



Contents

1. Background
2. National Policy and Guidance
3. Local Housing Need
 - Application of an Appropriate Buffer
 - Addressing the Shortfall
4. Local Housing Need 2021 to 2026
5. Housing Land Supply
 - Assessment of Deliverable Sites
 - Detailed Planning Permission
 - Outline Planning Permission
 - Planning Applications with Resolution to Grant
 - Windfall Development and Allowance
 - Student Accommodation
 - Older People's Housing
 - Overview of Housing Land Supply Components
6. Five Year Housing Land Supply Position
7. Summary
8. Appendix 1 – Schedule of Deliverable Sites

1. Background

- 1.1. This five year housing land supply sets out new information on the availability of land in Newcastle-under-Lyme for housing development looking forward over the next five years from 2021 to 2026.

2. National Policy and Guidance

- 2.1. The National Planning Policy Framework (NPPF) states:

“Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old” (*NPPF, Paragraph 74, p20*).

- 2.2. The Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy (Local Plan) was adopted more than five years ago (October 2009), and the emerging Local Plan has not yet been subject to examination. Therefore, the standard method should be used to calculate the local housing need for Newcastle-under-Lyme.

- 2.3. The NPPF also states:

“...to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals” (*NPPF, Paragraph 61, p17*).

- 2.4. As Newcastle-under-Lyme Borough Council’s existing strategic policies are more than five years old, the Borough’s local housing need should be applied for the purposes of assessing the Borough’s five year housing land supply. The NPPF glossary defines local housing need as:

“the number of homes identified as being needed through the application of the standard method set out in national planning guidance, (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 61 of this Framework)” (*NPPF, p68*).

- 2.5. Furthermore, with regard to local housing need assessment, Planning Practice Guidance (PPG) provides greater detail on the approach to be adopted in prescribed circumstances. PPG directs all local authorities with strategic policies older than 5 years, or where strategic housing policies have not been reviewed and found to be up-to-date, to use the Government’s standard method as the starting point for calculating the 5 year housing land supply.

- 2.6. The NPPF glossary defines ‘deliverable’ as follows:

To be considered ‘deliverable’, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years (*NPPF, p66*).

- 2.7. The NPPF sets out the Housing Delivery Test (HDT). Fundamentally, the result of the test is expressed as a percentage arrived at by dividing the minimum number of total dwellings required to have been built over the preceding 3 year period by the total number of dwellings that were built during the same period. The Housing Delivery Test result is used to determine the application of an appropriate buffer to the Borough's supply of deliverable sites, along with determining what other measures are required, according to national policy, to address under-delivery.

3. Local Housing Need

- 3.1. Newcastle-under-Lyme Borough Council is currently in the early phases of preparing a Local Plan. This will replace the Core Spatial Strategy and set a new housing requirement which will assess housing need for the Borough, and constraints to development.
- 3.2. Strategic policies within the Core Spatial Strategy are more than 5 years old. In accordance with Planning Practice Guidance, the Government's standard method for assessing local housing need for Newcastle-under-Lyme is the prescribed method for calculating a five year housing land supply (*PPG, Paragraph: 003, Reference ID: 68-003-20190722, Revision Date: 22 July 2019*). The standard method was also used in the previous 2020-2025 five year housing land supply statement.
- 3.3. Figure 1 below indicates the Borough's local housing need according to the Government's standard method to assess housing need:

Figure 1: Local Housing Need - Government's Standard Approach

Step 1- Setting the baseline:

Average household growth in Newcastle-under-Lyme between 2021-2031.

59,169 households in 2031 and 56,048 in 2021. 3,121 household growth.

$$312 \text{ (Annual Household Growth)} = \frac{59,169 - 56,048}{10}$$

Average annual household growth= **312**

Step 2 - An adjustment to take account of affordability:

2019 median workplace-based affordability ratio for Newcastle-under-Lyme: 5.93

$$\left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

5.93 (local affordability ratio) – 4 = 1.93

1.93 / 4 = 0.4825

0.4825 x 0.25 = 0.120625

0.120625 + 1 = 1.120625

Adjustment factor= **1.120625**

The minimum annual local housing need figure for Newcastle-under-Lyme:
(Adjustment factor) x projected household growth 1.120625 x 312 = 349.635
The resulting figure is **350** (rounded).

Step 3 - Capping the level of any increase

The Newcastle-under-Lyme and Stoke-on-Trent Core Spatial Strategy (Local Plan) was adopted more than five years ago (October 2009). A cap may therefore be applied whichever is the higher of:

285 dwellings per annum set out in the 2009 Core Strategy

312 based on average annual household growth 2021-2031 (as per Step 1)

The cap is set at 40% above the higher of the most recent average annual housing requirement figure, or average household growth. In this case, the household growth is the greatest figure:

Cap = 312 + (40% x 312) = 436.8

The capped figure is greater than the minimum annual local housing need figure and therefore does not limit the increase to this authority's minimum annual housing need figure (i.e. no cap is applicable).

The minimum annual housing need figure for Newcastle-under-Lyme is **350**.

Application of an Appropriate Buffer

3.4. The NPPF states:

“the supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period)” (*NPPF, Paragraph. 74, p21*).

3.5. As defined in the NPPF, the appropriate buffer for Newcastle-under-Lyme Borough Council is “a) 5% to ensure choice and completion in the market for land”, as

delivery has risen above 85% of the requirement. This is due to the Borough's 2021 Housing Delivery Test Result of 132% as per below calculation.

$$\frac{1186 \text{ (total net additional homes delivered 2018/19 to 2020/21)}}{899 \text{ (total number of net homes required 2018/19 to 2020/21)}}$$

Housing Delivery Test 2021 Measurement

Addressing the shortfall

- 3.6. The PPG indicates that any shortfall should also be included in the requirement for the first five years (*PPG, Paragraph: 022, Reference ID: 68-022-20190722, Revision date: 22 July 2019*). This results in a five year supply requirement in excess of the local housing need figure.
- 3.7. Therefore, to assess the five year housing land supply, it is relevant to assess housing delivery during the 2018/19-2020/21 period against the housing requirement. This corresponds with the results of the Housing Delivery Test 2021 measurement published by the Ministry of Housing, Communities & Local Government (MHCLG). Figure 2 below shows the results.

Figure 2 Housing Delivery Test 2021 Measurements: number of homes required, number of homes delivered and cumulative shortfall.

Year	Number of Homes Required	Number of Homes Delivered	Shortfall/Surplus (cumulative)
2018-19	344	236	-108
2019-20	319	320	-107
2020-21	236	630	+287
Total	899	1186	287
<i>Source: Housing Delivery Test: 2021 measurement, Ministry of Housing, Communities & Local Government</i>			

- 3.8. The table above shows there is no shortfall of homes delivered. Therefore, it does not need to be factored into the five year housing land supply requirement calculation.

4. Local Housing Need 2021 – 2026

- 4.1. Figure 1 indicates the annual local housing need figure according to the Government's standard method to assess housing need. In accordance with the NPPF and PPG regarding housing delivery and 5 year housing land supply, the Borough's minimum housing need has been calculated using the standard method. This amounts to a local housing need of 1,750 homes over a 5 year period, as set out in Figure 3, with which to assess the Council's housing land supply against.

Figure 3: Local Housing Need Assessment

Local Housing Need (per annum)	350
Five year Local Housing Need	1,750
Shortfall	0
Five year requirement including shortfall and 5% buffer (rounded)	1838
Annual requirement including 5% buffer (rounded)	368
Total five year housing requirement (rounded)	1,838

5. Housing Land Supply

Assessment of Deliverable Sites

- 5.1. The capacities identified in this section were derived having considered the amended definition of 'deliverable' sites as set out in the glossary of the NPPF and PPG (*NPPF, p66 and PPG, Paragraph: 007, Reference ID: 68-007-20190722*).
- 5.2. Furthermore, an assessment of all sites within the land supply has been undertaken in accordance with the Council's SHLAA Methodology.
- 5.3. The approach adopted ensures an up-to-date trajectory and robust deliverable supply having determined which sites are deliverable and the amount of capacity (delivery) that can realistically be expected from each site during the 2021-2026 period.

Detailed Planning Permission

- 5.4. In accordance with the NPPF, sites (including small sites) which have detailed planning permission have been considered deliverable during the period their permission remains extant, unless there was clear evidence that the site will not be implemented or commence delivery within the five year period.

Outline Planning Permission

- 5.5. Sites with outline permission have only been considered as counting towards the deliverable supply where there is clear evidence that housing completions will begin on site within five years (i.e. progression towards reserved matters, discharge of conditions or significant developer interest).

Planning Applications with Resolutions to Grant

- 5.6. Sites with planning applications with resolutions to grant (outline or full) planning permission subject to a Section 106 agreement or Unilateral Undertaking being completed are considered deliverable. These applications have progressed positively through the development management process with the proposal generally being considered acceptable by the Council and are ready to receive planning permission, subject to the detail of planning requirements being secured in a Section 106 legal agreement or Unilateral undertaking.

Windfall Development and Allowance

- 5.7. The NPPF states:

“Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area” (*NPPF, Paragraph 71, p19*).

- 5.8. We have found compelling evidence that windfall sites provide a reliable source of supply in Newcastle-under-Lyme. Figure 4 below shows the past trends in windfall site completions since 2008. These typically comprise of changes of use, conversions and sites not already identified in the published SHLAA.

Figure 4: Calculation of the windfall allowance

<u>Windfall Completions</u>			
Year	Change of Use/ Conversions	Sites not identified in the SHLAA	Total
2008-09	18	30	48
2009-10	39	8	47
2010-11	3	18	21
2011-12	16	11	27
2012-13	25	6	31
2013-14	18	15	33
2014-15	24	2	26
2015-16	49	12	61
2016-17	232	20	252

2017-18	11	29	40
2018-19	12	47	59
2019-20	7	37	44
2020-21	20	34	54
Total	474	269	743
Average per year			57.15

- 5.9. Considering the monitoring data presented in Figure 4, a windfall allowance of 57.15 dwellings per year for years 2024/25 and 2025/26 of the five year period is included in the housing land supply calculation. A total windfall allowance of 114 is applied for the last two years of the five year supply period. This avoids double counting of existing planning approvals which are likely to be built during the preceding three years.

Student Accommodation

- 5.10. In recent years, the Council has seen a rise in the number of planning applications proposing significant amounts of purpose built student accommodation.

- 5.11. The PPG states:

“All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can in principle count towards contributing to an authority’s housing land supply based on:

- the amount of accommodation that new student housing releases in the wider housing market (by allowing existing properties to return to general residential use); and / or
- the extent to which it allows general market housing to remain in such use, rather than being converted for use as student accommodation.

This will need to be applied to both communal establishments and to multi bedroom self-contained student flats. Several units of purpose-built student accommodation may be needed to replace a house which may have accommodated several students.

Authorities will need to base their calculations on the average number of students living in student only accommodation, using the published census data, and take steps to avoid double-counting. The exception to this approach is studio flats designed for students, graduates or young professionals, which can be counted on a one for one basis. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that fully functions as an independent dwelling” (PPG, Paragraph: 034, Reference ID: 68-034-20190722, Revision Date: 22 July 2019).

- 5.12. In accordance with the above guidance, the Council considered it appropriate to include student housing in the housing land supply. This assessment usually involves calculating a ratio to estimate the amount of student accommodation required to free-up or release a conventional self-contained home.

- 5.13. The Housing Delivery Test includes the provision of student accommodation. The Council applied the nationally set ratios based on England Census data, to

determine the number of students within the Borough who occupy student only households. Figure 5 below provides information on the number of student households in the Borough and the number of households containing 1-7 student occupants.

Figure 5: Newcastle-under-Lyme- Number of Students in Student only Households

All Student only Households	Students in Household						
	1	2	3	4	5	6	7
857	273	196	138	171	67	8	4

2011 Census - Number of students in student only household - national to local authority level

- 5.14. From the data presented in Figure 5, it can be assumed that there were 2,174 students in the Borough at 2011, based on the number of properties occupied by 1 to 7 students. Dividing the total number of students living in student only households by the total number of student only households (2174 / 857) provides the average student household occupancy, which for the Borough is 2.5. This suggests that 2.5 units of student accommodation are required in order to assume the release of one self-contained home.
- 5.15. Figure 6 indicates that Keele University's full-time student population in 2020/21 is 1185 (15.02%) higher than it was in 2013/14. Therefore, it is considered reasonable to assume that a net increase of student accommodation provision (i.e. halls of residence or self-contained student accommodation) will release a proportionate amount of market housing.

Figure 6: Keele University Full-Time Student Numbers

Full time student numbers (Undergraduate and Postgraduate)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Keele University	7,890	7,425	7,875	8,365	8,545	8,565	8,620	9,075

Higher Education Statistics Agency

- 5.16. It is the Council's view that the approach as described results in an accurate ratio with which to estimate the release of market housing through the supply of new purpose built student accommodation. This view is also supported by the fact that the average number of students in student only households in England is 2.5.

- 5.17. At the time of writing this statement, there are 4 sites with planning permission to provide student accommodation, for which there is considered sufficient evidence to conclude they are deliverable. These are shown in Figure 7 below.

Figure 7: Student accommodation considered deliverable and contribute to housing supply

Planning Applications for Student Accommodation	Number of units proposed	Average number of adults per household	Contribution to five year supply
16/01106/FUL (20/01002/FUL)	499	n/a	323
20/00282/FUL	31	n/a	31
17/00252/FUL	273	2.5	208
18/00698/FUL	953	2.5	406
Supply total:			968

- 5.18. The ratio stated in Paragraphs 5.14 and within Figure 7 (average number of adults per household) is applicable to two planning permissions because they include shared and communal elements (17/00252/FUL & 18/00698/FUL). Two of the planning permissions are for self-contained student units, meaning that they do not share communal areas or living facilities (16/01106/FUL & 20/00282/FUL). The ratio is not applicable to these. Cumulatively, these planning permissions give a total of 968 units that contribute to the Council's housing supply.

Older people's housing

- 5.19. Older people's housing also contributes to housing land supply. The PPG explains:

“Local planning authorities will need to count housing provided for older people, including residential institutions in Use Class C2, as part of their housing land supply. This contribution is based on the amount of accommodation released in the housing market” (PPG, Paragraph: 035 Reference ID: 68-035-20190722, Revised Date: 22 July 2019).

- 5.20. Figure 8 below sets out older people's housing in Use Class C2 which contribute 57 residential units towards the five year housing land supply. For this a ratio (average number of adults per household) is applied to determine the release of accommodation in the housing market.

Figure 8 Purpose built elderly accommodation considered deliverable and contribute to housing supply

Planning Application for Elderly	Number of bedrooms proposed	Average number of adults per household	Contribution to five year supply
19/00254/FUL	20	1.8	11
20/00923/FUL	7	1.8	4
18/00693/FUL	75	1.8	42
Supply total:			57

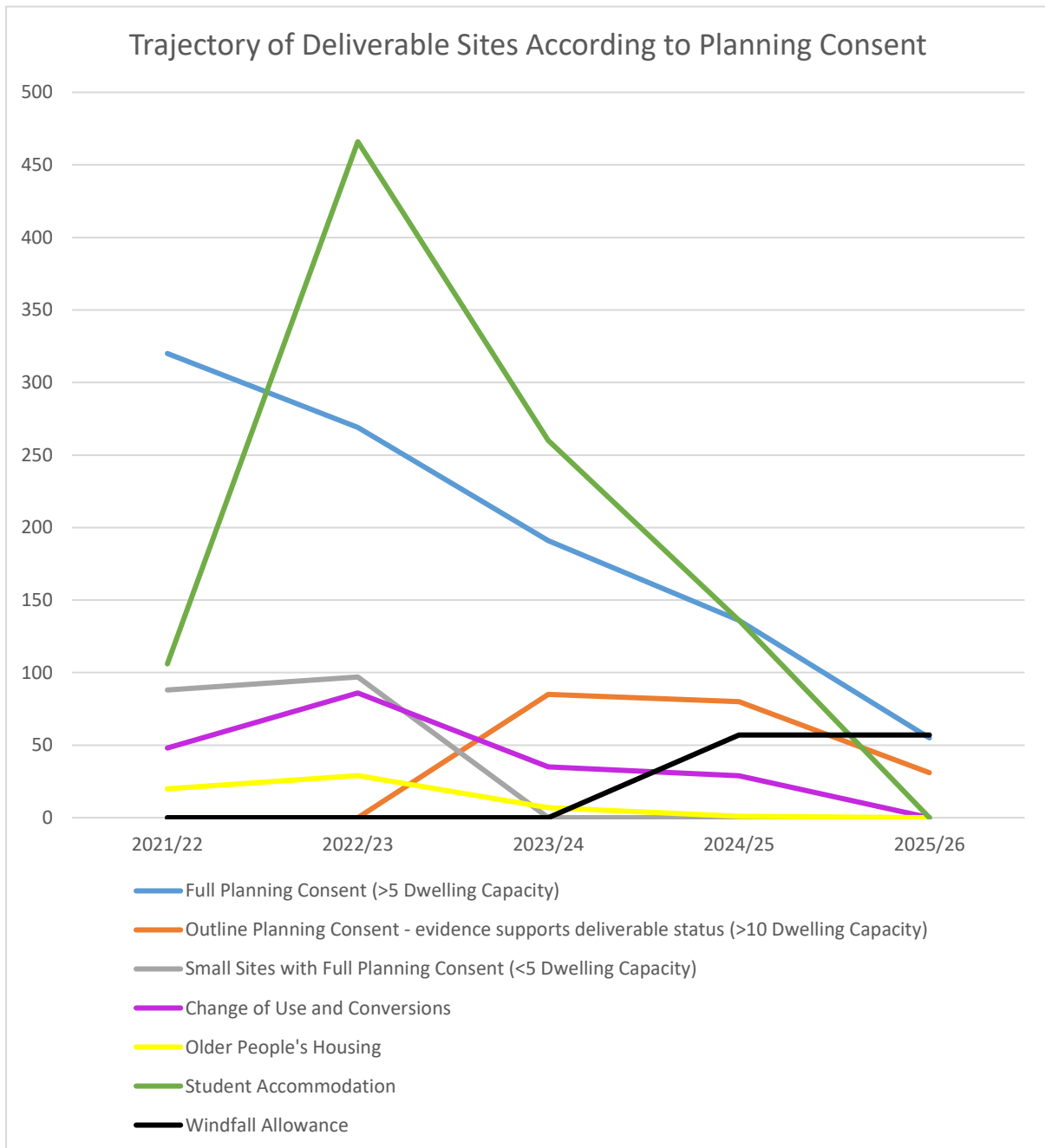
Overview of Housing Land Supply Components

5.21. Having described the various components which form the Council’s housing land supply, Figure 9 provides an overview of the Borough’s deliverable housing land supply. Details of the sites which form each component of the housing land supply are provided in Appendix 1 of this document.

Figure 9: Five Year Housing Supply

Housing Supply Components	Housing Supply 2021-2026
Full Planning Consent (>5 Dwelling Capacity)	971
Outline Planning Consent – evidence supports deliverable status (>10 Dwelling Capacity)	196
Small Sites with Full Planning Consent (<5 Dwelling Capacity)	185
Change of Use and Conversions	198
Older People’s Housing (housing release onto market)	57
Student Accommodation (housing release onto market from deliverable student provision)	968
Windfall Allowance (added to years’ 4 and 5)	114
Total	2,689

5.22. The below chart provides a yearly indication of housing delivery anticipated from each component (planning consent type) of the deliverable housing land supply.



6. Five Year Housing Land Supply Position

6.1. Figure 10 below demonstrates the Council is able to demonstrate 4.7 years of housing land supply (excluding student accommodation) taking into account the application of a 5% buffer. If student accommodation is included in accordance with Planning Practice Guidance, the Council is able to demonstrate 7.3 years of housing land supply.

Figure 10: Five year housing land supply position

Five Year Supply Calculation for period 2021 - 2026 (Sedgefield Method)		
Calculating the required supply		Dwellings
a	Requirement 2018/19 - 2020/21	899
b	Completions 2018/19 - 2020/21	1186
c	Five year Local Housing Need 2021/22-2025/26	1,750
d	Shortfall	0
e	Five year requirement with shortfall	1,750
f	Five year requirement including shortfall and 5% buffer (rounded)	1838
g	Annual requirement including shortfall and 5% buffer (rounded)	368
Identified Supply		
h	Supply over 5 year period 2021/22-2025/26 (including student accommodation)	2,689
i	Supply over 5 year period 2021/22-2025/26 (excluding student accommodation)	1,721
Five year land supply (expressed in years)		
<i>Including student accommodation (h/g)</i>		7.3
<i>Excluding student accommodation (i/g)</i>		4.7

7. Summary

- 7.1. This statement details the approach taken to determine the five year housing land supply position. The Council has prepared this in accordance with the National Planning Policy Framework and updated Planning Practice Guidance.
- 7.2. The Council has updated its five year housing land supply position as of 31/03/2021 and has demonstrated a **housing land supply of 7.3 years**.

