

Housing and Economic Needs Assessment Update Newcastle-under-Lyme

March 2023

Turley

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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 Assessment¹ (hereafter ‘the HNA’) and an Economic Needs Assessment² (‘the 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’) proceeding to launch a consultation on Issues and Options for its own Local Plan which ran until January 2022.
3. The Council is now preparing to consult on a draft of its Local Plan and has reappointed Turley to review and update selected elements of the HNA and ENA, on which some of those responding to the Issues and Options consultation commented. This update therefore seeks to take account of newly available data, where appropriate, and considers its implications for the scale and profile of need for both housing and employment land in Newcastle-under-Lyme. The update also references the findings of a business survey which ran in early 2023 and elicited responses from 190 of the borough’s businesses spanning a range of sectors, some of whom were subsequently contacted for further one-to-one discussions.

Minimum need for housing

4. There continues to be a standard method of assessing the minimum need for housing, which is outlined in a National Planning Policy Framework (NPPF) that still expects it to be used in all but exceptional circumstances. The outcome of the standard method changes with time and has slightly risen in the case of Newcastle-under-Lyme, having suggested a minimum need for 355 dwellings per annum when the HNA was produced but **358 dwellings per annum** as of April 2022, the point to which the Council has reported actual completions.
5. Planning Practice Guidance (PPG) requires this to be checked against past delivery to ensure that the latter has not been ‘*significantly greater*’, but in the case of Newcastle-under-Lyme the outcome of the standard method can be seen to align extremely closely with the rate of development over the last eight reported years to 2022, in which an average of 351 homes have been completed per annum. It is therefore considered to be a valid starting point for Newcastle-under-Lyme, with no exceptional circumstances to suggest that housing need will be lower.
6. This report has reconsidered how meeting the minimum need for 358 dwellings per annum could grow the population of Newcastle-under-Lyme, drawing upon modelling which compares to that presented in the HNA but accounts for the 2021 Census having discovered that the borough’s population was smaller than previously estimated.

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

7. This modelling suggests that meeting the minimum need over the remainder of the plan period (2022-40) could grow the borough's population by circa 7%. The older population, aged 65 or above, would be expected to grow at three times this rate but the working age population – aged 16 to 64 – would also be expected to grow, at a slower rate of 4%.
8. This profile of population change, coupled with changing behaviours – allowed for where reasonable – could leave a labour force that is able to support the creation of around **269 jobs per annum** in Newcastle-under-Lyme over the remainder of the new plan period (2022-40).

Future employment growth and implications for housing need

9. Such a level of job growth would exceed that envisaged, as a baseline, in the ENA after it interrogated three forecasts and favoured those from Experian, which would have seen the borough create around 235 jobs annually over a slightly different period (2020-37).
10. It must be acknowledged though that this is an increasingly dated forecast which takes no account of the COVID-19 pandemic nor subsequent events like Russia's invasion of Ukraine and the cost-of-living crisis.
11. The latest available forecasts from the same three providers – Experian, Oxford Economics and Cambridge Econometrics – have therefore been reviewed in this report. The latter two are relatively up-to-date, having been released as recently as January, but the forecast from Cambridge Econometrics has not been updated since March 2022.
12. These forecasts offer divergent views on the potential for job growth in Newcastle-under-Lyme, with Cambridge Econometrics the most optimistic – in envisaging the creation of 281 jobs per annum between 2022 and 2040 – but Experian forecasting only 133 per year, less than half as many. Oxford Economics continue to forecast job losses, at a rate of circa 25 per annum, but this continues to be underpinned by an assumption of population decline that would arguably cause conflict with an NPPF that requires Local Plans to set '*a positive vision*' for their areas.
13. Setting aside this forecast, it can be observed that the other two – from Experian and Cambridge Econometrics – align more closely with the baseline forecast that was favoured in the ENA. A midpoint between the two would see circa **207 jobs per annum** created, only 28 fewer than previously envisaged, and would also offer some consistency in the sectors assumed to decline or drive growth. Such an approach is not without precedent and indeed has merit in reflecting the views of more than one forecaster, which is particularly important in economically turbulent times when change is naturally more difficult to predict. It is arguably even a benefit for Cambridge Econometrics' forecast to be slightly older, and thus less influenced than Experian's by the economic climate of late 2022, from which there has since been a slight improvement.
14. Edge Analytics' modelling suggests, as noted above, that such a level of job growth could be supported if housing provision in Newcastle-under-Lyme was to align with the

minimum need generated by the standard method. Even the higher level of growth forecast by Cambridge Econometrics could theoretically be supported if only 11 more homes – circa 369 in total – were provided each year. As such, there is limited evidence to suggest that future economic growth – in line with the scenario presented in this report – would generate a substantially higher need for housing in Newcastle-under-Lyme than suggested by a standard method that consequently appears to produce a reasonable estimate of housing need for the borough.

Size, type and tenure of housing needed

15. 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 HNA, by disaggregating the modelling that has been updated above.
16. It suggests that meeting the minimum need suggested by the standard method would increase the number of people living alone, and to a lesser extent the number of other households with or without children. Circa 45% of these households could be expected to need three bedrooms, based on the size of housing occupied by their counterparts as of the 2021 Census, with another 29% needing two and most of the remainder (16%) needing at least four.
17. This skews more towards larger properties than the equivalent figures in the HNA, reflecting a slight shift since the 2011 Census which formed the basis for its assumptions. compared to the figures reported previously, slightly more homes (76%) would need to be houses to deliver such a mix, with the proportion needing to be flats falling to 12% and now aligning with the broadly unchanged figure for bungalows. All of these estimates are intended to be only illustrative, and while they can be used for guidance and monitoring they should not be prescribed as explicit requirements for all sites given the need to respond to changing market demands, local context and viability factors.
18. This report has also revisited the calculation of affordable housing need that was presented in the HNA, to check the relatively low need that was reported and incorporate newly available data. This substantially changes the outcome, suggesting that 278 rather than 28 affordable homes are needed each year, but this is not without precedent as a similar level of need has previously been identified in Newcastle-under-Lyme, prior to the HNA. The borough would have to quadruple the recent rate of affordable housing delivery to meet such a need, however, having seen no more than 156 completed in any single year since 1991. Almost half of the affordable homes delivered since 2011 have been made available at affordable rent, which has effectively replaced social rent and is again shown by this report to cost less than market rent, unlike the other products assessed which have their respective merits – and have evidently been delivered – but could cost more even than purchase due to the premium associated with new housing in this area.
19. The report has also reconsidered the needs of specific groups identified in the HNA, taking account of newly available data and the updated modelling. It has shown that:

- The **older population** of Newcastle-under-Lyme has continued to grow, with the borough home to 18% more people aged 65 or above in 2021 than was the case a decade prior. Most older residents continue to be live in private dwellings rather than institutional accommodation, and most are owner occupiers who live in larger houses than are theoretically needed. Meeting the minimum need suggested by the standard method is likely to further increase the number of elderly people living in Newcastle-under-Lyme, albeit with the *rate* of growth likely to slow towards the end of the plan period, and this can be expected to generate an annual need for circa 16 bedspaces in communal establishments – such as care homes – plus demand for around 42 bedspaces per annum in other forms of specialist accommodation. These represent only indicative estimates based on past trends, however, and it is possible that more such specialist housing could be needed if it is increasingly favoured by older people in future;
- There has been no change, between 2011 and 2021, in the proportion of all residents having **disabilities or health problems** that limit daily activities to some extent. The proportion reporting themselves to be in poor health is also unchanged, but has notably reduced amongst older people with more than half now indicating that they are in good or very good health;
- There has been a 5% reduction in the number of **families with children** over the decade to 2021, who consequently accounted for a slightly smaller share of all households at that point. While still the dominant tenure, families with children were less likely to be owner occupiers than in 2011, with a growing proportion living in the private rented sector instead. Meeting the minimum need for housing is likely to increase the number of households with children over the plan period;
- The number of **privately renting households** increased by more than a quarter between 2011 and 2021, circa 15% of all households now doing so. Lone parents are still the most likely to be – and indeed are increasingly – privately renting, but people living alone, lone parents and couples with or without children also showed a greater inclination to rent. There continues to be variation depending on the type of job held, but it is notable that the tendency to rent has increased across all types of occupations;
- The number of **students** enrolled at Keele University has increased by some 13% compared to the year presented in the HNA (2018/19) and appears likely to further grow given its ambition to have 19,000 students in total by 2040. The recently published Estates Strategy and Masterplan outlines plans to increase the amount of student accommodation on offer, by up to 4,000 beds, but the Council will need to closely liaise with the university to ensure that allowance is made for the growing number of students who are likely to live in Newcastle-under-Lyme;
- Circa 65 of the borough’s households had expressed a need for a **self-build** plot as of October 2021, twenty having done so in the preceding year. While this is relatively few in a borough with over 53,000 households, it does not necessarily mean that there is not a greater need, if there is limited awareness of the

register for example. The Council is therefore advised to recognise the limitations of the self-build register and be aware that the true need for plots could be higher.

Need for employment land

20. The ENA identified an existing supply of some 64.8ha of employment land throughout Newcastle-under-Lyme, as of April 2020. While it suggested that this was of varying quality – with less than a third classed as “good” – it did appear to be quantitatively sufficient to meet needs, with the ENA presenting various scenarios which indicated that up to 56.5ha of employment land could be needed over the period to 2037.
21. The Council’s subsequent monitoring suggests that this supply has since reduced, with only 49.9ha remaining as of March 2022. This reflects the ongoing development of certain sites and the Council’s decision to remove others from its supply.
22. When compared against revised estimates of future demand – variously based on recent take-up and the revised economic growth scenario presented in the previous section – there now appears to be a greater prospect of a shortfall, with the updated scenarios suggesting that at least 36.5ha, and as much as 68.8ha, could be needed over the slightly extended period to 2040. This could result in a shortfall of up to 18.9ha, or even double this if lower density office development prevails.
23. Aspinall Verdi’s updated assessment of the supply importantly also suggests that it is likely to erode further in the future, as several sites have progressed or even fully developed out since March 2022. Aspinall Verdi have also identified sites which they consider unlikely to actually deliver employment space. If these sites are assumed to no longer form part of the available supply, it would shrink even further to around 12.1ha, albeit caution should be exercised in directly comparing this to need as some will have contributed towards that over the last year.
24. 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 updated 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.
25. In considering the need for different types of commercial floorspace, a high-level review has been undertaken of the detailed assessment presented in the ENA. 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.
26. This update has considered the sites identified by the Council as potentially forming part of its future supply to meet local needs, which collectively offer around 72ha of additional land. Where appropriate reference has been made to locations or sites which do not form part of the existing supply in order 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, and subsequent discussions with individual businesses, which have highlighted that several have a need for new land and premises to support their plans for growth.

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 Assessment³ (hereafter ‘the HNA’) and an Economic Needs Assessment⁴ (‘the 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’) proceeding to launch a consultation on Issues and Options for its own Local Plan which ran until January 2022.
- 1.3 The Council is now preparing to consult on a draft of its Local Plan and has reappointed Turley to review and update selected elements of the HNA and ENA, on which some of those responding to the Issues and Options consultation commented⁵. This update therefore seeks to take account of newly available data, where appropriate, and considers its implications for the scale and profile of need for both housing and employment land in Newcastle-under-Lyme. The update also references the findings of a business survey – summarised at **Appendix 1** – which ran in early 2023 and elicited responses from 190 of the borough’s businesses spanning a range of sectors, some of whom were subsequently contacted for further one-to-one discussions.
- 1.4 While it revisits previous conclusions on the amount and type of housing and employment land needed in Newcastle-under-Lyme, this report does not seek to duplicate the detailed review of past trends presented within the previous studies, which should therefore continue to be referenced as necessary. It also makes no attempt to predict how the Government may change national planning policy and guidance in the coming months, following a consultation – ongoing at the time of writing – in which it has proposed to allow local authorities to deviate from the standard method of assessing housing need if there are ‘*exceptional circumstances relating to the particular characteristics*’ of their area⁶. ‘*More explicit indications...of the types of local characteristics*’ that may justify such an approach are promised, through an update to Planning Practice Guidance (PPG), but are yet to have been provided at the time of writing⁷. The Council is advised to monitor the outcome of this consultation, and potentially revisit key parts of its evidence base as necessary in future to take account of any new policies or guidance.
- 1.5 This update is structured as follows:

³ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

⁴ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

⁵ Responses noted a need to allow for the wide-ranging impacts of the COVID-19 pandemic, and take account of newly available data from the 2021 Census. Some expressed concern that the need for affordable and self-build housing had been underestimated, while others requested further detail on specific forms of housing

⁶ Department for Levelling Up, Housing and Communities (December 2022) National Planning Policy Framework showing indicative changes for consultation, p61

⁷ Department for Levelling Up, Housing and Communities (December 2022) Levelling-up and Regeneration Bill: reforms to national planning policy, local housing need and the standard method, paragraph 8

- **Section 2 – Overview of previous findings** – a concise summary of the HNA and ENA, focusing on their key findings for Newcastle-under-Lyme;
- **Section 3 – Current outcome of the standard method** – confirmation of the minimum need for new housing currently suggested for Newcastle-under-Lyme by the standard method, its dynamic nature meaning that the outcome changes over time;
- **Section 4 – Revisiting scenarios of economic growth** – a testing of the economic growth scenarios developed for Newcastle-under-Lyme within the ENA, taking account of the latest trends and forecasts as well as the views of local businesses;
- **Section 5 – Implications for employment land** – reassessment of the balance between employment land supply and demand in Newcastle-under-Lyme, accounting for the revised growth scenarios and change in the supply position;
- **Section 6 – Size and type of housing needed** – analysis of the latest available data to consider the size and type of housing likely to be needed;
- **Section 7 – Need for affordable housing** – a recalculation of the need for affordable housing in Newcastle-under-Lyme, following the stepped methodology that continues to feature in the PPG;
- **Section 8 – Housing needs of specific groups** – further analysis of the specific housing needs of distinct groups, building upon the HNA but incorporating newly available data including from the 2021 Census;
- **Section 9 – Conclusions** – a concise overview of the analysis presented in this report and its implications for the emerging Local Plan.

2. Overview of previous findings

- 2.1 The original HNA and ENA – both dated June 2020 – respectively highlighted changes in the housing market and economy of Newcastle-under-Lyme, albeit with the focus generally being on a larger study area that included the whole of Stoke-on-Trent. They considered the need for new homes and employment space over the period then expected to be covered by the new Local Plan (2020-37) and while these needs were generally reported for the larger area – in which many households will naturally search for housing, and businesses look for premises – they were also split between the two individual authorities.
- 2.2 The HNA established a minimum need for 355 dwellings per annum in Newcastle-under-Lyme, this aligning with what was then the outcome of the Government’s standard method of assessing housing need. It did, however, warn that this figure was deliberately aligned with past trends and thus potentially underestimated the housing growth that was needed in the borough as a result. It presented modelling which suggested that such a level of housing provision over the period to 2037 could grow the population of Newcastle-under-Lyme by circa 4% and provide a labour force that could support the creation of around 177 additional jobs per annum, in combination with changing behaviours⁸.
- 2.3 This would have fallen short of even the baseline level of job growth then anticipated in the borough by Experian, whose forecast – envisaging the creation of 235 jobs per annum in Newcastle-under-Lyme – was deemed the most reasonable of three interrogated in the ENA. Cambridge Econometrics were then anticipating slightly fewer (c.225pa) while Oxford Economics were forecasting the *loss* of 68 jobs per annum, albeit this appeared to have been skewed by an underlying assumption of population decline which did not appear to align with the recent trend so was attributed less weight⁹.
- 2.4 The HNA presented modelling which indicated that 410 dwellings per annum could be needed in Newcastle-under-Lyme to support the job growth forecast by Experian, but did also proceed to adjust this forecast to account for the past performance of specific sectors and the more positive outlook, in places, of Cambridge Econometrics. It suggested that circa 445 dwellings per annum could be needed to support this higher job growth scenario, in which circa 277 jobs per annum would be created throughout Newcastle-under-Lyme¹⁰. It was subsequently concluded that, if Newcastle-under-Lyme and the wider study area were successful in creating new jobs, the growing population would likely generate a greater need for housing than implied as only a minimum by the standard method.
- 2.5 The HNA proceeded to calculate a net need for 28 affordable homes per annum in Newcastle-under-Lyme, adhering to a separate and well-established methodology that

⁸ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 3.4

⁹ *Ibid*, Figure 4.7; Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Figure 8.3

¹⁰ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 4.5

takes account of the existing backlog and allows for newly arising need as well as emerging supply¹¹.

- 2.6 The ENA found that Newcastle-under-Lyme had an existing supply of employment land which amounted to circa 64.8ha, largely being comprised of remaining Local Plan allocations¹². A review by Aspinall Verdi did though suggest that this land was of varying quality, with only 20.6ha – less than a third (32%) – described as “good”¹³.
- 2.7 The ENA estimated that 52.6ha of employment land could be needed in Newcastle-under-Lyme to support the baseline level of job growth forecast by Experian, over the period that was originally assessed¹⁴ (2020-37). This rose to 56.5ha under the higher growth scenario described above but fell to 46.8ha when growth was constrained to the labour supply that was thought likely to result from meeting the minimum housing need suggested by the standard method. It was estimated that a continuation of past take-up rates would have seen a lesser need still, equating to circa 33.1ha over the period then assessed. The existing supply appeared to be sufficient to meet future needs in all of these scenarios, at least in a quantitative sense, but was also identified as being at risk of loss where there was evidence of sites being redeveloped for other uses or facing deliverability challenges.
- 2.8 The ENA also found there to be a particular shortage of *quality* sites that were adaptable to the changing requirements of individual businesses – particularly in the logistics sector – and in locations that were attractive to the market, based on an assessment of each employment site using criteria defined by the Council¹⁵.

¹¹ *Ibid*, section 6

¹² Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 9.1. This was based on the net developable areas provided for each of the sites by the Council, following their identification of a list of sites to be assessed within the ENA

¹³ *Ibid*, Table 7.2

¹⁴ *Ibid*, Table 8.12

¹⁵ *Ibid*, Appendix 1

3. Current outcome of the standard method

Outcome of the standard method

- 3.1 The National Planning Policy Framework (NPPF) – last amended, if only slightly, in July 2021 – continues to reference a ‘*standard method*’ for determining ‘*the minimum number of homes needed*’ in a particular area, and still makes clear that ‘*strategic policies should be informed by a local housing need assessment*’ conducted using this method¹⁶. Related Planning Practice Guidance (PPG) emphasises though that the method provides only a ‘*minimum starting point in determining the number of homes needed in an area*’, requiring plan-makers to assess the existence of circumstances that justify planning for a higher – or exceptionally, lower – level of housing need than the standard method suggests¹⁷.
- 3.2 The HNA confirmed that, as of mid-2020, the standard method suggested a need for **at least 355 dwellings per annum** in Newcastle-under-Lyme¹⁸. It did also highlight the Government’s intention to review the method, that process commencing after the report was drafted with consultation on a new approach that it subsequently decided not to take forward¹⁹. The Government instead chose to largely retain the existing method, with a new final step that applies a 35% uplift in the authorities that predominantly cover the twenty most populous towns and urban centres. Newcastle-under-Lyme does not feature within this list, however, so is not affected by this addition.
- 3.3 The outcome of the standard method is nonetheless subject to change, with the demographic baseline to be calculated from the ‘*current year*’ and the scale of the affordability adjustment determined by ratios that are published annually in March²⁰. Table 3.1 overleaf shows that a slight worsening of affordability has led to a modest increase in the minimum need suggested for Newcastle-under-Lyme, to **358 dwellings per annum** as of March 2022.

¹⁶ MHCLG (July 2021) National Planning Policy Framework, paragraph 61

¹⁷ PPG Reference ID 2a-01020201216

¹⁸ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent

¹⁹ MHCLG (August 2020) Changes to the current planning system: consultation on changes to planning policy and regulations; MHCLG (December 2020) Government response to the local housing need proposals in “Changes to the current planning system”

²⁰ PPG Reference ID 2a-004-20201216

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

	2020*	2021	2022
1 Baseline: projected annual household growth ²¹	312.5	312.1	311.9
2 Median affordability ratio	6.18	5.93	6.38
Adjustment factor (rounded; unrounded in calculation)	13.6%	12.1%	14.9%
Baseline with affordability adjustment	355	350	358
3 Latest adopted housing requirement	(285)	(285)	(285)
Notional cap relative to baseline, which is higher	438	437	437
4 Cities and urban centres uplift	–	n/a	n/a
Minimum local housing need per annum	355	350	358

Source: MHCLG; ONS; Turley analysis

* Table 3.2 of HNA

- 3.4 Calculating the outcome of the standard method as of March 2022 allows this study to align with the Council’s monitoring of recent housing completions, which is only available to that point at the time of writing. It can, however, be noted that the method *currently* suggests – in March 2023 – a slightly lower need for 347 dwellings per annum, due to the demographic baseline being slightly lower when calculated from the ‘*current year*’ and the newly published affordability ratio requiring a slightly smaller uplift.

Testing against past delivery

- 3.5 The PPG encourages 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 housing²². In the case of Newcastle-under-Lyme, it can be noted that there is broad alignment with the rate of delivery seen over the last eight reported years (2014-22) in which an average of 351 homes have been completed. The borough has admittedly demonstrated its ability to deliver more, with Figure 3.1 overleaf showing that as many as 631 homes were completed in 2020/21 for example, but this is believed to have been driven by the development of a particularly large amount of student accommodation so could arguably be viewed as exceptional²³. Delivery has exceeded the outcome of the standard method in both of the last two years but over the longer-term it has done so only four times in the last 22 years. This provides assurance, in the context of the PPG, that past delivery in Newcastle-under-Lyme has not been ‘*significantly greater*’ than the outcome of the standard method, so as to warrant increasing the latter based on this factor alone²⁴.

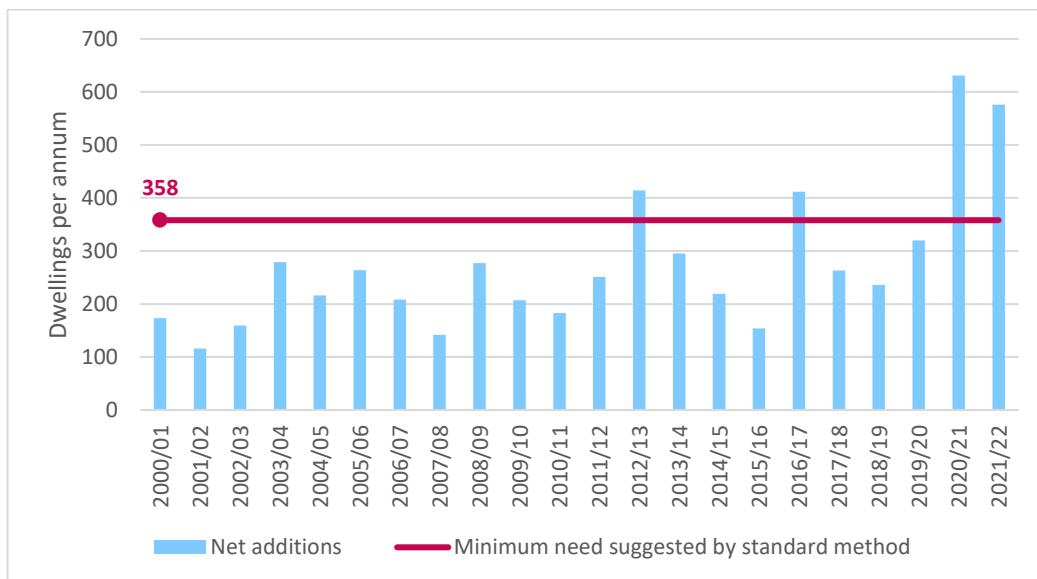
²¹ 2014-based household projections, over ten years from the base year (2020, 2021 or 2022)

²² PPG Reference ID 2a-010-20201216

²³ The Council’s monitoring indicates that 224 student rooms were completed in 2021/22, exactly twice the number recorded in the previous year (112) and almost three times more than were recorded in 2018/19, for example (76)

²⁴ PPG Reference ID 2a-010-20201216

Figure 3.1: Benchmarking Outcome of Standard Method against Past Delivery in Newcastle-under-Lyme (2000-22)



Source: Council monitoring; Turley analysis

Population change if the minimum need is met in full

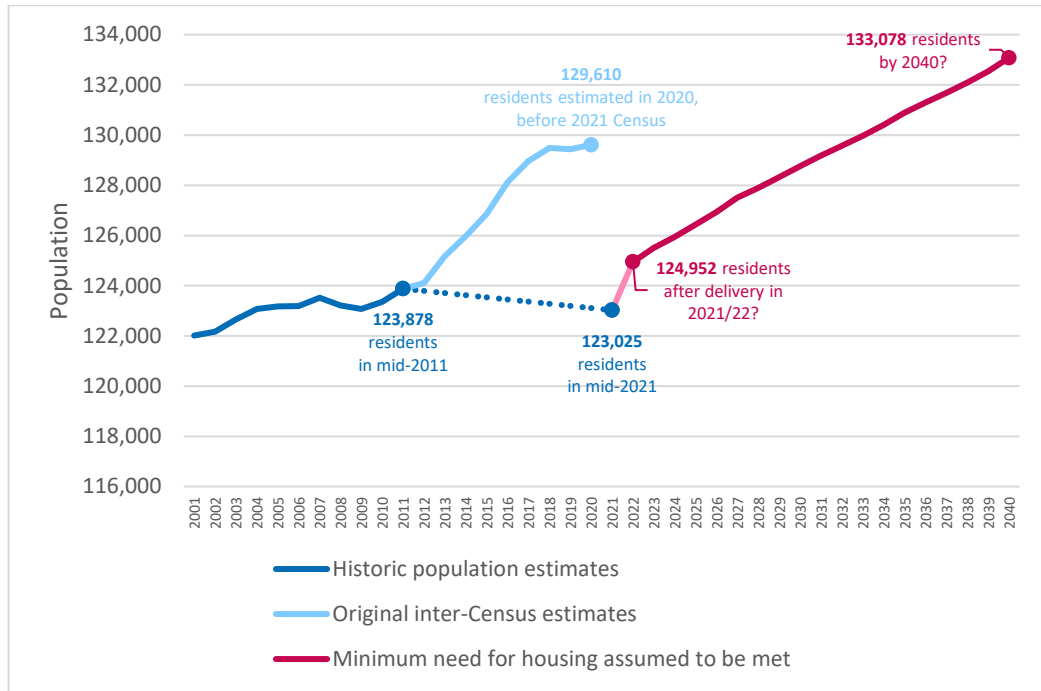
3.6 The HNA presented demographic modelling – produced by Edge Analytics – to estimate how the population of Newcastle-under-Lyme could change if housing provision was to align with the outcome of the standard method, at that point. While this figure has only slightly risen in the period since, it has nonetheless been considered necessary to develop new modelling. This is because the borough’s population was found by the 2021 Census to be smaller than previously estimated by the Office for National Statistics (ONS) and can be reasonably assumed to have grown in the subsequent year to 2022 – yet to be covered by official population data – with the delivery of circa 576 new homes. The updated modelling assumes that the minimum need for 358 dwellings per annum is met from this point (2022) until the end of the chosen plan period in 2040, making assumptions that are outlined in more detail by Edge Analytics at **Appendix 2**.

3.7 This updated modelling suggests that the population of Newcastle-under-Lyme could grow by some 7% under this scenario, between 2022 and 2040. It suggests that the borough would have around 8,125 more residents in 2040 than it is estimated to have had in 2022, based on official population estimates that took account of the 2021 Census – for continuity simply rolling forward to the midpoint of that year²⁵ – with allowance for completions in the subsequent year. It can be observed that the projected population in 2040, of circa 133,100 residents, is only 3% larger than was officially estimated as recently as 2020, before the 2021 Census revealed that the borough’s population had actually declined over the preceding decade. The ONS is intending to revise these inter-Census estimates accordingly, to reflect the actual trend

²⁵ ONS (December 2022) Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2021

of population decline in Newcastle-under-Lyme, and the Council is advised to review them when available to further understand the cause of this decline²⁶.

Figure 3.2: Population Impact of Meeting the Minimum Housing Need in Newcastle-under-Lyme



Source: ONS

3.8 Table 3.2 overleaf shows that the older population, aged 65 or above, would be expected to see particularly strong growth in this scenario, increasing in size by some 21% to account for a quarter of the borough’s residents by 2040. The next oldest cohort, aged 40 to 64, would in contrast be expected to shrink by 5%, potentially as a result of residents not being replaced – either naturally or through in-migration – as they age. It is nonetheless expected that there would be some growth in the number of younger adults, up to 39 years old, with the overall number aged 16 to 64 – traditionally viewed as the working age population – projected to grow by around 4%.

²⁶ This present lack of further detail also prevents Edge Analytics from developing trend-based projections that take account of actual demographic trends, adjusted to reflect the Census findings, between 2011 and 2021

Table 3.2: Modelled Impact of Housing Provision on Age Profile (2022-40)

	2022	%	2040	%	Change	% change
15 and under	20,127	16%	19,836	15%	-291	-1%
16 to 24	15,423	12%	16,746	13%	+1,323	+9%
25 to 39	22,172	18%	25,466	19%	+3,294	+15%
40 to 64	39,988	32%	38,159	29%	-1,829	-5%
65 and over	27,242	22%	32,871	25%	+5,629	+21%
Total	124,952	100%	133,078	100%	+8,126	+7%
16 to 64	77,583	62%	80,371	60%	+2,788	+4%

Source: Edge Analytics, 2023

Job growth supported if the minimum need is met in full

3.9 Such a profile of population growth has implications for the level of job growth that could be supported in Newcastle-under-Lyme, if assumed that the minimum need for housing suggested by the standard method is met in full. This has again been estimated by Edge Analytics, as in the HNA, making reasonable assumptions on behaviour as follows:

- **Unemployment** has been assumed to remain fixed at the rate of 3.6% that was recorded in Newcastle-under-Lyme in 2021, the last full year covered by the Annual Population Survey²⁷ (APS) at the time of writing. This is slightly more pessimistic than assumed in the HNA (3.2%) – as is arguably justified given ongoing economic uncertainty – but continues to align with the longer-term trend prior to the pandemic, with the unemployment rate having averaged 3.6% over the four years to 2019 before rising sharply to 5.8% in 2020, then falling to 3.6% in 2021. While the peak unemployment rate in 2020 was higher than recorded nationally (4.7%) the borough did have a lower rate prior to the pandemic, with the national figure averaging 4.3% over the four years to 2019, and it did once again in 2021 when the national unemployment rate was 4.5%;
- **Economic activity rates** amongst residents aged 16 to 89 have been initially derived from the 2011 Census before being assumed, as in the HNA, to change in line with the latest national forecast from the Office for Budget Responsibility (OBR). The OBR has not updated this forecast since the HNA was produced, and nor has data from the 2021 Census been made available with the level of detail needed for this assumption to be brought up to date;
- The proportion of residents holding more than one job (**'double jobbing'**) is assumed, as in the HNA, to align with the long-term average recorded in

²⁷ ONS (2023) Model-based estimates of unemployment, Annual Population Survey

Newcastle-under-Lyme, which has been recalculated to take account of the latest available data from the APS²⁸ (4.1%; 2012-21); and

- **Commuting** has again – as in the HNA – been held fixed at the rate recorded by the 2011 Census, reflecting the balance between the number of workers living in Newcastle-under-Lyme and the number of jobs available in the borough. While this is acknowledged to be dated, there continues to be a lack of robust or similarly comprehensive data with which to establish a more up-to-date position, with equivalent data from the 2021 Census not yet published.

3.10 When applying these assumptions, the modelling suggests that changing behaviours and additional residents could support the creation of around 4,840 jobs in Newcastle-under-Lyme between 2022 and 2040, equivalent to **circa 269 jobs per annum**²⁹. This is compared against updated forecasts of job growth in the following section.

Summary

3.11 The NPPF continues to require use of a standard method of assessing the minimum need for housing, and while this has been updated since the HNA was produced the additional step does not affect Newcastle-under-Lyme. The outcome of the method nonetheless changes with time and has slightly risen in the borough's case, from 355 to **358 dwellings per annum** as of March 2022, this point chosen to align with the Council's monitoring of housing completions.

3.12 This aligns very closely with the average rate of delivery over the last eight reported years (351dpa) and while true that as many as 631 homes have been completed in any one year, over the longer-term it is clear that delivery has exceeded the outcome of the standard method in only four of the last 22 years. The level of alignment with the recent trend offers assurance that the standard method is a valid starting point, with no exceptional circumstances to suggest that housing need in this area will be lower.

3.13 This section has presented modelling to show how the population of Newcastle-under-Lyme could change if the minimum need suggested by the standard method was to be met from 2022 to 2040. This updates equivalent modelling from the HNA to allow for the 2021 Census having discovered that the borough's population was smaller than previously estimated by the ONS.

3.14 The modelling suggests that meeting the minimum need over the remainder of the plan period could grow the borough's population by circa 7%, with the older population aged 65 or above growing at three times this rate (21%) but the working age population – aged 16 to 64 – also expected to grow, if at a slower rate of 4%. It is estimated that such a profile of population growth, in combination with changing

²⁸ ONS (2023) Annual Population Survey

²⁹ The HNA suggested that a comparable level of housing provision (355dpa) between 2020 and 2037 could have supported only 177 jobs per annum, but this has increased in Edge Analytics' updated modelling due to an assumption that the smaller population – discovered by the 2021 Census – will need to initially grow faster to fill newly provided homes, bringing more labour in the early years of the plan period. The forthcoming publication of revised population estimates for the inter-census period will provide greater clarity on recent trends, to set these assumptions in context

labour force behaviours, could support the creation of **circa 269 jobs per annum** in Newcastle-under-Lyme.

4. Revisiting scenarios of economic growth

- 4.1 The updated modelling presented in the previous section suggests that meeting the minimum annual need for 358 homes now suggested by the standard method could grow the resident labour force of Newcastle-under-Lyme, and support the creation of around 269 jobs per annum over the remainder of the new plan period (2022-40).
- 4.2 This evidently surpasses the baseline level of job growth that was forecast by Experian when the HNA and ENA were prepared, with circa 235 jobs per annum then envisaged over a slightly different period (2020-37). This is, however, now an increasingly dated forecast, having been released in March 2020 prior even to the onset of the COVID-19 pandemic, meaning that neither this nor subsequent events – like Russia’s invasion of Ukraine, the rise in energy costs and the broader cost-of-living crisis – were able to be considered.
- 4.3 The leading forecasting houses have though been regularly offering their views on how recent events may affect the economic outlook for Newcastle-under-Lyme, and consequently influence the level of job growth that may occur in the borough over the new plan period. This section introduces these forecasts and uses them, alongside other recent evidence and the findings of a business survey – summarised at **Appendix 1** – to arrive at an updated position on the level of job growth that can be reasonably expected in Newcastle-under-Lyme.

Introducing the latest available baseline forecasts

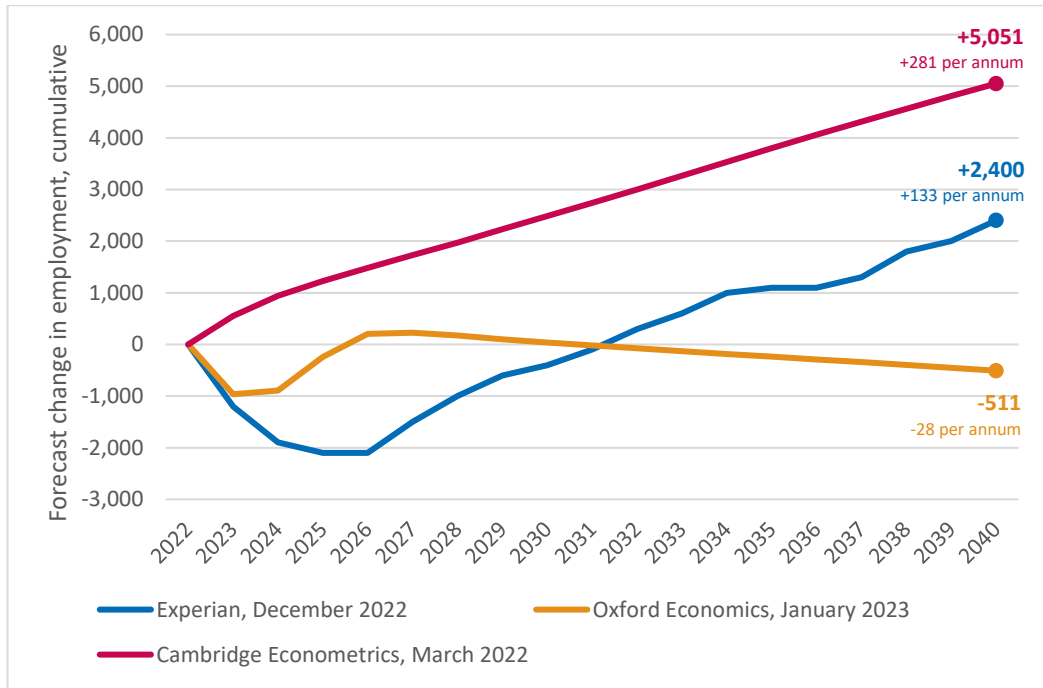
- 4.4 At the time of writing, the last quarterly forecast produced by Experian – comparable to the one favoured in the ENA – was released in December 2022. Oxford Economics released their latest forecasts slightly more recently, in January 2023, whereas Cambridge Econometrics last undertook their annual update in March 2022.
- 4.5 These forecasts continue to offer divergent views on the potential for future job growth in Newcastle-under-Lyme, as was the case when earlier iterations were reviewed in the ENA³⁰. Cambridge Econometrics are now the most optimistic in envisaging the creation of some 5,051 jobs between 2022 and 2040, equivalent to circa 281 jobs per annum, whereas Experian – who previously took a similar view to that forecaster³¹ – currently anticipate the creation of less than half as many (2,400, or 133 per annum). Figure 4.1 overleaf shows that this is primarily due to an assumption of job losses in the years to 2026 beyond which Experian are actually more optimistic than Cambridge Econometrics in terms of the number of jobs created³². Oxford Economics continue to forecast job losses in Newcastle-under-Lyme, as they did when the ENA was produced.

³⁰ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 8.7

³¹ *Ibid*, paragraph 8.19 and Figure 8.2

³² Experian forecast the creation of 321 jobs per annum between 2026 and 2040, compared to Cambridge Econometrics’ forecast of 255 jobs per annum over the same period

Figure 4.1: Recent Employment Forecasts for Newcastle-under-Lyme (2022-40)



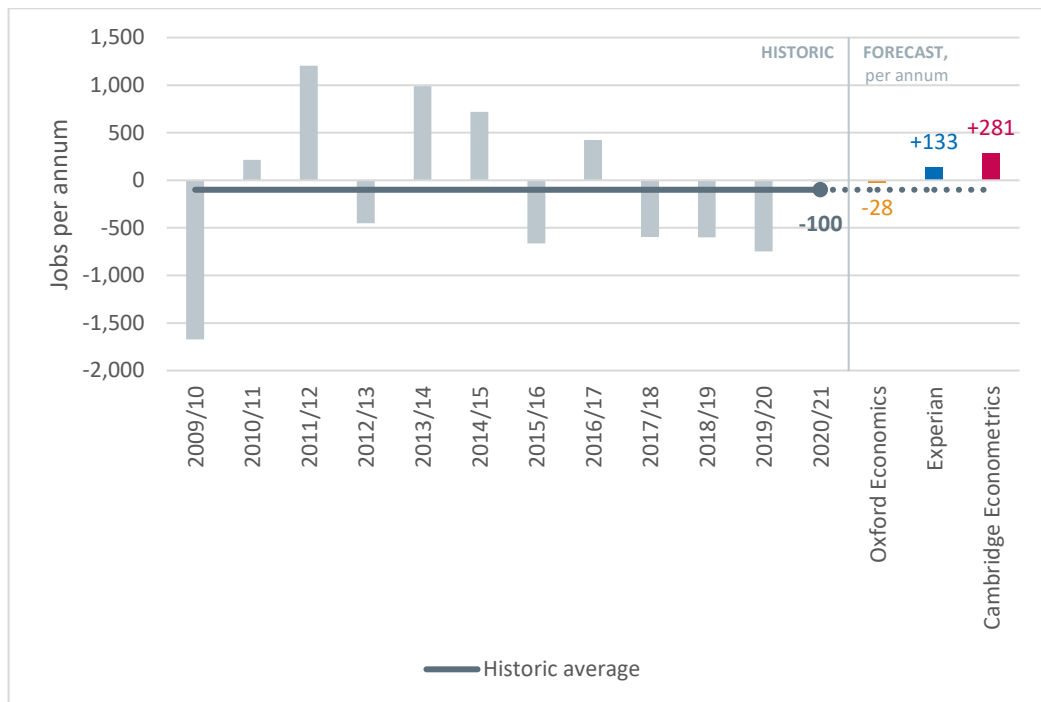
Source: Experian; Oxford Economics; Cambridge Econometrics

Benchmarking forecast growth

- 4.6 Any of these three forecasts would represent an improvement from the long-term trend in Newcastle-under-Lyme, which has deteriorated since the ENA reviewed the latest data then available from the Business Register and Employment Survey (BRES) which indicated that only 20 net additional jobs had been created annually between 2009 and 2018³³. Three further years to 2021 are now available from BRES but jobs are reported to have been lost in each one, depressing the long-term average to suggest that an average of 100 jobs have been lost per annum since 2009. Even the most negative forecast from Oxford Economics would arguably improve this trend, by reducing the scale of loss, but it would be fully reversed under the forecasts from Experian and Cambridge Econometrics as shown at Figure 4.2 overleaf.

³³ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 4.1

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



Source: BRES; Experian; Oxford Economics; Cambridge Econometrics

- 4.7 The ENA interrogated three forecasts that would have all brought a slowing of the long-term trend across the broader study area that it generally focused on, having aimed to establish a reasonable level of job growth for the entire geography³⁴. The ENA consequently used past trends as a basis for positively adjusting even the most optimistic of the forecasts, favoured in part because it would ‘less severely slow the recent rate of job growth, particularly in Stoke-on-Trent’³⁵. The need for this study to focus solely on Newcastle-under-Lyme, where recent years have seen job losses rather than growth, changes the context to the point where the approach of the ENA cannot be simply repeated, using updated data.
- 4.8 It can though be observed that its favoured baseline forecast, from Experian, envisaged a level of job growth in Newcastle-under-Lyme that most closely compares to what is now forecast by Experian and Cambridge Econometrics, when an annual average is calculated using their latest forecasts to allow for the changing assessment period. Indeed, taking an average of the two forecasts – not necessary when the ENA was prepared, due to the alignment between the two at that time³⁶ – produces a figure of circa 207 jobs per annum, only 28 fewer than previously envisaged in the ENA. This is considered to represent a reasonable level of consistency, which cannot be said of Oxford Economics’ forecast of job losses which would more fundamentally depart from the conclusions of an ENA that notably disregarded their similar forecast of the time, in part due to an underlying assumption of population decline that is believed to

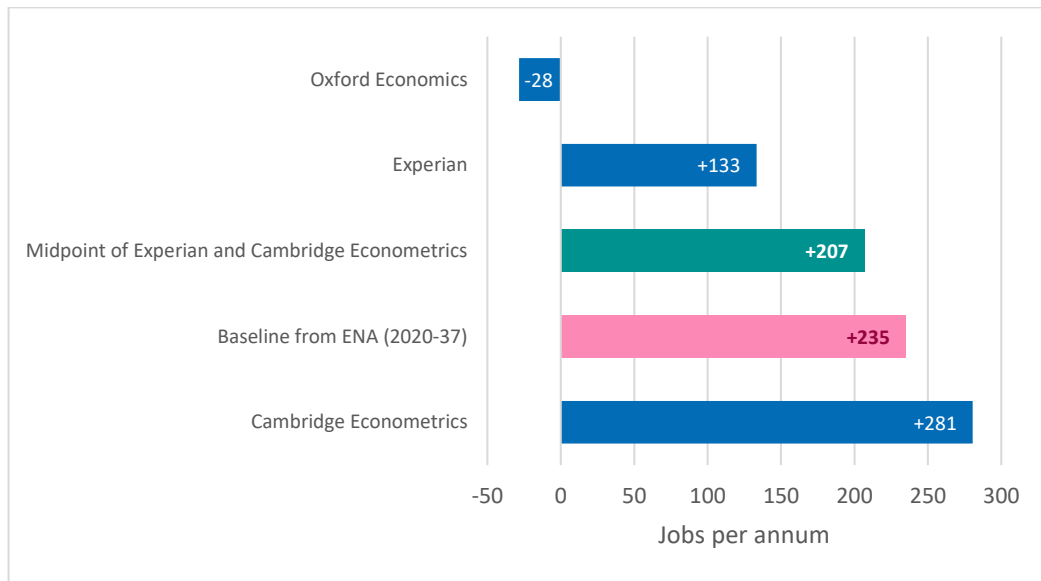
³⁴ Ibid, Figure 8.4

³⁵ Ibid, paragraph 8.82

³⁶ Ibid, Table 8.1 and Figure 8.2

remain³⁷. While the 2021 Census has since revealed that the population of Newcastle-under-Lyme has indeed fallen, building in an assumption that this will continue – and thus accepting that outcome – could lead the emerging Local Plan to conflict with an NPPF that requires it to provide ‘a positive vision for the future’, being ‘prepared positively’ in a way that is ‘deliverable’ but ‘aspirational’³⁸.

Figure 4.3: Comparing Annual Job Growth in the Latest Forecasts with the ENA Baseline



Source: Experian; Oxford Economics; Cambridge Econometrics

Sectoral profile of growth

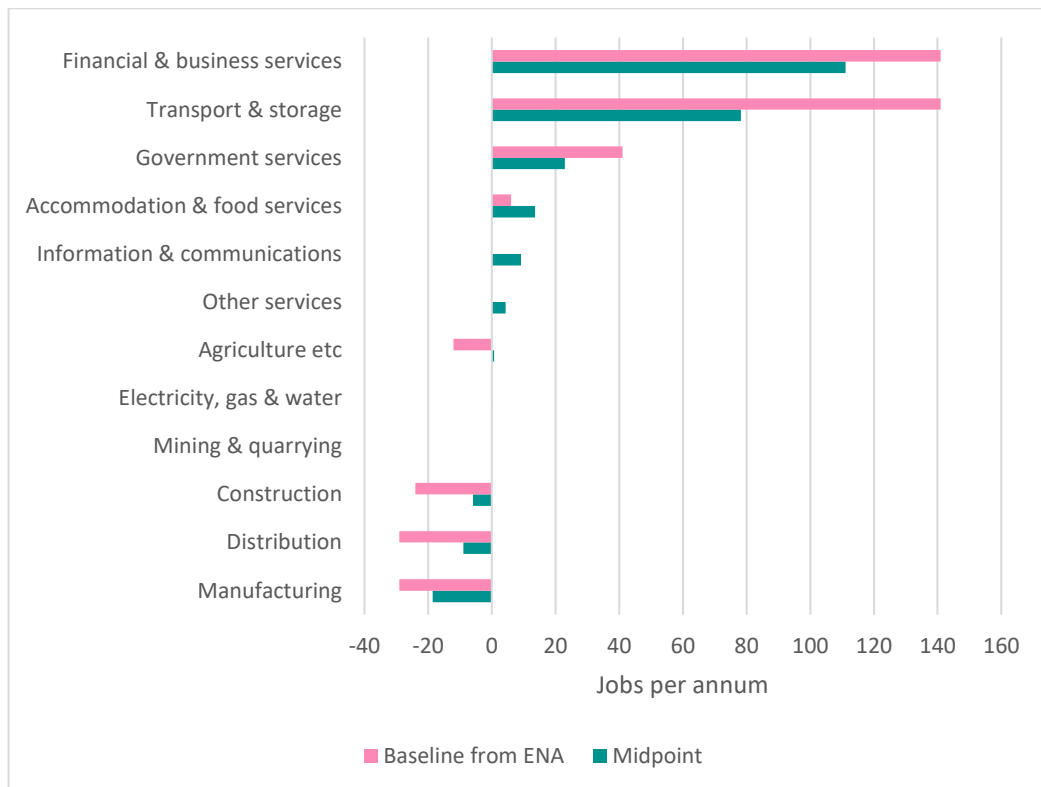
- 4.9 Aside from aligning reasonably closely with the ENA’s baseline in terms of overall job growth, a midpoint between the forecasts from Experian and Cambridge Econometrics would also bring a comparable *profile* of growth in Newcastle-under-Lyme, when considered at the sector level at Figure 4.4 overleaf. The top three growth sectors – namely financial and business services; transport and storage; and Government services³⁹ – would be identical as would the three implied to see the biggest job losses, specifically manufacturing, distribution and construction. The *scale* of those losses is though more modest, as indeed is the forecast growth of the three growth sectors.

³⁷ *Ibid*, Figure 8.3. Oxford Economics have confirmed that their latest forecast, presented in this section, assumes that the population of Newcastle-under-Lyme will reduce by circa 3,050 persons between 2022 and 2040

³⁸ MHCLG (July 2021) National Planning Policy Framework, paragraphs 15 and 16b

³⁹ Due to the level of detail available from the forecasts, Government services are no longer able to be split, as in the ENA, between public administration and defence; education; and human health and social work

Figure 4.4: Comparing Sectoral Profile of Employment Growth



Source: Experian; Cambridge Econometrics

Justifying the use of a midpoint

4.10 Taking a midpoint between two forecasts is not without precedent in similar studies, as it implicitly follows consensus rather than relying on a single forecast that will almost certainly not be wholly accurate, due to the inherent nature of economic forecasting⁴⁰. This is of particular value in economically turbulent times, when it is naturally more challenging for any forecaster to make predictions about the future. In this case, it is arguably even beneficial for Cambridge Econometrics' forecast to be slightly more dated, having been released in March 2022 when the outlook was more favourable than in the autumn, when Experian were developing the forecasts that they eventually released in December. It is widely agreed that the national outlook has improved again, even if only modestly, since a prolonged recession was being forecast in late 2022, such that relying on a forecast produced then would arguably be pessimistic⁴¹. It would arguably also conflict with signs of optimism amongst the borough's businesses, **Appendix 1** confirming that circa 27% of those surveyed expect to increase their headcount in the coming five years. Combining the two forecasts, from Experian and Cambridge Econometrics, allows the relative optimism of the latter to be balanced against the recency of the former.

⁴⁰ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 4.6 and 8.16

⁴¹ The Spring Budget, published by HM Treasury in March 2023, references the latest forecasts from the OBR in stating that 'the UK economy is now expected to avoid a recession in 2023', rather contracting in the first quarter and seeing no growth in the second before 'growth returns and strengthens' thereafter

4.11 The extent to which a midpoint would improve upon the historic trend in Newcastle-under-Lyme makes it challenging to generate an even higher growth scenario, of the kind presented in the ENA. Allowing for the creation of some **207 jobs per annum**, in an area that has lost an average of 100 jobs every year since 2009, should adequately capture any ambition to achieve a more positive economic future through major investments and strategies – like the Council’s own Economic Development Strategy⁴² – without requiring manual adjustments to the forecasts, which previously had a relatively modest effect in Newcastle-under-Lyme by adding only 42 jobs per annum. An equivalent to the ENA’s higher growth scenario has therefore not been developed as part of this update.

Implications for housing need

4.12 Edge Analytics’ modelling, introduced in the previous section, suggests that housing provision in line with the minimum need calculated using the standard method – circa 358 dwellings per annum – could grow the resident labour force of Newcastle-under-Lyme and support the creation of some 269 jobs per annum, from 2022 onwards.

4.13 This is some 30% more than the midpoint of the forecasts from Experian and Cambridge Econometrics, suggesting that it would be reasonable to expect this level of housing provision to comfortably support such a level of job growth. Indeed, while not in itself a reason to plan for fewer homes – given the high bar set by the PPG⁴³ – further modelling from Edge Analytics suggests that this level of job growth could be supported with as few as 301 dwellings per annum. Even the higher forecast from Cambridge Econometrics could theoretically be supported if 369 homes were provided each year, only 11 more than the minimum. This indicates that it will not be necessary for the Council to plan for a substantially higher level of housing need to support the job growth that is currently forecast in Newcastle-under-Lyme, and it could arguably be justified to simply provide for the minimum need.

Table 4.1: Housing Needed to Support Future Job Growth (2022-40)

	Jobs per annum	Homes needed per annum
Highest forecast from Cambridge Econometrics	281	369
Outcome of standard method	269	358
Midpoint of employment forecasts	207	301

Source: Edge Analytics

Summary

4.14 The updated modelling presented in the previous section suggests that meeting the minimum annual need for 358 homes now suggested by the standard method could

⁴² <https://www.newcastle-staffs.gov.uk/policies-1/economic-development-strategy>

⁴³ PPG Reference ID 2a-015-20190220

grow the resident labour force of Newcastle-under-Lyme, and support the creation of around 269 jobs per annum over the remainder of the new plan period (2022-40).

- 4.15 This surpasses the baseline level of job growth that was forecast by Experian when the HNA and ENA were prepared, with circa 235 jobs per annum then envisaged over a slightly different period (2020-37). This is, however, now an increasingly dated forecast, taking no account of the COVID-19 pandemic nor subsequent events like Russia's invasion of Ukraine and the cost-of-living crisis.
- 4.16 The latest available forecasts from each of the leading providers have therefore been reviewed in this section. Two, from Experian and Oxford Economics, are relatively up-to-date having been released in December or January, but the forecast from Cambridge Econometrics has not been updated since March 2022.
- 4.17 These forecasts offer divergent views on the potential for future job growth in Newcastle-under-Lyme, with Cambridge Econometrics the most optimistic – in envisaging the creation of 281 jobs per annum – but Experian forecasting only 133 per year, less than half as many. Oxford Economics continue to forecast job losses, at a rate of circa 25 per annum, but this continues to be underpinned by an assumption of population decline that would arguably cause conflict with an NPPF that requires Local Plans to set '*a positive vision*' for their areas.
- 4.18 Setting aside this forecast, it can be observed that the other two – from Experian and Cambridge Econometrics – align more closely with the baseline forecast that was favoured in the ENA. A midpoint between the two would see circa **207 jobs per annum** created, only 28 fewer than previously envisaged, and would also offer some consistency in the sectors assumed to decline or drive growth. Such an approach is not without precedent and indeed has merit in reflecting the views of more than one forecaster, which is particularly important in economically turbulent times when change is naturally more difficult to predict. It is arguably even a benefit for Cambridge Econometrics' forecast to be slightly older, and thus less influenced than Experian's by the economic climate of late 2022, from which there has since been a slight improvement.
- 4.19 Edge Analytics' modelling suggests that such a level of job growth could be supported if housing provision in Newcastle-under-Lyme was to align with the minimum need generated by the standard method. Even the higher level of growth forecast by Cambridge Econometrics could theoretically be supported if only 11 more homes – circa 369 in total – were provided each year. As such, there is limited evidence to suggest that future economic growth will generate a substantially higher need for housing in Newcastle-under-Lyme than suggested by the standard method.

5. Implications for employment land

- 5.1 The ENA estimated that as much as 56.5ha of employment land, or as little as 33.1ha, could be needed in Newcastle-under-Lyme between 2020 and 2037. The existing supply of circa 64.8ha – estimated by the Council as of April 2020 – appeared sufficient to meet this need in a quantitative sense, albeit a review by Aspinall Verdi suggested that it was of varying quality with less than a third (20.6ha) categorised as “good”.
- 5.2 The supply position has naturally evolved since the ENA was produced, with the Council now able to confirm the situation as of March 2022, and this can now be compared against the revised economic growth scenario presented – for an extended period to 2040 – in the previous section. This section therefore reconsiders whether the existing supply of employment land in Newcastle-under-Lyme is sufficient, in terms of both quantity and quality, to meet future demand.

Reconsidering future demand

- 5.3 Section 8 of the ENA introduced the various approaches towards quantifying the future demand for employment land that were, and still are, endorsed by the PPG⁴⁴. It remains important to note that each approach has strengths and limitations, such that none can be viewed as definitive.
- 5.4 The PPG continues to encourage the use of employment forecasts, of the kind averaged in the previous section to establish a reasonable position on future job growth in Newcastle-under-Lyme. While a midpoint is favoured for the reasons already discussed, the highest forecast from Cambridge Econometrics can also be considered for completeness.
- 5.5 The PPG also advocates demographically derived assessments based on labour supply. In the case of Newcastle-under-Lyme, such a scenario can reflect the prospect of job growth exceeding the midpoint if the minimum need suggested by the standard method was to be met in full, albeit it is necessary to assume the sectoral profile of growth will be identical⁴⁵.
- 5.6 As required by the PPG, the jobs envisaged in these scenarios have been assigned to Use Classes, broadly following the approach of the ENA but adapting – as outlined at **Appendix 3** – to the smaller number of sectors now covered by the forecasts⁴⁶. This discounts any jobs that are unlikely to require the office, industrial and warehousing premises that remain the focus of this assessment, removing over half of all jobs from the Cambridge Econometrics forecast – as shown by Table 5.1 – and circa 28% from the other two scenarios which share the same sectoral profile. While reasonably omitted from this assessment, the Council is once again advised to consider how forecast

⁴⁴ PPG Reference 2A-027-2019220

⁴⁵ Sectors forecast to decline, when averaging forecasts from Experian and Cambridge Econometrics, have not been adjusted in developing this labour supply scenario, but the scale of growth in other sectors has been proportionately increased to allow for the prospect of additional labour

⁴⁶ The ENA considered growth across 18 sectors, but less detailed forecasts have been purchased to inform this update meaning that it has been necessary to aggregate to 12 broader sectors

change in sectors like healthcare, entertainment and retail can be accommodated through policies or site allocations that meet this implied need.

Table 5.1: Job Growth Accommodated in “Non-B” Use Classes (2022-40)

	Additional jobs per annum	Total jobs over rest of plan period	Assumed to be in “non-B” Use Classes	%
Cambridge Econometrics	281	5,051	2,601	51%
Labour supply	269	4,842	1,356	28%
Midpoint of forecasts	207	3,726	1,038	28%

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

- 5.7 The remaining jobs have been assigned to specific property types, converted into full-time equivalents⁴⁷ (FTEs) and then translated into floorspace by applying the employment densities summarised at Table 8.2 of the ENA. While these were based on national research from 2015 and thus take no account of subsequent changes – accelerated by the pandemic – there is as yet 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. Consideration is given, however, in the qualitative analysis of the supply / demand balance to these factors at the end of this section.
- 5.8 This process, summarised at Table 5.2, suggests that there could be additional jobs requiring office space in any of the three scenarios, generating a requirement for additional floorspace. There is also implied to be a need for additional warehousing space, to accommodate the additional jobs forecast in each scenario. Forecast decline in sectors requiring industrial space, in contrast, leads to a consistently negative requirement for such premises.

Table 5.2: Implied Need for Employment Space in B Use Classes⁴⁸ (2022-40)

	Midpoint		Labour supply		Cambridge	
	Additional FTE jobs	Floorspace (GEA, sqm)	Additional FTE jobs	Floorspace (GEA, sqm)	Additional FTE jobs	Floorspace (GEA, sqm)
Office	1,578	20,954	1,984	26,358	1,686	22,391
Industrial	-287	-12,869	-287	-12,869	-489	-21,891
Warehouse	806	59,250	1,037	76,216	695	51,088
Total	2,869	67,335	3,745	89,705	3,787	51,587

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

⁴⁷ Averaging the ratio between workforce and FTE jobs in each sector in 2022 and 2040, thus closely aligning with the approach described at paragraph 8.51 of the ENA

⁴⁸ Unrounded figures have been used in the conversion of FTE jobs to floorspace

5.9 The land needed to accommodate such amounts of floorspace can subsequently be estimated, using plot ratios introduced in the ENA which are considered to remain valid⁴⁹.

Table 5.3: Implied Need for Employment Land in B Use Classes (2022-40)

	Midpoint		Labour supply		Cambridge	
	Floorspace (GEA, sqm)	Additional land	Floorspace (GEA, sqm)	Additional land	Floorspace (GEA, sqm)	Additional land
Office	20,954	1.4ha	26,358	1.8ha	22,391	1.5ha
Industrial	-12,869	-3.2ha	-12,869	-3.2ha	-21,891	-5.5ha
Warehouse	59,250	14.8ha	76,216	19.1ha	51,088	12.8ha
Total	67,335	13.0ha	89,705	17.6ha	51,587	8.8ha

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

5.10 The above, like the corresponding figures from the 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, with the ENA highlighting that this was occurring at a rate of circa 6,287sqm per annum over the period for which reliable and consistent data was then available⁵⁰ (2016-19). A longer-term position can now be established, capturing more recent years (2019-22) and indeed the earlier period (2012-16) that the ENA opted to exclude in the absence of equivalent data for Stoke-on-Trent. An average of circa 5,737sqm has been lost annually over this extended ten-year period (2012-22) and if this continues and all losses are assumed to be replaced – as in the ENA – then the resulting need for floorspace and land would increase in all three scenarios as shown at Table 5.4 overleaf.

⁴⁹ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 8.54 and 8.55

⁵⁰ *Ibid*, Figure 5.16

Table 5.4: Implied Need for Employment Land Allowing for Losses (2022-40)

	Lost floorspace to be replaced...			...added to each scenario		
	Annual (sqm)	Remaining 18 years of plan period (sqm)	Land required	Midpoint	Labour supply	Cambridge
Office	2,122	38,196	+2.5ha	3.9ha	4.3ha	4.0ha
Industrial	749	13,482	+3.4ha	0.2ha	0.2ha	-2.1ha
Warehouse	2,866	51,588	+12.9ha	27.7ha	32.0ha	25.7ha
Total	5,737	103,266	+18.8ha	31.8ha	36.4ha	27.6ha

Source: Turley analysis

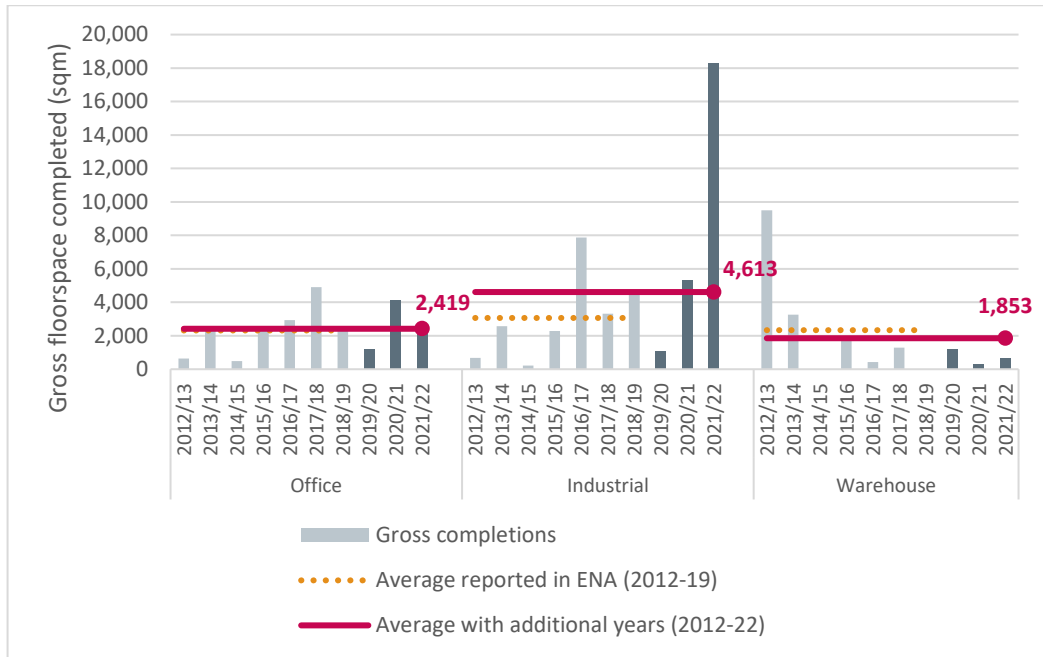
- 5.11 The ENA complemented these scenarios with another linked to past take-up, as the PPG continues to encourage⁵¹. This addresses a limitation of the above scenarios – which assume a direct relationship between job growth and floorspace requirements, when the reality is normally more complex – but 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.
- 5.12 The past take-up scenario presented in the ENA was based on the Council’s monitoring which indicated that circa 7,711sqm of employment space had been completed annually on average between 2012 and 2019⁵². Three further years of data are now available from the Council, in which the previously reported rate of office development has been broadly sustained – as shown at Figure 5.1 overleaf – and the rate of warehousing development has slightly fallen. The average rate of industrial development more substantially changes when these additional years are incorporated, increasing by approximately half, largely due to a single large scheme in the last monitoring year which does not appear so exceptional as to need removing⁵³.

⁵¹ PPG Reference ID 2a-027-20190220

⁵² Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 5.3

⁵³ Development of a new crane area, storage areas, trailer parking area and boundary wall by Thorp Precast Ltd, who are understood to manufacture large bespoke architectural panels. Material submitted with the planning application (20/00354/FUL) indicates that the business has steadily grown at its current site since 2002, with the size and scale of its projects increasing with its turnover. The business is believed to have been searching for further land on which to store materials, thereby freeing up parts of its existing site for additional manufacturing processes and buildings that are required to support future expansion. This reflects its preference for a single, central site to avoid fragmentation

Figure 5.1: Employment Space Completed in Newcastle-under-Lyme (2012-22)



Source: Council monitoring; Turley analysis

5.13 A simple continuation of the trend recorded over ten years to 2022 would see around 159,930sqm of employment space developed from that year until the end of the new plan period, in 2040. This could require circa 32.0ha of land, based on the plot ratios used in the ENA and again earlier in this section, albeit this could rise to around 36.1ha if the trend from the last *five* years (2017-22) was to continue. Even more land could be needed if the losses respectively recorded over the last ten or five years continue and are fully replaced⁵⁴.

Table 5.5: Extrapolating Past Completion of Employment Space

	2012-22				2017-22			
	Average take-up per annum (sqm)	Over 18 years (sqm)	Land required (ha)	Allowing for losses (ha)	Average take-up per annum (sqm)	Over 18 years (sqm)	Land required (ha)	Allowing for losses (ha)
Office	2,419	43,542	2.9	5.4	3,043	54,774	3.7	7.0
Industrial	4,613	83,034	20.8	24.1	6,502	117,036	29.3	31.7
Warehouse	1,853	33,354	8.3	21.2	698	12,564	3.1	20.1
Total	8,885	159,930	32.0	50.8	10,243	184,374	36.1	58.8

Source: Council monitoring; Turley analysis

⁵⁴ While the ENA opted not to make an allowance for losses in its past take-up scenario, it is arguably more reasonable to do so where gross completions will not have necessarily replaced past losses

5.14 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 growth⁵⁵. The ENA made a similar allowance, equivalent to the average rate of supply over five years where it recognised that establishing such a margin is not an exact science and requires a degree of judgement⁵⁶. Repeating this approach using the long-term average reported above adds a buffer of circa 8.9ha, 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 10.0ha⁵⁷.

Table 5.6: Need for Employment Land with Flexibility Margin (hectares; 2022-40)

	Midpoint		Labour supply		Cambridge		Past take-up 2012-22		Past take-up 2017-22	
	Gross need	...with margin	Gross need	...with margin	Gross need	...with margin	Gross need	...with margin	Gross need	...with margin
Office	3.9	4.7	4.3	5.1	4.0	4.8	5.4	6.3	7.0	8.1
Industrial	0.2	5.9	0.2	5.9	-2.1	3.7	24.1	29.9	31.7	39.8
Warehouse	27.7	30.0	32.0	34.3	25.7	28.0	21.2	23.6	20.1	20.9
Total	31.8	40.7	36.4	45.3	27.6	36.5	50.8	59.7	58.8	68.8

Source: Turley analysis

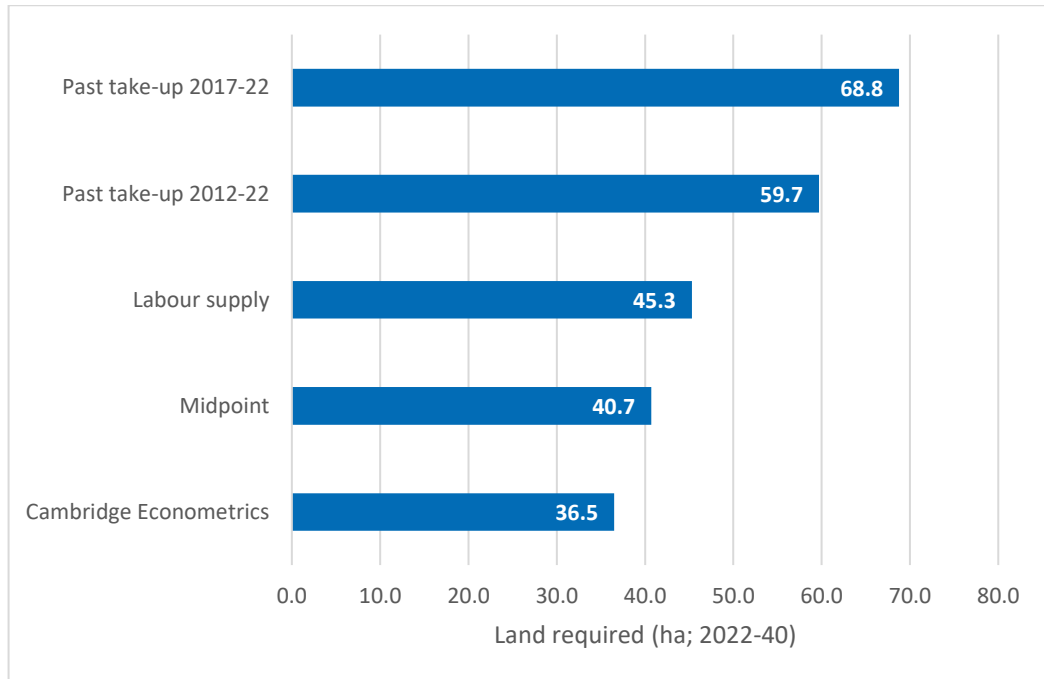
5.15 The scenarios can be seen to imply a need for between 36.5ha and 68.8ha of employment land in Newcastle-under-Lyme over the remainder of the new plan period (2022-40). This is a slightly wider range than was reported, over an admittedly different period, by the ENA (33.1-56.5ha) and also differs by having past take-up scenarios at its upper end, such an approach having previously generated the *lowest* estimates of need. This change can be largely attributed to the recent increase in industrial development, shown at the earlier Figure 5.1.

⁵⁵ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 5.3 and paragraph 8.69

⁵⁶ *Ibid*, paragraph 8.70

⁵⁷ Allowing for the completion of 10,243sqm for five additional years, using the plot ratios applied earlier in this section, whereas the other scenarios allow for the completion of circa 8,885sqm for five additional years

Figure 5.2: Range of Employment Land Requirements (2022-40)

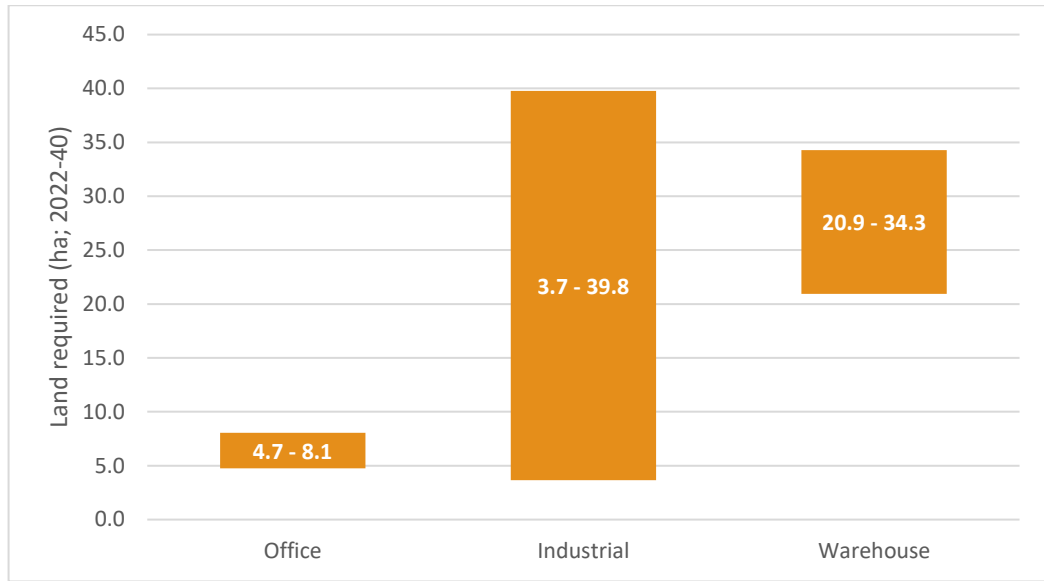


Source: Turley analysis

5.16 Figure 5.3 overleaf shows the ranges implied for different types of property, highlighting a particularly wide range for industrial land with Cambridge Econometrics' forecast suggesting a minimal need but a continuation of recent take-up potentially generating a requirement for over ten times as much land. This recent trend would conversely bring the smallest requirement for warehousing land, whereas the labour supply scenario would see the greatest need for such land. The range is clearly much narrower for office space, as was the case in the ENA⁵⁸.

⁵⁸ Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Figure 8.11 and Table 8.12

Figure 5.3: Range of Employment Land Requirements by Type (2022-40)



Source: Turley analysis

- 5.17 The ENA did though 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 assumed in calculating the above⁵⁹. 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 5.7.

Table 5.7: Land Required with Lower Density Office Development (ha; 2022-40)

	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 2017-22	68.8	8.1	27.0	87.8
Past take-up 2012-22	59.7	6.3	23.5	76.9
Labour supply	45.3	5.1	19.2	59.3
Midpoint	40.7	4.7	17.8	53.8
Cambridge	36.5	4.8	18.2	49.8

Source: Turley analysis

⁵⁹ *Ibid*, Figure 8.12 and paragraphs 8.73 – 8.78

Establishing current supply

- 5.18 Aspinall Verdi have undertaken a selective review of their previous assessment of the employment land supply in Newcastle-under-Lyme, documented in the ENA. This update has deployed a consistent methodology and has integrated updated information provided by the Council regarding the progress of sites, including adjustments to net developable areas. It has been informed by site visits undertaken by Aspinall Verdi in March 2023.
- 5.19 A total of 60 sites were assessed, incorporating ten additional sites identified by the Council. Whilst all 60 were considered by Aspinall Verdi as part of their updated assessment, the Council also took the decision to remove 18 sites – including all but two of its additions – from the assessed supply, for a range of reasons including Council decisions to include certain sites within its residential land supply⁶⁰. A full description of the methodology is provided at **Appendix 4** alongside a more detailed presentation of findings.
- 5.20 In order to reflect the Council’s monitoring, the assessment of supply has broadly sought to take a March 2022 base date as set out at the start of this section⁶¹.
- 5.21 The existing employment land 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 5.8 shows the updated assessment of the current supply broken down into these three categories.

Table 5.8: Existing Supply of Employment Land (March 2022)

	Land, net (ha)
Local Plan allocations	41.9
Vacant land within existing employment sites	2.9
Sites with extant planning permission for B-class employment development	5.1
Total	49.9

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

- 5.22 It is apparent that the take-up of land and the Council’s removal of sites has notably reduced the supply of employment land previously identified in the ENA, from 64.8ha to 49.9ha.

⁶⁰ Aspinall Verdi were not required to validate or justify the Council’s decision to remove sites. Sites which the Council identified for removal feature in a number of the tables in Appendix 4 but net developable site areas have been reduced to 0ha and they do not count towards the total supply figures set out in this section.

⁶¹ The process of validating monitoring information and adjustments to site areas by Aspinall Verdi in March 2023 means that for a small number of sites the assessed position may be more up-to-date than the Council’s monitoring data from March 2022, but is considered to potentially require validation to ensure that it is robust

Reconsidering the balance between supply and demand

- 5.23 Table 5.9 provides an initial comparison of the identified existing supply of land against the five scenarios of need.
- 5.24 While the existing supply exceeded the need suggested by any scenario in the ENA, there is now implied to be a quantitative shortfall in two, both based on past take-up. The size of any surplus has also reduced, being no more than 13ha under the Cambridge Econometrics scenario.

Table 5.9: Current Supply vs Need (ha)

	Estimated need (2022-40)	Total supply at base point (March 2022)	Estimated surplus/shortfall
Past take-up 2017-22	68.8ha	49.9ha	-18.9ha
Past take-up 2012-22	59.7ha	49.9ha	-9.8ha
Labour supply	45.3ha	49.9ha	+4.6ha
Midpoint	40.7ha	49.9ha	+9.2ha
Cambridge	36.5ha	49.9ha	+13.4ha

Source: Turley analysis

- 5.25 When set against the higher land requirements derived when allowing for lower density for office development – shown at Table 5.7 – there would be a shortfall in all but the Cambridge Econometrics, equating to as much as 38ha. This suggests that there is a need for the Council to identify further sites to increase the supply available to meet business needs.
- 5.26 As with the ENA, in considering the need for further land it is important to also acknowledge the outcomes of Aspinall Verdi’s assessment of land in the context of the scoring matrix previously prescribed by the Council. In line with the ENA, it remains the case that little of the current supply is classified as “good”. Indeed only four sites achieve these gradings, collectively offering just over 12ha. The majority of the supply, some 35ha of land, only achieves a grading of “average” with the residual circa 3ha classed as “poor” or “very poor”. This further emphasises that it will be important for the Council to carefully consider land, to ensure that the needs of businesses looking to invest and / or move into the borough are catered for.

A continued depletion of supply

- 5.27 The analysis presented in **Appendix 4** proceeds to identify that ongoing activity and/or the completion of sites since March 2022 – plus what is considered the unlikely prospect of some land coming forward – could further reduce the supply of employment land, from the level presented at Table 5.8 and subsequently used at Table 5.9.

- 5.28 Aspinall Verdi estimate that the existing supply of land available to meet needs for employment development can be reasonably estimated at circa 12.1ha, when accounting for the above factors. The ongoing development of the Chatterley Valley (West of Mainline) site – spanning some 26.5ha – plays a significant role in this reduction, which would leave a shortfall against all of the scenarios introduced in this section.

Potential future supply and qualitative factors

- 5.29 The sites considered within the ENA included some which were not classified by the Council as part of the current supply. These sites had predominantly been identified through a call for sites exercise, or were otherwise independently identified by the Council. Aspinall Verdi have considered a total of 41 such sites as part of this update.
- 5.30 As the ENA identified, a number of these sites are substantial and have been identified by the Council as forming potential strategic sites, rather than necessarily accommodating local needs. Aspinall Verdi have been commissioned separately by the Council to prepare a study considering the need and potential options for a strategic site, so these sites have not been considered here.
- 5.31 This assessment has therefore considered the remaining 32 sites⁶², which have the potential to add circa 72ha of land to the existing supply identified above.
- 5.32 Section 9 of the ENA contained a detailed consideration of the potential supply available to respond to the need for different types of employment floorspace, as recalculated at Figure 5.3. This included high-level consideration of this potential supply to assist the Council in its future identification of further sites. This update has revisited this exercise, focusing on the sites previously considered but accounting for their updated assessment by Aspinall Verdi and the recalculated need by type.
- 5.33 In presenting this analysis, it is important to reiterate the findings above and specifically the conclusion that there is currently a limited supply, much of which is classed as “average” or “poor”. This needs to be considered against the backdrop of the business survey, summarised in **Appendix 1**, which identified that 15% of the businesses who responded were not satisfied with their current accommodation, with the majority (55%) suggested this was because the accommodation 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 totality in order to ensure a supply of land which will accommodate needs.

Office floorspace

- 5.34 In headline terms, the analysis of need above confirms 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 4.7ha and 8.1ha over the period to

⁶² These sites are the residual of the full list of sites provided by the Council to be assessed minus 49.9ha quantified at Table 5.8 (allocated land remaining, vacant land in existing employment sites or sites with permission for employment uses) and those sites classified as having the potential to be ‘strategic’ and which are therefore separately considered by Aspinall Verdi in the separate strategic sites study.

2040. It also identifies, however, that if lower density development prevails – as has been the case in the past – then the need could be as high as 27ha.

- 5.35 The forecasting of future need for office space has been the focus of considerable debate in the context of the still unwinding consequences of the pandemic. At the current point in time, there remain uncertainties as to how changing working patterns and the expectations of business leaders will affect the type and amount of space occupied by workers. As reported in **Appendix 1**, specific questions were asked of the businesses responding to the survey in Newcastle-under-Lyme. These 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 requirements⁶³. 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 preferable to continue working in the office and that staff had been keen to return as soon as it had been allowed.
- 5.36 This would appear to reinforce a position whereby there will continue to be a need for specific office-based business accommodation for the foreseeable future. In this context, the ENA identified that in Newcastle-under-Lyme the primary site to accommodate potential office space was Keele Science Park. It is understood that additional office accommodation continues to be anticipated as part of its ongoing development, with an expectation that this will attract businesses with links to the university and its areas of specialism. Within this context, however, it continues to be the case that site 2020-N34 – part of a wider masterplan produced by the university, within the Green Belt and part of the future supply with a net developable area of some 12.15ha – will help to attract such investment. This will evidently require the Council to consider the justification for releasing this site from the Green Belt, such a decision falling outside the scope of this study.
- 5.37 Whilst the above site has the potential to accommodate new high quality office space, the focus on attracting businesses with relationships with Keele University will likely hinder its ability to accommodate wider office-based needs. It was noted by one of the businesses interviewed that one of the attractions of new office space was the benefits it offered in terms of energy efficiency. With this business not one that would align with the university's growth strategy, it is evident that there is a wider demand for premises that allow businesses to adapt to wider circumstances to accommodate growth.
- 5.38 The ENA highlighted that the centre of Newcastle-under-Lyme has been 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, just over

⁶³ This business employed circa 12-13 people in Newcastle-under-Lyme as part of a workforce of around 20 in total

2ha⁶⁴. Whilst the 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.

- 5.39 It is of note that the 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.
- 5.40 The provision of such space evidently requires land in different areas outside of the urban environments, with sites in and around Lymedale Business Park previously identified for future consideration by the Council.

Warehousing

- 5.41 The ENA identified a potential undersupply of warehousing space in Newcastle-under-Lyme on the basis of demand and market indicators. The analysis above continues to identify a sizeable need, for circa 21-34ha, over the period to 2040. This is reflected in the ongoing take-up of land and the ongoing construction of sites observed by Aspinnall Verdi in their updated assessments. One of the businesses interviewed, which operated a distribution type business, was also clear to emphasise the growth in their sector and indeed their own operation. This has resulted in them outgrowing their current premises, with the business having recently found a new site in close proximity to their existing location, noting that they had previously relocated from Stoke-on-Trent.
- 5.42 Whilst the evidence above identifies a need for warehousing land in Newcastle-under-Lyme, it is important to recognise that the full scale of this need and demand should be considered in the context of the delivery of floorspace in Stoke-on-Trent as well, where sites are also continuing to deliver. It will be important for the Council to consider both its need and supply response within this context.
- 5.43 Within Newcastle-under-Lyme, sites 2020-N12 and 2020-N13 were identified as forming part of a wider cluster which had seen such uses progress. The latter site – some 26.5ha in size – is currently under development, as noted above, which both reinforces the strength of demand 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 may need to be identified to help meet the evidenced future need for this type of space.
- 5.44 In doing so, the Council will need to consider whether sites around Lymedale Business Park offer some opportunities, as emphasised in the ENA which highlighted the prospective role of sites N26, N27 and N30. It is of note that a 350,000sqft unit, for

⁶⁴ Including sites 2020-N54, 2020-N49, 2020-N52

B2/B8 use, is currently being developed on site 2020-N27, reinforcing the potential role of this location in accommodating warehousing as well as industrial needs, considered below. 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 ENA identified several specific locations in which land existed and was being developed.

Industrial space

- 5.45 As noted above, the scenarios identify a very broad range of need for industrial uses (3.7-39.8ha). It remains the case that many of the sites in the existing and potential future supply could be suitable for both industrial and warehousing use, including those in and around Lymedale Business Park as noted above.
- 5.46 The relative quality of many of these sites and their attractiveness to the market for modern industrial space was identified as an issue in the ENA, 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, the Council should continue to consider whether other sites could exist which 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.

Summary

- 5.47 The ENA identified an existing supply of some 64.8ha of employment land throughout Newcastle-under-Lyme, as of April 2020. While it suggested that this was of varying quality – with less than a third classed as “good” – it did appear to be quantitatively sufficient to meet needs, with the ENA presenting various scenarios which indicated that up to 56.5ha of employment land could be needed over the period to 2037.
- 5.48 The Council’s subsequent monitoring suggests that this supply has since reduced, with only 49.9ha remaining as of March 2022. This reflects the ongoing development of certain sites and the Council’s decision to remove others from its supply.
- 5.49 When compared against revised estimates of future demand – variously based on recent take-up and the revised economic growth scenario presented in the previous section – there now appears to be a greater prospect of a shortfall, with the updated scenarios suggesting that at least 36.5ha, and as much as 68.8ha, could be needed over the slightly extended period to 2040. This could result in a shortfall of up to 18.9ha, or even double this if lower density office development prevails.
- 5.50 Aspinall Verdi’s updated assessment of the supply importantly also suggests that it is likely to erode further in the future, as several sites have progressed or even fully developed out since March 2022. Aspinall Verdi have also identified sites which they consider unlikely to actually deliver employment space. If these sites are assumed to no longer form part of the available supply, it would shrink even further to around 12.1ha, albeit caution should be exercised in directly comparing this to need as some will have contributed towards that over the last year.

- 5.51 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 updated 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.
- 5.52 In considering the need for different types of commercial floorspace, a high-level review has been undertaken of the detailed assessment presented in the ENA. 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.
- 5.53 This update has considered the sites identified by the Council as potentially forming part of its future supply, which collectively offer around 72ha of land. Where appropriate reference has been made to locations or sites which do not form part of the existing supply in order 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, and subsequent discussions with individual businesses, which have highlighted that several have a need for new land and premises to support their plans for growth.

6. Size and type of housing needed

- 6.1 The NPPF continues to require assessment of not only the number of homes needed – considered in earlier sections of this report – but also the size and type of housing required⁶⁵.
- 6.2 The HNA used data from the 2011 Census to establish the tendency of different household types to occupy different sizes of housing in Newcastle-under-Lyme, before applying these rates to the additional households projected to form.
- 6.3 Equivalent data from the 2021 Census is now available, providing an updated position on households' choices which can once again be combined with demographic modelling that has itself been updated in this report. This section therefore introduces this newly available evidence and considers its implications for the size and type of housing that was reported to be needed in the HNA.

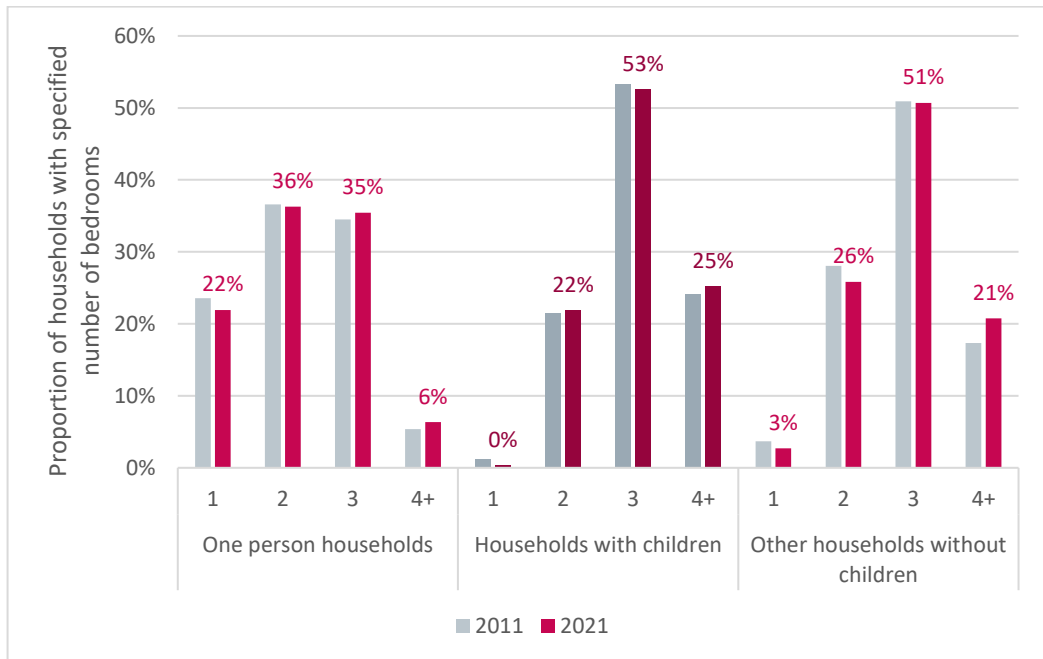
Updated evidence on occupancy trends

- 6.4 Table 5.1 of the HNA outlined how five different types of households occupied housing of various sizes in Newcastle-under-Lyme, showing for instance that people living alone tended to – but did not exclusively – live in smaller properties. Couples without children tended to have two or three bedrooms, but the latter was more often chosen by households with children and families with other adults such as elderly residents or non-dependent children.
- 6.5 This drew upon what was then the '*incomparably comprehensive*' Census of 2011, but equivalent data from 2021 is now available⁶⁶. This does offer a more limited breakdown in terms of household types, complicating attempts to directly compare with the data presented in the HNA, but this can still be done by considering three broad types rather than the previous five.
- 6.6 Figure 6.1 overleaf shows how the size of housing occupied by people living alone, households with children and all other households – including couples without children, and other unrelated adults sharing a home – has changed between 2011 and 2021. It confirms that there has been no fundamental change, with the differences instead being relatively subtle. People living alone are still the most inclined to occupy smaller homes but have become slightly less likely to do so, with the proportion having three or more bedrooms slightly rising. Households with children have shown a moderately greater tendency to have at least four bedrooms, rather than three, albeit the latter remains the most common. Other households without children have also become slightly more likely to live in larger homes with at least four bedrooms, and less likely to have one or two.

⁶⁵ MHCLG (2019) National Planning Policy Framework, paragraph 62

⁶⁶ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 5.4

Figure 6.1: Change in the Size of Housing Occupied by Different Households in Newcastle-under-Lyme (2011-21)

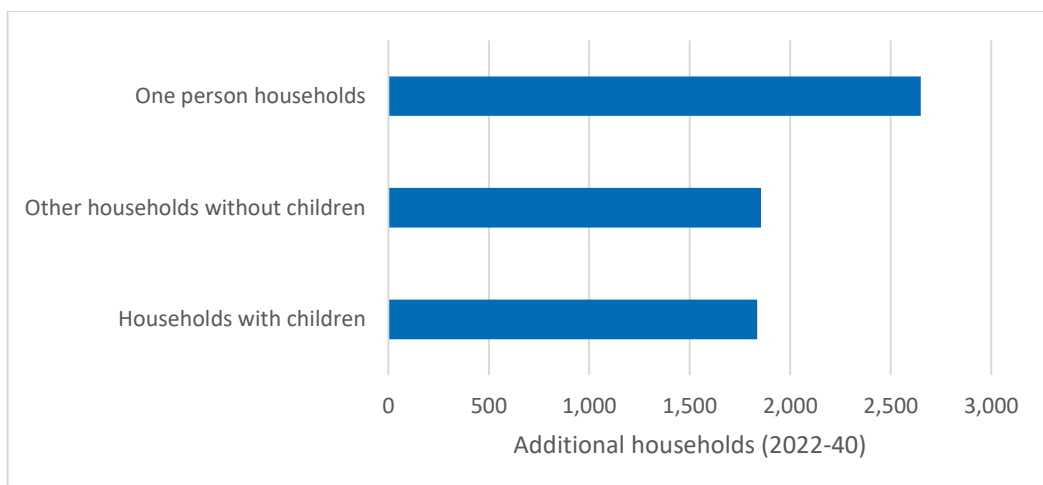


Source: Census 2011; Census 2021

Projected change in the household profile

6.7 Figure 6.2 draws upon the updated modelling produced by Edge Analytics to illustrate the number of additional households, of each type, anticipated over the rest of the plan period if the minimum need suggested by the standard method is met. It suggests that such a scenario would bring growth in each type of household, with the strongest increase amongst people living alone.

Figure 6.2: Projected Change by Household Type (2022-40)



Source: Edge Analytics

Implications for the size of housing needed

- 6.8 The tendencies summarised at Figure 6.1 can be applied, as in the HNA, to this projection in order to estimate the size of housing that will be needed overall, across all tenures. This suggests that circa 45% of all households will require three bedrooms, with 29% needing two and 16% requiring at least four. Only 10% of households would be expected to require one bedroom.

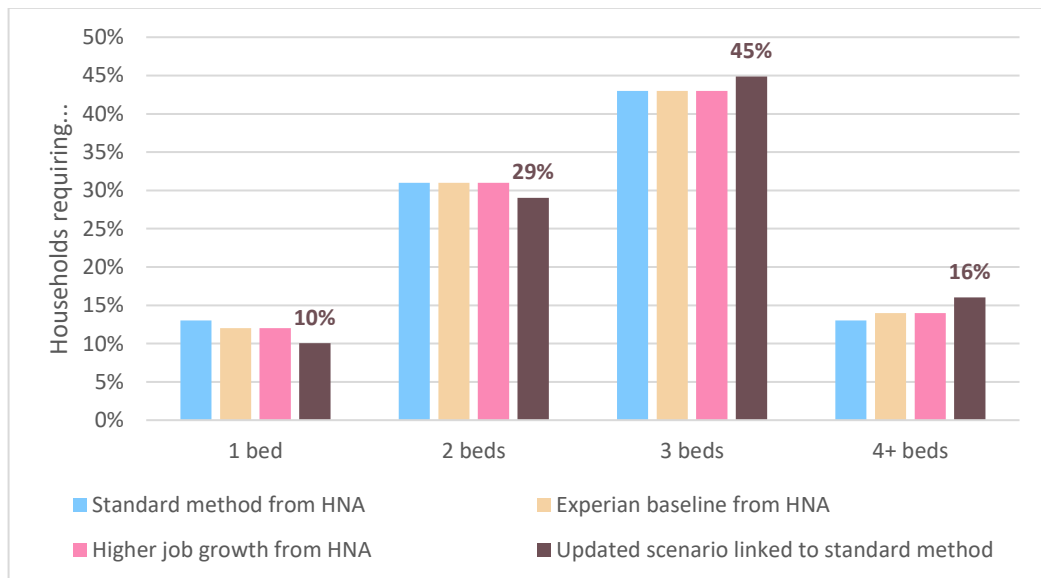
Table 6.1: Estimated Size of Housing Required in Newcastle-under-Lyme (2022-40)

	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Households requiring...	10%	29%	45%	16%

Source: Edge Analytics; Census 2021; Turley analysis

- 6.9 In line with recent changes to household preferences, this mix is slightly more oriented towards larger properties than any of the scenarios presented at Table 5.2 of the HNA, consideration of various projections no longer being necessary with the standard method now suggested by the earlier analysis as being able to support future job growth in Newcastle-under-Lyme.

Figure 6.3: Comparing Outcomes with the HNA



Source: Turley analysis

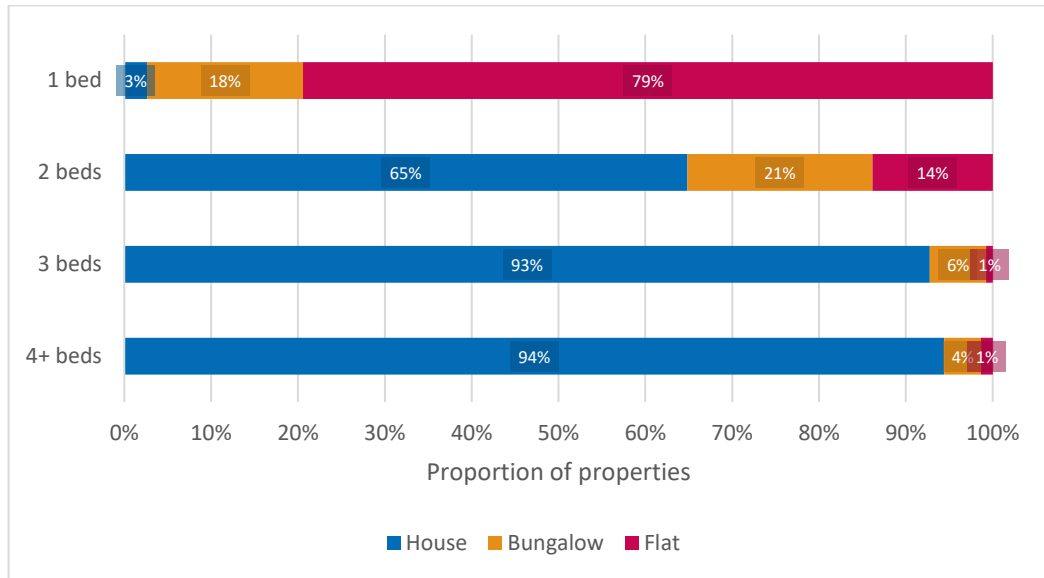
Implications for the type of housing needed

- 6.10 The HNA proceeded to estimate the type of properties that may be required to provide homes of the necessary size, with reference to data released by the Valuation Office Agency (VOA) that has since been updated to confirm how many of the borough's homes, of each size, are flats, bungalows and houses as of 2022⁶⁷. This continues to

⁶⁷ VOA (2022) Council Tax: stock of properties, 2022

show that most one-bedroom properties in Newcastle-under-Lyme are flats, as are some of the borough's two-bedroom properties, with houses then accounting for the vast majority of larger homes.

Figure 6.4: Profile of Homes in Newcastle-under-Lyme (2022)



Source: VOA, 2022

6.11 Given this stock profile, it can be reasonably estimated that meeting the need for different property sizes – summarised at Table 6.1 – could require circa 76% of new homes to be houses, with the residual then evenly split between bungalows and flats. The proportionate need for the latter has slightly reduced from the range reported at Table 5.3 of the HNA (14-15%) – reflecting the slightly greater preference for larger homes that are rarely flats – with the need for houses having resultantly risen, from 73%.

Table 6.2: Estimated Type of Housing Required in Newcastle-under-Lyme (2022-40)

	Houses	Bungalows	Flats
Households requiring...	76%	12%	12%

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

6.12 The above, like Table 6.1, continues to represent only **illustrative modelling using available evidence**. It can be used for guidance and monitoring, as stated in the HNA, 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 factors⁶⁸.

⁶⁸ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 5.21 and 5.22

Summary

- 6.13 The NPPF continues to require assessment of not only the number of homes needed, but also the size and type of housing that is required.
- 6.14 The HNA used data from the 2011 Census to establish the tendency of different household types to occupy different sizes of housing in Newcastle-under-Lyme, before assuming that these trends will continue amongst the new households projected to form.
- 6.15 This can now be updated based on the latest modelling and the equivalent data from the 2021 Census, which suggests that there has been no fundamental change in households' choices but a slight shift towards larger homes. This serves to increase the previously reported proportion of all households needing such properties, with circa 45% now expected to need three bedrooms and a further 16% needing at least four. Around 29% of all households could need two bedrooms and the remaining 10% could need only one.
- 6.16 Delivering such a mix could require around 76% of all new homes to be houses, slightly more than reported in the HNA (73%). The proportion needing to be flats has slightly fallen to 12%, identical to the broadly unchanged proportion that need to be bungalows.
- 6.17 These estimates continue to be only illustrative, drawing upon available evidence. They can be used for guidance and monitoring but should not be prescribed as explicit requirements for all sites given the need to respond to changing market demands, local context and viability factors.

7. Need for affordable housing

- 7.1 Section 6 of the HNA considered the need for affordable housing in Newcastle-under-Lyme, following the well-established methodology that featured in the PPG at that time and still does at the time of writing⁶⁹. This requires the calculation of *'the total net need'* for affordable housing, by subtracting *'total available stock from total gross need'* and converting this into *'an annual flow based on the plan period'*⁷⁰.
- 7.2 The calculation suggested that there was a net shortfall of only 28 affordable homes per annum throughout Newcastle-under-Lyme, with the projected annual supply of circa 427 such homes almost entirely offsetting the expected gross need for 455 affordable homes per annum⁷¹.
- 7.3 This clearly represents a relatively limited need, which some of those responding to the Issues and Options consultation are believed to have contrasted with housing associations' desire to build, raising questions around whether it fully reflects the consequences of worsening affordability in Newcastle-under-Lyme. The Council therefore wishes to test the previous conclusion by rerunning the assessment and incorporating the latest available data. This section presents this updated calculation, following an identical structure to the HNA and explaining where new data has been taken into account.

Current and future gross need

- 7.4 This part of the calculation identifies both the existing backlog of households in need of affordable housing and the additional need that will be continuously generated in future, as existing households' circumstances change and new households form but are unable to access the home that they need on the open market.

Current need for affordable housing (A)

- 7.5 The HNA explained that the Council's housing register identifies existing households who are classified as being in the greatest need of affordable housing, with the PPG itself stating that it can provide *'relevant information'* for this assessment⁷².
- 7.6 The housing register is constantly changing as households join and leave, when their need is met or circumstances change. The HNA confirmed its size as of March 2020 but this can now be updated to reflect the number of households that the Council deemed to be in need of affordable housing as of February 2023, based on the application of its Joint Housing Allocations Policy⁷³. While the Council previously opted to discount those

⁶⁹ PPG section 67 – "Housing needs of different groups"; last revised 22 July 2019. At the time of writing, section 2a ("Housing and economic needs assessment") retains almost identical guidance on assessing housing needs, which was last revised on 20 February 2019

⁷⁰ PPG Reference 67-008-20190722

⁷¹ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 6.7

⁷² *Ibid*, paragraph 6.6

⁷³ Newcastle-under-Lyme Borough Council (December 2020) Joint Housing Allocations Policy

with the least priority, in Band 6, it has requested that such households are now *included* so as to capture the full housing register⁷⁴.

- 7.7 This change of approach contributes towards the existing need being considerably higher, at **1,550 households**, than was reported in the HNA⁷⁵ (829). More of these households are though currently occupying an affordable home that is implied to be inadequate to fully meet their needs, as this now applies to 46% of all households in need compared to 36% previously. The size of housing needed also continues to be assessed and recorded on the housing register, reaffirming that the prevailing need is – increasingly – for properties with one bedroom followed by those with two.

Table 7.1: Current Need for Affordable Housing (A)

	1 bed	2 beds	3 beds	4+ beds	Total
A1 Existing affordable housing tenants in need	338	176	154	47	715
<i>Applications to transfer</i>					
A2 Others on housing register <i>Discounting A1</i>	503	216	86	30	835
A3 Total housing need currently <i>A1 + A2</i>	841	392	240	77	1,550
%	54%	25%	15%	5%	100%

Source: Housing register; Turley analysis

Future need for affordable housing (B)

- 7.8 It remains more challenging, as observed in the HNA, to predict the scale of future need compared to that which exists, and is documented above⁷⁶. The PPG nonetheless continues to offer guidance on how to estimate both the number of newly forming households unable to buy or rent, and the number of existing households falling into need from other tenures⁷⁷.
- 7.9 The former can once again be estimated by using the demographic modelling produced by Edge Analytics, which assumes that the minimum need suggested by the standard method is met in full. As in the HNA, the calculation incorporates a specific output of the modelling – the gross rate of younger household formation⁷⁸ – so should not be directly compared to *net* figures, like the outcome of the standard method.
- 7.10 The HNA took similar modelling and assumed that a proportion of newly forming households would be unable to afford the cost of market housing at that point, based on their likely income. This situation can be expected to have evolved in the period

⁷⁴ Except those who are recorded to have been “housed”, or whose applications have been paused or suspended

⁷⁵ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 6.1

⁷⁶ *Ibid*, paragraph 6.10

⁷⁷ PPG Reference ID 67-006-20190722 and 2a-021-20190220

⁷⁸ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 6.11

since, albeit it is apparent from Table 7.2 that the cost of renting at the entry level – or lower quartile – has not changed according to the latest data released by the ONS⁷⁹. The cost of purchase at the lower quartile has contrastingly increased, as of the last complete year for which data is currently available (2021), meaning that the likely annual cost of a mortgage with a 5% deposit⁸⁰ – based on average rates in February 2023⁸¹ – has also risen to exceed the cost of renting, having previously been found to cost slightly less in the HNA⁸². Future improvements to interest rates, larger deposits and/or longer repayment periods could reduce these costs, as shown by the sensitivities presented at Table 7.2 – which each test the impact of different assumptions – but none appear likely to make purchase a substantially more affordable option than renting in Newcastle-under-Lyme.

Table 7.2: Reconsidering the Cost of Entry-Level Market Housing in Newcastle-under-Lyme

	Price of purchase	Deposit	Years to repay	Mortgage rate	Annual cost
Purchase in 2021	£120,000	£6,000*	25	5.12%	£8,093
Purchase, sensitivity 1	£120,000	£6,000*	25	4.00%	£7,221
Purchase, sensitivity 2	£120,000	£6,000*	35	4.00%	£6,057
Private rent in 2019/2022	–	–	–	–	£5,940
Purchase, sensitivity 3	£120,000	£12,000^	35	4.00%	£5,738
Purchase in 2019	£105,000	£5,250*	25	3.00%	£5,676

Source: ONS; Land Registry; Turley analysis

* 5% deposit; ^ 10% deposit

7.11 The income required to purchase or rent entry-level market housing can be estimated based on the above costs, if assumed – as in the HNA – that no more than one third of income is spent on housing costs⁸³. These benchmarks can then be compared to the current income profile of households in Newcastle-under-Lyme, established using the latest available Paycheck data from CACI which continues to assign every household to broad income bandings that require costs to be rounded to the nearest £5,000. This latest data suggests that slightly fewer households are in lower income bands than was the case in early 2020, with slightly more now in higher bands as shown by Figure 7.1.

⁷⁹ ONS (December 2022) Private rental market summary statistics in England, October 2021 to September 2022

⁸⁰ While it is acknowledged that many households save for a larger deposit, the assumption of 5% is considered reasonable for first-time buyers, with Zoopla for instance reporting that there were around 150 mortgages on the market for people with a 5% deposit as of February 2023

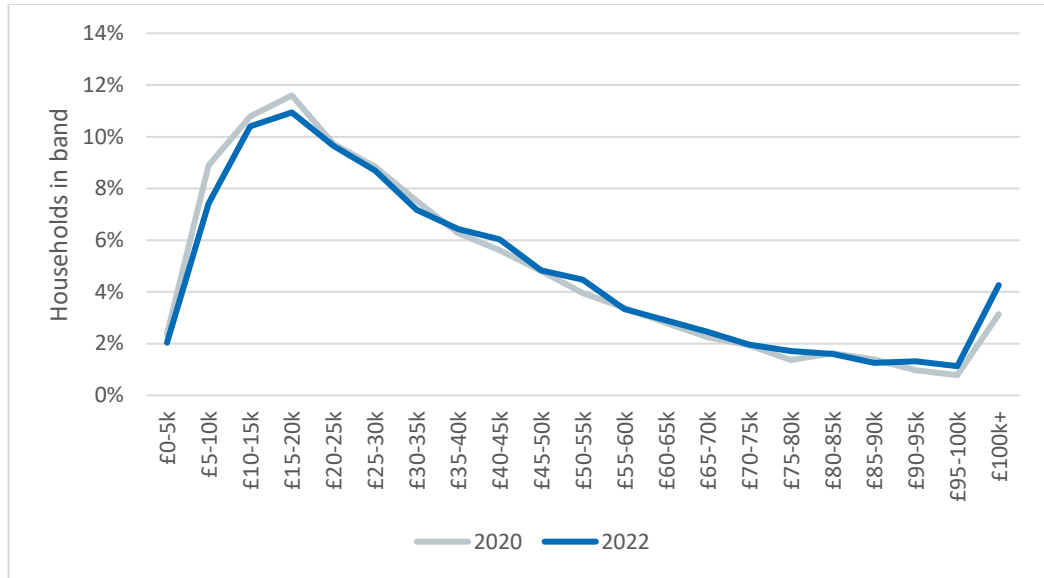
⁸¹ <https://moneyfacts.co.uk/news/mortgages/fixd-mortgage-rates-fall-despite-base-rate-rise/>

⁸² Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 6.11

⁸³ Resolution Foundation (2014) Housing pinched: understanding which households spend the most on housing costs

This aligns with other evidence of rising earnings in Newcastle-under-Lyme over the past two years⁸⁴.

Figure 7.1: Evolution of Income Profile in Newcastle-under-Lyme (2020-22)



Source: CACI

7.12 Based on this current income profile, up to 40% of households could be unable to afford the cost of purchasing an entry-level home in Newcastle-under-Lyme with current mortgage rates, whereas all but 31% could be expected to afford the cost of renting at the same level of the market. One of the sensitivities does suggest that more favourable mortgage terms – with a larger deposit and longer repayment period – could make purchase unaffordable to even fewer, but it is important to recognise that the difference is exaggerated by the need for rounding to align with the bands reported by CACI as the implied annual cost actually differs by only £202.

⁸⁴ The Annual Survey of Hours and Earnings (ASHE) indicated that a quarter of the borough’s employed residents earned less than £16,580 gross per annum in 2020, but the equivalent figure for 2022 was circa 3% higher at £17,028 per annum

Table 7.3: Income Required to Access Entry-Level Market Housing in Newcastle-under-Lyme

	Annual cost	Income required	Rounded	Able to afford	Unable to afford
Purchase, current rates	£8,093	£24,279	£25,000	60%	40%
Purchase, sensitivity 1	£7,221	£21,662	£20,000	69%	31%
Purchase, sensitivity 2	£6,057	£18,171	£20,000	69%	31%
Private rent	£5,940	£17,820	£20,000	69%	31%
Purchase, sensitivity 3	£5,738	£17,215	£15,000	80%	20%

Source: ONS; Land Registry; CACI; Turley analysis

- 7.13 This exercise is once again intended to estimate the proportion of newly forming households that could be unable to access open market housing in Newcastle-under-Lyme. While it has used an income profile that captures all types of households – including recently formed households, working households and older households with pensions – there is no local evidence showing how income varies between different types. In the absence of more comprehensive data, it is therefore necessary for this calculation to assume that the income of newly forming households aligns with that of all existing households, and that those unable to afford the cost of entry-level private rent – which may not differ markedly from the cost of purchase – will require affordable housing. The number of bedrooms required can be reasonably assumed to mirror the profile of those already on the housing register, excluding transfer tenants.
- 7.14 In addition to newly forming households, a number of existing households can also be expected to fall into need from other tenures, when their financial or family circumstances change for example. The HNA was able to estimate the number that would do so by using the housing register and lettings data, isolating those who were then – or formerly – homeowners or private renters, but changes to the Council’s systems mean that such detail is no longer available. In its absence, the households who joined the housing register in the year to February 2023, having not previously occupied social housing, have been used as a proxy for the annual number of existing households falling into need in future. While this is known to capture newly forming households, it contrastingly takes no account of existing households who joined the housing register but were removed after receiving a home, and it is reasonable to assume – in the absence of more reliable data – that these households will broadly offset each other.
- 7.15 When drawing these elements together, Table 7.4 suggests that a new gross need for 753 affordable homes could arise every year from new and existing households in Newcastle-under-Lyme. This is slightly higher than estimated at Table 6.3 of the HNA, due to the assumption that more households will be unable to afford the cost of market housing – following a rise in the cost of purchase, then estimated to be the most affordable market option – and an assumption that more existing households will fall into need from other tenures.

Table 7.4: Future Need for Affordable Housing (B)

	1 bed	2 beds	3 beds	4+ beds	Total
B1 New household formation, gross <i>Edge Analytics' projection of gross household formation</i>	–	–	–	–	1,078
B2 Newly forming households unable to privately rent in the open market <i>Proportion derived from ONS and CACI data, then applied to B1 and split by size based on housing register</i>	–	–	–	–	31%
	200	86	34	12	332
B3 Existing households falling into need <i>Households new to social housing who joined the housing register in 2021/22</i>	258	104	46	13	421
B4 Newly arising need, gross annual <i>B2 + B3</i>	458	190	80	25	753
%	61%	25%	11%	3%	100%

Source: Edge Analytics; Council monitoring; CACI; Turley analysis

Total gross need for affordable housing (C)

- 7.16 By combining the current need with the estimated future need – assumed to arise annually over the remaining 18 years of a plan period that is expected to run to 2040⁸⁵ – it can be estimated that circa 839 households throughout Newcastle-under-Lyme will need affordable housing each year, with most requiring only one bedroom. This is substantially higher than the equivalent figure from the HNA⁸⁶ (455) – for reasons explained earlier in this section – and continues to represent a **gross** measure, taking no account of supply which is incorporated in the next stage of the calculation.

⁸⁵ While the data is technically reflective of the situation in February 2023, the base date of this calculation has been chosen as 2022 to align with the housing need modelling presented in sections 3 and 4

⁸⁶ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 6.4

Table 7.5: Total and Annual Gross Need for Affordable Housing (C)

	1 bed	2 beds	3 beds	4+ beds	Total
C1 Total housing need currently ^{A3}	841	392	240	77	1,550
C2 Newly arising need over 18 years ^{B4 x 18}	8,244	3,420	1,440	450	13,554
C3 Total gross need over 18 years ^{C1 + C2}	9,085	3,812	1,680	527	15,104
C4 Annual gross need over 18 years ^{C3 ÷ 18}	505	212	93	29	839
%	60%	25%	11%	3%	100%

Source: Turley analysis

Accounting for supply (D)

- 7.17 The PPG continues to recognise that ‘*there will be a current supply of housing stock that can be used to accommodate households in affordable housing need...as well as future supply*’⁸⁷. This supply can therefore be assumed, as in the HNA, to contribute towards meeting the gross need calculated above.
- 7.18 The Council has provided an updated position on the pipeline of affordable housing that it expects to be delivered over the next five years, which has not been independently verified but closely compares to the equivalent figure reported in the HNA⁸⁸. Its housing register also continues to identify households who already occupy affordable housing, which will be vacated – adding to the supply – when their need is met.
- 7.19 The Council is no longer able to confirm how many lettings have recently been to tenants who were new to social housing, removing any transfers. The overall number of lettings *including* transfers has therefore been used as the best available proxy, if an imperfect one that may overstate the number of lettings becoming available to new households.
- 7.20 When the above are combined, it is suggested that circa 561 affordable homes could become available every year throughout Newcastle-under-Lyme. This is more than the 427 assumed in the HNA, largely due to the increased number of affordable homes to be returned by those on the housing register and the allowance for a greater number of lettings. Some 59% of these homes are expected to have only one bedroom, proportionately more than in the HNA, and less than half as many (28%) are expected to have two.

⁸⁷ PPG Reference ID 67-007-20190722

⁸⁸ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 6.6

Table 7.6: Assumed Supply to 2040 (D)

	1 bed	2 beds	3 beds	4+ beds	Total
D1 Committed supply of affordable housing <i>Pipeline over next five years</i>	65	99	74	0	238
D2 Affordable homes occupied but vacated by households in need <i>A1</i>	338	176	154	47	715
D3 Committed supply, annualised over 18 years <i>(D1 + D2) ÷ 18</i>	22	15	13	3	53
D4 Lettings to new tenants per annum <i>Lettings in 2022</i>	310	144	51	3	508
D5 Estimated supply per annum <i>D3 + D4</i>	332	159	64	6	561
%	59%	28%	11%	1%	100%

Source: Council monitoring; Turley analysis

Net need to 2040

- 7.21 The projected supply of 561 affordable homes per annum is lower than the estimated gross need for 839 such homes each year, suggesting that there is a net annual need for circa **278 additional affordable homes** in Newcastle-under-Lyme beyond the existing and committed supply. This is substantially higher than the need for only 28 that was reported in the HNA, but is notably more proportionate to earlier evidence which suggested that circa 242 affordable homes would be needed per annum, albeit over only five years⁸⁹. Need is implied to be oriented more towards one bedroom properties than in either of these previous studies, however.

⁸⁹ Turley (June 2017) Strategic Housing Market Assessment Update: Stoke-on-Trent City Council and Newcastle-under-Lyme Borough Council, Table 5.8

Table 7.7: Estimated Net Need for Affordable Housing (2022-40)

	1 bed	2 beds	3 beds	4+ beds	Total
Annual gross need over 18 years C4	505	212	93	29	839
Estimated supply per annum D5	332	159	64	6	561
Net need per annum C4 – D5	173	53	29	23	278
%	62%	19%	10%	8%	100%

Source: Turley analysis

- 7.22 While modelled forward to 2040, this calculation is inevitably reflective of a point in time so will need to be kept under review in the years to come. Falling incomes, a reduced supply, higher bills and rising rents could serve to increase need, for example, whereas increased availability, rising earnings and cheaper rents could have the opposite effect.

Considering likely delivery

- 7.23 The calculation introduced above is intended to provide a position on the total need for affordable housing, which the PPG then requires to be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments”⁹⁰

- 7.24 The PPG subsequently invites authorities to consider ‘an increase in the total housing requirement in the plan...where it could help deliver the required number of affordable homes’⁹¹.

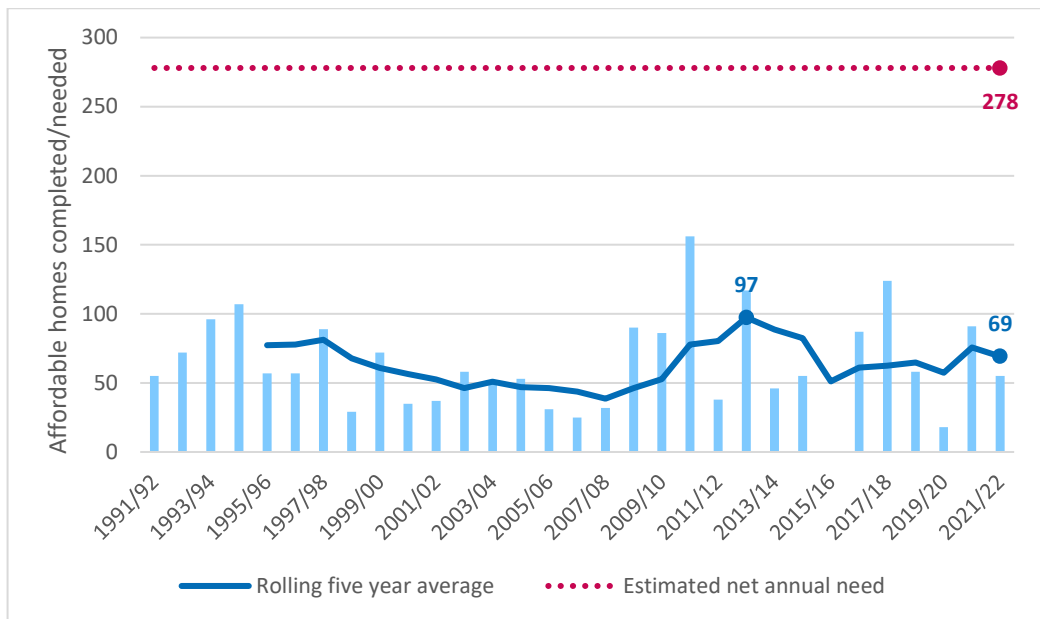
- 7.25 In the case of Newcastle-under-Lyme, data submitted to the Government – and summarised at Figure 7.2 overleaf – suggests that affordable housing delivery has never come close to the level now suggested to be needed, at least over the period since 1991 for which consistent data is available⁹². No more than 156 are reported to have been completed in any one year, while the average over five years has never been higher than 97 affordable homes per annum.

⁹⁰ PPG Reference ID 67-008-20190722

⁹¹ *Ibid*

⁹² DLUHC (2022) Table 1008C: Total additional affordable dwellings provided by local authority area – completions

Figure 7.2: Gross Affordable Housing Completions in Newcastle-under-Lyme



Source: DLUHC

- 7.26 The Council’s current policies aim to secure 25% of the homes delivered on larger sites as affordable housing⁹³. On a purely numerical basis, such a policy could theoretically require the provision of over 1,112 homes per annum – over three times the minimum need suggested by the standard method (358dpa) – if the annual need for affordable housing was to be met in full.
- 7.27 It is, however, widely accepted that there is a complex relationship between affordable housing provision and market housing. Existing households and those projected to form in future represent a component of the affordable housing need calculation, for instance, and would therefore not add to the overall need in Newcastle-under-Lyme when this is based on projections of additional households. Indeed, existing households will actually vacate a property once their affordable housing need is met.
- 7.28 While stated in the context of the original NPPF, rather than the more recently revised versions, the consistency between their approaches to affordable housing need mean that it remains relevant to acknowledge confirmation in the High Court that:

“...neither the Framework nor the PPG suggest that [affordable housing needs] have to be met in full when determining the [full objectively assessed need]. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. This is because the vast majority of delivery will occur as a proportion of open-

⁹³ 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

*market schemes and is therefore dependent for its delivery upon market housing being developed*⁹⁴

- 7.29 This judgment, made in 2015, was subsequently upheld at the Court of Appeal which acknowledged – again in the context of the original NPPF – that the overall housing need and the need for affordable housing were products of ‘*separate and different calculations*’ with some overlap inevitable⁹⁵. It confirmed that:

*“Planning judgment [is] required in gauging a suitable uplift to take account of the need for affordable housing, without either understating or overstating that need”*⁹⁶

- 7.30 The arithmetic and ‘*notional*’ calculation of the total number of homes required to meet affordable housing need in full – of the kind presented above – was noted at the Court of Appeal. However, the ‘*risk of overexaggerating the “full, objectively assessed needs” by making a calculation of this kind*’ was highlighted, with the Inspector’s conclusion that such an exercise was ‘*purely theoretical*’ supported on that basis.
- 7.31 This continues to provide important context in considering the relationship between overall housing need and affordable housing need. In line with the PPG, it is for the Council to consider whether an increased housing requirement could help to increase the delivery of the affordable housing that is evidently needed in Newcastle-under-Lyme.

Reconsidering the role of different affordable housing products

- 7.32 The earlier Figure 7.2 highlighted the number of affordable homes provided in Newcastle-under-Lyme in each of the last 31 years, but this can also be broken down by product to reveal a notable shift in the *type* of affordable housing that is being delivered⁹⁷. Prior to 2011, social rent accounted for the vast majority (72%) of the affordable homes completed in Newcastle-under-Lyme, but since then only 14% have been provided on that basis. It has largely been replaced by affordable rent, which has accounted for almost half (49%) of the borough’s new affordable homes since being introduced in 2011 as a concept that saw rents benchmarked against the market rather than earnings. Shared ownership has also become more prominent since 2011, with none having been recorded prior to that point but 120 units completed since.

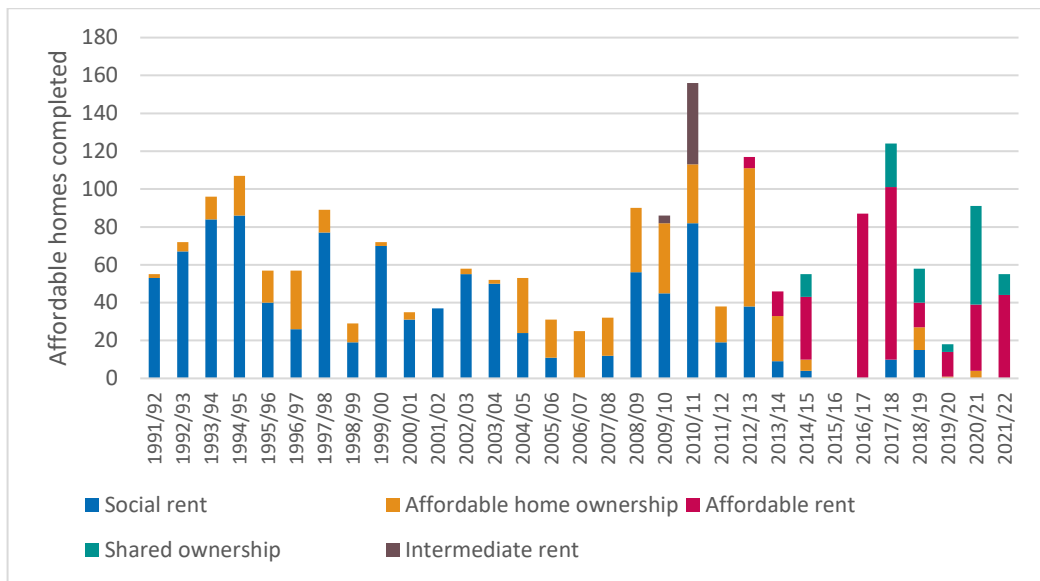
⁹⁴ Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd [2015] EWHC 2464 (Admin)

⁹⁵ Jelson Ltd v Secretary of State for Communities and Local Government and Hinckley and Bosworth Borough Council [2018] EWCA Civ 24

⁹⁶ *Ibid*, paragraph 36

⁹⁷ DLUHC (2022) Table 1008C: Total additional affordable dwellings provided by local authority area – completions

Figure 7.3: Type of Affordable Housing Completed in Newcastle-under-Lyme



Source: DLUHC

- 7.33 The HNA explained how the Government had acknowledged the ‘*innovation*’ of housing providers ‘*in meeting the needs of a wide range of households who are unable to access market housing*’, and had attempted to support them by officially revising the definition of affordable housing that was presented in the NPPF⁹⁸. Within this context, the HNA explored how the provision of affordable housing to rent, and affordable home ownership products, could meet the need that it had identified.
- 7.34 It began with **affordable housing to rent**, exploring how the application of discounts to the entry-level rent could make it affordable to a greater proportion of households. This section has confirmed that the entry-level rent in Newcastle-under-Lyme – taken as the lower quartile – has not changed since the HNA was produced, albeit the evolution of the earnings profile does make it necessary to revisit this part of the analysis. This shows that full market rent could be unaffordable to 31% of all households in Newcastle-under-Lyme, but a discount of 20% (i.e. 80% market rent) could provide rents that are affordable to all but 20% of households in the borough. An even larger discount of 40% could reduce this figure to only 9%. Given that households unable to afford market rent are assumed to generate a need for affordable housing, it follows that the application of such discounts to the former could help to meet the need that has been calculated in this section.

⁹⁸ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 6.31

Table 7.8: Estimated Annual Cost of Affordable Rent and Income Required

	Annual cost	Income required	Households <i>able</i> to afford	Households <i>unable</i> to afford	Deviation from most affordable market option
Purchase	£8,093	£24,279	60%	40%	-9%
Market rent	£5,940	£17,820	69%	31%	–
80% market rent	£4,752	£14,256	80%	20%	+11%
60% market rent	£3,564	£10,692	91%	9%	+22%

Source: ONS; CACI; Turley analysis

- 7.35 The HNA also considered a range of **affordable home ownership** products, specifically Starter Homes, First Homes and discounted market sale (DMS). While there were important distinctions between each of these products, their annual cost at the point of purchase was noted as being similar and they were consequently considered together.
- 7.36 First Homes were only an emerging concept when the HNA was produced, but they have now been formally introduced with the Government having issued new guidance that took effect from 28 June 2021⁹⁹. This made clear that a First Home must be discounted by at least 30% from its market value, but also gave local authorities ‘*the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this*’¹⁰⁰. The guidance also confirms that a First Home should not initially cost more than £250,000 outside London, and any discount must be secured through a planning obligation so that it applies in perpetuity each time the property is sold.
- 7.37 The relative affordability of First Homes, and indeed DMS – with Starter Homes now having been retired as a concept – can be estimated, as in the HNA, by calculating the likely annual cost of purchase with a mortgage. Any discount is applied to a newly built property and it is therefore necessary to isolate such sales from the Land Registry data introduced earlier, albeit doing so and calculating the lower quartile – for consistency with the approach used earlier – produces a figure that is once again skewed by the sale of many new flats for relatively low prices¹⁰¹. It is therefore considered reasonable, in these circumstances, to apply illustrative discounts to the *median* price paid for new homes in Newcastle-under-Lyme, which – at £254,995 – is more than double the lower quartile for any home (£120,000).

⁹⁹ Affordable Homes Update, Parliamentary Statement by Lord Greenhalgh, 24 May 2021

¹⁰⁰ PPG Reference ID 70-004-20210524

¹⁰¹ A similar issue was identified at footnote 104 of the HNA, on page 81

7.38 The following table shows how the application of discounts to newly built housing could reduce the cost of purchase, based on current mortgage rates¹⁰². It can be clearly seen that applying such discounts to housing that is relatively expensive to begin with, compared to the entry level of a market that includes resales, lessens its impact to the point where a new home discounted even by 50% could cost more than purchasing at the entry level of the market as a whole. It would also be less affordable than market rent, which is important as it is only those unable to access the latter who are assumed to need affordable housing in Newcastle-under-Lyme. While each product has its merits and could be reasonably expected to meet some form of need, costing more than private rent suggests, as concluded in the HNA, that they are unlikely to make a significant contribution towards the gross need that has been calculated in this section. There equally does not appear to be a clear need to increase the standard 30% discount applied to First Homes.

Table 7.9: Benchmarking Cost of Discounted Housing for Sale

	Annual cost	Income required	Households <i>able</i> to afford	Households <i>unable</i> to afford	Deviation from most affordable market option
Purchase (new)	£17,198	£51,593	26%	74%	-43%
20% discount	£13,758	£41,274	37%	63%	-32%
30% discount	£12,038	£36,115	44%	56%	-25%
40% discount	£10,319	£30,956	51%	49%	-18%
50% discount	£8,599	£25,796	60%	40%	-9%
Purchase (any)	£8,093	£24,279	60%	40%	-9%
Market rent	£5,940	£17,820	69%	31%	–

Source: ONS; Land Registry; CACI; Turley analysis

7.39 **Shared ownership** was considered separately by the HNA, with its analysis similarly able to be updated to reflect changes in the cost of purchasing even a share of a new home as well as the evolving income profile. This continues to suggest that the income required to access shared ownership exceeds that required to privately rent, or even to purchase any entry-level home, meaning that such a product could play some form of role but remains unlikely to directly address the gross affordable housing need that has been calculated in this section.

¹⁰² 5.12% with repayment over 25 years and a 5% deposit

Table 7.10: Estimated Annual Cost of Shared Ownership

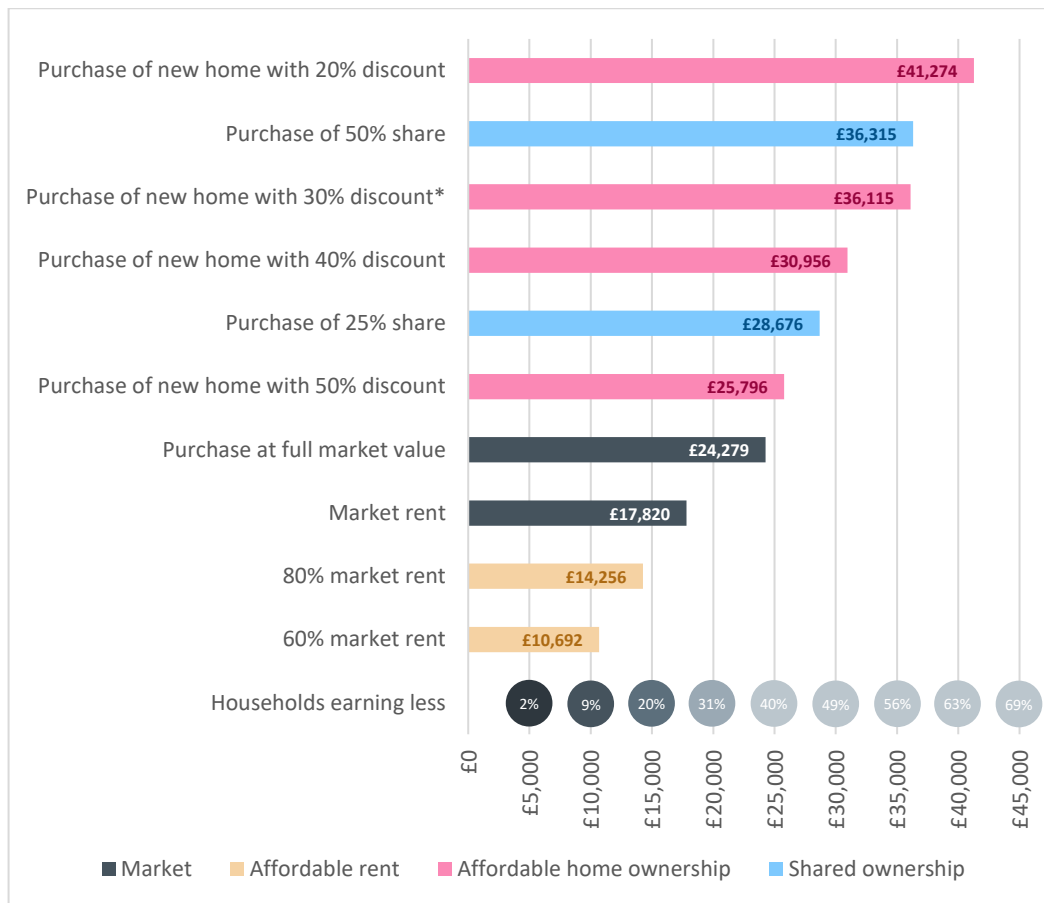
	Annual cost		Total annual cost	Income required	Households <i>unable</i> to afford	Deviation from most affordable market option
	Mortgage	Rent on unsold share ¹⁰³				
Purchase (new)	£17,198	–	£17,198	£51,593	74%	-43%
50% share	£8,599	£3,506	£12,105	£36,315	56%	-25%
25% share	£4,299	£5,259	£9,559	£28,676	49%	-18%
Purchase (any)	£8,093	–	£8,093	£24,279	40%	-9%
Market rent	–	–	£5,940	£17,820	31%	–

Source: Turley analysis

7.40 Figure 7.4 overleaf draws together this updated analysis by comparing and ranking the income required to access each product in Newcastle-under-Lyme, relatively to that required to rent or purchase at the entry level of the market. This reinforces the conclusions of the HNA by suggesting that only affordable rent, of the products assessed, is likely to require a lower income than would be required to access the open market in Newcastle-under-Lyme, and would thus directly contribute towards meeting the gross need for affordable housing that has been calculated in this section.

¹⁰³ Equivalent to 2.5% of the unsold share, as in the HNA (p83)

Figure 7.4: Comparing Income Required to Access Affordable Housing Products



Source: Turley analysis

* First Home

Summary

- 7.41 The HNA applied a longstanding methodology, which continues to feature in the PPG, to estimate that there would be a net shortfall of only 28 affordable homes per annum throughout Newcastle-under-Lyme. This represents a relatively limited need which the Council has therefore sought to check through this update, by rerunning the assessment and incorporating newly available data.
- 7.42 The updated calculation suggests that there will be a substantially greater need, for some 278 affordable homes per annum, albeit it can be noted that this does broadly represent a return to the level of need identified prior to the HNA. It envisages a gross need for circa 839 affordable homes each year, from households currently on the housing register, newly forming households unable to access the open market and existing households falling into need from other tenures. The estimated supply of 561 affordable homes per annum – comprised of lettings, the vacating of properties occupied by households in need and the committed supply – would not be sufficient to meet this need in full.
- 7.43 The recent rate of affordable housing delivery in Newcastle-under-Lyme would have to quadruple to meet the newly estimated need in full, with the borough having on

average seen only 69 completed over the past five years and no more than 156 completed in any single year since 1991. The Council's existing policy requiring 25% affordable housing on larger sites could theoretically require over 1,112 homes to be completed every year for the need to be met in full, albeit such basic calculations oversimplify what is widely known to be a complex relationship between affordable and market housing.

- 7.44 This section has also reconsidered the role of different affordable housing products, reinforcing the conclusions of the HNA by suggesting that only affordable rent – of the products assessed – is likely to require a lower income than would be required to access the open market and thus directly contribute towards meeting the calculated gross need for affordable housing.

8. Housing needs of specific groups

- 8.1 Sections 7 and 8 of the HNA considered the housing needs of different groups in the community, responding to an ongoing requirement of the NPPF¹⁰⁴.
- 8.2 The analysis drew upon various datasets from the 2011 Census, some of which can now be updated to 2021, and parts were also informed by Edge Analytics' demographic modelling which has itself now been updated. This section therefore revisits the analysis from the HNA and considers the implications of the latest available evidence.

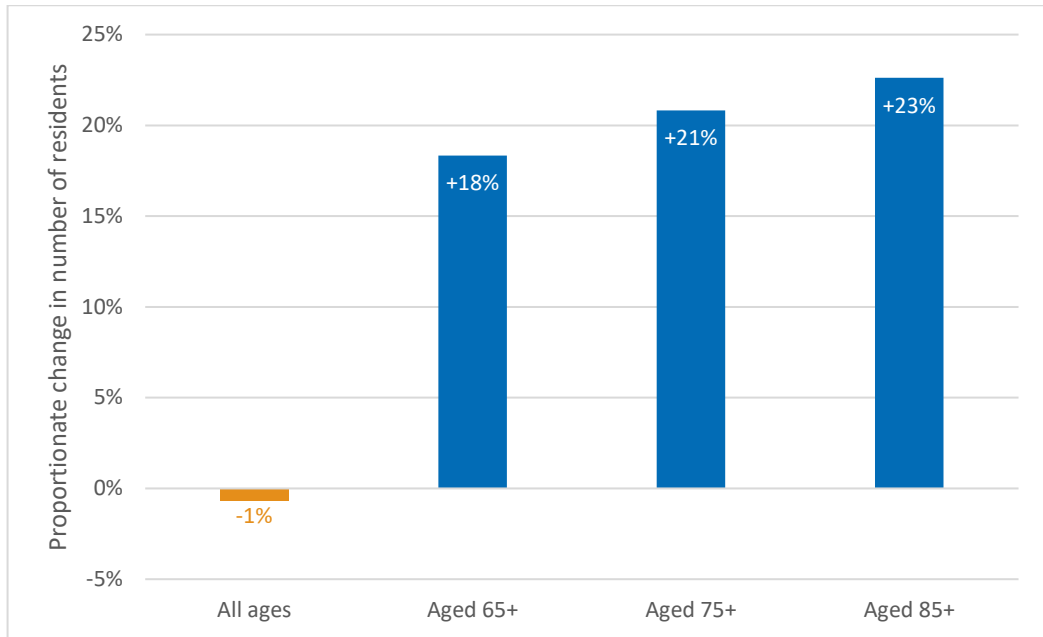
Older people

- 8.3 The HNA identified that most of the older people (aged 65+) living in Newcastle-under-Lyme, as of the 2011 Census, resided in private households with only 683, or 3%, living in communal establishments like care homes. The majority owned their homes, which were most likely to have two or particularly three bedrooms, but many were shown to have at least two spare bedrooms based on the size of the household and the relationship between residents. While these trends were recorded by the Census of 2011, the HNA cited official estimates which suggested that the older population of Newcastle-under-Lyme had subsequently increased over the period to 2018, and it expected this to continue based on the demographic modelling that it presented.
- 8.4 These official population estimates appear to have been inaccurate, because the 2021 Census indicated that the population of Newcastle-under-Lyme had actually *declined* since 2011 – as noted in section 3 – but the latest available data does still indicate that the borough's older population has grown. The ONS took account of the latest Census in estimating that there were circa 26,844 people aged 65 or above living in Newcastle-under-Lyme as of mid-2021, some 18% more than a decade prior¹⁰⁵. The number who were at least 75 or 85 years of age increased at an even faster rate, as shown at Figure 8.1.

¹⁰⁴ MHCLG (July 2021) National Planning Policy Framework, paragraph 62

¹⁰⁵ ONS (December 2022) Population estimates for the UK, England, Wales, Scotland and Northern Ireland: mid-2021

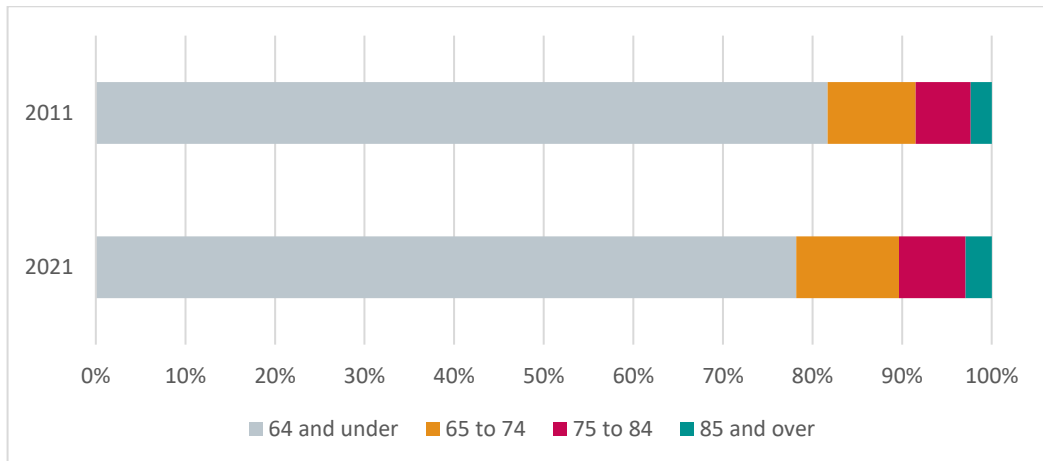
Figure 8.1: Population Change by Age (2011-21)



Source: ONS

8.5 This has resulted in older people accounting for a growing proportion of all residents in Newcastle-under-Lyme. Circa 18% were aged 65 or above in 2011, with 9% aged 75 or above, but these have increased to 22% and 10% respectively.

Figure 8.2: Older People as Proportion of Total Population (2011-21)

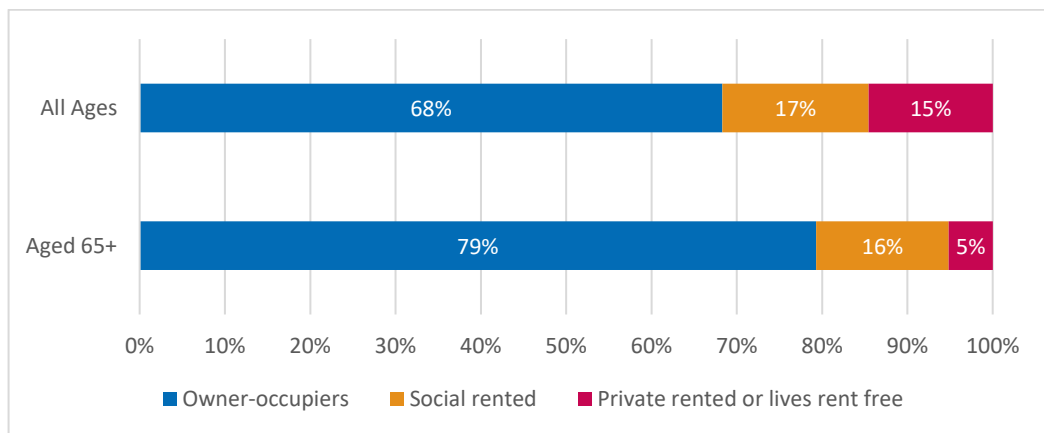


Source: ONS

8.6 The 2021 Census provides further details on the characteristics of the borough's increasingly large elderly population, updating the analysis from the HNA which reflected the position in 2011.

- 8.7 It confirms that all but 3% of older people, aged 65 or above, live in private dwellings rather than institutional accommodation such as care homes. This is consistent with the trend recorded in 2011.
- 8.8 The latest Census data also reaffirms that the majority (79%) of the older people living in private households were owner occupiers, with fewer living in social rented housing or the private rented sector (16% and 5% respectively). When comparing this to the equivalent figures for the population at large, it can be seen that older people were considerably more likely to be owner occupiers. The proportions living in social rented housing more closely compare, but private renting – or living rent free – is considerably less common amongst older people.

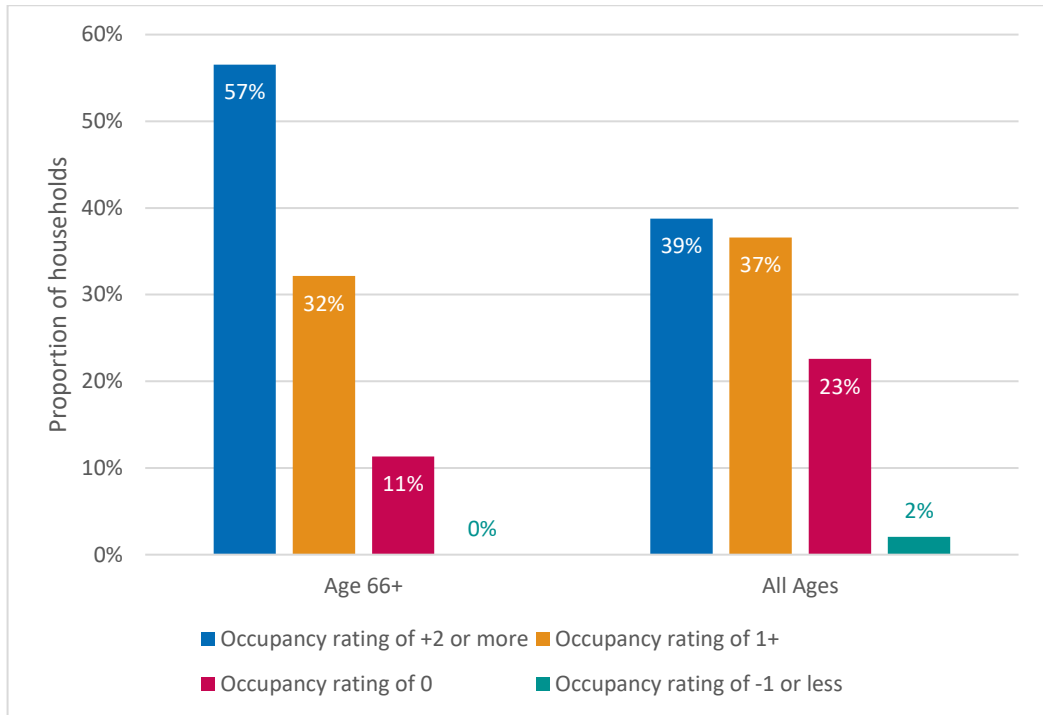
Figure 8.3: Residents in Private Households by Tenure (2021)



Source: Census 2021

- 8.9 Under-occupancy of housing continues to be more common amongst older people, based on the occupancy ratings calculated by the ONS which take account of household size and the relationships between residents. As of the 2021 Census, some 57% of the households containing a single person or couple aged 66 or above had an occupancy rating of +2 or more, thus being implied to have at least two spare bedrooms, whereas the equivalent figure for the population as a whole was 39%.

Figure 8.4: Occupancy Rating by Age (2021)

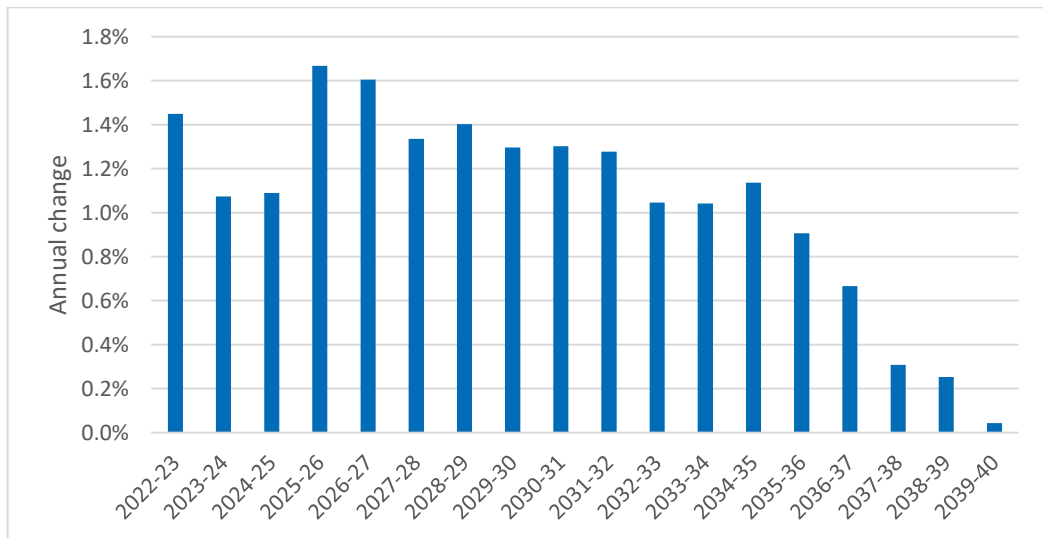


Source: Census 2021

Projected future change and implications for housing provision

8.10 The updated demographic modelling presented in this report can be broken down by age, with the earlier Table 3.2 suggesting that the number of residents aged 65 or above could increase by a further 21% by 2040 if the minimum need for housing is met. Further interrogation suggests that much of this growth would be frontloaded, with the rate of increase markedly slowing towards the end of the new plan period.

Figure 8.5: Projected Annual Change in Older Population (2022-40)



Source: Edge Analytics; Turley analysis

- 8.11 Edge Analytics’ modelling can be broken down even further than presented at Table 3.2, to show that the number aged 75 or above is projected to increase by a third and the number aged 85 or above by over half (54%).

Table 8.1: Projected Future Population Change by Age Cohort (2022-40)

	2022	2040	Change	% change
Aged 65+	27,242	32,871	+5,629	+21%
Aged 75+	13,375	17,783	+4,408	+33%
Aged 85+	3,719	5,713	+1,994	+54%

Source: Edge Analytics

- 8.12 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 people¹⁰⁶.
- 8.13 In doing so, it remains important – as explained in the HNA¹⁰⁷ – 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, based on past trends – albeit only up to the 2011 Census – while reflecting the continued growth in the size of the population aged 75 or above. The updated modelling continues to suggest a similar level of need to the HNA, for **circa 16 bedspaces per annum** or 290 in total over the rest of the new plan period (2022-40). The assumption that these individuals will live in communal establishments, rather than conventional dwellings, means that they are once again not captured within the reported need for the latter, instead being separate and additional. 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.
- 8.14 The 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 PPG¹⁰⁸. While any such rates are subject to change, updating the analysis from the HNA suggests that there could be demand for circa 42 units of such accommodation in every year that remains of the new plan period, as shown at Table 8.2. The Council should 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.

¹⁰⁶ PPG Reference ID 63-004-20190626

¹⁰⁷ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 7.18

¹⁰⁸ PPG Reference ID 63-004-20190626

Table 8.2: Projected Demand for Specialist Housing in Newcastle-under-Lyme (2022-40)

	Total	Average per annum
Sheltered housing	551	31
Enhanced sheltered housing	88	5
Extra care	110	6
Total	749	42

Source: Edge Analytics; Housing LIN; Turley analysis

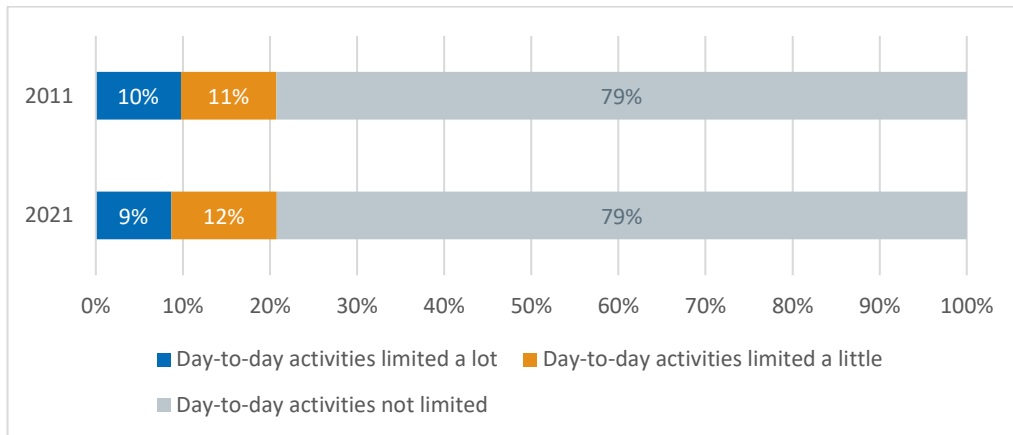
People with disabilities

- 8.15 The HNA also considered the needs of people with disabilities, following guidance in the PPG that has not been changed since.
- 8.16 It highlighted that roughly a fifth of all people living in Newcastle-under-Lyme were limited to some extent in their daily activities as of the 2011 Census, with the tendency to be so markedly increasing with age¹⁰⁹. It also noted that residents with disabilities tended to live in private households rather than communal establishments, with only around 5% of those whose daily activities were limited a lot – and just over 1% of those whose daily activities were limited a little – being accommodated in communal establishments, as of 2011¹¹⁰.
- 8.17 Data from the 2021 Census can be used to provide an updated position on the number of individuals with disabilities. Figure 8.4 compares the proportion of residents whose daily activities were limited to some extent in each year. Around 9% of the population stated that their daily activities were limited a lot in 2021, which represents a 1% decrease from the 2011 Census. The proportion of residents whose daily activities were limited a little slightly increased from 11% in 2011 to 12% in 2021. While not presented in the chart, further interrogation shows that the proportion of residents aged 65+ whose activity is limited a lot has decreased from 29% in 2011 to 19%, and the proportion of such residents whose day-to-day activities were limited a little has also decreased from c.28% in 2011 to c. 20% in 2021. Therefore, the proportion of elderly residents whose day-to-day activities were not limited appears to have increased, from 43% in 2011 to 60% in 2021.

¹⁰⁹ Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Figures 7.7 and 7.10

¹¹⁰ *Ibid*, Figure 7.9

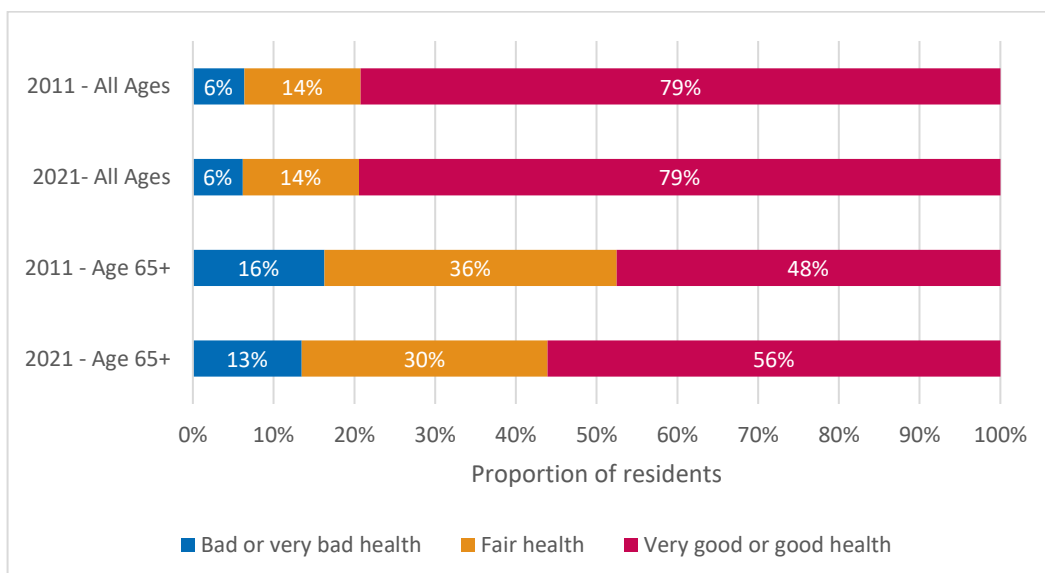
Figure 8.6: Extent to which day-to-day activities are limited by long-term health problem and/or disability (2011-21)



Source: Census 2011; Census 2021

8.18 Respondents to the 2011 and 2021 Census also self-reported their general health, with similar outcomes across both census years as outlined in the chart below. Across all age groups, some 79% of respondents stated that their health was very good or good, with 14% reporting as being in fair health and 6% reporting as being in bad or very bad health. When considering those aged 65 or above, it can be seen that significantly fewer reported themselves to be in very good or good health, only 56% doing so in 2021, albeit this did represent an improvement from 2011. There has consequently been a reduction in the proportion of older people who were in fair, bad or very bad health since 2011.

Figure 8.7: Self-Reported General Health (2011-21)



Source: Census 2011; Census 2021

8.19 The above continues to suggest that the Council can justifiably develop policies which seek to ensure that there is adequate housing for people in poor health, or who

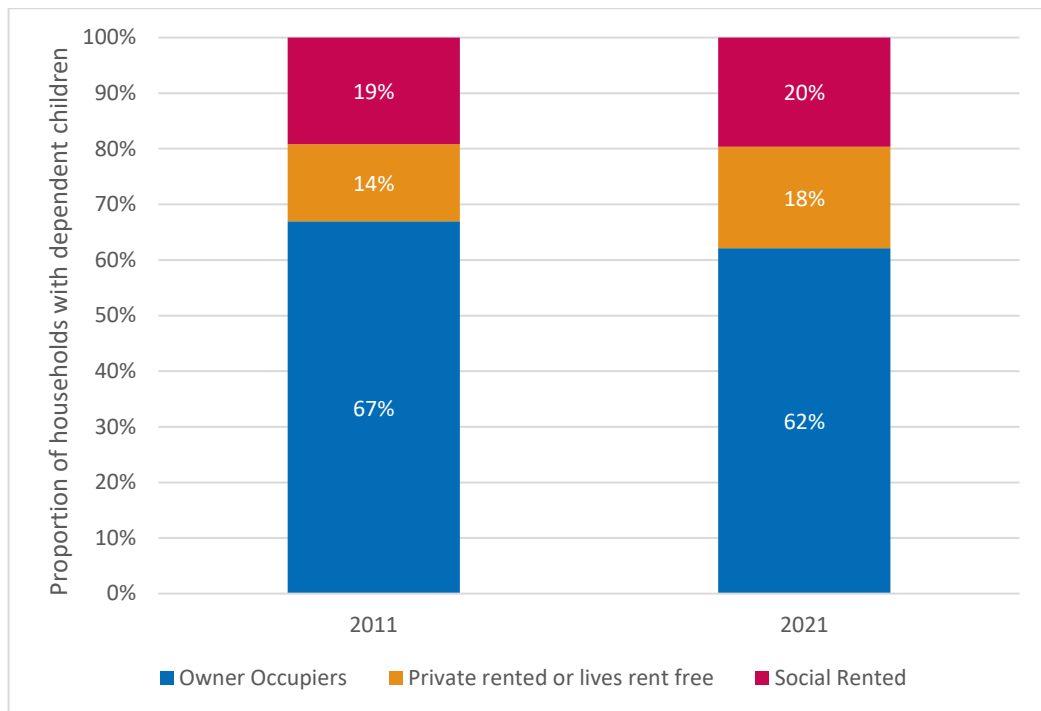
struggle with daily activities. This may require the provision of accessible new homes, alongside the adaptation of those that already exist.

- 8.20 The Council's Housing Strategy, adopted in 2021, generally aims to improve the standard of housing in the borough, including through improvements to accessibility. This will support a wider aim of developing a housing market that meets the needs of the borough's residents.
- 8.21 The Housing Strategy also references the Whole-Life Disability Strategy produced by Staffordshire County Council, which outlines the principles that underpin how families, communities, local authorities, health and care providers and apartments meet the needs of people with disabilities, including access to accessible housing. This helps to meet the objective of the Housing Strategy which is to integrate the housing, health and wellbeing agendas.

Families with children

- 8.22 The HNA cited data from the 2011 Census in highlighting that families with children relied on social rented housing (19%) and private rented housing (14%) to a lesser extent in Newcastle-under-Lyme than in Stoke-on-Trent, with more therefore living in owner-occupied homes. It also found that almost half of families with children had three bedrooms in their home.
- 8.23 The 2021 Census suggests that there has been a 5% reduction in the number of households with dependent children in Newcastle-under-Lyme, circa 13,500 such households being recorded in 2021. Around a quarter of all households had dependent children at the time of this latest Census, slightly falling from the figure of 27% recorded in 2011.
- 8.24 As of the 2021 Census, the majority of the borough's households with dependent children were owner-occupiers (62%). However, this represents a decrease from the levels shown in 2011 (67%). There was an increase, in contrast, in the proportion living in private rented housing or living rent free, rising from 14% to 18%. The proportion of such households living in social rented housing has broadly remained similar, as shown at Figure 8.8 overleaf.

Figure 8.8: Tenure of Households with Dependent Children (2011-21)



Source: Census 2011; Census 2021

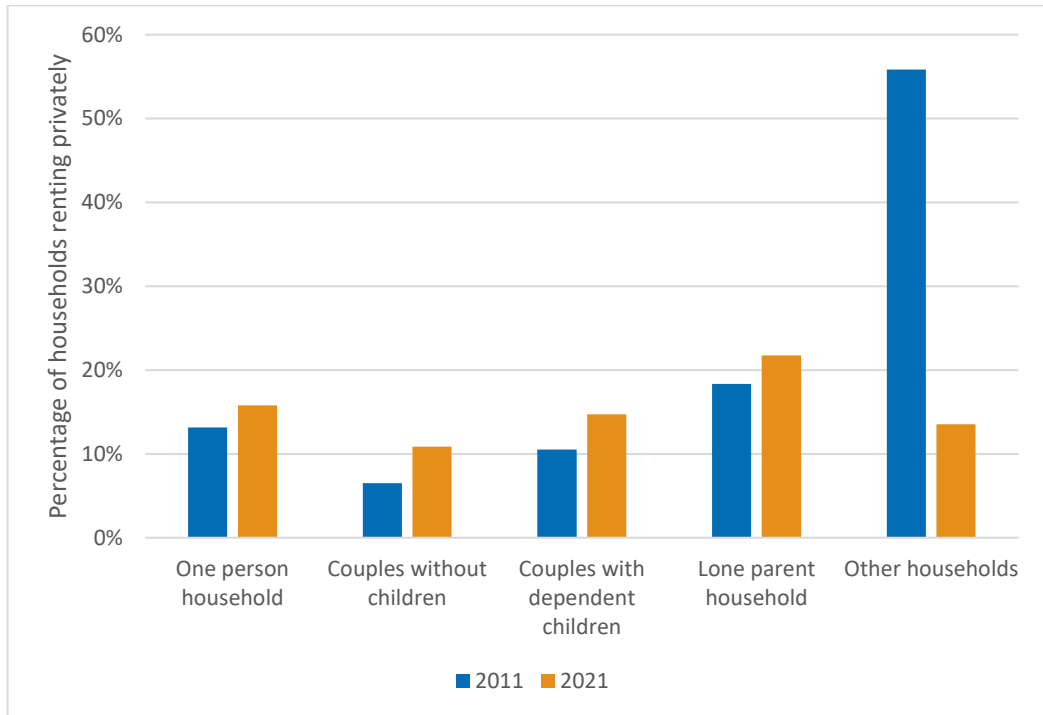
- 8.25 The updated demographic modelling, introduced in this report, suggests that meeting the minimum need for housing in Newcastle-under-Lyme could result in there being around 1,836 additional households with children by the end of the new plan period, as previously shown at the earlier Figure 6.2. Further interrogation suggests that 60% of these households would have only one child, with most of the remainder (37%) having two. Circa 25% of all households would have dependent children in 2040, maintaining the trend recorded by the 2021 Census and thereby halting the trend of decline that had been seen over the prior decade.

Privately renting households

- 8.26 The HNA identified that unrelated adults, part of the so-called “other households” category, were the most likely to be privately renting in Newcastle-under-Lyme as of the 2011 Census. The tendency to do so was also shown to vary depending on residents’ occupations, with households led by individuals working in sales and customer services, elementary occupations and caring and leisure the most likely to be privately renting. Those working in higher paid roles such as managers, directors and senior officials were considerably less likely to be privately renting.
- 8.27 The 2021 Census recorded some 7,780 households in Newcastle-under-Lyme who were privately renting their home, or living rent free. This represents an uplift of 1,604 households (or 26%) from the 2011 level. The scale of this increase was such that some 15% of all households were privately renting in 2021, compared to 12% in 2011.
- 8.28 Figure 8.9 shows the tendency to privately rent amongst different household types, in both 2011 and 2021. This indicates that lone parents were the most likely to be

privately renting in 2021, and indeed were increasingly doing so compared to 2011. People living alone, lone parents and couples, with or without children, also showed a greater tendency to rent. The most substantial change is seen for “other households”, substantially fewer of which were renting as of the 2021 Census. The breadth of this category, and the lack of any further breakdown, prevents any further interrogation of the reasons for this change.

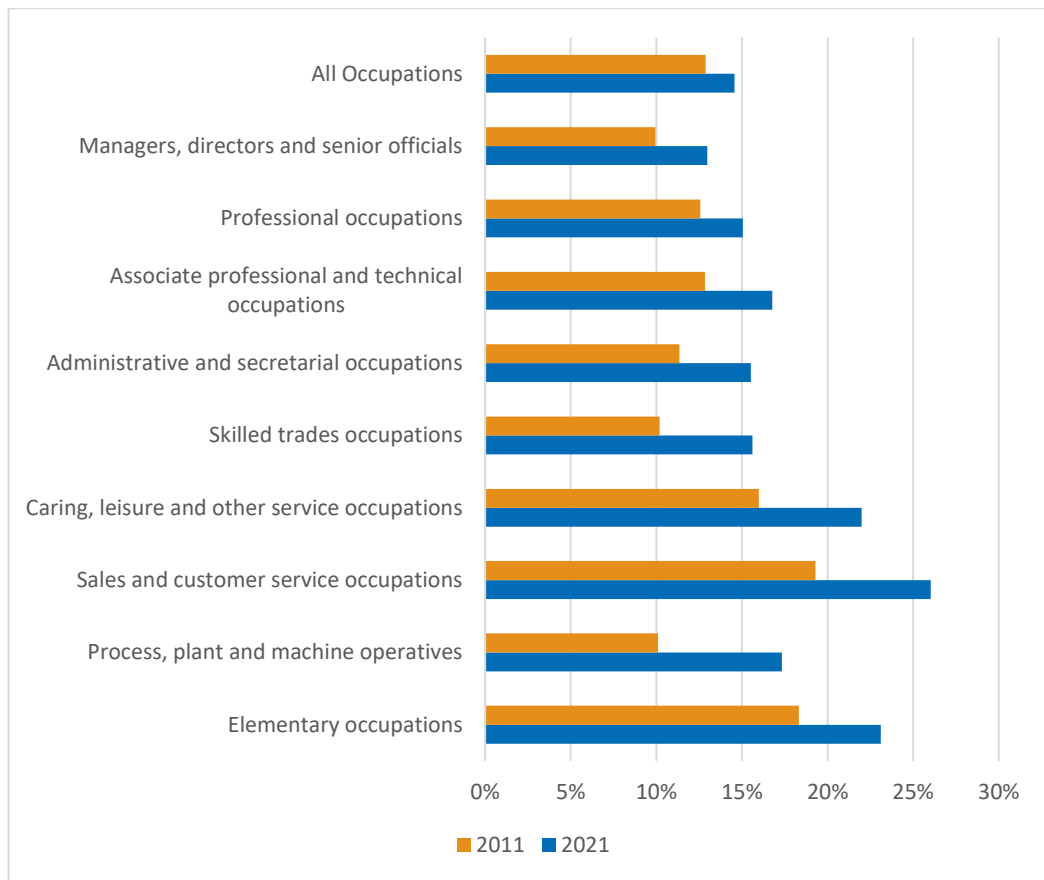
Figure 8.9: Tendency to Rent Privately by Household Type (2011-21)



Source: Census 2011; Census 2021

8.29 The tendency to privately rent also continues to vary depending on the type of job held by those leading each household. Figure 8.8 shows that households led by people working in sales and customer services, elementary occupations and caring or leisure roles were still the most likely to privately rent, with managers, directors and senior officials the least likely to do so. It can, however, be seen that the tendency to rent has universally increased regardless of the type of role held.

Figure 8.10: Tendency to Rent Privately by Occupation (2011-21)

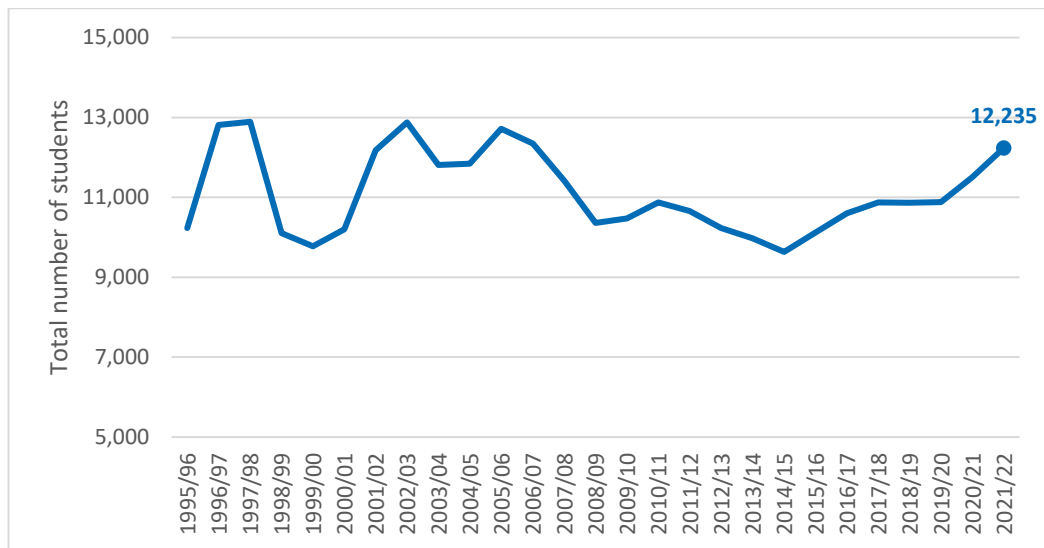


Source: Census 2011 and 2021

Students

8.30 Keele University is located within Newcastle-under-Lyme. The HNA referenced data from the Higher Education Statistics Agency (HESA) which indicated that the number of students at Keele University had remained relatively steady at circa 10-11,000 students. The latest available data suggests that there were some 12,235 students enrolled for the 2021/22 academic year, some 13% more than the figure three years earlier – which was referenced at Figure 8.8 of the HNA – and the most in any year since 2006/07.

Figure 8.11: Total Number of Students at Keele University (1995/96-2021/22)



Source: Census 2011 and 2021

- 8.31 The Council has recently explained how Keele University has developed a 2040 vision, that would enable its continued expansion¹¹¹. This is to be facilitated by plans for a number of capital projects such as the £45m state-of-the-art sport and science facilities including new laboratories and teaching spaces on its campus, a £18m Smart Innovation Hub to house its management school and incubated companies and a £13m SMART Energy Network Demonstrator (SEND).
- 8.32 The HNA noted that the university was then in the process of developing a new Estates Strategy and Masterplan, and this has now been published, in October 2022¹¹². It explains that the university plans to grow its home and international student base. In the short to medium term, the student growth strategy has already been approved and includes the recently constructed Denise Coates Foundation Building and Vet School on the Science and Innovation Park and the development of student accommodation on campus. This has the capacity to increase the number of student accommodation bedrooms by between 3,500 and 4,000 study bedrooms.
- 8.33 In the longer term, the Estates Strategy and Masterplan references the emerging 2040 vision, and the Keele Deal initiative, in suggesting that the university plans to increase the number of students to reach 16,000 by 2030 and 19,000 by 2040. These would respectively increase the current number of students, referenced at Figure 8.11 above, by 31% and 55%.
- 8.34 As with the earlier modelling presented in the HNA, the demographic projections introduced in this report continue to principally allow for indigenous growth amongst residents of traditional student age, meaning that a significant growth in the student population could generate an additional need for housing that is not explicitly taken into account. The HNA recommended that the Council maintains a dialogue with Keele

¹¹¹ Newcastle-under-Lyme Borough Council (2021) Authorities Monitoring Report

¹¹² BDP (October 2022) Keele University Estate Strategy and Masterplan

University to ensure that its plans for investment, and specifically the anticipated allowance for additional student numbers in the plan period, are fully understood and the update above reaffirms why this will be necessary.

Self-builders

- 8.35 The HNA explained the Government’s growing support for the self-build sector, exemplified by its requirement for local authorities to maintain registers of those in need of plots.
- 8.36 It confirmed that circa 40 households were on the Council’s self-build register as of February 2020. While the Council’s monitoring methods have since changed, to provide data that is now routinely collected by the Government, that submitted data confirms that 65 of the borough’s households were on its self-build register as of October 2021, of which 20 had joined in the preceding year¹¹³.
- 8.37 While this represents relatively few households – in a borough where 53,423 were recorded by the 2021 Census – this should not necessarily be taken to suggest that there is not a greater need for self-build plots, as it may be the case that not all households are aware of the self-build register for example. It is challenging to allow for this issue without double counting, or potentially exaggerating, so the Council is instead advised to recognise the limitations of the self-build register and be aware that the true need for plots could be higher.

Summary

- 8.38 This section has reconsidered the specific housing needs of different groups, updating the analysis presented in the HNA using newly available data and Edge Analytics’ latest modelling.
- 8.39 It has shown that:
- The **older population** of Newcastle-under-Lyme has continued to grow, with the borough home to 18% more people aged 65 or above in 2021 than was the case a decade prior. Most older residents continue to be live in private dwellings rather than institutional accommodation, and most are owner occupiers who live in larger houses than are theoretically needed. Meeting the minimum need suggested by the standard method is likely to further increase the number of elderly people living in Newcastle-under-Lyme, albeit with the *rate* of growth likely to slow towards the end of the plan period, and this can be expected to generate an annual need for circa 16 bedspaces in communal establishments – such as care homes – plus demand for around 42 bedspaces per annum in other forms of specialist accommodation. These represent only indicative estimates based on past trends, however, and it is possible that more such specialist housing could be needed if it is increasingly favoured by older people in future;
 - There has been no change, between 2011 and 2021, in the proportion of all residents having **disabilities or health problems** that limit daily activities to some

¹¹³ DLUHC (2022) Right to build registers monitoring: data for 2016 to 2020-21

extent. The proportion reporting themselves to be in poor health is also unchanged, but has notably reduced amongst older people with more than half now indicating that they are in good or very good health;

- There has been a 5% reduction in the number of **families with children** over the decade to 2021, who consequently accounted for a slightly smaller share of all households at that point. While still the dominant tenure, families with children were less likely to be owner occupiers than in 2011, with a growing proportion living in the private rented sector instead. Meeting the minimum need for housing is likely to increase the number of households with children over the plan period;
- The number of **privately renting households** increased by more than a quarter between 2011 and 2021, circa 15% of all households now doing so. Lone parents are still the most likely to be – and indeed are increasingly – privately renting, but people living alone, lone parents and couples with or without children also showed a greater inclination to rent. There continues to be variation depending on the type of job held, but it is notable that the tendency to rent has increased across all types of occupations;
- The number of **students** enrolled at Keele University has increased by some 13% compared to the year presented in the HNA (2018/19) and appears likely to further grow given its ambition to have 19,000 students enrolled by 2040. The recently published Estates Strategy and Masterplan outlines plans to increase the amount of student accommodation on offer, by up to 4,000 beds, but the Council will need to closely liaise with the university to ensure that allowance is made for the growing number of students who are likely to live in Newcastle-under-Lyme;
- Circa 65 of the borough’s households had expressed a need for a **self-build** plot as of October 2021, twenty having done so in the preceding year. While this is relatively few in a borough with over 53,000 households, it does not necessarily mean that there is not a greater need, if there is limited awareness of the register for example. The Council is therefore advised to recognise the limitations of its self-build register and be aware that the true need for plots could be higher.

9. Conclusions

9.1 Turley has been reappointed by Newcastle-under-Lyme Borough Council to review and update key elements of the Housing Needs Assessment (HNA) and Economic Needs Assessment (ENA) that were jointly commissioned with Stoke-on-Trent, before the decision was made to progress separate Local Plans, in 2020.

9.2 This update incorporates newly available data, as well as a business survey, and considers its implications for both the amount and type of housing and employment land previously reported to be needed in Newcastle-under-Lyme.

Minimum need for housing

9.3 There continues to be a standard method of assessing the minimum need for housing, which is outlined in an NPPF that still expects it to be used in all but exceptional circumstances. The outcome of the standard method changes with time and has slightly risen in the case of Newcastle-under-Lyme, having suggested a minimum need for 355 dwellings per annum when the HNA was produced but **358 dwellings per annum** as of April 2022, the point to which the Council has reported actual completions.

9.4 Planning Practice Guidance (PPG) requires this to be checked against past delivery to ensure that the latter has not been '*significantly greater*', but in the case of Newcastle-under-Lyme the outcome of the standard method can be seen to align extremely closely with the rate of development over the last eight reported years to 2022, in which an average of 351 homes have been completed per annum. It is therefore considered to be a valid starting point for Newcastle-under-Lyme, with no exceptional circumstances to suggest that housing need will be lower.

9.5 This report has reconsidered how meeting the minimum need for 358 dwellings per annum could grow the population of Newcastle-under-Lyme, drawing upon modelling which compares to that presented in the HNA but accounts for the 2021 Census having discovered that the borough's population was smaller than previously estimated.

9.6 This modelling suggests that meeting the minimum need over the remainder of the plan period (2022-40) could grow the borough's population by circa 7%. The older population, aged 65 or above, would be expected to grow at three times this rate but the working age population – aged 16 to 64 – would also be expected to grow, at a slower rate of 4%.

9.7 This profile of population change, coupled with changing behaviours – allowed for where reasonable – could leave a labour force that is able to support the creation of around **269 jobs per annum** in Newcastle-under-Lyme over the remainder of the new plan period (2022-40).

Future employment growth and implications for housing need

9.8 Such a level of job growth would exceed that envisaged, as a baseline, in the ENA after it interrogated three forecasts and favoured those from Experian, which would have

seen the borough create around 235 jobs annually over a slightly different period (2020-37).

- 9.9 It must be acknowledged though that this is an increasingly dated forecast which takes no account of the COVID-19 pandemic nor subsequent events like Russia's invasion of Ukraine and the cost-of-living crisis.
- 9.10 The latest available forecasts from the same three providers – Experian, Oxford Economics and Cambridge Econometrics – have therefore been reviewed in this report. The latter two are relatively up-to-date, having been released as recently as January, but the forecast from Cambridge Econometrics has not been updated since March 2022.
- 9.11 These forecasts offer divergent views on the potential for job growth in Newcastle-under-Lyme, with Cambridge Econometrics the most optimistic – in envisaging the creation of 281 jobs per annum between 2022 and 2040 – but Experian forecasting only 133 per year, less than half as many. Oxford Economics continue to forecast job losses, at a rate of circa 25 per annum, but this continues to be underpinned by an assumption of population decline that would arguably cause conflict with an NPPF that requires Local Plans to set '*a positive vision*' for their areas.
- 9.12 Setting aside this forecast, it can be observed that the other two – from Experian and Cambridge Econometrics – align more closely with the baseline forecast that was favoured in the ENA. A midpoint between the two would see circa **207 jobs per annum** created, only 28 fewer than previously envisaged, and would also offer some consistency in the sectors assumed to decline or drive growth. Such an approach is not without precedent and indeed has merit in reflecting the views of more than one forecaster, which is particularly important in economically turbulent times when change is naturally more difficult to predict. It is arguably even a benefit for Cambridge Econometrics' forecast to be slightly older, and thus less influenced than Experian's by the economic climate of late 2022, from which there has since been a slight improvement.
- 9.13 Edge Analytics' modelling suggests, as noted above, that such a level of job growth could be supported if housing provision in Newcastle-under-Lyme was to align with the minimum need generated by the standard method. Even the higher level of growth forecast by Cambridge Econometrics could theoretically be supported if only 11 more homes – circa 369 in total – were provided each year. As such, there is limited evidence to suggest that future economic growth – in line with the scenario presented in this report – would generate a substantially higher need for housing in Newcastle-under-Lyme than suggested by a standard method that consequently appears to produce a reasonable estimate of housing need for the borough.

Size, type and tenure of housing needed

- 9.14 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 HNA, by disaggregating the modelling that has been updated above.

- 9.15 It suggests that meeting the minimum need suggested by the standard method would increase the number of people living alone, and to a lesser extent the number of other households with or without children. Circa 45% of these households could be expected to need three bedrooms, based on the size of housing occupied by their counterparts as of the 2021 Census, with another 29% needing two and most of the remainder (16%) needing at least four.
- 9.16 This skews more towards larger properties than the equivalent figures in the HNA, reflecting a slight shift since the 2011 Census which formed the basis for its assumptions. compared to the figures reported previously, slightly more homes (76%) would need to be houses to deliver such a mix, with the proportion needing to be flats falling to 12% and now aligning with the broadly unchanged figure for bungalows. All of these estimates are intended to be only illustrative, and while they can be used for guidance and monitoring they should not be prescribed as explicit requirements for all sites given the need to respond to changing market demands, local context and viability factors.
- 9.17 This report has also revisited the calculation of affordable housing need that was presented in the HNA, to check the relatively low need that was reported and incorporate newly available data. This substantially changes the outcome, suggesting that 278 rather than 28 affordable homes are needed each year, but this is not without precedent as a similar level of need has previously been identified in Newcastle-under-Lyme, prior to the HNA. The borough would have to quadruple the recent rate of affordable housing delivery to meet such a need, however, having seen no more than 156 completed in any single year since 1991. Almost half of the affordable homes delivered since 2011 have been made available at affordable rent, which has effectively replaced social rent and is again shown by this report to cost less than market rent, unlike the other products assessed which have their respective merits – and have evidently been delivered – but could cost more even than purchase due to the premium associated with new housing in this area.
- 9.18 The report has also reconsidered the needs of specific groups identified in the HNA, taking account of newly available data and the updated modelling. It has shown that:
- The **older population** of Newcastle-under-Lyme has continued to grow, with the borough home to 18% more people aged 65 or above in 2021 than was the case a decade prior. Most older residents continue to be live in private dwellings rather than institutional accommodation, and most are owner occupiers who live in larger houses than are theoretically needed. Meeting the minimum need suggested by the standard method is likely to further increase the number of elderly people living in Newcastle-under-Lyme, albeit with the *rate* of growth likely to slow towards the end of the plan period, and this can be expected to generate an annual need for circa 16 bedspaces in communal establishments – such as care homes – plus demand for around 42 bedspaces per annum in other forms of specialist accommodation. These represent only indicative estimates based on past trends, however, and it is possible that more such specialist housing could be needed if it is increasingly favoured by older people in future;

- There has been no change, between 2011 and 2021, in the proportion of all residents having **disabilities or health problems** that limit daily activities to some extent. The proportion reporting themselves to be in poor health is also unchanged, but has notably reduced amongst older people with more than half now indicating that they are in good or very good health;
- There has been a 5% reduction in the number of **families with children** over the decade to 2021, who consequently accounted for a slightly smaller share of all households at that point. While still the dominant tenure, families with children were less likely to be owner occupiers than in 2011, with a growing proportion living in the private rented sector instead. Meeting the minimum need for housing is likely to increase the number of households with children over the plan period;
- The number of **privately renting households** increased by more than a quarter between 2011 and 2021, circa 15% of all households now doing so. Lone parents are still the most likely to be – and indeed are increasingly – privately renting, but people living alone, lone parents and couples with or without children also showed a greater inclination to rent. There continues to be variation depending on the type of job held, but it is notable that the tendency to rent has increased across all types of occupations;
- The number of **students** enrolled at Keele University has increased by some 13% compared to the year presented in the HNA (2018/19) and appears likely to further grow given its ambition to have 19,000 students in total by 2040. The recently published Estates Strategy and Masterplan outlines plans to increase the amount of student accommodation on offer, by up to 4,000 beds, but the Council will need to closely liaise with the university to ensure that allowance is made for the growing number of students who are likely to live in Newcastle-under-Lyme;
- Circa 65 of the borough’s households had expressed a need for a **self-build** plot as of October 2021, twenty having done so in the preceding year. While this is relatively few in a borough with over 53,000 households, it does not necessarily mean that there is not a greater need, if there is limited awareness of the register for example. The Council is therefore advised to recognise the limitations of the self-build register and be aware that the true need for plots could be higher.

Need for employment land

- 9.19 The ENA identified an existing supply of some 64.8ha of employment land throughout Newcastle-under-Lyme, as of April 2020. While it suggested that this was of varying quality – with less than a third classed as “good” – it did appear to be quantitatively sufficient to meet needs, with the ENA presenting various scenarios which indicated that up to 56.5ha of employment land could be needed over the period to 2037.
- 9.20 The Council’s subsequent monitoring suggests that this supply has since reduced, with only 49.9ha remaining as of March 2022. This reflects the ongoing development of certain sites and the Council’s decision to remove others from its supply.

- 9.21 When compared against revised estimates of future demand – variously based on recent take-up and the revised economic growth scenario presented in the previous section – there now appears to be a greater prospect of a shortfall, with the updated scenarios suggesting that at least 36.5ha, and as much as 68.8ha, could be needed over the slightly extended period to 2040. This could result in a shortfall of up to 18.9ha, or even double this if lower density office development prevails.
- 9.22 Aspinall Verdi’s updated assessment of the supply importantly also suggests that it is likely to erode further in the future, as several sites have progressed or even fully developed out since March 2022. Aspinall Verdi have also identified sites which they consider unlikely to actually deliver employment space. If these sites are assumed to no longer form part of the available supply, it would shrink even further to around 12.1ha, albeit caution should be exercised in directly comparing this to need as some will have contributed towards that over the last year.
- 9.23 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 updated 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.
- 9.24 In considering the need for different types of commercial floorspace, a high-level review has been undertaken of the detailed assessment presented in the ENA. 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.
- 9.25 This update has considered the sites identified by the Council as potentially forming part of its future supply to meet local needs, which collectively offer around 72ha of additional land. Where appropriate reference has been made to locations or sites which do not form part of the existing supply in order 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, and subsequent discussions with individual businesses, which have highlighted that several have a need for new land and premises to support their plans for growth.

Appendix 1: Summary of business survey and engagement

An online survey was created in late January 2023 and distributed, by the Council, to the businesses that pay rates in Newcastle-under-Lyme.

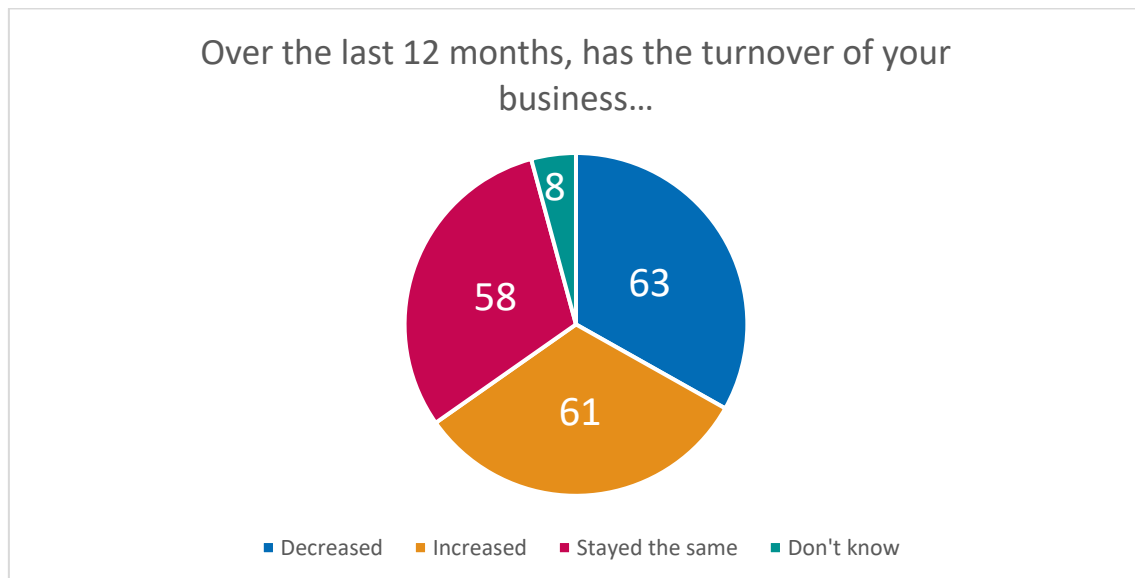
The survey attracted responses from a range of businesses of different sizes and in various sectors. There was a total of 190 completed responses with the vast majority (144 or 76%) solely operating from their premises within Newcastle-under-Lyme. Only 14% operated from multiple locations with their headquarters elsewhere, and 10% operated from multiple locations but had their headquarters in Newcastle-under-Lyme.

The majority of the businesses (67%) responding had been in operation for more than ten years with only 4% operating in Newcastle-under-Lyme for less than one year. Circa 13% had been operating for 1-5 years and 16% had been operating for 5-10 years.

Performance and outlook

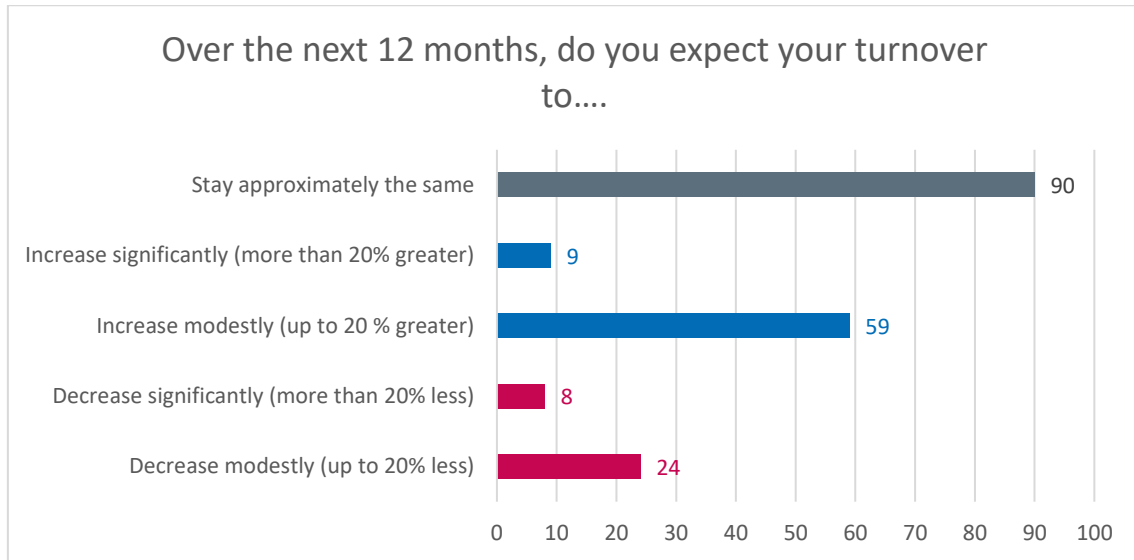
The challenges faced by many businesses were apparent, with 63 businesses – around a third – stating that they had seen a reduction in their turnover over the last year. Almost as many businesses did however report that their turnover had actually increased.

Figure 1.1 Reported change in turnover over the last 12 months



In terms of their outlook for the next 12 months, just under half of respondents (90 or 47%) expected their turnover to broadly stay the same as in the previous year. Approximately 31% anticipated a modest increase of up to 20% whereas a much smaller proportion (5%) expected a more significant increase. A more limited number of businesses anticipated that their turnover would decrease (13% or 24 respondents), with only 8 respondents expecting a significant decrease of more than 20%.

Figure 1.2 Outlook regarding business turnover



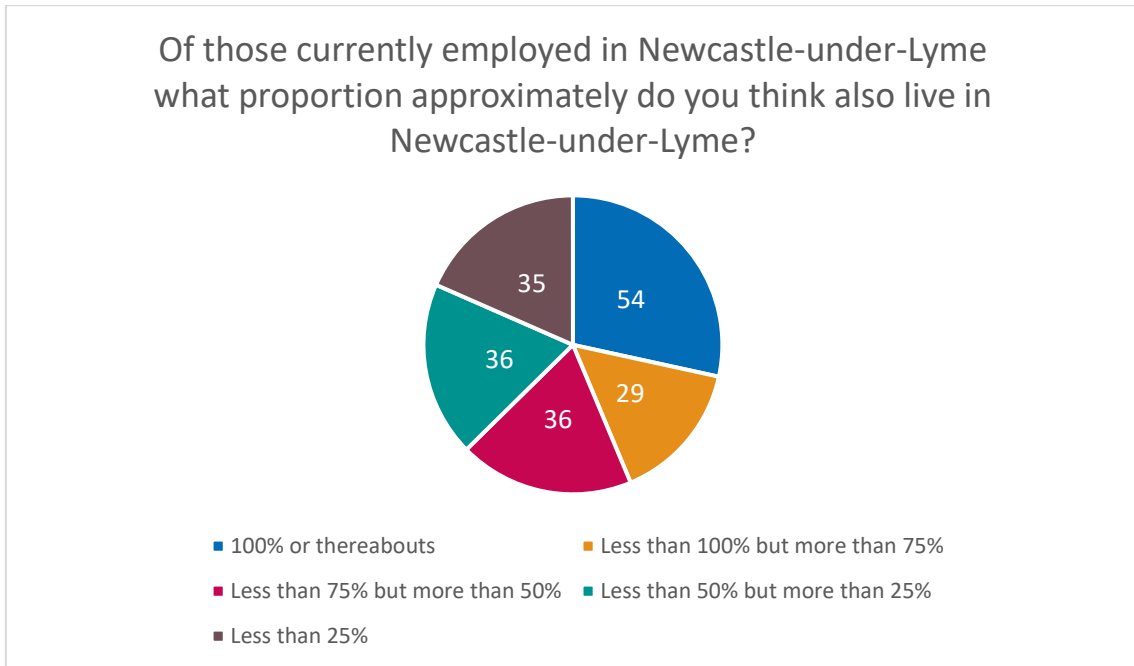
Employees

A total of 143 businesses employed 1-10 employees within Newcastle-under-Lyme, which equates to 75% of respondents. A total of 26 (14%) stated that the business employed 11-25 employees and only 15 (or 8%) stated that their business employs 26-50 employees.

The number of employees within these businesses has not changed significantly, with approximately 64% of respondents stating that the number of employees has remained the same over the last 12 months. Approximately 18% stated that the number of employees has increased over the past 12 months, with approximately 16% experiencing a reduction in the number of employees.

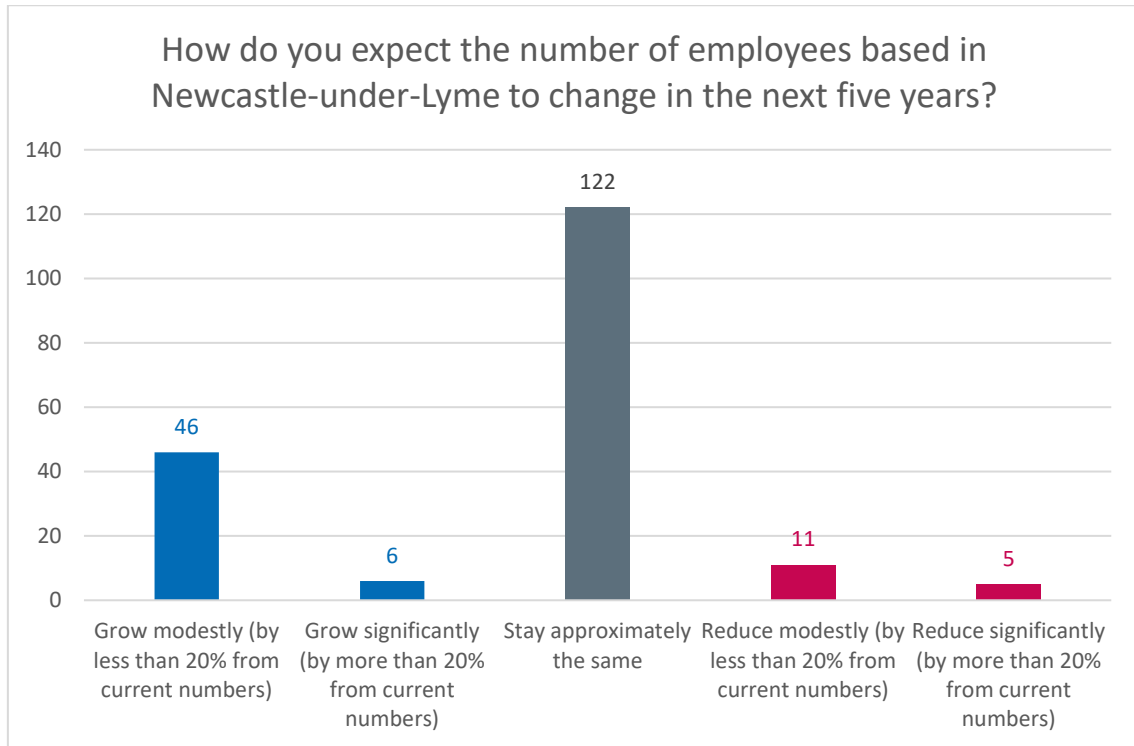
In order to understand the relationship between businesses and their workforce, the survey sought to establish the broad proportion of staff that lived and worked in Newcastle-under-Lyme. Over a quarter (54) indicated that virtually all of their employees lived in the borough, with a further 29 having a workforce that tended to do likewise (over 75% doing so). In contrast, some 35 businesses reported that less than a quarter of their workers lived in Newcastle-under-Lyme.

Figure 1.3 Proportion of staff living in Newcastle-under-Lyme



The survey also sought to understand how employee numbers were expected to change over the next five years. Approximately 64% of businesses (or 122 respondents) indicated that they expected staff levels to stay the same, albeit these were predominantly smaller businesses with less than ten employees at present. Approximately 24% of respondents stated that the business anticipates modest growth in the number of employees and 3% stated the business anticipates significant growth in the number of employees. The majority of this increase is anticipated to occur in business who currently employ between 1-10 employees. This would suggest a generally positive picture with regards to growing numbers of employees.

Figure 1.4 Changing employee numbers over next 5 years



Cost-of-living crisis

Businesses were asked to comment on how they had been affected by rising inflation and the cost-of-living crisis. Multiple respondents indicated that this had had an impact on the treatment of staff, reporting that there had been reductions in the number of hours staff work, stopping of overtime and redundancies. Others stated that the cost-of-living crisis had damaged their business, reducing profits as a result of increased costs from energy bills and the price of stock increasing, and expressed fear of increasing prices. However, other businesses stated that they did not experience any change as a result of the cost-of-living crisis, with approximately half stating that they had not been affected at all. The most common response was reduced profitability as a result of inflation and the cost-of-living crisis. Another issue raised was Brexit and how this has increased costs for businesses that rely on imports.

Impact of COVID-19

Respondents were also asked how their business has changed since COVID-19. The most common response was that businesses had not changed much since the pandemic, but a small number of respondents indicated that demand had decreased from previous levels (albeit this could in fact be due to the cost-of-living crisis).

Some businesses referenced changes in working habits, such as flexible working, as longstanding effects from the pandemic. Noting the changes brought about as a result of the pandemic, the survey revealed that approximately 23% of respondents were introducing or retaining flexible working hours. Only 4% anticipated fully remote working being retained as a working practice, importantly suggesting that there will continue to be a need for specific business accommodation.

The majority of the businesses that have permanently adopted hybrid and remote working employed between 1-10 people. However six of the fifteen larger businesses who responded – employing 26-50 people – stated that they would adopt hybrid working. One in three of the businesses employing between 51-100 employees, and two of the three businesses employing over 100 people, were doing likewise. This suggests that the larger businesses in Newcastle-under-Lyme are more likely to be adopting hybrid working than smaller businesses.

Difficulties with recruitment

The issue of recruitment was also explored through the survey, noting the stated intentions of businesses above. A number identified challenges in recruiting, with 38% of respondents indicating that this was the case for their business. When this is broken down by business size, businesses with a larger number of employees tended to find it harder to recruit for roles, with 73% of businesses who employ between 26-50 employees stating that this was the case.

In understanding the factors that could potentially affect their ability to attract and retain talent over the next five years, a range of responses were received from businesses. There was a relatively even spread of reasons selected by respondents with 28% referencing increased competition for talent, 25% referring to transport and accessibility issues across Newcastle-under-Lyme and 23% referring to the perception of Newcastle-under-Lyme as a place to live and work. The challenge of talent migration was identified by 16% of businesses, potentially being related to the above.

Premises

Approximately 28% of the responding businesses stated that they operate from an office in Newcastle-under-Lyme. A further 24% operated from a shop or retail unit, and 21% operated from an industrial unit. Smaller proportions occupy warehouse space (9%), factory sites (5%) and storage yards or depot (5%).

The key factors which led to businesses choosing premises are cost (38% of respondents selected this option), historic ties or affinity to the area (33%), on-site parking facilities (30%) and proximity to home (26%).

In terms of the size of current property, the largest proportion of respondents stated that the business operates from a property between 101-200 sqm (28%) whereas 25% of respondents occupied less than 100 sqm and 20% had between 201-500sqm.

Approximately 85% of respondents stated that they were satisfied with the current accommodation. Of the 15% that were not satisfied, the majority (55%) stated that this was because the accommodation was not large enough. Other cited reasons included the lack of expansion space, insufficient parking, concerns around security and issues with the quality of the surrounding environment.

Looking forward, circa 19% of all responding businesses expected to need larger accommodation in the next five years, presumably reflecting intentions to grow. Circa 74% stated that their space requirements are unlikely to change and 7% expected to downsize. Of these businesses who require different accommodation, 42% stated that the business would consolidate on a new site, with 24% stating there is space on their existing site to expand and 18% intending to expand and open an additional site. There are three main categories in the

type of accommodation that these businesses were looking for, namely office space, industrial space and land.

In terms of the size of property sought, 22% of the respondents looking for different accommodation stated they were seeking smaller premises under 100 sqm. Another 22% stated that they were seeking accommodation sized 201-500 sqm and 14% required accommodation that was sized 101-200 sqm (likewise 2,001-5,000 sqm).

When asked about other specific accommodation requirements, multiple businesses stated that location was important with good access to transport connections including the road network and motorways.

Of all businesses that responded, 56% expressed confidence that they could meet their accommodation needs within Newcastle-under-Lyme. Only 7% stated that they could not, and another 3% indicated that their business would need to relocate elsewhere for reasons unrelated to site availability. Circa 34% did not know whether they could meet their needs in Newcastle-under-Lyme.

For the businesses that doubted whether their needs could be met in Newcastle-under-Lyme, the majority stated that this was due to a lack of suitable premises. Others stated that parking should be improved around business premises.

Appendix 2: Demographic modelling assumptions



Newcastle-under-Lyme

DATA INPUTS AND ASSUMPTIONS

March 2023



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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.

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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.

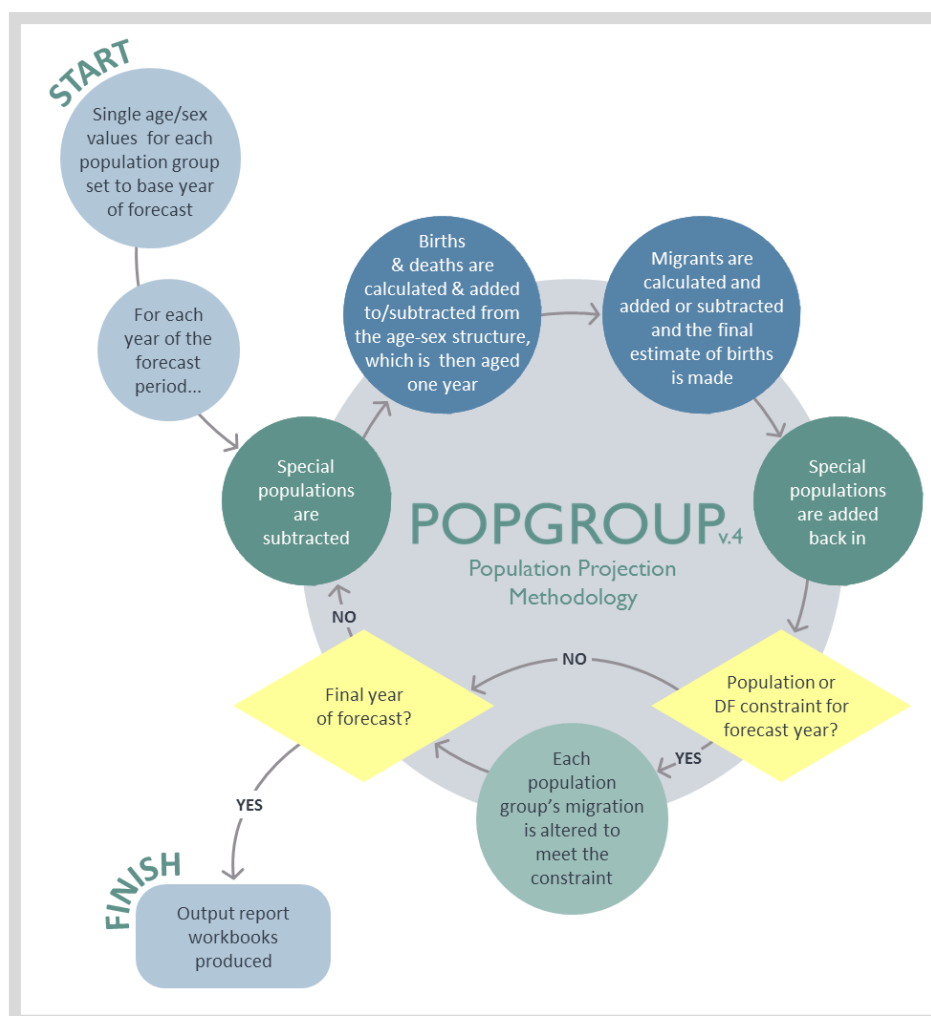


Figure 1: POPGROUP population projection methodology

- 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.

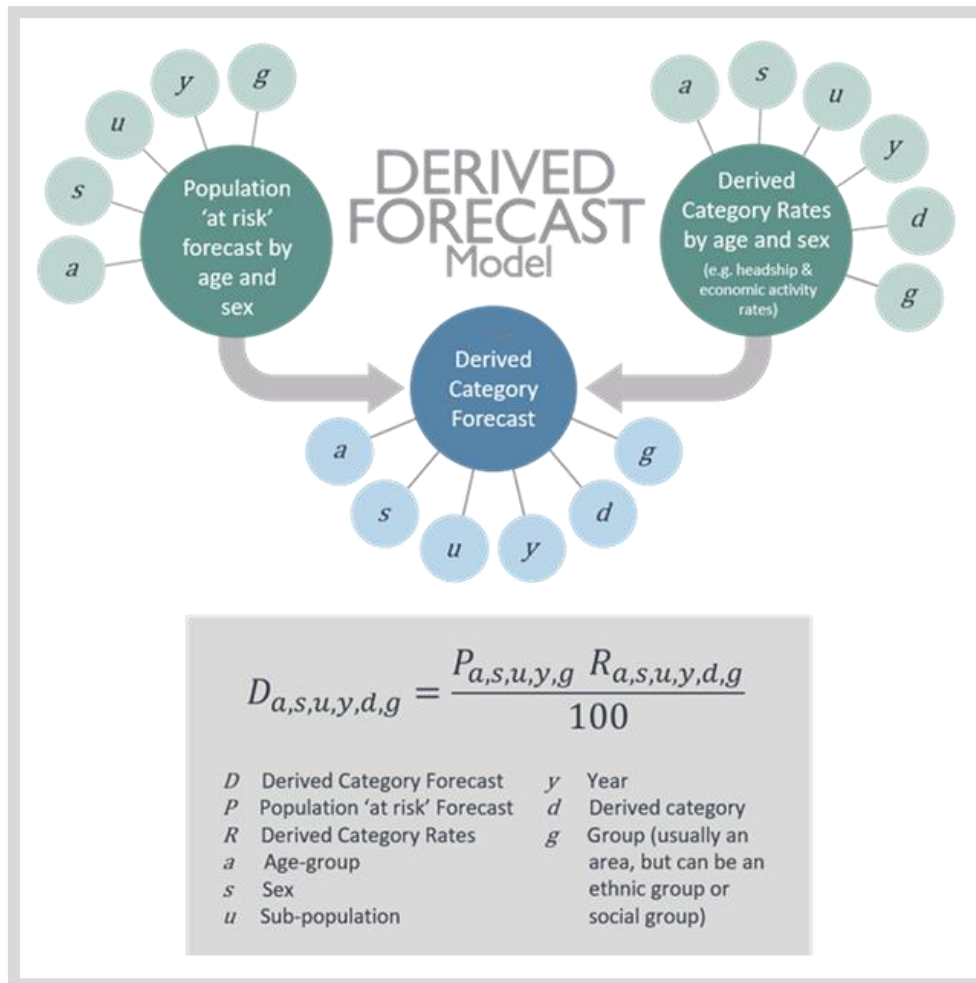


Figure 2: Derived Forecast (DF) methodology

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 2001–2021, 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** and two **Employment-led** scenarios for Newcastle-under-Lyme, taking into account the latest demographic and economic evidence.
- 2.4 Under all scenarios, historical mid-year population estimates have been applied up to 2021, with an annual dwelling growth constraint of 576 applied in 2021/22 to reflect completions recorded in this year. From 2022/23 onward, annual dwelling or employment growth targets have been applied as follows:
- **Dwelling-led** – Annual dwelling growth of +358, based on the current outcome of the standard method for local housing need.
 - **Employment-led** – Average annual employment growth of +199 per year (following Turley’s independent application of a double jobbing assumption), representing a mid-point between the latest Experian and Cambridge Econometrics forecasts for Newcastle-under-Lyme.
 - **Employment-led CE** – Average annual employment growth of +270 per year (following Turley’s independent application of a double jobbing assumption), detailed in the latest Cambridge Econometrics forecast for Newcastle-under-Lyme.
- 2.5 Under 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.
- 2.6 Under 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.

- 2.7 Under both dwelling-led and employment-led scenarios, internal (domestic) migration provides the balancing factor, altering population growth to try to achieve the annual dwelling or employment growth targets.

Inputs & Assumptions

Population

- 2.8 Historical population statistics are provided by ONS mid-year population estimates (MYEs) (2001-2021) for Newcastle-under-Lyme, with all data disaggregated by single year of age and sex. The mid-2021 population estimate is based on the 2021 Census population count. The intercensal MYEs (2012–2020) have yet to be adjusted to align with the 2021 Census results.¹
- 2.9 From the 2021 base year onwards, future population counts are estimated by single year of age and sex, using the defined assumptions on fertility, mortality and migration outlined below.

Births & Fertility

- 2.10 Historical mid-year to mid-year counts of births by sex have been sourced from the ONS MYEs for the 2001/02–2019/20 period.
- 2.11 From 2020/21, 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 Historical mid-year to mid-year counts of deaths by five-year age group and sex have been sourced from the ONS MYEs for the 2001/02–2019/20 period.
- 2.13 From 2020/21, 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

- 2.14 Historical mid-year to mid-year estimates of internal in- and out-migration by five-year age group and sex have been sourced from the ‘components of population change’ that underpin the ONS MYEs, for the 2001/02–2019/20 period.
- 2.15 Future internal migration assumptions have been derived from the ONS 2018-based SNPP alternative internal migration variant, with the level of internal migration altered by the model to meet defined annual dwelling and employment growth targets.

¹ Rebased MYEs for the period 2012 to 2020 are currently due for release in April/May 2023

International Migration

- 2.16 Historical mid-year to mid-year counts of immigration and emigration by five-year age group and sex have been sourced from the ‘components of population change’ files that underpin the ONS MYEs, for the 2001/02–2019/20 period.
- 2.17 From 2020/21, international migration counts are taken from the ONS 2018-based SNPP. An ASMigR schedule of rates from the ONS 2018-based SNPP is used to distribute future counts by single year of age.

Households & Dwellings

- 2.18 The 2011 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.”*
- 2.19 In POPGROUP, a *dwelling* is defined as a unit of accommodation which can either be occupied by one household or vacant.
- 2.20 The household and dwelling growth implications of each scenario are estimated through the application of communal population statistics, household headship rates and a dwelling vacancy rate. These assumptions have been sourced from the 2011 Census, and the MHCLG (now DLUHC) 2014-based household projection model. In a **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

- 2.21 A household headship rate is defined as the *“proportion of individuals in a specific group considered the head of household.”*²
- 2.22 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.
- 2.23 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.

² MHCLG 2014-based Household Projections

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

- 2.24 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 2022 and 2040. All other age groups remain unadjusted.

Communal Population Statistics

- 2.25 Household projections in POPGROUP exclude the population ‘not-in-households’ (i.e., the communal/institutional population). These data are drawn from the MHCLG 2014-based household projections, which use statistics from the 2011 Census. Examples of communal establishments include prisons, residential care homes, student halls of residence and certain armed forces accommodation.
- 2.26 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.

Vacancy Rate

- 2.27 The relationship between households and dwellings is modelled using a ‘vacancy rate’, sourced from 2022 Department for Levelling Up, Housing and Communities (DLUHC) Council Tax data. Under all scenarios, a vacancy rate of 1.6% for Newcastle-under-Lyme has been applied and fixed throughout the forecast period.

Labour Force & Employment

- 2.28 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 an **Employment-led** scenario, these assumptions have been used to derive the level of population growth required to support the level of employment growth.

Economic Activity Rates

- 2.29 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.³

Commuting Ratios

- 2.30 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.
- 2.31 According to the 2011 Census, the number of resident workers in Newcastle-under-Lyme was approximately 57,642, with the number of people employed in the area at 49,584. This results in a commuting ratio of 1.16, indicating a net out-commute. This commuting ratio has been applied and fixed throughout the forecast period in all scenarios.

Unemployment Rate

- 2.32 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 2021 rate of 3.6% for Newcastle-under-Lyme has been applied and fixed throughout the forecast period.

³ OBR Fiscal Sustainability Report, July 2018



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Appendix 3: Sector to Use Class matrix

	Offices	Industrial	Warehouses	Non-B
Manufacturing	0%	90%	10%	0%
Financial & business services	90%	0%	0%	10%
Information & communications	80%	0%	0%	20%
Transport & storage	0%	0%	75%	25%
Distribution	0%	0%	40%	60%
Government services	25%	0%	0%	75%
Construction	0%	0%	5%	95%
Agriculture etc	0%	0%	0%	100%
Mining & quarrying	0%	0%	0%	100%
Electricity, gas & water	0%	0%	0%	100%
Accommodation & food services	0%	0%	0%	100%
Other services	0%	0%	0%	100%

Appendix 4: Updating the employment land supply position

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 ENA, with its Appendix 1 outlining the site assessment criteria and Appendix 2 containing a proforma for each site that was reviewed.

Aspinall Verdi have reviewed the supply as part of this update. This review has deployed the same methodology that was previously prescribed by the Councils, and therefore builds on the two studies which precede it.

It should be noted that the analysis in this study 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 ENA considered to have the potential to become a strategic employment site, as well as new candidate sites with similar credentials.

In undertaking this update, the Council initially shared an updated iteration of its employment land supply spreadsheet, which provided:

- An update on the existing use of each site;
- An updated position on the planning situation, and context, for each site;
- Adjustments to the gross and net developable area of each site to account for updated monitoring information and/or remeasurement of site areas;
- Additional information relating to subsequent evidence-based studies which potentially affected the availability of sites and their deliverable area, including for example the Council's Open Space Strategy¹¹⁴;
- Confirmation of sites which were required to be removed from the supply having been included in the Council's residential supply, or proposed to be allocated for housing; and
- Additional sites which have been identified by the Council through the development of its evidence base to inform the draft Local Plan¹¹⁵.

¹¹⁴ The Council confirmed that whilst this study was published in March 2022, it has been taken into account as relevant when making adjustments to the developable areas of sites, so as to allow for high value open space which the Council would expect to be retained in the development or subsequent allocation of sites.

To reflect the Council's latest monitoring data, the above provided an assessment of the supply at a base date of March 2022. This base date has been used in the presentation of the updated supply assessment undertaken by Aspinall Verdi where possible.

Aspinall Verdi undertook focused site visits in March 2023, visiting those where the Council had specifically identified a change in circumstances or where confirmation was required as to the progress of development or where factors were identified which could have impacted on the developable site area. New sites which the Council deemed as being potentially appropriate for the provision of employment uses were also visited. This provided an update picture of these sites and, where appropriate, their progress from the base date of March 2022 is recognised within the analysis presented in this appendix.

Accounting for the information provided by the Council and these targeted site visits, Aspinall Verdi also revisited and where necessary adjusted the 2020 scoring of sites and their subsequent grading. The outcomes of the process described above are summarised in the remainder of this appendix.

Overview of assessed sites

In total, the review has considered 60 sites identified by the Council. As observed above this reflects its addition of 10 sites to the 50 considered in the ENA.

Of these 60 sites, the Council itself removed 18 from the process, of which 10 were sites which had been included in the ENA and 8 were new sites the Council had added but subsequently removed¹¹⁶. In the case of several of the 10 sites which featured in the ENA, the Council identified them for removal because it believed that they could be more appropriately included within its residential supply, on the basis that this was a more suitable use. Indeed, at least one of these sites had already come forward as a residential scheme.

A total of 42 sites were therefore assessed through the review.

Committed supply of employment space

Following the approach of the 2015 ELR and the subsequent ENA, the committed supply – considered by the Council to be available for development now and compliant with existing policy¹¹⁷ – has been assigned by the Council to one of the following categories:

- Local Plan allocations;
- Vacant land within existing areas; and

¹¹⁵ A total of 10 new sites were added by the Council, albeit it has ultimately deemed all but two to be unsuitable for employment use and most consequently do not form part of the cumulative site areas presented in this appendix. Of the two remaining sites only one, 'Land to the rear of Slaters Village, Baldwin's Gate' (2023-N6), is included in the analysis as the other, 'Land off Talke Road and A500' (2020-N9), was identified by the Council as being a potential strategic employment site candidate (circa 52ha developable area) and has been assessed separately by Aspinall Verdi in the SESS

¹¹⁶ The following sites were identified by the Council for removal from those assessed within the ENA: 2020-N11, 2020-N10, 2020-N51, 2020-N29, 2020-N31, 2020-N24, 2020-N22, 2020, N60, 2020-N45, 2020, N61. The Council also removed 8 out of the 10 new sites it had identified.

¹¹⁷ A full description of each category is set out at paragraph 7.4 of the ENA.

- Extant planning permissions¹¹⁸.

Local Plan Allocations

The Newcastle-under-Lyme Local Plan has previously allocated land for industrial and business use. The ENA identified six allocated sites which continued to have land available at 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. These sites are shown at Table 4.1 overleaf along with the updated residual net developable areas.

¹¹⁸ 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.

Table 4.1 Local Plan Allocations – updated residual net developable areas

Site name and reference	Developable area (ha)	
	2020	2022
Chatterley Valley (west of mainline) (2020-N13)	27.27	26.5 ¹¹⁹
London Road, Chesterton (2020-N28)	1.62	0 ¹²⁰
Kidsgrove Station Road (2020-N45)	0.71	0 ¹²¹
University of Keele Science Park (Phase 3) (2020-N32)	15.03	6.28 ¹²²
Chemical Lane (2020-N17)	2.1	2.1 ¹²³
Land at Watermills Road, Chesterton (2020-N24)	1.22	0 ¹²⁴
Rowhurst Close, Chesterton (2020-N23)	1.52	1.52 ¹²⁵
Chatterley Valley (east of mainline) (2020-N12)	5.2	5.5
Centre 500, Former Wolstanton Colliery Stock Yard (2020-N61)	2.61	0 ¹²⁶
Total	57.6	41.9

Source: *Aspinall Verdi, Newcastle-under-Lyme Council*

It is apparent that the supply of land on the remaining allocations has continued to reduce, having collectively offered 66.86ha when the ELR was produced in 2015.

A significant part of this residual supply relates to the Chatterley Valley (west of mainline) site. The ENA noted that outline planning permission had been granted and Aspinall Verdi's subsequent review has confirmed that construction was well underway across the remainder of the site as of March 2023. The Rowhurst Close site was similarly identified by Aspinall Verdi as appearing ready for construction to commence on the remaining developable area, and the

¹¹⁹ Aspinall Verdi observed that the remaining developable area was under construction as at March 2023, albeit no buildings were complete at that time

¹²⁰ Whilst the ENA identified 1.62ha of developable land, for the purposes of this review the site area reverts to the 0ha identified in the 2015 ELR. This recognises that in Aspinall Verdi's view the site is fully developed and in active use.

¹²¹ The Council has confirmed that the site is 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.

¹²² Aspinall Verdi confirmed that the remaining site area has 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 has not been directly recorded with Aspinall Verdi updating the developable area as part of their site visits in this review.

¹²³ Aspinall Verdi confirmed that as of March 2023 the site has been fully developed out, but it is understood that the development has been completed only in the last 12 months

¹²⁴ The site has permission for 67 residential units and has been identified by the Council as forming part of its residential supply and is therefore removed.

¹²⁵ Aspinall Verdi have confirmed 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.

¹²⁶ The Council has removed this site from the supply where it is in the ownership of Stoke-on-Trent City Council and it is understood to be the intention for it to be delivered as biodiversity land for the Etruria link road.

Chemical Lane site also appears to have been fully developed as of March 2023 and is therefore not deliverable. Given that these sites are built out, or are in the process of building out, the supply is effectively now even smaller than suggested at the 2022 base date, and could be as low as **11.8ha**.

Vacant land within existing employment sites

The ENA identified 6.8ha of developable land remaining on sites that the Council had classified as being within existing employment areas but not having planning permission.

Aspinall Verdi’s review suggests that this figure has reduced to only **2.9ha**, comprised of a single remaining site (Land off Linley Road, Kidsgrove; 2020-N7). The Council has removed the other four sites which had this classification for various reasons.

Sites with extant planning permission

The ENA identified only 0.4ha of land in Newcastle-under-Lyme with extant planning permission. This has increased to **5.1ha** with the addition of the Speedway, Chesterton site (2020-N27) which received planning permission in 2020 but after the base point of the previous assessment. Aspinall Verdi have confirmed that the site is under construction and is anticipated to complete later in 2023. Due to a recalculation of the site area of the other permissioned site, this would mean that only **0.3ha** of developable land with permission will remain, with this permission believed to be due to lapse in the near future.

Existing supply of employment land

Table 4.2 collates the information above to establish the supply of employment land in Newcastle-under-Lyme, across the three categories, as of the March 2022 base date.

Table 4.2 Existing supply of employment land (March 2022)

	Employment land, net (ha)
Local Plan allocations	41.9
Vacant land within existing employment sites	2.9
Sites with extant planning permission for B-class employment development	5.1
Total	49.9

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

The existing supply at the base date of March 2022 has evidently reduced to 49.9ha, having stood at circa 64.8ha when the ENA was produced in 2020. This is due to both the take-up of some sites but also the Council’s removal of others from the effective supply.

Assessment of the existing supply

Table 4.3 presents an updated summary of the assessed sites in Newcastle-under-Lyme, including their reference number from the ENA, their net developable site area – as of March 2022 – and their ranking on the five point scale explained in section 7 of the ENA (very good / good / average / poor / very poor). As in that study, 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.

Table 4.3 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	4.8	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	2.1	Average
N60	Hilltop Business Centre, Talke	0	Average
N22	Ex Servicemen's Club, Heathcote Street	0	Average
N23	Rowhurst Close, Chesterton	1.52	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

The assessment grades remain broadly consistent for most sites when compared with the ENA, albeit site areas have evidently changed. The main change relates to Aspinall Verdi’s regrading of site 2020-N51 from “average” to “very poor”, with this recognising current uses and Aspinall Verdi’s judgement that the site is unlikely to have reasonable prospects for employment development, with this also confirming the Council’s decision to remove the site from the process. The table also shows the inclusion of site 2020-N27 following the granting of permission on the site¹²⁷.

¹²⁷ Previously designated by the Council as an ‘other’ site

In summarising Table 4.3, it is still the case – as in the ENA – that no sites are graded as “very good” but four are classified as “good”. These sites represent just over 12ha, which has notably reduced from circa 21ha when the ENA was produced in 2020. It remains the case that one site, Keele Science Park, constitutes a significant proportion (over half) of this supply highlighting the limited supply of other such better quality sites within the borough.

Eleven sites continue to be graded as “average”, representing almost 35ha of land, broadly comparable to the 38ha previously graded as such. Three sites were graded as “poor” and one as “very poor” with these offering just under 3ha in total, reduced from circa 6ha previously due to the reduction of some sites’ developable areas. It continues to be the case therefore that whilst there appears a reasonable range of sites, most of the supply continues to be graded as only average. This is still the case despite Aspinall Verdi continuing to perceive market conditions to be relatively positive.

Acknowledging future reductions in the existing supply

As noted at the earlier Table 4.2, a total of 49.9ha of existing employment land has been identified and assessed. This reduced supply, compared to the ENA, factors in decisions made by the Council to remove several sites from the supply for reasons outlined above, and also accounts for the granting of permission for other uses and the identification of sites as forming part of the residential supply.

It is also the case that since the base date of March 2022 a number of sites have proceeded to implement existing permissions, or indeed been completed. This will serve to further reduce the available supply as noted above. Specifically, the following sites have been identified:

- **Chatterley Valley (West of Mainline) (2020-N13) – 26.5ha** – Aspinall Verdi confirmed that there is major construction activity underway including major levelling and site preparation work. It is reasonable to assume that the remaining land on this site will therefore be completed in the near future, significantly reducing the overall land available;
- **Speedway Stadium (2020-N27) – 4.8ha** – Aspinall Verdi confirmed that the site is under construction and anticipated to be complete later in 2023;
- **Chemical Lane Site (2020-N17) – 2.1ha** – Aspinall Verdi confirmed that as of March 2023 the site is fully built out following the implementation of planning permission; and
- **Rowhurst Close, Chesterton (2020-N23) – 1.52ha** – Aspinall Verdi identified that the remainder of the plot has been fenced off and appears ready for imminent construction, suggesting that the site will be fully complete in the near future.

Aspinall Verdi have also identified a further site which they consider to have limited prospects of seeing employment development occurring within a reasonable timeframe:

- **Land off Linley Road (2020-N7) – 2.86ha** – Aspinall Verdi suggest that there is a perceived lack of demand for this site, which is currently in active use for vehicle storage. They suggest that the site has previously had residential interest and that such a use could be suitable in this location if absence of demand is proven.

Table 4.4 shows the effect of removing these sites from the current supply.

Table 4.4 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	49.9
Chatterley Valley (West of Mainline) (2020-N13)	-26.5
Speedway Stadium (2020-N27)	-4.8
Chemical Lane Site (2020-N17)	-2.1
Rowhurst Close (2020-N23)	-1.5
Land off Linley Road (2020-N7)	-2.9
Total with deductions	12.1

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

This shows 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 supply assembled by the Council continues to include sites classified as “other”, which it has independently identified, and others put forward through calls for sites which fall outside of the current employment site classifications. These sites, as in the ENA and the preceding ELR, have been classified separately as a potential future source of employment land supply.

There are 41 such sites in total, which as of March 2022 collectively offered almost 372ha of land – comparable to when the ENA was produced in 2020¹²⁸.

As identified in the ENA, this significant volume of land is primarily formed by a small number of very large sites. The 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. This update to the ENA does not include a comparable consideration of potential strategic sites, with this the subject of a separate study commissioned by the Council and prepared by Aspinall Verdi. These sites have therefore been removed once again, noting that the Council has reappraised the developable areas of several of them. Furthermore, the Council also added in a further large site which the separate study considers, and this has also been removed from this analysis here for the same reason. These sites collectively represent just under 300ha of land.

The removal of these sites means that the residual 32 sites in the “other” category offer approximately 72ha of land between them. It is noted that with the omission of these sites there remain a number of 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 reflects their

¹²⁸ Table 7.3 of the ENA identifies a potential future supply from such sites of 340.5ha in Newcastle-under-Lyme

identification by the Council and does not pre-determine any decisions around future allocation. 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 122ha. This is slightly lower than identified in the ENA¹²⁹ (139.4ha). Allowing for the reductions the combined supply would be circa 84ha.

¹²⁹ This is shown at Table 7.4 of the ENA.

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