTS & ASSUMPTIONS

Introduction

2.1 Edge Analytics has developed a suite of demographic scenarios for Newcastle-under-Lyme using POPGROUP v4 and the Derived Forecast model. The POPGROUP suite of demographic models draws data from a number of sources, building a historical picture of population, households, fertility, mortality and migration on which to base its scenario forecasts.

2.2 Using historical data evidence from the Office for National Statistics (ONS) for 2001–2022, in conjunction with information from the latest ONS sub-national population projections (SNPP) and Ministry of Housing, Communities & Local Government (MHCLG) household projections, a series of assumptions have been derived which drive the scenario forecasts.

Scenario Definitions

2.3 Edge Analytics has developed a dwelling-led scenario and an employment-led scenario for Newcastle-under-Lyme, taking into account the latest demographic and economic evidence.

2.4 In a 'dwelling-led' scenario, population growth is determined by the annual change in dwellings using key assumptions on household headship rates, communal population statistics and a dwelling vacancy rate.

2.5 In an 'employment-led' scenario, population growth is determined by the annual change in employment using key assumptions on economic activity rates, commuting ratios and unemployment rates.

2.6 Under both dwelling-led and employment-led scenarios, internal (domestic) migration is used to balance between population and dwelling or employment growth. For example, where the resident population is insufficient in size and structure to meet the defined dwelling/employment growth target, a higher level of net internal migration will result.

2.7 In both scenarios, historical mid-year population estimates have been applied up to 2022.

2.8 In the **Dwelling-led** scenario, a dwelling growth constraint of 234 has been applied in 2022/23, to reflect completions recorded in this year. From 2023/24 onwards, an annual dwelling growth target of +347 per year has been applied, derived using the Standard Method for Local Housing Need.

2.9 In the **Employment-led MPE** scenario, employment growth targets have been applied from 2023/24 onwards, averaging +227 per year. The growth targets have been provided by Turley and based on a mid-point between the latest Experian and Cambridge Econometrics forecasts for Newcastle-under-Lyme, with allowance made for double jobbing.

Inputs & Assumptions

Population

2.10 The projection base year is the 2022 ONS MYE, disaggregated by single year of age and sex. From the 2022 base year onwards, future population counts are estimated by single year of age and sex, using the defined dwelling/employment growth targets and assumptions on fertility, mortality and migration, as outlined below.

Births & Fertility

2.11 From 2022/23, an area-specific and age specific fertility rate (ASFR) schedule is derived from the ONS 2018-based SNPP. In combination with the 'population-at-risk' (i.e., all women between the ages of 15–49), these ASFR assumptions provide the basis for the calculation of births in each year of the forecast period.

Deaths & Mortality

2.12 From 2022/23, an area-specific and age-specific mortality rate (ASMR) schedule is derived from the ONS 2018-based SNPP. In combination with the 'population-at-risk' (i.e., the whole population), the ASMR assumptions provide the basis for the calculation of deaths in each year of the forecast period.

Internal Migration

2.13 In both scenarios, an area and age-specific migration rate (ASMigR) schedule has been derived from the full twenty-one years of historical data (2001/02–2021/22), for internal in- and out-migration.

International Migration

2.14 Future counts of international in- and out-migration have been derived from the full twenty-one years of historical data (2001/02–2021/22). An ASMigR schedule of rates is derived from this time period and is used to distribute the future counts by single year of age.

Households & Dwellings

2.15 The Census defines a household as, *"one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area".* In POPGROUP, a dwelling is defined as a unit of accommodation which can either by occupied by one household or can be vacant.

2.16 The household and dwelling growth implications of both scenarios are estimated through the application of communal population statistics, household headship rates and a dwelling vacancy rate. These assumptions have been sourced from the 2021 Census, and the MHCLG (now DLUHC) 2014-based household projection model. In the Dwelling-led scenario, these assumptions have been used to derive the level of population growth required to meet the defined dwelling-growth target.

Household Headship Rates

2.17 A household headship rate is defined as the *"proportion of individuals in a specific group considered the head of household."*[1]

2.18 The household headship rates used in the POPGROUP modelling have been taken from the MHCLG 2014-based household projection model, which is underpinned by the ONS 2014-based SNPP. The MHCLG household projections are derived through the application of projected headship rates to a projection of the private household population (i.e., the total population *minus* the communal population). The methodology used by MHCLG in its household projection models consists of two stages:

- **Stage One** produces the national and local authority projections for the total number of households by sex, age-group and relationship-status.
- **Stage Two** provides the detailed 'household-type' projection by age-group, controlled to the previous Stage One totals.

2.19 In each scenario, **Stage Two** headship rates have been applied by age-group, sex and 'household type' (Table 1) to the private household population to derive the number and type of households.

Table 1: MHCLG 2014-based Stage Two household type classification

MHCLG Category	Description
One person male	One person households: Male
One person female	One person: Female
Couple no child	One family and no others: Couple households: No dependent children
Cple+adlts no child	A couple and one or more other adults: No dependent children
One child	Households with one dependent child
Two children	Households with two dependent children
Three+ children	Households with three or more dependent children
Other households	Other households with two or more adults

2.20 Each scenario has also been run with a variation on the 2014-based headship rates modelled to prevent further decline in the rates of household formation. In this sensitivity, headship rates in the younger adult age group (25–34) gradually return to their 2001 values between 2023 and 2038. All other age groups remain unadjusted.

Communal Population Statistics

2.21 Household projections in POPGROUP exclude the population 'not-in-households' (i.e., the communal/institutional population). These data are drawn from 2021 Census. Examples of communal establishments include prisons, residential care homes, student hall of residence, and certain armed forces accommodation.

2.22 For ages 0–74, the number of people in each age group 'not-in-households' is fixed throughout the forecast period. For ages 75–85+, the population 'not-in-households' varies across the forecast period depending on the size of the population.

[1] MHCLG 2014-based Household Projections

2.23 The communal population statistics are used to derive the size of the private household population in each scenario.

Household to Dwelling Conversion Factor

2.24 The relationship between households and dwellings is modelled using a conversion factor, sourced from 2023 DLUHC Council Tax data. Under all scenarios, a vacancy rate of 1.8% for Newcastle-under-Lyme has been applied and fixed throughout the forecast period.

Labour Force & Employment

2.25 The labour force and employment growth implications of each scenario are estimated through the application of economic activity rates, commuting ratios and unemployment rates. In the **Employment-led MPE** scenario, these assumptions have been used to derive the level of population growth required to support the level of employment growth.

Economic Activity Rates

2.26 Economic activity rates are the proportions of the population that are actively involved in the labour force, either employed or unemployed and looking for work. In all scenarios, economic activity rates by five-year age group (16–89) and sex have been derived from 2011 Census statistics, with adjustments made in line with the Office for Budget Responsibility's (OBR) analysis of labour market trends in its 2018 Fiscal Sustainability Report.[2]

Commuting Ratios

2.27 The difference between the level of employment in an area and the size of the resident workforce (i.e., residents in employment) can be used to infer a 'commuting ratio'. A ratio higher than 1.00 indicates a net out-commute (the number of residents exceeds the level of employment in an area). A commuting ratio lower than 1.00 indicates the reverse: a net in-commute (the level of employment in the area exceeds the size of the resident workforce). The closer the ratio is to 1.00, the greater the balance between the size of the resident workforce and the level of employment.

2.28 According to the 2021 Census, the number of resident workers in Newcastle-under-Lyme was approximately 56,683, with the number of people employed in the area at 50,278. This results in a commuting ratio of 1.13, indicating a net out-commute. This commuting ratio has been applied and fixed throughout the forecast period in all scenarios.

Unemployment Rate

2.29 Unemployment rates measure the proportion of unemployed people within the economically active population. Historical unemployment rates are sourced from ONS model-based estimates. In all scenarios, the 2022 rate of 3.8% for Newcastle-under-Lyme has been applied and fixed throughout the forecast period.

[2] OBR Fiscal Sustainability Report, July 2018

Edge Analytics Ltd.

Nexus | Discovery Way | University of Leeds | Leeds | LS2 3AA

www.edgeanalytics.co.uk

Part of the LDC Group.

Appendix 2: Updated employment land supply tables and explanation

The Economic Needs Assessment (ENA) included a full analysis of the employment land supply in Newcastle-under-Lyme, which was undertaken independently by Aspinall Verdi. The assessment built on that presented in the previous 2015 Employment Land Review, and was undertaken following a methodology prescribed by both Newcastle-under-Lyme Borough Council and Stoke-on-Trent City Council. This included consideration of the characteristics and quality of existing and undeveloped employment sites across the study area, based on a list of sites provided by the Councils.

The outputs of this analysis were presented in sections 7 and 9 of the original ENA, with its Appendix 1 outlining the site assessment criteria and Appendix 2 containing a proforma for each site that was reviewed.

The HENAU included an updated assessment of supply by Aspinall Verdi with the results summarised in section 5 and a fuller explanation of the supply position included in Appendix 4.

The methodology used by Aspinall Verdi to account for the Council's updated information on sites through its monitoring and the re-basing to 2023 has remained common to that followed in the HENAU, with the exception of site visits where the limited time between the studies means that information from the Council on the sites progress was relied upon.

It should be noted that the analysis in this study, as was the case in the HENAU, is deliberately limited to the general supply of employment sites. Consideration is given separately in the Strategic Employment Sites Study (SESS) to sites which the original ENA considered to have the potential to become a strategic employment site, as well as new candidate sites with similar credentials.

Committed supply of employment space

Following the approach taken in the preceding studies, the committed supply – considered by the Council to be available for development now and compliant with existing policy[102] – has been assigned by the Council to one of the following categories:

- Local Plan allocations;
- Vacant land within existing areas; and
- Extant planning permissions[103].

Local Plan Allocations

The Newcastle-under-Lyme Local Plan has previously allocated land for industrial and business use. The original ENA identified six allocated sites which continued to have land available at

[102] A full description of each category is set out at paragraph 7.4 of the original ENA.

[103] The Council provided the latest information as part of their planning update and sought to reflect where possible the March 2022 base point of the assessment.

the time of the assessment, along with three that the ELR previously identified as being supported for the renewal of planning permissions under saved Policy E9 of the Local Plan and which also had residual net developable areas[104]. These sites are shown at Table 4.1 along with the updated residual net developable areas.

[104] It is noted that site 2020-N29 Land at Meadow Street was identified as a Local Plan Allocation but in the 2020 ENA the site was assessed as having no developable area

Table 2.1 Local Plan Allocations – updated residual net developable areas

Site name and reference	Developable area (ha)		
	2020	2022	2023
Chatterley Valley (west of mainline) (2020-N13)	27.27	26.5	26.5[105]
London Road, Chesterton (2020-N28)	1.62	0	0[106]
Kidsgrove Station Road (2020-N45)	0.71	0	0[107]
University of Keele Science Park (Phase 3) (2020-N32)	15.03	6.28	6.28[108]
Chemical Lane (2020-N17)	2.1	2.1	0[109]
Land at Watermills Road, Chesterton (2020-N24)	1.22	0	0[110]
Rowhurst Close, Chesterton (2020-N23)	1.52	1.52	7.51[111]
Chatterley Valley (east of mainline) (2020-N12)	5.2	5.5	5.5[112]
Centre 500, Former Wolstanton Colliery Stock Yard (2020-N61)	2.61	0	0[113]
Total	**57.6**	**41.9**	**45.8**

[105] Aspinall Verdi observed that the remaining developable area was under construction with preparation work underway as at March 2023, albeit no buildings were complete at that time. It was confirmed that construction of buildings was still to commence albeit that this was expected in Spring 2024.

[106] Whilst the original ENA identified 1.62ha of developable land, for the purposes of the HENAU review in 2022 the site area reverted to the 0ha identified in the 2015 ELR. This recognises that in Aspinall Verdi's view the site was fully developed and in active use. No update to this position was identified in 2024.

[107] The Council confirmed in the HENAU that the site was no longer considered available for development as it is understood that the site is to be used and safeguarded for Kidsgrove train station and is in the ownership of Stoke-on-Trent City Council.

[108] Aspinall Verdi confirmed in the HENAU that the remaining site area had reduced as a result of the ongoing implementation of planning permission granted in June 2020. The exact amount of development / land available at the 2022 base date in the HENAU had not been directly recorded with Aspinall Verdi updating the developable area as part of the site visits undertaken in the HENAU. It was confirmed that the planning permissions referenced in the HENAU had been completed as at October 2023, including the delivery of commercial floorspace, with the residual area confirmed by Aspinall Verdi as being available for development.

[109] Aspinall Verdi identified in the HENAU that as of March 2023 the site has been fully developed out, but that it was understood that the development has been completed only in the last 12 months and therefore it was not removed from the 2022 supply. As at 2023 the confirmed completion of the site means that the developable area has been reduced to 0 ha.

[110] The site was removed by the Council in the HENAU where it was identified as having permission for 67 residential units.

[111] Aspinall Verdi identified in the HENAU that the remaining developable area relates to a single plot which as of March 2023 was fenced off and appeared ready for imminent construction to commence. As at 2024 Aspinall Verdi confirmed that this plot remained available developable land. The Council undertook its own site visit in May 2024 in the context of their separate monitoring of the allocation. From this site visit the Council advised that the net developable area should be increased to 7.51 ha to reflect other parts of the allocation which remain undeveloped but are considered by the Council to represent developable land.

[112] The HENAU identified the site as remaining available developable land albeit noting that it forms part of the Ravendale Industrial Estate with the Council providing JCB with the option of expanding their existing neighbouring premises onto the site but that a previous planning approval for employment use had expired.

[113] The Council removed this site from the supply in the HENAU where it is in the ownership of Stoke-on-Trent City Council and it was understood to be the intention for it to be delivered as biodiversity land for the Etruria link road.

The supply identified within the employment land allocations has slightly risen to **45.8ha**. This reflects the change to the developable area of site 2020-N23 (Rowhurst Close), with this adding an additional 5.99 ha of land. This increase is slightly offset as a result of the completion of the 2.1 ha at Chemical Lane, with this recognising that the completion of this site was identified in the HENAU but that its completion fell beyond the 2022 base date.

Vacant land within existing employment sites

The HENAU identified that the supply of developable land on sites that the Council had classified as being within existing employment areas but not having planning permission had fallen to only 2.9ha, down from 6.8ha in the original ENA.

This supply was made up of just one single remaining site (Land off Linley Road, Kidsgrove; 2020-N7), with the Council having previously removed the other 4 sites in this classification for various reasons. Aspinall Verdi confirmed that as at the 2023 base date the situation was unchanged meaning that the supply of land under this classification remained at **2.9ha**.

Sites with extant planning permission

The HENAU identified that the amount of land on sites with extant planning permission had increased to 5.1ha from only 0.4ha in the original ENA, with this the result of the granting of permission on the Speedway, Chesterton site (2020-N27), which had a developable area of 4.8ha, post the base year of the original ENA.

Aspinall Verdi have confirmed that since the base point of 2022 the site has subsequently been built out, with the delivery of 20,000 sqft of office space and a large area of hardstanding. The removal of the site from the developable supply reduces the supply of land under this classification to only **0.3ha**. This is made up of one site on Silverdale Business Park which was granted permission in 2018 for a two-story commercial building and where it is therefore understood that the permission has been allowed to lapse. Aspinall Verdi also note that the site is small in scale and forms a distribution yard at the rear of a small completed office development on the frontage. The realistic contribution of this site is therefore noted as being more limited despite it continuing to score a 'good' ranking within the deployed scoring methodology.

Existing supply of employment land

Table 2.2 collates the information above to present the supply of employment land as of the March 2023 base date, across the three categories.

Table 2.2 Existing supply of employment land (March 2023)

	Employment land, net (ha)
Local Plan allocations	45.8
Vacant land within existing employment sites	2.9
Sites with extant planning permission for B-class employment development	0.3
Total	**48.9**[114]

Source: Newcastle-under-Lyme Borough Council; Aspinall Verdi analysis

The existing supply at the base date of March 2023 of **48.9ha** represents a modest fall from the 49.9ha recorded in the HENAU and a more pronounced reduction from the circa 64.8ha when the original ENA was produced in 2020. This is due to the continued take-up of a small number of sites over the last 12 months in addition to the changes observed in the HENAU prior to that.

Assessment of the existing supply

Table 2.3 presents the latest summary of the assessed sites in Newcastle-under-Lyme, including their reference number from the original ENA, their net developable area – as of March 2023 – and their ranking on the five point scale explained in section 7 of the original ENA (very good / good / average / poor / very poor). This is presented in a similar format to the information which was presented in Appendix 4 of the HENAU. As explained in that report and for re-referencing the grading and recommendations for each site – which Aspinall Verdi have updated where appropriate – reflects a qualitative judgement by Aspinall Verdi which considers key issues related to sustainability, market attractiveness and policy adherence. As in it and the preceding ELR, sites and their gradings continue to be presented on a *'without prejudice'* basis to inform the preparation of the Local Plan. It does not constitute Council policy, and future employment allocations will be determined through formal consultation as part of the Local Plan preparation process.

[114] Note: where the rounded totals sum to 49 ha the total represents the sum of the unrounded figures.

Table 2.3 Summary of site assessments for current employment sites in Newcastle-under-Lyme

Ref. 2020-	Name	Net area (ha)	Rank
N32	Keele Science Park, Phase 3	6.28	Good
N12	Chatterley Valley (East of mainline), Chatterley	5.5	Good
N29	Land at Meadow Street/London Road, Chesterton	0	Good
N47	Silverdale Business Park, Cemetery Road, Silverdale	0.3	Good
N13	Chatterley Valley (West of mainline), Chatterley	26.5	Average
N28	Land at London Road, Chesterton	0	Average
N27	Speedway Stadium, Chesterton	0	Average
N31	Land between Lower Milehouse Lane and Brymbo Road	0	Average
N24	Land off Watermills Road, Chesterton	0	Average
N11	Land and buildings at West Avenue, Kidsgrove	0	Average
N10	West Avenue, Kidsgrove	0	Average
N17	Chemical Lane Site	0	Average
N60	Hilltop Business Centre, Talke	0	Average
N22	Ex Servicemen's Club, Heathcote Street	0	Average
N23	Rowhurst Close, Chesterton	7.51	Average
N7	Land off Linley Road, Kidsgrove	2.86	Poor
N45	Station Road, Kidsgrove	0	Poor
N61	Former Wolstanton Colliery Stock Yard (Centre 500)	0	Poor
N51	Water Street, George Street, Newcastle	0	Very Poor

It is the case that the grading of the sites has remained consistent with the HENAU, albeit there are now only 6 sites with remaining developable area. This means that in accordance with both the original ENA and HENAU it remains the case that none of the existing sites in Newcastle-under-Lyme are classified as 'very good', with three sites with remaining developable areas classified as 'good' with a total area of just over 12ha. It was observed in the HENAU that this had fallen from the circa 21ha identified in the original ENA and it also remains the case that one site, Keele Science Park, constitutes a significant proportion (over half) of this supply highlighting the continued limited supply of other such better quality sites within the borough.

As shown by the red colouring of the developable area figures and as referenced above the supply of sites classified as 'average' has fallen further with the removal of sites N27 & N17 from the developable supply. This means that there is a total of circa 34ha of land classified as average, with this showing a modest fall from the 35ha in the HENAU and the 38ha in the original ENA. It is noted that this is almost exclusively made up from two sites N13 (Chatterley Valley, West of Mainline) and N23 (Rowhurst Close, Chesterton). The last site with a residual developable area, N7, is classified as 'poor'.

As with the HENAU it continues to be the case that whilst there remains a supply of land in the order of 43ha now, only just over a quarter of this is classified as good with the majority classified as average.

Acknowledging future reductions in the existing supply

The HENAU identified that the Speedway Stadium (**2020-N27**) and the Chemical Lane Site (**2020-N17**) were in the process of being completed and would be likely to be removed from the developable site. This has occurred with Aspinall Verdi confirming the removal of both sites from the developable area, with the available supply now falling to circa 43ha (a reduction of 6.9ha from the HENAU).

Within the HENAU Aspinall Verdi also observed that the site Chatterley Valley (West of Mainline) (**2020-N13**) and a parcel of Rowhurst Close, Chesterton (**2020-N23**) were in the process of commencing delivery or were anticipated to imminently commence. The latest update provided by Aspinall Verdi suggests that limited progress has been made in the completion of units on either site but it remains the case that it is anticipated that these will be built out in the near future and that it should therefore be anticipated that they will also be removed from the supply in the near term[115].

Reflecting the scoring of sites observed above Aspinall Verdi also identified in the HENAU that the site Land off Linley Road (**N20-N7**), which was the only site with a remaining developable area scoring a 'poor' classification was likely to have limited prospects of seeing employment development occurring within a reasonable timeframe. This recognised a perception that there was a perceived lack of demand for the site, which was currently in active use for vehicle storage. They also observed that the site had previously had residential interest and that such a use could be suitable in this location if an absence of demand continued to be proven. Aspinall Verdi confirmed that as at the current point of updating this position remained the same.

Table 2.4 shows the effect of removing these sites from the current supply.

[115] As noted above on site 2020-N23 Aspinall Verdi assessed in the original ENA a parcel of the allocation to derive the net developable area. The Council subsequently in this assessment judged there to be a larger total remaining net developable area. No progress is noted regards development of this wider part of the site.

Table 2.4 Current supply removing sites currently under construction, completed or suggested by Aspinall Verdi as having limited prospects of employment development

	Net area (ha)
Current supply	48.9
Chatterley Valley (West of Mainline) (2020-N13)	-26.5
Rowhurst Close (2020-N23) – *individual parcel of the total 7.51 ha site*	-1.5
Land off Linley Road (2020-N7)	-2.9
Total with deductions	**18.1**

Source: Turley analysis of Aspinall Verdi recommendations and the Council's monitoring

This continues to show a notably reduced supply and suggests that there is an increasingly limited supply of existing employment land in Newcastle-under-Lyme.

Additional future supply of employment space

The HENAU considered the supply of sites which the Council had identified and classified as 'other', where these sites were classified by the Council as falling outside of the current employment site classifications. These sites were, as in the original ENA and the preceding ELR, classified separately as a potential future source of employment land supply.

The HENAU identified 41 sites of this nature, which as of March 2022 collectively offered almost 372ha of land – comparable to when the original ENA was produced in 2020[116]. In reviewing the sites Aspinall Verdi and the Council have identified only three changes which has seen the potential developable area reduce by circa 13ha to 359ha. The sites removed from those reviewed in the original ENA and HENAU are sites 2020-N46 (Land off Liverpool Road), 2020-N30 (Cross Heath/Holditch)[117] and 2020-N54 Ryecroft. In the case of the Ryecroft site this recognises the granting of permission in June 2023 for a 450 space car park and the award of funding with the Council supporting the sites development to deliver residential and a potential hotel use. Similarly, the Land off Liverpool Road site has been granted permission for residential uses and has therefore been removed as offering the potential for employment uses.

Accounting for this modest reduction as both the original ENA and HENAU identify whilst the headline figure of 359ha suggests a large amount of potential land, this is primarily formed by a small number of very large sites. The original ENA identified 8 such sites, all of which were in the Green Belt, and all were removed from the assessment of supply and considered separately in its section 10 having had the potential to play a more strategic role. As with the HENAU this further update has not included a consideration of the potential role of these

[116] Table 7.3 of the original ENA identifies a potential future supply from such sites of 340.5ha in Newcastle-under-Lyme

[117] The Council confirmed that through the site selection process the latest information as at May 2024 suggested that the site had a very small developable area (0.606ha) and therefore recommended that this site area be used in the analysis.

strategic sites could play with this included in a separate study commissioned by the Council and prepared by Aspinall Verdi. Section 7 of the HENAU does consider the potential implications of the development of a number of these sites in the context of the generation of labour force needs but it does not reach a view as to their comparative merits or the extent to which they can provide a contribution to the employment supply. To re-present analysis comparable to that presented in Appendix 4 of the HENAU these sites have been removed, where they continue to represent just under 300ha of land.

The removal of these sites means that there is a total of circa 59ha of land identified by the Council as part of a potential future supply, based on a comparable process to that previously followed in the original ENA. It is separately noted that this potential future supply reduces further where the Keele Science Park site (2020-N34) is also removed, with this included in the latest iteration of the Strategic Sites Study prepared by Aspinall Verdi. The removal of this site reduces the future supply to circa 47ha of land.

It is noted that with the omission of these sites there remain several sites currently in the Green Belt which are included in this potential future supply. It is important to highlight that the inclusion of these sites does not pre-determine any decisions around future allocation and that separate consideration will need to be given by the Council as to the extent to which identified physical and environmental constraints impact on their potential deliverability It is the role of policy and not this evidence base to determine whether these and other sites in the future supply should be identified as allocations in a future plan.

The addition of these sites to the existing supply, without the deductions, suggests a total supply of circa 96ha (47ha + 48.9h). This is lower than identified in the HENAU (122ha) and lower still than the original ENA[118] (139.4ha), albeit it is noted that the total now also removes the Keele Science Park site. Allowing for the reductions set out at Table 2.4 the combined supply would be closer to only 65ha.

[118] This is shown at Table 7.4 of the original ENA.

Turley
Level 5
Transmission
6 Atherton Street
Manchester
M3 3GS

T 0161 233 7676