



Madeley Neighbourhood Plan

Housing Needs Assessment

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DRAFT

Quality information

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Table of Contents

1. Executive Summary 1-6

2. Context 15

 2.1 Local context 15

 2.2 Planning policy context..... 16

3. Approach 18

 3.1 Research Questions..... 18

 3.2 Study Objectives 19

 3.3 SHMA 19

 3.4 RQ1. What quantity of housing is appropriate for the NPA?..... 20

 3.5 RQ2. How should this number be distributed among the settlements of Madeley, Onneley and Leycett? 26

 3.6 RQ3. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) tenures should be included in the housing mix? 28

 3.7 Current tenure profile 30

 3.8 Age Structure 31

 3.9 Affordable housing: tenure mix..... 46

 3.10 RQ4. What type of market housing (private rented and housing for sale) should be included in the housing mix? 48

 3.11 RQ5. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate? 49

 3.12 RQ6. Given recent and forecast demographic changes and affordability issues, which are the key groups in the community and which of these is in particular need? 52

4. Market Signals 58

 4.1 Employment Trends 59

 4.2 Housing Market (Prices) 62

 4.3 Housing Market (Volume) 64

 4.4 Migration..... 66

 4.5 Overcrowding and concealed families..... 67

 4.6 Rate of Development..... 68

5. Conclusions 69

 5.1 Overview 69

 5.2 Recommendations for next steps 74

Glossary of terms used in text

| | |
|-------|---|
| AH | Affordable Housing (NPPF definition) |
| AMH | Affordable Market Housing |
| DCLG | Department for Communities and Local Government |
| GT | Gypsy & Traveller |
| GTAA | Gypsy and Traveller Accommodation Assessment |
| HNA | Housing Needs Assessment |
| JCSS | District Core Strategy |
| LPA | Local Planning Authority |
| MNP | Madeley Neighbourhood Plan |
| MPC | Madeley Parish Council |
| NP | Neighbourhood Plan |
| NPA | Neighbourhood Plan Area |
| NPPF | National Planning Policy Framework |
| NuLBC | Newcastle under Lyme Borough Council |
| ONS | Office for National Statistics |
| PPG | Planning Practice Guidance |
| PRS | Private Rented Sector |
| RTF | Rural Town and Fringe |
| SHLAA | Strategic Housing Land Availability Assessment |
| SHMA | Strategic Housing Market Assessment |
| SHMAU | Strategic Housing Market Assessment Update |
| SoTCC | Stoke on Trent City Council |

1. Executive Summary

Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area.
2. As more and more parishes, towns and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
3. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market area¹ on its own and must therefore be assessed in its wider context.
4. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.
5. Our brief was to advise on data at this more local level to help Madeley Parish Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

PPG-Based Assessment

6. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

Summary of Methodology

7. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
8. In the case of Madeley, the current adopted Development Plan is the *Joint Core Spatial Strategy for Stoke-on-Trent City Council and Newcastle-under-Lyme BC (JCSS)*

¹ Government define Housing Market Areas as a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. CLG, available at: <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> (accessed 27/11/ 2017)

(Adopted October 2009). This identifies a target of 900 dwellings to be shared amongst the Rural Service Centres of Madeley, Loggerheads, and Audley Parish.

9. The rationale for this recommended approach is that neighbourhood plans need to meet a number of Basic Conditions to be 'made' by the LPA. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the JCSS. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.²
10. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Client, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing quantity and characteristics.
11. The planning period of neighbourhood plans, where possible, should always be aligned with the relevant local plan.

Gathering and Using a Range of Data

12. The PPG states that:

"no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes".

13. It continues:

"Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. census, national surveys) to inform their assessment which are identified within the guidance".

14. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.
15. Like much of the data forming the housing policy evidence base, the census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data. Our conversation with local estate agents, 'Follwells' helped ensure our conclusions were informed by a qualitative, local perspective.

² See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

Focus On Demand Rather Than Supply

16. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that “*the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints*”.
17. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study³.

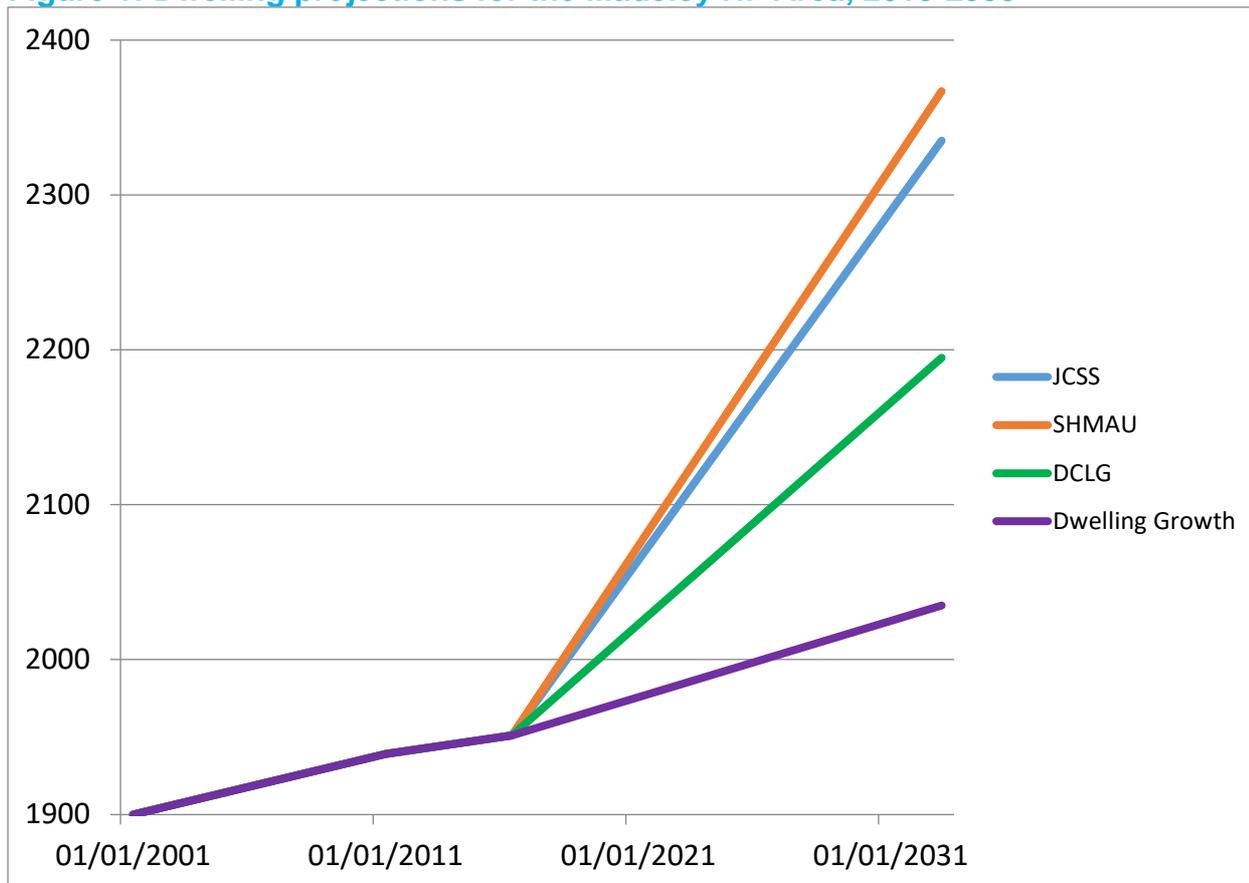
Quantity of Housing Needed

18. Our assessment of a wide range of data sources identified four separate projections of dwelling numbers for **Madeley between 84 dwellings and 416 dwellings** based on:
- A figure derived from the adopted Local Plan for Newcastle under Lyme Borough Council and Stoke-on-Trent (which gives a total of **218 dwellings, or 24 dwellings per annum until the end of the plan (2026)**, or **384 dwellings until the end of the Neighbourhood Plan (2033)**);
 - A ‘proportionate share’ derivation from the SHMA, Objectively Assessed Need⁴ (OAN); total of **416 dwellings** over the plan period (rounded to the nearest whole number), or **21 dwellings per annum**;
 - DCLG Household Projection of **244 dwellings over the plan period or 12 dwellings per annum**; and
 - A projection forward of net dwelling completion rates 2001-2017: **84 dwellings or 5 dwellings per annum**.
19. These dwelling number projections are illustrated in Figure 1 below. The graph overleaf (the vertical axis indicates the number of homes) sets out the total number of homes factoring in each of the projections we have identified in paragraph 17. So, for example, adopting a SHMAU approach, by the end of the plan period this would deliver the most amount of homes, compared to applying a projection based on the dwelling growth between 2001 and 2017.

³ Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release ‘Councils must protect our precious green belt land’ (DCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>). (accessed 13/12/2017)

⁴ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG).

Figure 1: Dwelling projections for the Madeley NP Area, 2013-2033



Source: Census 2001, 2011, DCLG, Newcastle-under-Lyme BC.

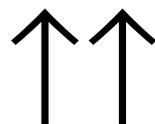
20. In arriving at a final figure for homes that reflect demand in the NPA there are a number of considerations that need to be taken into consideration. Firstly, in the case of NuLBC, the JCSS was adopted in 2009, and is therefore out-of-date, and does not provide a reliable basis for arriving at a housing needs figure for the NPA.
21. Secondly, the number derived from dwellings completed in paragraph 18 (item 4) is supply constrained, meaning that the figures reflect the difficulty of actually delivering new homes on the ground as a result of environmental factors and standing policy. This makes these figures less reliable as a guide to demand in places like Madeley where demand outstrips what can be delivered in practice. Moreover, the SHMAU, produced in 2017, offers the most considered and up-to-date source of evidence available as regards to housing need at district level such should be accorded substantial weight.
22. Finally, it is necessary to take into account the influence of the factors set out in Table 1. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.
23. In order to allow for the first of these factors, we have taken the mean of projections 2 and 3 only as the basis for our final estimate. **This produces a rounded figure of 330 homes.** Taking the second factor into consideration, we look at the balance of 'up' to 'down' arrows. Our study has noted a balance in favour of 'up' arrows of 1. The argument in favour of increasing the housing target for the NPA is based primarily on the strength of prospective jobs growth. However, an issue that is already affecting

sales of properties in the NPA is the impact of HS2. Feedback from local Estate Agents highlights major concerns in the NPA, properties within a ‘few hundred metres of HS2 are basically unsaleable’ and sales are being lost as far away as 3 miles from the HS2 route.

24. Although a specific recommendation in the SHMAU is for plan-makers to support housing for younger families to support settlement viability and overall prospects for sustainable economic growth, this applies across the HMA and is not only the responsibility of the NPA.

25. Given the information above, it is not considered appropriate to propose uplift, given that the demand is already affected by the impacts (perceived or otherwise) of HS2. Therefore it is proposed that the housing figure remains at the mean of the two factors and a figure of **330 dwellings (rounded)** to be delivered in the NPA over the Plan Period of 2013 – 33.

Table 1: Summary of factors specific to Madeley NP with a potential impact on neighbourhood plan housing quantity

| Factor | Source(s) (detailed in Chapter 4) | Possible impact on future housing need | Rationale for judgement |
|--------------------------------------|---|---|--|
| Employment trends | Newcastle-under-Lyme and Stoke-on Trent: Joint Employment Land Review (2015), Stoke-on-Trent and Staffordshire Strategic Economic Plan (2014), Local Plan, Census 2001/11 |  | <p>The NPA is within a short commuting distance of both Newcastle Under Lyme and Stoke, and in the M6 corridor, all of which promote access to employment opportunities. Perhaps of more significance for Madeley is the development of an Innovation Centre adjacent to the established Science Park at Keele University. This could generate significant demand for housing in Madeley. The first stage of development at the Innovation Centre (IC5) was projected to provide an estimated 300 jobs.</p> <p>The ELR includes an employment forecast growth of 22,584 jobs between 2013-2039, or 869 per year. As a result, an assessment of two up arrows has been deemed appropriate because of the predicted future growth of employment opportunities in the local area.</p> |
| Housing transactions (Prices) | Land Registry Price Paid Data for 2006-2016, SHMA(2015), SHMAU (2017) |  | <p>Overall the average price of all types of properties has increased by 20% between 2007-2016. Property prices are 27% higher in Madeley than the Newcastle Under Lyme average. Within this overall figure, detached properties and terraced properties display the higher differences.</p> <p>Feedback from estate agents confirms that there has been increased demand for terraced / townhouse properties over the last 10 years, whilst in percentage terms there has been a general equivalent rise in the value of different properties apart from flats.</p> <p>As a result an assessment of one up arrow has been deemed appropriate; although the price has increased by 20%, this was from a relatively low base. Additionally, potential HS2 impacts prevent this from becoming a two up arrow factor.</p> |

Housing Transactions (Volume) Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA(2015), SHMAU (2017) 

The data and local feedback shows an increased demand for terraced housing relative to supply, versus a decreased demand for flats, whilst sales and stock of detached and semi-detached are relatively equal. Local feedback also confirms a steady rise in property sales over the last 5 years.

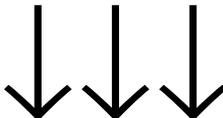
As a result one up arrow has been considered appropriate due to the demand for specific types of properties and a steady rise in property sales within the NPA over the last 5 years. This is with a clear proviso that new dwellings should be suitable for those types of household types forecast to grow. Potential HS2 impacts highlighted by estate agent feedback prevent this from becoming a two up arrow factor.

Migration Census data 2001, 2011 

Migration is not seen as significant factor in determining housing need given that just 3.3% of the NPA population were born outside of the UK

Overcrowding Census data 2001, 2011 

Madeley has seen a significant decrease of 47% in the number of households with more than 1 and up to 1.5 persons per room, although there has been no change in those households with over 1.5 persons per room, which contrasts with the district data which recorded a significant decrease of 34% against this measure. There has been a slight increase in those households with up to 0.5 persons per room. Given the analysis, a sideways arrow is considered appropriate as the contrasting factors cancel each other out.

Concealment Census data 2001, 2011 

ONS data shows that there are 17 concealed families in Madeley, or 1.3% of families; this is slightly more than the figure for NuL (1.1%), but lower than the average for England as a whole (1.9%). There is arguably an issue with concealed households in the neighbourhood, the seriousness of which become apparent if families with non-dependent children is used as a proxy, given this household type makes up 9.6% of all households, however this on its own does not justify a up or sideways arrow and therefore three down arrows are considered appropriate.

Rate of development Newcastle under Lyme BC, Land Registry Data/AECOM Calculations, SHMAU (2017) 

The data shows clearly that the rate of development in Madeley is very low, for instance in 2016/17, only 3 dwellings were completed. The SHMAU (2017) states that the viability of development sites continues to be a significant challenge. An assessment of one up arrow has therefore been deemed appropriate due to this low level of provision, in a context of anticipated increasing need across the NuL and SoT HMA. As a result, overall housing need, a combination of past, present and future demand, is likely to be exacerbated by an unresponsive housing market.

Table 2: Summary of local factors specific to Madeley NP with a potential impact on housing Type

| Factor | Source(s) (see Chapter 4) | Possible impact on housing needed | Conclusions & Recommendations |
|---|---|---|---|
| Affordable Housing (AH) | Census, SHMA studies, Housing Waiting List data | <p>The Affordability Ratio for Madeley in 2014 was 3.85, suggesting that affordable market housing (AMH) is accessible to households on average incomes.</p> <p>Data from SHMA suggests that 42.5% of all households require subsidy to access dwellings of the right type and size for their needs.</p> <p>At the borough level in 2015, the lower quartile affordability ratio stood at 5.98. Given that average lower quartile house prices are higher in Madeley than for the wider borough, this suggests affordability ratio for those on lower incomes in Madeley is greater than 6.</p> | <p>This indicates an affordability crisis for those on lower incomes.</p> <p>Shared ownership is a plausible route to home ownership for those on low incomes, for example first time buyers</p> <p>The value of entry level market properties generates a compelling argument for discounted market sales housing and affordable private rent housing. These tenures are suitable for newly forming households.</p> <p>The evidence we have gathered does not support MPC developing its own AH policy, but does suggest Local Plan policy should be assertively implemented within the NPA.</p> <p>Build to Rent should be included in the housing mix, to acknowledge the growing role this takes in providing housing to those on modest incomes.</p> |
| Demand/ need for smaller dwellings | Census, Land Registry Price Paid Data | <p>One person households currently form around 30% of all households and, while they have shown limited growth in recent years, they are forecast to grow strongly in the district in the period to 2039.</p> <p>The number of concealed households is 17, or 1.3% of all households</p> <p>Families with non-dependent children make up 9.6% of all households.</p> | <p>In part, this stems from the ageing population, and is therefore likely to be true for the NPA given the strong representation of older age groups.</p> |
| Demographic Change | Census, SHMA studies | <p>Over the decade 2001 – 2011, there has been a fall in the numbers of younger people, combined with an increase in those aged 65+ of 90 individuals over the period.</p> | <p>As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered and extra care housing as part of the delivery of new housing.</p> <p>In arriving at an appropriate level of housing for older people of different types, we have applied</p> |

| Factor | Source(s) (see Chapter 4) | Possible impact on housing needed | Conclusions & Recommendations |
|------------------------------------|---------------------------|--|---|
| | | <p>At the district level an increase to the number of those aged 65+ of around 11,000 is forecast between 2013 and 2039; this compares with very modest increases in the numbers of those falling into other age groups between 2013 and 2039.</p> | <p>the Housing Learning and Improvement Network’s suggested numbers per 1,000 of the 75+ population. The data shows an estimate of the increase in the numbers of older people aged 75+ of 200 (402-602). This will result, over the Plan Period, in a need for 50 sheltered and extra care dwellings, although it is not reasonable to expect or practicable for these to be provided within the NPA</p> |
| <p>Family-sized housing</p> | | <p>At 34% families with children form the largest household type in the NPA. Data set out in the SHMAU suggests their numbers are forecast to rise within the district in the period to 2039.</p> <p>The SHMAU takes a proactive stance, recommending that planners seek more accommodation suited to the needs of young families to support settlement viability and overall prospects for sustainable economic growth.</p> <p>NPA has seen a decline in the number of those dwellings sizes (smaller and medium sized family homes) that are forecast to be in greatest need over the plan period.</p> | <p>Planning policy to play an active role to ensure the mix of dwelling sizes addresses the community need for smaller dwellings of 2-3 rooms as well as family dwellings of 5-6 rooms over the Plan Period.</p> |

Recommendations for next steps

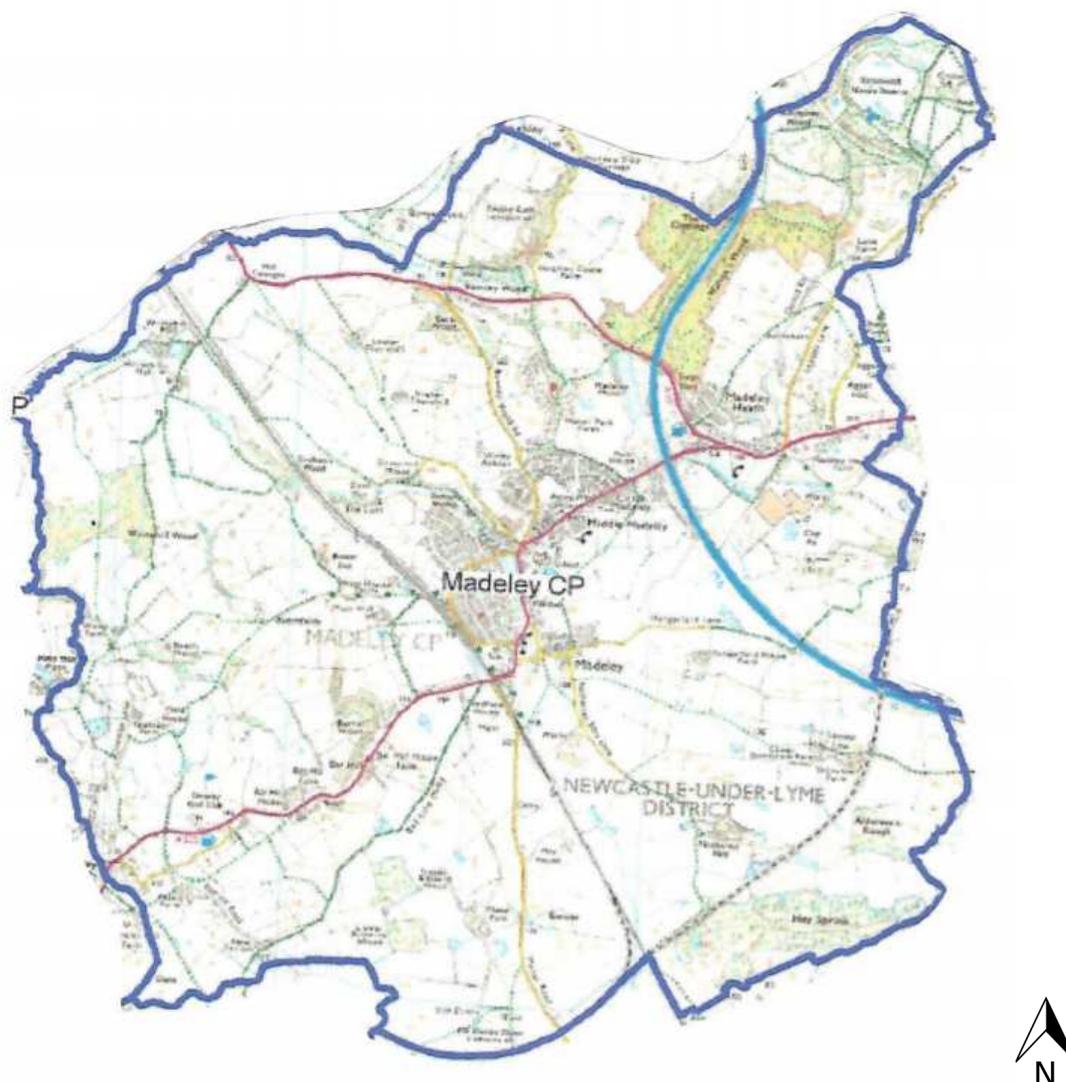
26. This neighbourhood plan housing needs advice aims to provide Madeley parish with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with Newcastle under Lyme Borough Council (NuLBC) with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
 - the views of NuLBC – in particular in relation to the housing need figure that should be adopted;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers;
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by NuLBC, including but not limited to the SHLAA; and
 - the recommendations and findings of this study.
27. Recent changes to the planning system, forthcoming changes to the NPPF, as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
28. This advice note has been provided in good faith by AECOM consultants on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
29. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the NuLBC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
30. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Tables 1 and 2 would be particularly valuable.

2. Context

2.1 Local context

31. Madeley is a parish located within the Newcastle-under-Lyme Borough Council (NuLBC) area in the North Staffordshire Sub Region of Staffordshire. The Neighbourhood Plan area covers the whole of the Parish including Madeley, Madeley Heath, Onneley, and Leycett, as shown in figure 2 below.
32. Madeley is located about 6 miles east of Newcastle-under-Lyme and 8 miles from the city of Stoke on Trent. The NP area straddles the M6 Motorway, and the West Coast Mainline. The Parish (and NP area) has a population of 4,222 (2011 Census).
33. The Neighbourhood Plan Area (Figure 1) corresponds with the Madeley Parish boundaries for which Census data (the latest being from 2011) is available. Use has also been made of the 2001 Census data in order to determine trends in the population of Madeley over time.
34. The closest train station is located in Stoke-on-Trent; this station is on the West Coast Main Line. This route links Greater London, the West Midlands, the North West, North Wales and the Central Belt of Scotland. The nearest major airport is Manchester Airport. HS2 is planned to go through the NPA, which could have a significant impact on house prices and demand.
35. Madeley is part of the Stoke-on-Trent and Newcastle-under-Lyme Housing Market Area, and as such the Stoke-on-Trent Strategic Housing Market Assessment (SHMA), and the subsequent 2017 update (SHMAU) are relevant to this housing needs analysis and will be interrogated as appropriate.

Figure 2 Madeley Neighbourhood Plan Area



Source: Newcastle Under-Lyme Borough Council, 2017

2.2 Planning policy context

36. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
37. Newcastle-under-Lyme Borough Council (NuLBC) alongside Stoke-on-Trent City Council (SoTCC) are working together to prepare a new Joint Local Plan (JLP), that once adopted will replace the Joint Core Spatial Strategy (JCSS) and the remaining 'saved policies' from the 2011 document. In 2016, the councils consulted on the strategic issues for the JLP to address.
38. The 2016 consultation was followed up recently by the JLP Strategic Options Consultation which ran until the 22nd August. The Strategic Options consultation proposes a range of potential housing growth options across the local plan area, ranging from 17,100 dwellings per annum up to 36,280 dwellings per annum, alongside six potential housing supply options, ranging from 9,100 dwellings to a maximum figure of 49,400 dwellings. The JLP makes it clear that at this stage in the plan preparation process none of the options for housing growth or supply are a preferred option.

39. The 2016 consultation document identified a number of key housing issues which have informed the development of the strategic options in the latest consultation document. We have identified a number of themes below that show both the commonalities, but also the contrasts with Made
40. Housing Need – The SHMA Update⁵ (2017) has identified an OAN of 1,390 dwellings per annum across both authorities, which sits within the range previously concluded in the 2015 SHMA (1,177 to 1,504 dwellings per annum). This is substantially above the requirement previously set in the JCSS, which had an indicative annual target for 855 dwellings across both areas (to meet the lower figure will require a 27% uplift). The SHMA Update comes to the following broad conclusions, arranged by topic area:
41. **Out-migration and natural population decline** - the population in Newcastle-under-Lyme is ageing. The HMA struggles to retain graduates who might be the potential high earners of the future, deterring investment in quality jobs. To improve economic competitiveness and attract and retain residents, higher levels of house building will be required.
42. **A weak housing market** - continues to impact on the number of houses that have been built. The viability of development sites continues to be a significant challenge. The current strategy of targeted regeneration has maintained a supply of housing but this has not been enough to meet needs due to market factors, including the high cost of bringing some sites forward.
43. **Affordable housing** - The private rented sector is meeting some of the needs for affordable housing but does not always provide housing of an appropriate quality. There is evidence of property prices out-stripping incomes in the area; as a result, there is a need for affordable housing to be built, including in rural areas.
44. **Specialist housing need** - Specialist accommodation is required to meet the needs of an increasing number of elderly persons. High value housing is also required to attract a skilled and well paid workforce, but more evidence is needed to understand what the implications of this would be locally.
45. As identified earlier, the JLP is not at a sufficiently advanced stage such that a housing target has been identified. Therefore it is not possible to derive a projection for the NP from the JLP at this point in time.

Joint Local Plan Issues Consultation - Housing Technical Paper (2015)

46. A number of technical papers were prepared to summarise and interpret the evidence that led to the identification of the issues for the JLP to address. These papers were published alongside the Issues Consultation Document.
47. As identified earlier in this report, the Housing Technical Paper notes that the JCSS housing targets may no longer accurately reflect housing needs, and that the recently prepared SHMA (2015) and SHMAU (2017) form the starting point for identifying a new figure for housing need which would be compliant with national planning policy. The Paper sets out a useful summary of housing strengths and weaknesses in the HMA, drawing from the analysis in the SHMA.

⁵ Strategic Housing Market Assessment Update (2017), Stoke-on-Trent City Council and Newcastle-under-Lyme Borough Council, available at: <https://moderngov.newcastle-staffs.gov.uk/documents/s23193/2017%20SHMA%20Update%202.pdf> (accessed 13/12/2017)

48. The Technical Paper also notes that historically, there has been a substantial gap between the number of dwellings which have been permitted and the completions delivered in the housing market area over the same period – a challenge for both the LPA and Neighbourhood Planning Groups.

3. Approach

3.1 Research Questions

49. This section of the study poses a series of Research Questions (abbreviated to 'RQ'); these have been arrived at through discussion with the parish at the start of the project. They serve to direct our research and provide the structure for the HNA.

50. Below we set out the RQs relevant to this study, as discussed and agreed with Madeley Parish Council (MPC).

Quantity

51. The Local Authority is in the process of producing a Local Plan; at the time of writing a draft version is out for consultation. This document does not specify a housing number for the plan area. It is therefore necessary to generate a number that reflects housing need in Madeley over the Plan Period.

RQ1. What quantity of housing is appropriate for the NPA?

RQ2. How should this number be distributed to among the settlements of Madeley, Onneley and Leycett?

Tenure

52. MPC has expressed an interest in the need for affordable housing in the NPA within a wider mix of housing tenures to ensure the community can access suitable housing.

RQ3. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) tenures should be included in the housing mix?

RQ4. What market housing tenures should be included in the mix?

Type and size

53. MPC wishes to understand the appropriate type and size of housing within new development to meet need arising over the Plan Period.

RQ5. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

Housing for specialist groups

54. MPC is conscious of the need to plan for those groups that have particular needs, such as the elderly.

RQ6. Given recent and forecast demographic changes and affordability issues, which are the key groups in the community and which of these is in particular need?

3.2 Study Objectives

55. The objectives of this report can be summarised as:

- Collation of a range of data with relevance to housing need in Madeley relative to Newcastle under Lyme Borough as a whole;
- Analysis of that data to determine patterns of housing need and demand; and
- Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

56. The remainder of this report is structured around the objectives set out above. Chapter 5 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

Relevant Data

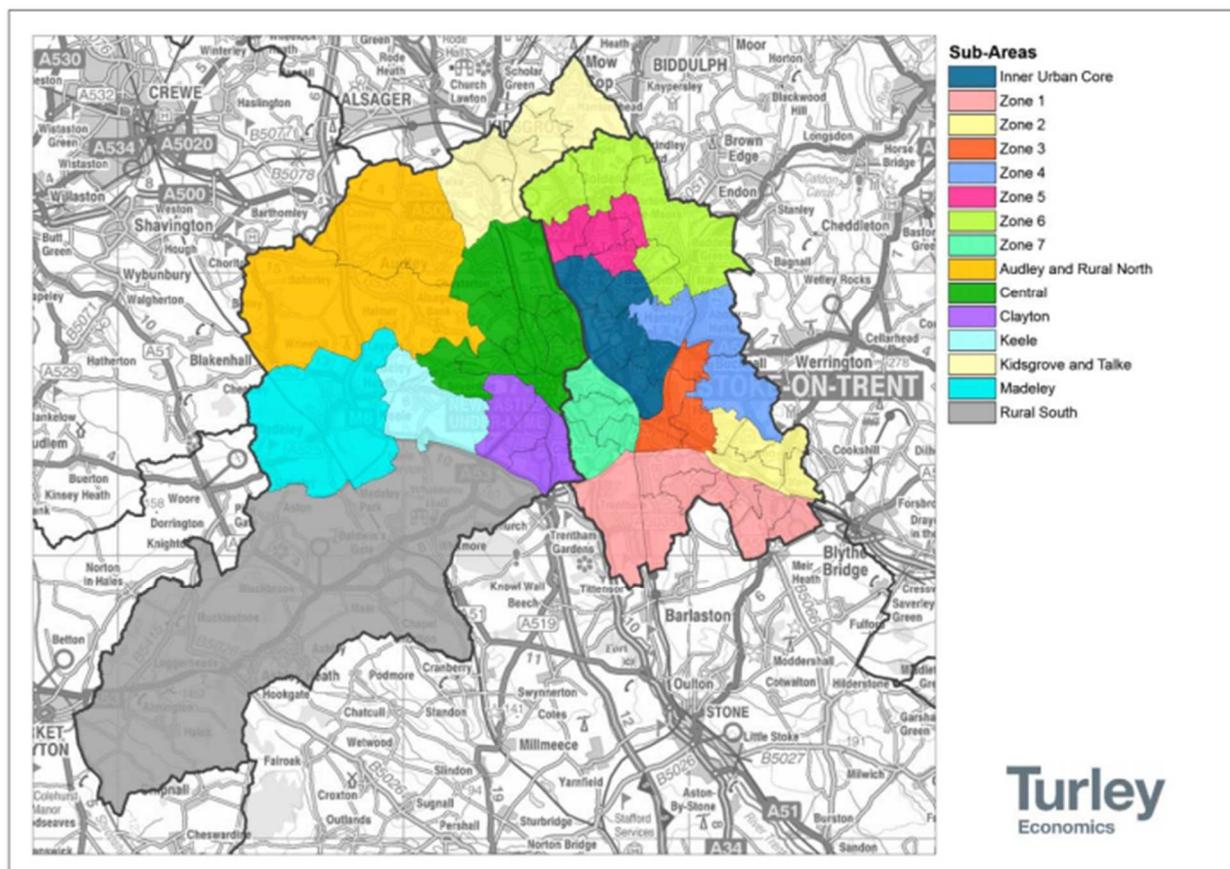
3.3 SHMA

57. The PPG states that neighbourhood planners can refer to existing needs assessment prepared by the local planning authority as a starting point. As Madeley Parish Neighbourhood Plan (MPNP) is located within the Stoke-on-Trent (SoT) and Newcastle-under-Lyme (NuL) Housing Market Area, we therefore turned to the Stoke-on-Trent City Council (SoTCC) and Newcastle-under-Lyme Borough Council (NuLBC) Strategic Housing Market Assessment, July 2015, (henceforth 'SHMA') and the SHMA Update June 2017 (henceforth 'SHMAU') which cover the housing market area and inform emerging housing policies at a local authority level, including affordable housing policy.

58. The SHMA documents draw upon a range of data including population projections, housing market transactions and employment scenarios to derive an objectively-assessed housing need. As such, it contains a number of points of relevance when determining the degree to which the housing needs context of Madeley itself differs from the authority-wide picture.

59. For the purposes of finer-grained analysis across such a large HMA, the SHMA divides the housing market area into a number of smaller local sub-markets. The NP area is one such sub-area. Figure 2.1 of the SHMA, which defines the boundaries of the sub-areas, is reproduced as Figure 3.

Figure 3: the Newcastle-under-Lyme and Stoke-on-Trent HMA



Source: Turley, 2015

3.4 RQ1. What quantity of housing is appropriate for the NPA?

60. We have estimated the quantity of housing needed in Madeley according to four different sources; these are:

1. A figure derived from policy set out in the *Joint Core Spatial Strategy for Stoke-on-Trent City Council and Newcastle-under-Lyme BC (JCSS) (adopted October 2009)*, the current adopted Local Plan for the local authority area;
2. Strategic Housing Market Assessment Update 2017 (SHMAU);
3. DCLG Household projections; and
4. An aggregate figure of net dwelling completion rates 2001-2011 and net dwelling completion rates 2011-2017.

61. These sources and the corresponding calculations are set out on the pages following.

1. JCSS

62. The focus of the JCSS is on delivering housing primarily in areas which support the overarching principle of targeted regeneration. This channels all development towards the highest priority areas – i.e. the city and town centres and areas identified for priority intervention and regeneration (the most deprived areas of the borough and city) and dictates a policy of restraint within non-priority locations. Similarly, there is a prioritisation towards previously developed land in order to deliver “*effective and sustained regeneration.*” This ‘targeted regeneration’ is set out in Policy SP1 - Spatial Principles of Targeted Regeneration⁶.
63. The JCSS sets a housing requirement for 5,700 additional dwellings (net) (285 dwellings per annum) in Newcastle under Lyme⁷ covering a period of 2006 to 2026. In terms of affordable housing, the target is to deliver 1,200 dwellings in Newcastle under Lyme, broken down into a specified mix of 60% Social Rented, and 40% Intermediate Housing⁸.
64. As a rural service centre with 'relatively good access to Newcastle under Lyme by public transport', Madeley is cited as a suitable location for development⁹. As such, the village is covered by policy ASP6; this stipulates that 900 net additional dwellings will be located within the village envelopes of these rural centres¹⁰.
65. The proportional share for Madeley of the 900 net additional dwellings may be calculated based on the proportion of homes in the NPA, compared to the other rural service centres, and applying this to the figure of 900 in the JCSS. At the time of the last Census there were 1,939 dwellings in the NPA, or 3.58% of all homes in the district. The same calculation performed for Audley Rural Parish gives a figure of 7.01% of all homes, and 3.42% for Loggerheads. Therefore Audley had roughly twice the number of dwellings compared to either Madeley or Loggerheads.
66. All three parishes had a combined dwelling number of 7,595 at the time of the last census. Taking account of each of the parishes' proportion of this figure, Madeley had 25.52% of dwellings (1939), Loggerheads had 24.42% (1855) and Audley parish had 50.04% (3,801). Applying these proportions to the figure of 900 in the JCSS gives a figure of 230 dwellings for Madeley, 220 dwellings for Loggerheads, and 450 dwellings for Audley Parish. Taking account of the completions in Madeley since 2011, the NP figure is reduced by 12 dwellings; therefore the outstanding Local Plan requirement is 218 dwellings, or 24 dwellings per annum to the end of the Local Plan period (2026). Taking this

⁶ This policy targets new residential development within;

- The Inner Urban Core, including the City Centre;
- Newcastle-under-Lyme Town Centre;
- Neighbourhoods within General Renewal Areas and Areas of Major Intervention and other Areas of Housing Intervention identified by RENEW North Staffordshire and the identified significant urban centres.

⁷ JCSS, page 43

⁸ Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Intermediate housing can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

⁹ JCSS, page 33

¹⁰ JCSS, page 99 - There will be a maximum of 900 net additional dwellings of high design quality primarily located on sustainable brownfield land within the village envelopes of the key rural service centres (see Key Diagram), namely - Loggerheads, Madeley and the villages of Audley Parish, to meet identified local requirements – in particular, the need for affordable housing.

forward for the Madeley Neighbourhood Plan, which has an end date of 2033, **this dwelling per annum rate gives a total of 384 dwellings (2017-2033).**

2. July 2015 SHMA

67. MPC asked AECOM to consider what the potential range of housing need for the NP area might be. As the emerging JLP is not at a sufficiently advanced stage that an indicative target for housing delivery is available, either at the NP area or the local authority level, it is appropriate to turn to the latest evidence of what that need might be as a starting point for considering need at the NP level. This evidence is contained within the SHMA and SHMAU, studies that inform the development of housing policies in the emerging JLP.
68. It is important to remember that the SHMA presents a ‘policy off’, or unconstrained assessment of need (often identified as Objectively Assessed Need, or OAN¹¹), as opposed to a final housing target, which will take into account a number of other factors, including but not limited to the availability of land, viability, infrastructure and environmental constraints and the results of consultation. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the NP level, because it is the most up-to-date evidence available. Importantly, the SHMA takes into account the latest population and household projections, as set out in the 2012-based National Household Projections (NHHP) and 2012 Sub-National Population Projections on which the Household Projections are based, which the PPG guidance suggests should be taken as a ‘starting point’ in determining need at the local authority level.
69. The SHMA identifies a range of potential housing need between 1,177 dwellings per annum (367 per annum to be found in Newcastle-under-Lyme) and 1,505 dwellings per annum over the period 2013 – 2039 (target not disaggregated by individual local authority). The first figure represents a ‘demographic adjusted’ level of need. The second figure is an ‘uplifted’ figure, which takes into account economic growth projections for the HMA, as well as the need to increase housing supply in order to improve affordability of housing¹². The SHMAU takes this ‘range’ to an objectively assessed need (OAN) for 1,390 dwellings per annum.¹³
70. The SHMAU update suggests this overall OAN is split between Newcastle under Lyme and Stoke on Trent of 586 and 804 dwellings respectively.¹⁴
71. Madeley represents 3.6% of housing in the NuLBC area (1,939 expressed as a percentage of 54,220); taking 2013 as the base year to be consistent with the SHMA, the Plan Period for the SHMAU is 26 years (2013 – 2039).
72. The overall housing target for Madeley using the OAN set out in the SHMAU may be calculated as follows: 586 dwellings x 3.6% = 21.1 dwellings per annum. Over the MNP proposed Plan Period (2013-2033) Madeley therefore requires

¹¹ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG). This is sometimes described as ‘policy off’ because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

¹² In terms of affordable housing requirements, the SHMA identified that there is a need to provide around 271 affordable units per annum to meet newly arising need in the future. This should be increased to 424 units per annum over the next five years in order to clear the backlog of existing households on the waiting list (i.e. need that already exists and has not been met).

¹³ SHMAU, page i

¹⁴ SHMAU, page 51

422 new homes (21.1 x 20 years). It is however necessary to take into account those dwellings that have been delivered since 2013.

73. Between 1st April 2011 and the 31st March 2017, 12 net new dwellings have been completed (the 31st March 2017 represents the latest available data on completions as supplied by NuLBC). This equates to an annual rate of delivery of 2 dwellings (12 divided by 6, the number of years elapsed). Therefore, allowing for the three full years that have elapsed since the base year, 6 dwellings should be deducted from the SHMAU figure of 422, producing a final figure based on the SHMAU of **416 dwellings to be delivered over the Plan Period, or 21 (rounded) dwellings per year.**

3. DCLG Household Projections

74. The Department for Communities and Local Government (DCLG) periodically publishes household projections. The NPPG recommends that these household projections should form the starting point for the assessment of housing need.
75. The most recent (2014-based) household projections were published in July 2016¹⁵, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for Madeley is nevertheless possible for the household projections based on the village's household numbers in the 2011 Census.
76. At the 2011 Census, NuL had 52,574 households and Madeley had 1,826 households, or 3.5% - of the NuL total.
77. In the 2014-based household projections, the projection for 2033 is for 59,732 households in Newcastle under Lyme. Assuming it continues to form 3.5% of the Borough total, Madeley's new total number of households would be 2091; therefore 265 new households (rounded) form in Madeley between 2011 and 2033 (or a rate of growth of 12 households per year).
78. Given the Plan Period of 2013-33, two years' worth of household growth needs to be deducted from the 265 households set out in the previous paragraph. This produces a new (rounded) total of 241 (265 – (12 x 2 years)).
79. The number of households does not, however, equate precisely to number of dwellings, with the latter slightly higher in most places. Madeley is no exception; in the 2011 Census, there were 1,826 households but 1,939 dwellings. This gives a ratio of 0.94 households per dwelling. In the case of Madeley, then, a projection of 241 (241/0.94) new households translates into a need for 256 dwellings (rounded).
80. Again, it is necessary to deduct the dwellings that have been completed, this time since 2011. Taking 2 dwellings per annum as our rate of housing completions, this equates to 12 dwellings, producing a final number derived from DCLG Household projections of **244 dwellings, or 12 dwellings per annum (rounded) to be delivered over the Plan Period.**
81. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced, or may in future influence, the Local Plan distribution across the

¹⁵ See 2014-based DCLG Household Projections live tables, available at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections> (accessed 13/12/2017)

District and hence any difference between this figure and a future Local Plan-derived figure.

4. Dwelling Growth 2001 – 2011

82. Consideration of dwelling growth 2001-2011 provides a projection based on the rate of delivery of net new dwellings between the two censuses. There has been an increase of 44 dwellings in the NP area between the two censuses, or an annual rate of increase of 4.4 dwellings. For the plan period this would suggest a gross need for 88 dwellings over a plan period 2013-2033 (20x 4.4), deducting the 10 dwellings completed since 2011 produces a revised figure of **78 dwellings, or 4 dwellings per annum.**

Dwelling Growth since 2011

83. It is also helpful to consider a projection based on the rate of delivery of net new dwellings since the last census (2011), using data gathered and monitored by NuLBC. Between 1st April 2011 and the 31st March 2017, 12 net new dwellings have been completed (the 31st March 2017 represents the latest available data on completions as supplied by NuLBC). This equates to an annual rate of delivery of 2 dwellings (12 divided by 6, the number of years elapsed). If this rate of delivery was continued to 2033, this would equate to a projection of approximately 40 dwellings over the LPA plan period of 2013-2033 (2 x 20, rounded to the nearest whole number).

84. It is important to note the disparity between the two figures based on dwelling delivery; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development could be delivered over the plan period, we have taken the aggregate of the homes growth between 2001 and 2017; this comes to 84 (44 + 40) dwellings. Expressed as an annual average rate, this is 5.25 dwellings /year. This produces a projection derived from homes growth between 2001 and 2017 of 84 homes over the plan period of 2017-2033 (5.25x 16). The dwelling delivery based projection is lower as it is constrained by the supply of land to a greater extent than the other projections.

In summary, the range of housing need for Madeley from the four different sources is as follows:

- the current adopted Local Plan for the local authority area: **218 dwellings**
- Strategic Housing Market Assessment Update 2017 (SHMAU): **416 dwellings**
- DCLG Household projections: **244 dwellings**
- Aggregate of the homes growth between 2001-2017: **84 dwellings**

The Standard Methodology

85. On September 14th, 2017, the Department for Communities and Local Government (DCLG) published ‘Planning for the right homes in the right places: consultation proposals’ (the consultation proposals), a consultation on a new proposed Standard Methodology for Assessing Housing Need (SMAHN) for arriving at an OAN for housing for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies. DCLG has stated that *“this consultation sets out a number of proposals to reform the planning system”* including *“how neighbourhood planning groups can have greater certainty on the level of housing need to plan for”*.¹⁶
86. Whilst the document is currently being consulted on at the time of this HNA report, it is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NDP. Therefore, what follows is an assessment of the NPA’s housing need based on the new proposed methodology which, should the policy be put in place in its current form, will be the preferred figures for housing need in the area. This projection is included for information only, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods of calculating their OAN, so long as the number they arrive at exceeds that produced by the new standard methodology.
87. Proposed updates to the PPG include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so.¹⁷ The starting point for using the SMAHN for the neighbourhood level is therefore whether the current Local Plan was adopted before or after the introduction of the NPPF.
88. In the case of NuLBC, the JCSS was adopted in 2009, and is therefore out-of-date, and does not provide a reliable basis for arriving at a housing needs figure for the NPA. The indicative assessment using the SMAHN formula is 361 dwellings per annum for NuL. This is an uplift on the current figure of 285 dpa set out in the JCSS of around 21%, and suggests there should be an increase of 1197 dwellings over the Plan Period from 2006 to 2026, or a new target of 6,897.
89. As this total falls well within the proposed 40% cap using the annual housing requirement figure currently set out in their Local Plan (this is higher than the projected household growth for their area), it is reasonable to assume at this point that NuL may see an uplift in its housing need figure in the order of 21% with the introduction of the SMAHN.
90. Given the Local Plan is not up-to-date, it is necessary to use the Government’s proposed formula for arriving at a housing needs figure for Madeley in these circumstances.

“The proposed formula is simply to take the population of the neighbourhood planning area and calculate what percentage it is of the overall population in the local planning authority area. The housing need figure in the

¹⁶ <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>

¹⁷ DCLG, [planning for the right homes in the right places: consultation proposals](#), page 31

neighbourhood planning area would then be that percentage of the local planning authority's housing need.”¹⁸

91. Building on this proposed approach, we can estimate that the annual requirement for NPA, based on the proportion of the population of NuL falling into the NPA (at the time of the 2011 Census the population of Madeley was 4,222 and that of NuL 123,871, the proportion of the borough total living in the NPA is therefore 3.4%) would be **12 dwellings per annum** (rounded), or **264 dwellings** by the end of the plan period to 2033 (taking 2011 as a base year).

3.5 RQ2. How should this number be distributed among the settlements of Madeley, Onneley and Leycett?

92. The NPA is made up of a series of smaller settlements; with regards to the spatial distribution of the identified housing need in the NPA, it is necessary to ‘drill down’ to the lowest spatial area possible in order to estimate the current proportion of dwellings in the different settlements. These proportions can then be applied in a similar way to apportioning the Joint Core Spatial Strategy housing requirement as seen in paragraphs 1-5.

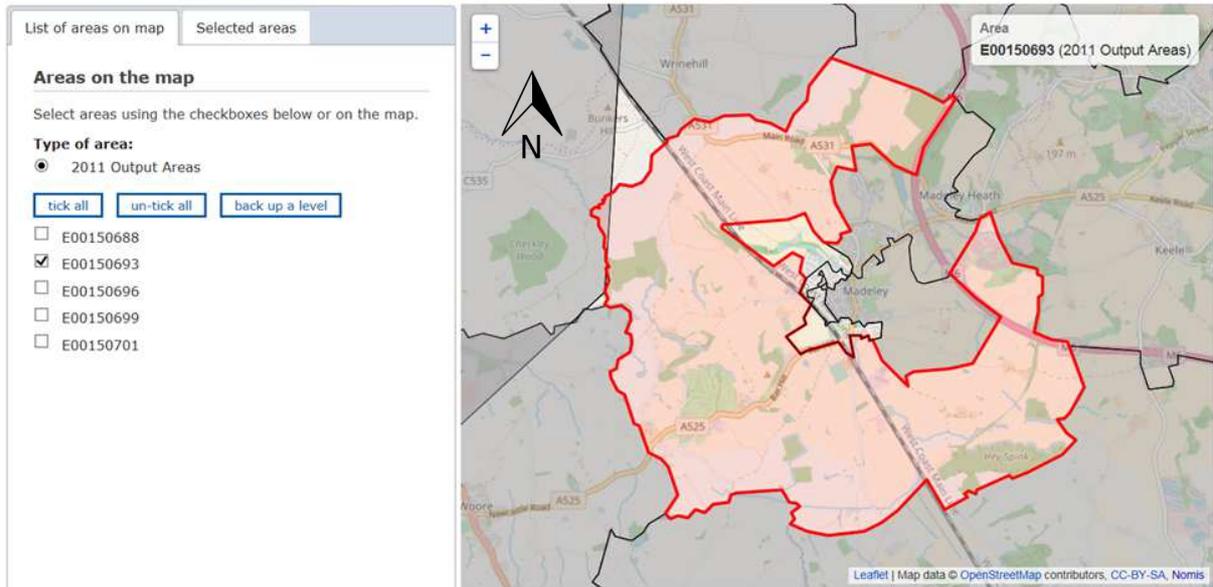
93. In order to estimate current dwelling numbers in the settlements of Madeley, Onneley and Leycett, the lowest level of census data is at ‘Output Area’ level. At this level, data was selected in order to establish approximate dwelling numbers to apportion an appropriate requirement to the different settlements within the NPA. Figures 4 and 5 present the Output Areas that were used to estimate the dwelling numbers in Onneley and Leycett respectively. The Output Areas were reviewed manually to arrive at an estimated dwelling number in the general area of the respective villages. With regards to Figure 5, the Madeley Heath was discounted to ensure this was regarded as part of the Madeley settlement.

94. With regards to Onneley, the dwelling estimate is approximately 130, whilst the estimate for Leycett is 40 (the Output area total is 141 dwellings, but approximately 100 of these can be attributed to Madeley Heath). Given that the 2011 census recorded a total of 1,939 dwellings in the NPA, the other two settlements of Onneley and Leycett make up a very small proportion of the overall dwelling numbers in the NPA, 7% and 2% respectively).

¹⁸ Planning for the Right Homes in the Right Places, pp. 32

Figure 4: Output Area for Onneley estimated dwelling numbers

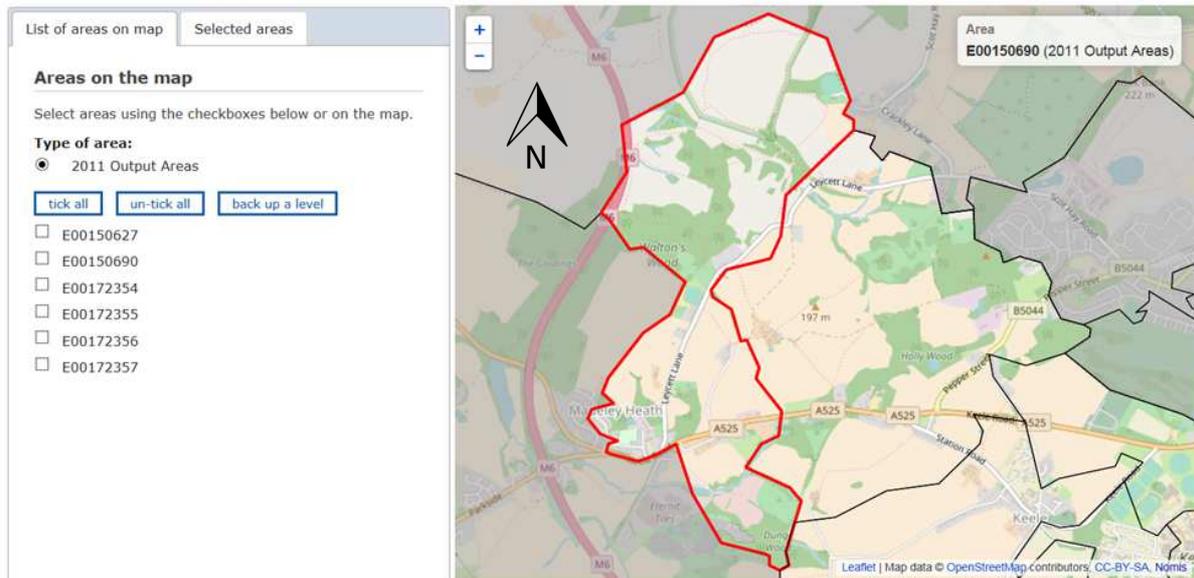
Great Britain > West Midlands > Newcastle-under-Lyme > E02006170 > E01029574



Source: Nomis

Figure 5: Output Area for Leycett estimated dwelling numbers

Great Britain > West Midlands > Newcastle-under-Lyme > E02006169 > E01029576



Source: Nomis

95. Of course, not all the remaining dwellings will be in Madeley; however, selecting the remaining Output Areas that include the built up area of Madeley it is possible to arrive at a more refined estimate of approximately 1,200 dwellings. This is approximately 62% of the overall dwellings in the NPA.

96. Having identified these ratios, we are able to apportion the projections for Madeley Parish across the three settlements. This follows the general principle that new housing should be allocated according to settlement size. Table 3 sets out how the different sources and calculations established in RQ1 apply on a smaller scale against RQ2. This provides a range of between 76 and 379 dwellings for Madeley, of between 6 and 29 for Onneley and between 2 and 8 dwellings for Leycett.

Table 3: Apportionment of dwellings across the NPA

| Projected Requirements | Madeley (incl. Madeley Heath) | Onneley | Leycett |
|---|-------------------------------|---------|---------|
| Estimated Proportion of NPA dwellings required by each settlement | 91% | 7% | 2% |
| JCSS (less completions to 31/03/17) | 198 | 15 | 4 |
| 2017 SHMAU (less completions 31/03/2017) | 379 | 29 | 8 |
| DCLG projections (less completions to 31/03/2017) | 222 | 17 | 5 |
| Dwelling growth 2011-2016 | 76 | 6 | 2 |
| Standard Methodology | 240 | 18 | 5 |

Source: Census 2011, DCLG, SHMAU 2017, NuLBC, Aecom calculations. Figures rounded, therefore may not sum

3.6 RQ3. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) tenures should be included in the housing mix?

97. The provision of affordable housing is critical to the continuation of most communities as viable settlements; it needs, however, to be understood in relation to other tenures. Our starting point, therefore, in line with PPG, is to investigate household tenure in the current stock and recent supply. This allows an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NPA's housing stock.¹⁹

3.6.1 Definitional issues

98. Before considering tenure, it is necessary to make clear the distinction between affordable homes in planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the National Planning Policy Framework (NPPF): social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).

99. In this paragraph we briefly review the proposed reforms to the definition of AH set out in the Government's Housing White Paper published in February 2017. These reforms make clear its commitment to home ownership but recognised the important role of affordable rent for those not currently seeking home ownership. The changes proposed would broaden the definition of affordable

¹⁹ PPG Paragraph: 021 Reference ID: 2a-021-20160401

housing, supporting ‘present and future innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing’. This would include ‘products that are analogous to low cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to ‘in perpetuity’ restrictions or have recycled subsidy’.

100. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as ‘new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market’²⁰. Secondary legislation is required to implement this definition, necessitating further parliamentary debate²¹.

101. The Housing White Paper²² confirms that a revised definition of AH will be brought forward through changes to the NPPF later in 2017, proposing a definition as ‘housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership’ and which ‘meets the criteria’ for one of the following models²³:

- **Social rented housing**, defined as owned by local authorities and private registered providers with guideline target rents determined through the national rent regime. It may be owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority or Homes and Communities Agency;
- **Affordable rented housing**, defined as housing let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
- **Starter Homes**, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with an income restriction of £80,000 outside London. These homes are expected to provide a new low cost market housing product for first time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;
- **Discounted market sales housing**, sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is to be determined with regard to local incomes and house prices;
- **Affordable private rent housing**, made available for rent at a level which is at least 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative affordable housing provision is made if the discount is withdrawn. This is viewed as

²⁰ Housing and Planning Act 2016, part 6, section 159 (4)

²¹ Section 159(2) of the Act inserts ‘(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament’

²² DCLG (2017) Fixing our Broken Housing Market (para A.120)

²³ Ibid (p100)

particularly suited to the provision of affordable housing in Build to Rent schemes; and

- **Intermediate housing**, defined to include discounted market sales and affordable private rent housing – as outlined above – and other housing that is ‘provided for sale and rent at a cost above social rent, but below market levels’.

102. A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.

103. The evidence assembled to answer RQ2 seeks to populate a series of ‘key indicators’; these are the age structure of the population, household composition and income both now and how they are forecast to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how not only the tenure of housing in the plan area, but also type and size should be modified through planning policy.

3.7 Current tenure profile

104. Before we present this data, it is necessary to present a picture of tenure in the NPA at the moment. Table 4 presents Census data from 2011 that shows the dominant tenure is that of owner occupation; the number for Madeley exceeds that for the borough and England. Conversely, the proportion of the housing stock in social housing is less than for these geographies, 11.9% compared with 18.7% for the borough.

Table 4: Tenure (households) in Madeley, 2011

| Tenure | Madeley | Newcastle-under-Lyme | England |
|-----------------------|---------|----------------------|---------|
| Owned; total | 76.2% | 69.1% | 63.3% |
| Shared ownership | 0.2% | 0.4% | 0.8% |
| Social rented; total | 11.9% | 18.7% | 17.7% |
| Private rented; total | 10.5% | 10.5% | 16.8% |

Source: Census 2011, AECOM Calculations

105. In Table 5 we investigate how tenure has changed in the Neighbourhood Plan Area (NPA) between the Censuses; this presents a picture of the proportion of shared ownership dwellings and social rented dwellings falling substantially. While the former fell from a relatively low base (there were only 11 dwellings of this kind in 2001, and the number fell to 4), the reduction in the number of social rented dwellings is substantial in absolute terms, reducing by 49 homes from 266 to 217. In common with many places in England, there has been a substantial increase in the number of privately rented dwellings; in numerical terms in Madeley this increased from 133 dwellings in 2001 to 192 in 2011.

Table 5: Rates of tenure change in Madeley , 2001-2011

| Tenure | Madeley | Newcastle-under-Lyme | England |
|-----------------------|---------|----------------------|---------|
| Owned; total | -1.5% | 0.0% | -0.6% |
| Shared ownership | -63.6% | -49.7% | 30.0% |
| Social rented; total | -18.4% | -1.7% | -0.9% |
| Private rented; total | 44.4% | 126.4% | 82.4% |

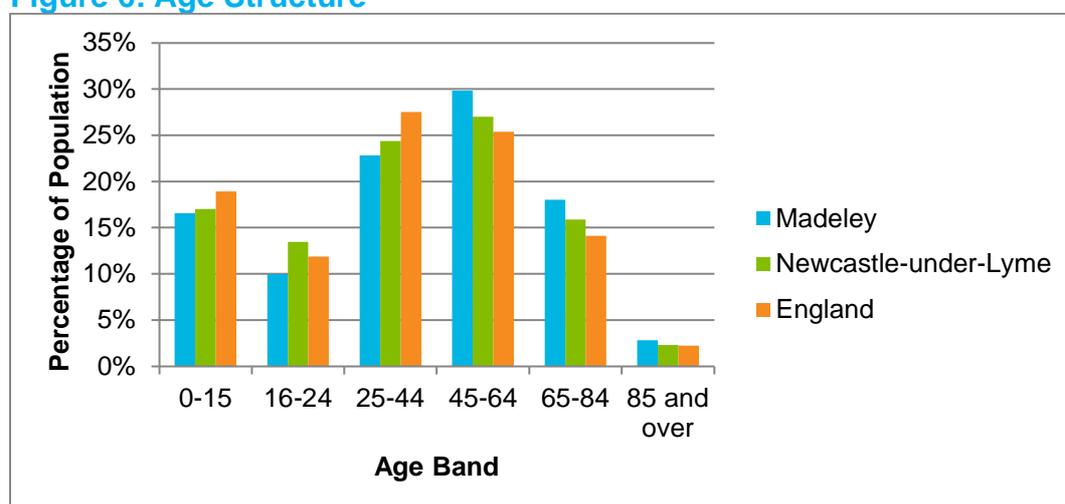
Source: Census 2001 and 2011, AECOM Calculations

106. Bringing together the data for tenure, the dominant form is that of owner occupation, which constitutes 76.2% of all properties in the area. Between 2001 and 2011, there has been a fall in the numbers of socially rented dwellings of 49 units, and an increase in PRS of 59 units. Shared ownership dwellings have failed to take hold in the area, reducing in number from 11 to 4 units over the same period.

3.8 Age Structure

107. In Figure 6 below, we present the age structure of the population at the time of the last Census. It is important to note the higher representation among older age groups. Those aged 45 + constitute roughly 50% of the population, and those aged 65+ roughly 20%. This contrasts with the figures for Newcastle under Lyme and England of around 45% and 18% and 41% and 16% respectively. Having said this, adults of parent age (25-64) form around 53% of the population, and this is reflected in numbers of young people, of school age in particular, that are broadly comparable with borough and national geographies.

Figure 6: Age Structure



Source: Census 2011, AECOM Calculations

108. Table 6 sets out the way the age structure has changed in the parish in the ten years between the Censuses. The trend identified earlier of a greater representation of older age groups within the population is reinforced by this longitudinal assessment. Both young adults as well as the youngest children, aged 0-15, have fallen by roughly the same proportion. This reflects a similar, though less pronounced, trend at the national level. In contrast, the numbers of those falling into older age groups has increased. The 13.4% increase in the number of those aged 65-84 corresponds to an additional 90 individuals between 2001 and 2011.

Table 6: Rate of change in the age structure of the population of Madeley, 2001-2011

| Age group | Madeley | Newcastle-under-Lyme | England |
|-------------|---------|----------------------|---------|
| 0-15 | -16.3% | -7.3% | 1.2% |
| 16-24 | 0.7% | 13.6% | 17.2% |
| 25-44 | -19.4% | -9.5% | 1.4% |
| 45-64 | 8.0% | 9.2% | 15.2% |
| 65-84 | 13.4% | 6.8% | 9.1% |
| 85 and over | 17.8% | 28.3% | 23.7% |

Source: Census 2011, AECOM Calculations

109. It is also helpful to consider trends at the borough level; below we reproduce Table 4.1 from the SHMAU as Table 7. This shows forecast change in the age structure in future years. The SHMAU considers three scenarios for assessing demographic change

- 2014-based sub-national population projections
- Growth based on internal migration rates and international migration counts from trends recorded between 2005 and 2015; and
- Past growth long term, which takes into account internal migration rates and international migration counts going back to 2001

110. Table 7 shows that all three forecast a very substantial increase in numbers of those aged 65 and over, and negative or very modest growth in the numbers of all other age groups.

Table 7: Projected Demographic Population Change by Age 2013 – 2039

| | 15 and under | 16 to 64 | Over 65 |
|------------------------------|--------------|---------------|---------------|
| 2014-based SNPP | | | |
| Newcastle-under-Lyme | 794 | 599 | 11,281 |
| Stoke-on-Trent | 1,762 | -1,880 | 18,304 |
| HMA | 2,556 | -1,282 | 29,586 |
| Past Growth 10 year | | | |
| Newcastle-under-Lyme | 1,066 | 884 | 11,399 |
| Stoke-on-Trent | 4,207 | 1,559 | 17,679 |
| HMA | 5,273 | 2,443 | 29,078 |
| Past Growth Long Term | | | |
| Newcastle-under-Lyme | 1,506 | 1,604 | 11,492 |
| Stoke-on-Trent | 3,662 | 1,660 | 18,217 |
| HMA | 5,168 | 3,263 | 29,709 |

Source: ONS, *Edge Analytics*

111. Picking up on concern about the weakening labour market as a result of a fall in the number of younger people, the SHMAU includes an important qualification as to how future housing provision should be planned; it identifies a very real danger that by not specifically planning to provide dwellings suited to the needs of younger people, this group will be unable to form independent households and, as a result, will be excluded from the labour market. This will impact both on the vitality of settlements across the district and undermine the prospects for economic growth within the Housing Market Area.
112. The SHMA foresees a higher number of young people forming households than the 2014 Sub-National Population Projections would suggest and recommends an adjustment to envisaging 'a return to the higher levels of household formation' seen in 2001.²⁴
113. The adjustment uplifts the implied number of homes needed to support the growth in population projected under each scenario, as a direct result of the additional younger households assumed to form. Over the assessment period, this adjustment allows for the formation of approximately 3,700 younger households across the HMA who would otherwise be unable to form if the unadjusted 2014-based rates of household formation were applied.²⁵
114. The SHMAU concludes that, in arriving at the OAN for housing, applying the improved household formation rates to a longer term trend-based demographic projection is considered the most appropriate demographic scenario for the future growth of Stoke-on-Trent and Newcastle-under-Lyme.²⁶
115. Before leaving age structure, we need to review over-crowding and concealed households, conditions that affect households of young people disproportionately. In Table 8 we present data relating to over-crowding; this illustrates that there are only 10 households exhibiting overcrowding within the NPA, a small fraction of the overall number.

²⁴ SHMAU, page 24

²⁵ SHMAU, page 25

²⁶ SHMAU, page 28

Table 8: Numbers of Persons per Room, 2001 and 2011

| | 2001 Madeley | 2001 Newcastle- under-Lyme | 2011 Madeley | 2011 Newcastle- under-Lyme |
|---|-----------------|----------------------------------|-----------------|----------------------------------|
| Up to 0.5 persons per room | 1441 | 37044 | 1451 | 39808 |
| Over 0.5 and up to 1.0 persons per room | 410 | 13196 | 365 | 12324 |
| Over 1.0 and up to 1.5 persons per room | 17 | 393 | 9 | 373 |
| Over 1.5 persons per room | 0 | 105 | 1 | 69 |

Source: Census 2011, AECOM Calculations

116. Table 9 shows 17 households in the NPA who are living with a host and are unable to establish their own independent household. Again, this is a small proportion of all households. It is however important to note that these households represent a generation of young people reaching maturity and seeking to leave the family home. If they are unable to access suitable housing within Madeley, they are likely to move elsewhere, most moving within one year. The 17 households can therefore be seen as a backlog of households in acute need whose numbers will be replenished as more young people reach an age where they are looking to move away from their parents.

117. A truer picture of 'concealed households' can be seen in data for households with non-dependent children. For Madeley, at the time of the last Census, 9.6% of all households fell into this type, suggesting the phenomenon of adult children living with their parents is not uncommon in the parish, and the numbers of 'concealed households' can be seen as the tip of a larger iceberg.

Table 9: Concealed families in Madeley, 2011

| Concealed families | Madeley | Newcastle-under-Lyme | England |
|----------------------------------|---------|----------------------|----------|
| All families: total | 1,273 | 35,465 | 14885145 |
| Concealed families: total | 17 | 382 | 275954 |
| Concealed families as % of total | 1.3% | 1.1% | 1.9% |

Source: Census 2011, AECOM Calculations

118. Bringing together our findings relating to age structure, the strong representation of those falling into the older age groups is noted. This is reinforced by trends observed in Census data that, over the decade 2001 – 2011, there has been a fall in the numbers of younger people, combined with an increase in those aged 65+ of 90 individuals over the period.

119. There is arguably an issue with concealed households in the neighbourhood, the seriousness of which becomes more apparent if families with non-dependent children is used as a proxy, given this household type makes up 9.6% of all households.

120. A review of data presenting changes to age structure at the borough level suggests these trends will continue, with an increase to the number of those aged 65+ of around 11,000 compared with very modest increases in the numbers of those falling into other age groups between 2013 and 2039. Faced with this scenario, the SHMAU takes a proactive stance, recommending that

planners seek more accommodation suited to the needs of young families to support settlement viability and overall prospects for sustainable economic growth.

Household composition

121. In Table 10 we set out data from Census 2011 for household composition within the parish as well as borough and national geographies. Families with children constitute the largest household type, making up around 34% of all households. It is worth noting, however, that one-person households form a comparable proportion at 30%. This displays a similarity with the wider district, where the same groups come in at 36% and 31% respectively. The group ‘couples with no children’ also form a larger proportion of the overall population compared with district and national geographies. This reflects the older demographic of the settlement in which the children have moved out of their parent’s home to set up an independent household.

Table 10: Household composition (by household) in Madeley, 2011

| Household Type | | Madeley | Newcastle-under-Lyme | England |
|-----------------------|----------------------------|---------|----------------------|---------|
| One person household | Total | 30.0% | 30.9% | 30.2% |
| | Aged 65 and over | 14.7% | 13.5% | 12.4% |
| | Other | 15.3% | 17.3% | 17.9% |
| One family only[1] | Total | 65.8% | 63.9% | 61.8% |
| | All aged 65 and over | 10.8% | 9.3% | 8.1% |
| | With no children | 20.6% | 18.5% | 17.6% |
| | With dependent children | 24.7% | 25.4% | 26.5% |
| | All children Non-Dependent | 9.6% | 10.7% | 9.6% |
| Other household types | Total | 4.2% | 5.2% | 8.0% |

Source: Census 2011, AECOM Calculations

In Table 11 we present data that allows us to explore how household composition has changed in the decade between the Censuses. While there have been modest shifts overall, it is worth noting families with dependent children fell, precipitating an overall fall in the proportion of the population represented by families generally. In absolute terms, the numbers of families fell by 72 households. Clearly, this reflects the decline in adults falling into the 25-44 age group identified in Table 6.

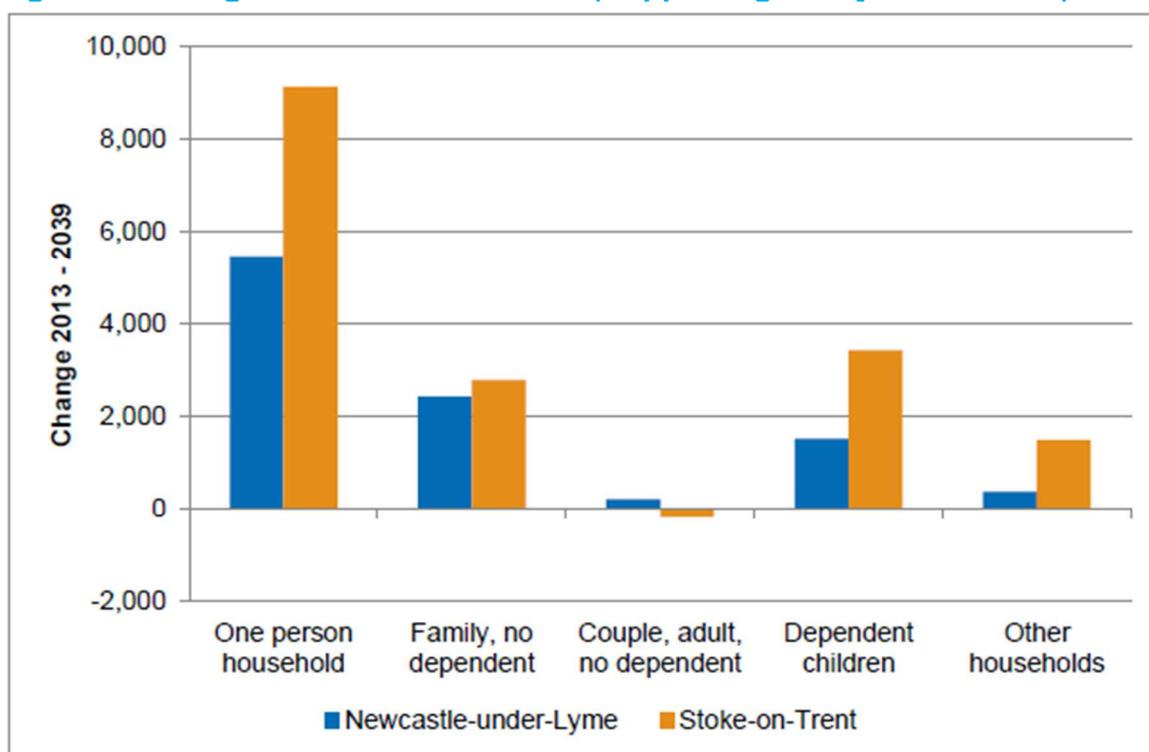
Table 11: Rates of change in household composition in Madeley , 2001-2011

| Household type | | Percentage change, 2001-2011 | | |
|-----------------------|----------------------------|------------------------------|----------------------|---------|
| | | Madeley | Newcastle-under-Lyme | England |
| One person household | Total | 3.6% | 12.3% | 8.4% |
| | Aged 65 and over | 2.3% | -8.2% | -7.3% |
| | Other | 4.9% | 36.0% | 22.7% |
| One family only | Total | -5.1% | -1.5% | 5.4% |
| | All aged 65 and over | 0.5% | -2.2% | -2.0% |
| | With no children | 1.9% | 0.3% | 7.1% |
| | With dependent children | -12.9% | -4.5% | 5.0% |
| Other household types | All children non-dependent | -2.8% | 3.7% | 10.6% |
| | Total | 6.9% | 26.5% | 28.9% |

Source: Census 2001 and 2011, AECOM calculations

122. Below we reproduce SHMAU Figure 7.1 as Figure 7, using the scenario which underpins the recommended full OAN for 1,390 dwellings per annum; this provides a forecast in changes in household composition over the period 2013 to 2039. It points to a substantial increase in solo households over the period. It also forecasts that Newcastle under Lyme is projected to see a sizeable growth in the number of families without children and households with dependent children.

Figure 7: Change in Household Profile (Supporting Likely Job Growth) 2013–39



Source: Edge Analytics

123. Bringing the evidence related to household composition together, at 34% families with children form the largest household type in the NPA. While their numbers fell in Madeley Parish by 72 households in the decade between the Censuses, data from the SHMAU suggests their numbers are forecast to rise within Newcastle under Lyme in the period to 2039. One person households currently form around 30% of all households and, while they have shown limited growth in recent years, they are forecast to grow strongly in the district in the period to 2039. In part, this stems from the ageing population, and is therefore likely to be true for the NPA given the strong representation of older age groups. These trends are based on the OAN of 1,390 which seeks to deliver more housing suited to young people as a means of sustaining their numbers across the district.

Affordability

124. The SHMA notes that historically, the issue of affordability has been less of a concern in NuL than in the surrounding authorities of Staffordshire, Moorlands and Stafford, and overall in England. Nevertheless, affordability has worsened since 1997, with market entry properties in 2013 being 5.2 times lower quartile earnings in Newcastle-under-Lyme²⁷.

125. In Madeley, the mean household income in 2014 was £39,139²⁸; this is the third highest of all the sub-areas in the HMA and significantly higher than the local authority average (£34,387), the regional average (£35,611) and the England average (£36,764).

126. In Table 12 we reproduce Figure 6.8 from the SHMA Appendix 6 showing an income of £22,800 is needed to afford a 2 bedroom dwelling to rent. By way of comparison, a similar income could afford to purchase an entry level home in a number of the other sub-areas.

127. When looking at the proportion of households able to access housing in their sub-area, 49.5% of households in Madeley could afford to purchase an entry level home (AMH), rising to 57.5% who could afford to rent a 2-bedroom dwelling, and 77% who could afford to socially rent a 2 bedroom dwelling.²⁹

²⁷ SHMA, Figure 5.15 'Ratio of Lower Quartile House prices to Lower Quartile Earnings', page 94

²⁸ SHMA Figure 6.7 'Mean Household Income by Sub-Area 2014,' presenting CACI data

²⁹ SHMA, Appendix 6, Figure 6.9

Table 12: Household Income required to Access Housing in Stoke-on-Trent and Newcastle-under-Lyme

| Sub-Area | Purchase an entry level home | Privately rent a 2 bedroom dwelling | Socially rent a 2 bedroom dwelling |
|-----------------------------|------------------------------|-------------------------------------|------------------------------------|
| Stoke-on-Trent | £18,186 | £20,400 | £15,160 |
| Inner Urban Core | £13,571 | £18,672 | £15,160 |
| Zone 1 | £23,071 | £18,912 | £15,160 |
| Zone 2 | £23,071 | £18,960 | £15,160 |
| Zone 3 | £14,929 | £18,000 | £15,160 |
| Zone 4 | £17,100 | £18,000 | £15,160 |
| Zone 5 | £16,014 | £17,328 | £15,160 |
| Zone 6 | £20,347 | £20,400 | £15,160 |
| Zone 7 | £19,543 | £20,064 | £15,160 |
| Newcastle-under-Lyme | £25,786 | £22,800 | £14,660 |
| Audley and Rural North | £24,425 | £22,944 | £14,660 |
| Central | £23,071 | £20,400 | £14,660 |
| Clayton | £33,928 | £22,800 | £14,660 |
| Keele | £36,100 | £22,800 | £14,660 |
| Kidsgrove and Talke | £24,429 | £21,552 | £14,660 |
| Madeley | £31,146 | £22,800 | £14,660 |
| Rural South | £46,075 | £29,712 | £14,660 |

Source: Turley, 2015

3.8.1 Affordability Ratio

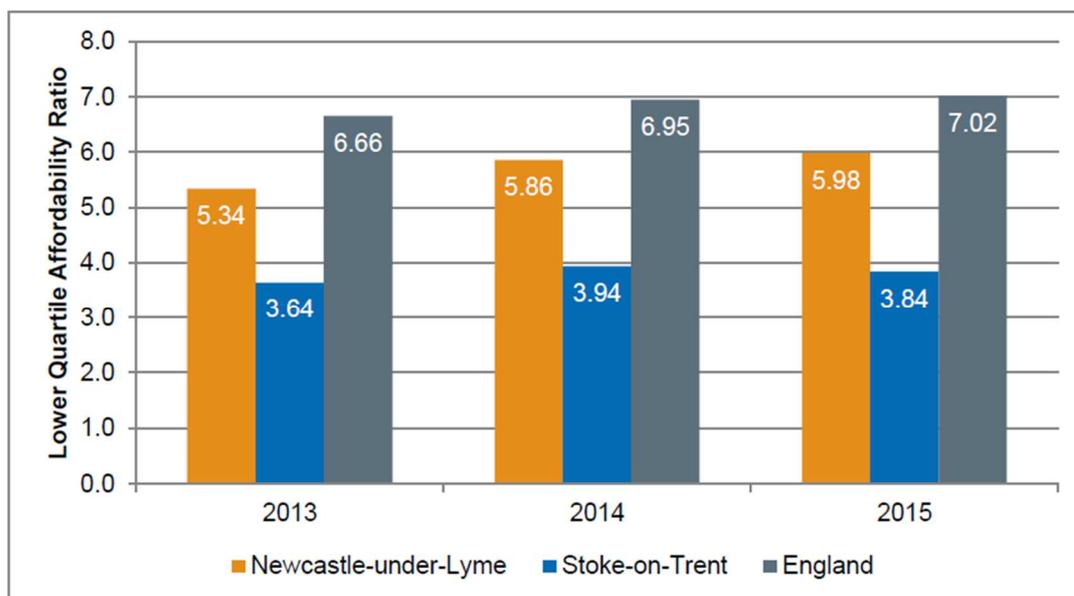
128. As we noted earlier, average income in 2014 in Madeley is one of the highest in the sub-region, at £39,139³⁰. The mean value of property transactions during September 2013 – August 2014 was £150,500³¹. The affordability ratio is therefore 3.85; this reinforces the impression that, for many people, market housing is within their reach. It is important to note, however, that these figures conceal affordability issues for those on incomes lower than the mean.

129. A clearer measure of affordability among lower income groups would be to divide the value of entry level properties by Lower Quartile Earnings. This data is supplied by the SHMAU at the borough level; below we reproduce Figure 3.2 from this document as Figure 8. This shows that, across NuL as a whole, AMH is out of reach of many households (based on the assumption that a multiple of 3.5 times income may be used to calculate the maximum level of mortgage finance available to a given household).

³⁰ SHMA Figure 6.7 'Mean Household Income by Sub-Area 2014' APPENDIX 6

³¹ SHMA Figure 5.4, page 82

Figure 8: Lower Quartile Affordability Ratio 2013 – 2015



Source: DCLG, SHMAU 2017

Waiting list data

130. Current waiting list data, together with the backlog of affordable housing provision, provides an indication of whether current provision satisfies need for affordable housing.

Local housing waiting list (NuLBC, September 2017)

131. We requested data from NuLBC’s Housing Strategy team, for an assessment of the number of households currently on the waiting list that have expressed a preference for being located in the NP area. This provides a useful indication of whether the JCSS’s affordable housing target of 1200 homes across the local authority area is sufficient to meet present affordable need within the plan period.

132. The waiting list is divided into seven bands according to urgency of need. Council officers advised that bands 1- 6 were categorised as priority need, whilst band 7 is categorised as being of least urgent need. Therefore we have taken the approach that band 7 should be discounted from calculations of immediate housing need, as households in these categories tend to be on the waiting list more as an insurance policy against future need, rather than in immediate or urgent need. This is standard practice in housing needs assessments and follows the allocation policy adopted by the Council (and in the SHMA).

133. It is noted that one of the entries in Band 7 represents a single adult who would wish to form their own household but cannot currently do so, and is currently housed by family or friends. Such households can be considered ‘concealed households’. Concealed households are captured by census data and are considered as a separate data source elsewhere in this report. We have discounted this household in order to ensure that we do not ‘double-count’. Following this discount there are at present **12 households across the remaining 6 categories in the NP area.**

134. Although the waiting list is only a snapshot in time, it does seem apparent that, with only 12 households in immediate need of affordable housing within the NPA, the JCSS policy of 25% affordable housing provision on development sites of over five units in the rural areas should be adequate to meet affordable need over the remainder of the plan period, even allowing for any future increase in affordable need. As such, on the basis of this evidence, there does not appear to be a requirement for the Neighbourhood Plan to set its own affordable housing target, although it may reference the waiting list and mention the need to work closely with NuL Council to ensure the needs of those on the housing waiting list continue to be met.
135. It is important to note that even after the Neighbourhood Plan is adopted, the JCSS's affordable housing policy will continue to apply until such time as the JLP is prepared, and it will still be the Council that will control the housing waiting list and negotiate affordable housing commitments with developers as part of the development management process.

Considering affordable need at the NP level

136. As identified above, the Adopted JCSS sets an affordable housing target of 1,200 dwellings in NuL, broken down into a specified mix of 60% Social Rented, 40% Intermediate. If the NP area had been expected to take a proportionate share of this target, based on its percentage of total dwellings in NuL at the 2011 census (3.58%), **this would indicate that roughly 43 affordable units** should be delivered during the JCSS plan period (2006-2026), **or 2.1 units** per year (based on a plan period of 20 years). To put this into context, only 12 new market dwellings were completed in the period between 1st April 2011 and 31st March 2017.
137. In terms of overall need at the local authority level, the SHMAU indicates that NuL has a net need for 242 affordable homes per annum over the next five years, in order to clear the existing backlog and meet future newly arising household need. Once the backlog is cleared, only newly arising need will require to be met, 199 affordable units will be required annually for the remainder of the plan period.
138. If the starting point of this requirement is taken from 1st January 2017 and ends on the 31st December 2033, this equates to $5 \times 242 = 1,210$ affordable dwellings in the first five years (2017-2021), plus $199 \times 12 = 2,388$ affordable dwellings for the remaining plan period (2021-2033) or a total of 3,598. This requirement is a lot higher than the target in the Adopted JCSS (1200), although it is acknowledged that the circumstances during the two planning periods (i.e. economic conditions) are very different, and that the SHMAU represents an unconstrained assessment of need, rather than a constraint-derived target from a policy document.
139. If the NP area was to deliver a proportionate element of this total based on its percentage of total dwellings in NuL at the 2011 census (3.58%), this would indicate **a requirement for roughly 129 affordable units** to be delivered between 2013-2033 in the NP area. It is important to note this figure represents an unconstrained assessment, and as per the comments in para.123, this is primarily responsibility of NuLBC rather than an action for the Madeley Neighbourhood Planning Group. Bringing together data related to affordability, the AR for Madeley in 2014 was 3.85, suggesting that affordable market

housing (AMH) is accessible to households on average incomes. For those on incomes below the mean and unable to access privately rented accommodation, they will require subsidy to access dwellings of the right type and size for their needs. Data from SHMA suggests that 42.5% of all households in the fall into this category within the parish. This indicates an affordability crisis for those on lower incomes.

140. At the district level in 2015, the lower quartile affordability ratio stood at 5.98. Given lower quartile house prices are higher in Madeley than on average for the wider district³², this suggests affordability for those on lower incomes in Madeley is more difficult and the LQAR for the parish greater than 5.98.

3.8.2 Market Segmentation

141. Bringing together the evidence from our consideration of affordability, age structure and household composition, in line with PPG, we have sought to identify the different market segments in the population of Madeley. We then use this understanding to put forward recommendations for policy relating to Affordable Housing as well as and size and tenure of dwelling.

142. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census excludes kitchen, bathrooms and toilets. In the market segments table that follows, 'dwelling size' should be translated as follows:

- 1 room = Bedsit;
- 2 rooms = flat/house with one bedroom;
- 3 rooms = flat/house 2 bedrooms;
- 4 rooms = flat/house with 2 bedroom and 2 reception rooms, or 3 bedrooms and 1 reception room;
- 5 rooms = flat/house with 3 bedrooms and 2 reception rooms;
- 6 rooms = house with 3 bedrooms and 3 reception rooms or 4 bedrooms and 2 reception rooms; and
- 7+ rooms = house with 4, 5 or more bedrooms.

143. Table 13 provides a summary of the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One 'up' arrow indicates this grouping is growing modestly in the NPA; two 'up' arrows indicates strong growth, three 'up' arrows suggests very rapid growth in years to come, and provides a rationale for policy intervention. Where segments are falling in numbers, or not growing, neutral or down arrows are shown.

144. It is important to note that, as we have seen, housing providers are good at picking up growth trends in the market. For this reason, policy intervention on this issue is only justified in the case of market failure (where the market is unable, for reasons of viability, or there are incentives, deliberate or otherwise, that drive the market not to respond to trends). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.

³² SHMA Figure 5.3 'Residential Transactions September 2013-August 14,' page 81 shows the value of a lower quartile home in Madeley as £114,750 and the average value of a similar property in NuL as £95,000, a difference of 17.2%

145. Similarly, because the market tends to be able to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent), policy intervention is normally only required where the evidence is both compelling and the circumstances it describes serious.

3.8.3 Arrows analysis

146. Our conclusions as regards to those market segments that are forecast to grow in size must take a lead from the data presented in the SHMAU that supports an OAN of 1,390 dpa. As we have seen, this is premised on the basis that a greater number of young people will need to be housed in future years than the unadjusted 2014 household projections suggest.

147. With this in mind, notwithstanding the fall in both families and young people in the parish between 2001 and 2011, we foresee a requirement of dwellings of 3-4 rooms to address their needs.

148. Taking into consideration the forecast of strong growth in solo households, as well as the presence of a small but persistent number of concealed households, it is appropriate for planning to support dwellings of 2-3 rooms in size.

149. In terms of tenure, there is a substantial minority of people in need of subsidy to access housing of a suitable type for their needs. Affordable housing should therefore form an important consideration; with the mix of tenures including social rented housing and intermediate products, although as we have explained, this is primarily the responsibility of the LPA.

150. This analysis is supported by feedback from local estate agents, who comment that there has been an increased demand for terraced / townhouse properties in the past decade, which are typically between 3 and 5 rooms in terms of the definitions provided above.

Table 13: Housing market segments

| Market segments | Income range | Tenure | Presence in Plan Area | Size of home |
|--|---------------------|---|-----------------------|--------------|
| Young family where parents are aged 24-44 with 1+ children aged 0-15 | Median | PRS, Social housing, shared equity, AMH | ↑ ↑ | 3-4 rooms |
| Professional Head of Household Young family where parents are aged 24-44 with 1+ children aged 0-15 | Mean | AMH, Market Housing (MH) | ↔ | 5 rooms |
| Professional Head of Household family where parent are aged 44-64 with non-dependent children living at home | >Mean (equity rich) | Market Housing | ↔ | 6+ rooms |

| Market segments | Income range | Tenure | Presence in Plan Area | Size of home |
|--|------------------------------|------------------------------------|-----------------------|--------------|
| Lone parent (with 1+ children) | Lower Quartile (equity poor) | Social Housing | ↔ | 3 rooms |
| One person household aged under 65 | Median (equity poor) | PRS, shared equity, DMH | ↑↑↑ | 2 rooms |
| One person household aged 65+ with wealth | Median (equity rich) | Market Housing | ↑↑↑ | 2-3 rooms |
| One person household aged 65+ without wealth | Lower Quartile (equity poor) | Social Housing | ↑↑↑ | 2 rooms |
| Young couple no children | >Mean (equity poor) | Market Shared Housing, Equity, DMH | ↔ | 4+ rooms |
| Concealed households | Lower Quartile (equity poor) | Social Housing | ↑↑ | 2-3 rooms |

Source: AECOM

151. Table 14 over-page is based on analysis by Nathaniel Lichfield and Partners, setting out recommended dwelling sizes for different household types. This table has been defined on the basis of the following assumptions,

- Smaller apartments/flats or houses will be more suitable for meeting the initial requirements of married couples until the age they have a family. Those households without children could occupy either houses or flats of the appropriate size;
- Cohabiting couples and lone parents will want and require similar sizes of housing to married couples. Those households without children could occupy either houses or flats of the appropriate size;
- Smaller apartments/flats or houses will be more suitable to meeting the requirements of single person households;
- According to their composition, institutional accommodation such as a residential care home, hostel or purpose-built student accommodation will be more suitable for multi-person households;
- Further qualitative allowances will need to be made of households at retirement age who are likely to continue living in their previous home

unless more manageable two bed flats, houses and bungalows are available; and,

- The requirement for housing with care, including supported housing and extra care provision, is likely to increase at 85 and above.

Table 14 Estimated Housing Size required by Household Type, by Age of Head of Household

| Age Range 2013 | One Person | Married Couple / With 1/2 Children | Married Couple / With 3+ Children | Cohabiting Couple / With 1/2 Children | Cohabiting Couple / With 3+ Children | Lone Parent / With 1/2 Children | Lone Parent / With 3+ Children | Other Multi-Person |
|----------------|---------------------|------------------------------------|-----------------------------------|---------------------------------------|--------------------------------------|---------------------------------|--------------------------------|--------------------|
| 0-14 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 15-24 | 1 bed flat/house | 2 bed flat/house | 3 bed house | 2 bed flat/house | 3 bed flat/house | 2 bed flat/house | 3 bed house | 1 bed flat |
| 25-34 | 1 bed flat/house | 3 bed house | 3 bed house | 3 bed house | 3 bed house | 3 bed house | 3 bed house | 1 bed flat |
| 35-44 | 2 bed flat/house | 3 bed house | 4 bed house | 3 bed house | 4 bed house | 3 bed house | 4 bed house | 2 bed flat |
| 45-59 | 2 bed flat/house | 3 bed house | 4 bed house | 3 bed house | 4 bed house | 3 bed house | 4 bed house | 2 bed flat |
| 60-84 | 2 bed flat/bungalow | 2 bed flat/bungalow | 3 bed bungalow | 2 bed flat/bungalow | 3 bed bungalow | 2 bed flat/bungalow | 3 bed bungalow | 2 bed flat |
| 85+ | Housing with care | Housing with care | Housing with care | Housing with care | Housing with care | Housing with care | Housing with care | Housing with care |

Source: NLP after survey of English Housing and Housing Vision

3.8.4 Affordable housing need – SHMA findings

152. Before considering the mix of affordable housing tenures, it is worth reviewing the SHMAU’s findings in terms of overall need for AH at the local authority level. The SHMAU indicates that NuL has a net need for 163 affordable homes per annum over the next five years, in order to clear the existing backlog and meet future newly arising household need. Once the backlog is cleared, only newly arising need will need to be met, requiring 103 affordable units annually for the remainder of the plan period.

153. If the starting point of this requirement is taken from 1st January 2016 and ends on the 31st December 2033, this equates to 5 x 163 = 815 affordable dwellings in the first five years (2016-2020), plus 103 x 13 = 1339 affordable dwellings for the remaining plan period (2021-2033) or a total of 2,154. This requirement is a lot higher than the target in the Adopted JCSS (1200), although it is acknowledged that the time periods (i.e. economic conditions) are very different, and that the SHMA represents an unconstrained assessment of need, rather than a constraint-derived target from a policy document.

154. If the NP area was to deliver a proportionate element of this total based on its percentage of total dwellings in Newcastle under Lyme at the 2011 census (3.6%), this would indicate a requirement for roughly 78 affordable units to be delivered between 2013-2033 in the NP area. Again it is important to note this figure is more the responsibility of NuLBC and less relevant for neighbourhood planners, and represents an unconstrained assessment, and that the various supply side considerations would need to be factored into a final target.

3.8.5 SHMA – projected affordable housing need

155. The SHMA (2015) sets out an approach for calculating current and future affordable housing need; this involves calculating the number of households currently classified as in need of affordable housing and subtracting from this the number of affordable housing units available. The calculation for future need is obtained by calculating the new households likely to form each year who will be unable to afford market housing and deducting this from affordable housing supply, an estimate based on all lettings from all Housing Register Bands over the last three years. Table 15 reproduces SHMA figure 7.3, which shows this calculation in summary form. This suggests a Net Annual Affordable Housing Need of 15 dwellings in Madeley, or 300 over the Plan Period.

Table 15: Affordable Housing Need by Sub-Area – Newcastle-under-Lyme

| Step | Audley and Rural North | Central | Clayton | Keele | Kidsgrove and Talke | Madeley | Rural South | Newcastle-under-Lyme (total) |
|--|------------------------|------------|------------|----------|---------------------|-----------|-------------|------------------------------|
| Stage 1 – Current Housing Need (Gross Backlog) | | | | | | | | |
| 1.4 Total current housing need (gross) | 28 | 416 | 80 | 1 | 113 | 35 | 10 | 683 |
| Stage 2 – Affordable Housing Supply (Annual) | | | | | | | | |
| 2.1 Affordable dwellings occupied by households in need | 11 | 163 | 35 | 0 | 26 | 4 | 2 | 241 |
| 2.2 Surplus stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.3 Committed supply of new affordable housing | 18 | 60 | 7 | 0 | 53 | 0 | 6 | 144 |
| 2.4 Units to be taken out of management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.5 Total affordable housing stock available | 29 | 223 | 42 | 0 | 79 | 4 | 8 | 385 |
| Stage 3 – Historical Accumulated 'Backlog' Need (Net Annual) | | | | | | | | |
| 3.1 Shortfall in affordable housing to meet current 'backlog' housing need (annual) | 0 | 39 | 8 | 0 | 7 | 6 | 0 | 60 |
| Stage 4 – Future Housing Need (Annual) | | | | | | | | |
| 4.1 New household formation (annual) | 63 | 350 | 144 | 6 | 151 | 27 | 42 | 783 |
| 4.2 Newly forming households in need (annualised) | 45% | 44% | 44% | 30% | 42% | 43% | 34% | 43% |
| | 28 | 155 | 63 | 2 | 63 | 12 | 15 | 337 |
| 4.3 Existing households falling into need | 18 | 190 | 51 | 1 | 49 | 9 | 3 | 321 |
| 4.4 Total newly arising need (gross per year) | 46 | 345 | 114 | 2 | 112 | 21 | 18 | 658 |
| Stage 5 – Affordable Housing Supply (Annual) | | | | | | | | |
| 5.1 Annual supply of social re-lets (annual net) | 32 | 345 | 91 | 1 | 65 | 11 | 3 | 549 |
| 5.2 Estimated supply of intermediate housing available (annual) | 0 | 2 | 2 | 0 | 1 | 0 | 0 | 6 |
| 5.3 Annual supply of affordable housing | 32 | 347 | 93 | 1 | 66 | 11 | 3 | 555 |
| Stage 6 – Annual Net New Need | | | | | | | | |
| 6.1 Net New Need (annual) | 14 | -2 | 20 | 1 | 47 | 9 | 14 | 103 |
| Stage 7 – Total Affordable Housing Need (Net Annual) | | | | | | | | |
| 7.1 Shortfall in affordable housing to meet current 'backlog' housing need (annual) | 0 | 39 | 8 | 0 | 7 | 6 | 0 | 60 |
| 7.2 Newly arising future need (net annual) | 14 | -2 | 20 | 1 | 47 | 9 | 14 | 103 |
| 7.3 Net Annual Affordable Housing Need | 14 | 37 | 28 | 1 | 54 | 15 | 14 | 163 |
| % of need | 9% | 23% | 17% | 1% | 33% | 9% | 9% | - |

Source: Turley Economics

3.9 Affordable housing: tenure mix

156. In considering the balance of affordable housing tenures, the adopted policy should be used as a starting point by NuLBC. Current policy reads as follows: *The type and tenure of this affordable provision will be determined on a site by site basis to reflect specific local needs. However, in order to create genuinely sustainable mixed communities, an appropriate mix of social rented and intermediate affordable housing will need to be delivered.*

157. The broad target for the overall mix of affordable housing to be delivered within NuL is split between social rented and intermediate dwellings of 60% and 40% respectively³³.

3.9.1 Discounted market housing (starter homes)

158. As we have seen, the Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. The relevant legislative provisions are, however, not yet in force and no specific proportion or minimum has been put forward.

159. The Housing White Paper sheds further light on the government's intentions in this area. It states that, 'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,' we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable home ownership and rented tenures.'

160. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it to local groups, including neighbourhood plans, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

161. The decision whether to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for purchase.

162. As we have seen, allowing for a 10% deposit, reducing the value of a LQ property priced at £114,750 for mortgage purposes to £103,275, and applying a further discount of 20% to arrive at the approximate selling price of a DMSH of £82,620, a household on the mean income in Madeley of £39,139 could afford a dwelling at this price-point. The Income Threshold at a multiple of 3.5 is £23,606.

163. This indicates that households with an income substantially below the mean could afford DMSH. The challenge for many will be raising the necessary deposit; this will inevitably bar some from being able to access homes through this route.

³³ JCSS, page 46

164. Bearing in mind the reforms to the definition of AH expressed in the Housing White Paper, and on the basis of the evidence we have gathered (that indicates an increase in private rented dwellings as well as an increasing affordability ratio, suggesting affordable market housing may outstrip households incomes in years to come), we would recommend both discounted market sales housing form part of the AH tenure mix within the NPA, with policy seeking to fulfil the 10% policy expectation for Starter Homes.
165. We note that 20% is a minimum discount and, of course, greater discounts will make the policy more effective in enabling households on modest incomes afford to buy their own home. The ultimate level of discount should be arrived at on a site-by-site basis and will be determined by viability as well as other calls on finite resources stemming from planning gain, such as other forms of AH and infrastructure requirements.
166. While the Housing White Paper does not specify size of development, it is appropriate for this to be taken into account when considering how the 10% policy expectation should be applied in practice. When the policy was conceived, it was linked to the notion of rural exception sites, land that would normally not be considered for housing to bring forward substantial numbers of affordable dwellings where there is evidence of local need.

3.9.2 Shared ownership

167. As we have seen, the shared ownership tenure has singularly failed to take hold in Madeley. Shared ownership involves the purchaser buying an initial share in a property typically of between 25% and 75% and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable.
168. The share owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.
169. Shared equity constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000. Given these conditions, it is surprising why it has not taken root in Madeley on the basis of the affordability analysis discussed above, although one explanation would be the need to raise a deposit. Our recommendation would be that it should form part of the AH mix in the Parish.

3.9.3 Affordable rent

170. Commentators have repeatedly raised concerns about affordable rent not constituting a realistic form of AH given that in many areas this reduces rent to levels that are still beyond the means of the target group: those on incomes substantially below the mean.
171. According to home.co.uk, the average rent for a 2 bedroom property in the CW3 postcode (while inexact, this is the closest postcode area identifiable, and includes Madeley) is £558pcm.

172. To assess the affordability of this rental level, an income threshold of 25% is employed, so as to leave enough money in the household budget to cover other essentials and allow for some discretionary spending.

173. If a household is to spend no more than 25% of its income on housing costs, it would require roughly £2,200, or £26,400 pa, to afford a rent of £558pcm. As we have seen, this is substantially below the mean income for the NPA; a further reduction of 20% would reduce the monthly rent to £ 446pcm, for which a monthly household income of £1,800 would be required, or an annual income of £21,600.

174. This suggests that affordable rented dwellings, reflecting rent controls that require a rent of no more than 80% of the local market rent, would be a suitable tenure for the NPA, enabling households with incomes substantially lower than the mean to access dwellings of a suitable type and size for their needs.

3.10 RQ4. What type of market housing (private rented and housing for sale) should be included in the housing mix?

3.10.1 For sale housing

175. Given the limited quantity of Affordable Housing in the NPA, the needs of the great majority of the people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home, as well as personal taste.

176. The operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market, preventing its ability to respond to demand; this is after all the principal way equilibrium is achieved in the housing market and house price growth kept in check. In this way the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing but also may deprive the community of resources for infrastructure improvements.

3.10.2 Private Rented Sector

177. As we have seen, there is evidence of growing demand for private rented accommodation in the NPA. The reason for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.

178. Given the trends identified in this HNA, Madeley should support build to rent (BTR) development, which may include an element of affordable housing and is likely to be brought forward by specialist developers funded by institutional investors. This will provide accommodation that is likely to be of consistently higher quality than is available through the traditional small private landlord.

179. The Housing White Paper proposed a number of modifications to the definition of affordable housing for planning purposes. One of these is Affordable Private Rent Housing (APRH); this is housing made available for rent at a level which is at least 20 per cent below local market rent. It is envisaged such housing would be delivered as part of BTR schemes.

180. Bringing our consideration of housing need driven by affordability (RQs 3 & 4) together, the following key findings emerge:

- The current tenure profile of the area leaves little available accommodation for those on low incomes, given that the bulk of the housing stock is in owner occupation. This suggests that those households ineligible for AH, but who cannot afford market housing, may struggle to access housing suitable for their needs, threatening them with having to move from the area;
- The AR for Madeley in 2014 was 3.85, suggesting that affordable market housing (AMH) *is* accessible to households on average incomes. For those on incomes below the mean and unable to access privately rented accommodation, they will require subsidy to access dwellings of the right type and size for their needs. Data from the SHMA suggests that 42.5% of all households in the fall into this category within the parish. This indicates an affordability crisis for those on lower incomes;
- The presence of a small but persistent group of 'concealed households' suggests a small backlog that policy should seek to clear, as well as ensuring needs are met moving forward;
- Notwithstanding the extremely limited availability of shared ownership dwellings detected in Census 2011, this tenure is a plausible route to home ownership for those on low incomes, for example first time buyers. At the level of the HMA, a crisis of affordability is identified, with households on lower incomes unable to access AMH;
- The value of entry level market properties generates a compelling argument for discounted market sales housing and affordable private rent housing. These tenure types are particularly suitable for newly forming households;
- The evidence we have gathered does not support MPC developing its own AH policy, but does suggest Local Plan policy should be assertively implemented within the NPA; and
- Finally, of the market housing coming forward, Build to Rent should be included in the housing mix, to acknowledge the growing role this takes in providing housing to those on modest incomes.

3.11 RQ5. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?

181. As identified earlier in this study, PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration of the existing housing stock.

182. In Table 16 we note that the great majority of dwellings are houses of the three principal types, detached, semi-detached and terraced dwellings. Together, these represent 90% of all homes.

Table 16: Accommodation type (households) in Madeley , 2011

| Dwelling type | | Madeley | Newcastle-under-Lyme | England |
|-------------------------------|--|---------|----------------------|---------|
| Whole house or bungalow | Detached | 34.9% | 24.5% | 22.4% |
| | Semi-detached | 38.8% | 43.8% | 31.2% |
| | Terraced | 15.9% | 20.2% | 24.5% |
| Flat, maisonette or apartment | Purpose-built block of flats or tenement | 9.6% | 9.8% | 16.4% |
| | Parts of a converted or shared house | 0.3% | 1.0% | 3.8% |
| | In commercial building | 0.4% | 0.6% | 1.0% |

Source: 2011 Census, AECOM Calculations

183. Table 17 presents data from Census showing distribution of dwellings in the NPA in terms of size, and how this has changed in the decade between the 2001 and 2011 Censuses. This is helpful and it provides an indication of the future trends in the supply of new homes in the future.

184. As we have seen in the Market Segments analysis, demographic shifts point to an increasing need for dwellings of 2-3 rooms as well as dwellings of 5 or 6 rooms to house a greater number of young families forecast to settle in the area in future years.

185. It is therefore of concern that the number of small dwellings of 2 rooms has fallen over this period and the number of dwellings of 5-6 rooms has fallen from 910 in 2001 to 839 in 2011, reducing the proportion of all dwellings of this size from 49% to 46%.

Table 17: Number of rooms per household in Madeley , 2001-2011

| Number of Rooms | 2001 | 2001 | 2011 | 2011 |
|-----------------|---------|----------------------|---------|----------------------|
| | Madeley | Newcastle-under-Lyme | Madeley | Newcastle-under-Lyme |
| 1 Room | 3 | 157 | 2 | 94 |
| 2 Rooms | 48 | 674 | 29 | 654 |
| 3 Rooms | 78 | 3585 | 88 | 4282 |
| 4 Rooms | 330 | 9577 | 290 | 9004 |
| 5 Rooms | 501 | 16129 | 402 | 14879 |
| 6 Rooms | 409 | 11511 | 437 | 11948 |
| 7 Rooms | 223 | 4286 | 230 | 5408 |
| 8 Rooms or more | 275 | 4819 | 169 | 3321 |
| 9 Rooms or more | | | 179 | 2984 |

Source: Census 2001 and 2011, AECOM Calculations

186. Table 18 shows the numerical changes set out above in percentage terms. The increase in the number of the largest homes may reflect house-builders seeking to capitalise on what they see as the size that will generate the greatest return on capital. This provides a good example of where there is a strong case for planning policy to support a wider range of dwelling sizes in future years.

Table 18: Rates of change in number of rooms per household in Madeley, 2001-2011

| Number of Rooms | Madeley | Newcastle-under-Lyme | England |
|-----------------|---------|----------------------|---------|
| 1 Room | -33.3% | -40.1% | -5.2% |
| 2 Rooms | -39.6% | -3.0% | 24.2% |
| 3 Rooms | 12.8% | 19.4% | 20.4% |
| 4 Rooms | -12.1% | -6.0% | 3.5% |
| 5 Rooms | -19.8% | -7.8% | -1.8% |
| 6 Rooms | 6.8% | 3.8% | 2.1% |
| 7 Rooms | 3.1% | 26.2% | 17.9% |
| 8 Rooms or more | 26.5% | 30.8% | 29.8% |

Source: Census 2001 and 2011, AECOM Calculations

187. Below we reproduce SHMA figure 7.6 as Table 19; while this relates specifically to affordable housing, it does provide an indication of housing need generally with a proviso that those seeking AH are generally looking for smaller dwellings than those able to access market dwellings. This indicates that the greatest demand for housing will be for dwellings of 2 bedrooms (homes with 3-4 rooms) and provides the evidential basis for the conclusion that 'this size profile is also reflected in newly arising need, with many newly forming and existing households falling into need requiring smaller properties.'³⁴

Table 19: Affordable Housing Need by Size – Stoke-on-Trent

| Step | Number of bedrooms | | | | |
|--|--------------------|------------|------------|-----------|--------------|
| | 1 | 2 | 3 | 4+ | Total |
| Current housing need | 537 | 784 | 630 | 34 | 1,984 |
| Transfers | 80 | 451 | 378 | 11 | 920 |
| Surplus stock | 29 | 3 | 10 | 0 | 42 |
| Committed supply | 238 | 341 | 34 | 4 | 617 |
| Taken out of management | 24 | 25 | 12 | 0 | 61 |
| Affordable housing available | 323 | 770 | 410 | 15 | 1,518 |
| Shortfall to meet current 'backlog' need (annual) (5 years) | 43 | 3 | 44 | 4 | 93 |
| Newly forming households | 158 | 254 | 190 | 11 | 613 |
| Existing households falling into need | 142 | 558 | 76 | 0 | 776 |
| Total newly arising need (gross per year) | 300 | 812 | 266 | 11 | 1,390 |
| Annual supply of affordable housing | 362 | 649 | 206 | 5 | 1,222 |
| Net new need (annual) | -62 | 163 | 61 | 6 | 167 |
| Net annual affordable housing need | -19 | 166 | 105 | 10 | 261 |
| % of need | -7% | 64% | 40% | 4% | - |

Source SHMA 2015

³⁴ SHMA, pp 183

188. The SHMAU, published in 2017, builds on these findings. Looking at the appropriate size of dwellings at the district level to address need in the period to 2033, it comments,

“the greatest demand for housing in each authority relates to properties with two or three bedrooms, with the types of households projected to increase demonstrating a strong tendency towards occupying housing of this size”

As regards large dwellings, SHMAU comments as follows,

“Approximately 10% of homes will need to have four or more bedrooms. This should, however, be considered in the context of the Councils’ aspirations to improve the executive or aspirational housing offer...on this basis, it is considered that this should be viewed very much as a minimum position”³⁵

And in terms of the smallest dwellings,

“The modelling also suggests a need for smaller properties with only one bedroom, with 13% of households suggested as needing this size of property. This is driven in large part by the sizeable projected growth in one person households over the assessment period...”

189. Further to this, surveys of local estate agents have confirmed the ongoing demand for smaller terraced and town house properties.³⁶

190. Bringing together the evidence on type and size of dwelling, the NPA has seen a decline in the number of those dwellings sizes (smaller and medium sized family homes) that are forecast to be in greatest need over the plan period.

191. Moreover, Madeley is to a large degree representative of wider trends affecting the borough as a whole. The two geographies share a requirement for planning policy to play an active role to ensure the mix of dwelling sizes addresses the community need for smaller dwellings of 1-3 rooms as well as family dwellings of 5-6 rooms over the Plan Period.

3.12 RQ6. Given recent and forecast demographic changes and affordability issues, which are the key groups in the community and which of these is in particular need?

As we have seen, demographic trends suggest a marked increase in the number of older people over the Plan period. In addition, the SHMAU adopts a proactive stance as regards the provision of housing for younger people. While this HMA has considered the needs of the latter group, the needs of whom can largely be addressed in mainstream tenures and types of dwelling, the needs of older people, who have specialist requirements, deserve particular attention.

³⁵ SHMAU, pp 77

³⁶ Survey response from Follwells 13/09/17

3.12.1 Sheltered and extra-care housing

192. As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered³⁷ and extra care³⁸ housing as part of the delivery of new housing. Table 20 identifies the growth in the population of over 75s between 2011 and 2031.

Table 20: Change in the population of over 75s between 2011 and 2033

| Age band | 2011 | | | 2033 | | |
|----------|----------------------|------------------|--------------------------|------------------|----------------------|------------------------------------|
| | Population (Madeley) | Population (NuL) | Percentage of population | Population (NuL) | Population (Madeley) | Projected 75+ population (Madeley) |
| All ages | 4,222 | 123,871 | 3% | 135,805 | 4,629 | |
| 75+ | 402 | | 10% | 17,668 | 13% | 602 |

Source: 2014-based Sub-national population projections, DCLG and Census 2011 (ONS) AECOM calculations

193. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network’s (HLIN) suggested numbers per 1,000 of the 75+ population³⁹. Table 17 shows an estimate of the increase in the numbers of older people aged 75+ of 200 (402-602). This will result, over the Plan Period, in a need for:

- additional conventional sheltered housing units = 60 x 20% = 12 (rounded)
- additional leasehold sheltered housing units = 120 x 20% = 24 (rounded)
- additional ‘enhanced’ sheltered units, split 50:50 between those for rent and those for sale = 20 x 20% = 4 (rounded)
- additional extra care housing units for rent = 15 x 20% = 3 (rounded)
- additional extra care housing units for sale = 30 x 20% = 6 (rounded)

³⁷ Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or ‘schemes’) provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or ‘bedsits’) through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called ‘community alarm service’) to call help if needed. Many schemes also have their own ‘manager’ or ‘warden’, either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden, available at: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 13/12/17)

³⁸ New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as ‘housing with care’. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents’ lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet, available at: <http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 13/12/17)

³⁹ Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available at: <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf> (accessed 13/12/17)

- additional specialist dementia care homes = $6 \times 20\% = 1$ (rounded)

194. It is important to note that there is no obligation for these all to be provided within the parish itself and clearly in some cases, such as providing a single specialist dementia care dwelling, it would not be economically feasible to do so. As such, these 50 specialist dwellings need not be thought of as all needing to be provided within the neighbourhood plan housing target- rather, there will be some overlap between these dwellings and the target, depending on the number that could be provided within the parish itself.

195. These remarks are made in the knowledge of the existence of the Madeley Centre, a community centre in the village. Adjacent to centre is Lea Court, an extra care facility with 63 two-bedroomed apartments. Lea Court is run by Housing 21 and apartments can be bought on a shared ownership scheme or rented by anyone over 55. Housing 21 provides personnel onsite to provide the appropriate level of professional care if residents need it.⁴⁰ This suggests that Madeley already has a critical mass of facilities suited to the needs of older people that could justify focusing additional housing within the NPA on other groups.

196. Nevertheless, the specialist dwelling need identified in this HNA is likely to be split between the parish and the rest of the district, which will enable the elderly to live either within or as close to the parish as possible, taking account of the fact that Madeley may struggle to provide many of the specialist housing types needed within its own boundaries. Instead, there could be the potential for these to be provided at, for example, Newcastle-under-Lyme taking account of its higher levels of accessibility to services and facilities, which will help in the recruitment and retention of specialist care staff and enable economies of scale (e.g. a centralised dementia care unit or enhanced sheltered development serving a widely dispersed rural population from a single location).

3.12.2 Retirement villages

197. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the HLIN analysis, it would be appropriate to consider this approach to the delivery of housing for the elderly in Madeley.

3.12.3 Senior Co-housing

198. Co-housing has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill⁴¹ and LILAC in Leeds⁴². In

⁴⁰ The Madeley Centre (2017) Housing 21, available at: <http://www.madeleycentre.co.uk/about/housing-21/> (accessed 13/12/17)

⁴¹ Featherstone Co Housing (2017) available at, <http://www.featherstonecohousing.co.uk/> (accessed 13/12/17)

⁴² LILAC (2017) Low Impact affordable living, available at, <http://www.lilac.coop/> (accessed 13/12/17)

the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting and shared activities.

3.12.4 Multi-generational homes

199. Multi-generational living has been identified as a possible solution not only for older people, but for all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.⁴³

200. The phenomenon of the aging population has an upside; with increases in the quality of health-care, older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, they are in a good position to take on both voluntary and paid work, for example looking after grandchildren or taking care of the elderly.

3.12.5 Lifetime Homes

201. Many local authorities incorporate policy into their Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and through doorways should be as convenient to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.⁴⁴

3.12.6 Right-sizing

202. As we have identified earlier, there is a need for a greater number of the type of dwellings that facilitate 'right-sizing' for older people. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays.

203. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.⁴⁵

⁴³ RIBA, *Silver Linings, The Active Third Age and the City*, Page 17-18

⁴⁴ <http://www.lifetimehomes.org.uk/pages/about-us.html>

⁴⁵ Housing LIN, *New Approaches to Housing for Older People*, June 2014, page 6

3.12.7 Planning flexibility

204. Planning policy can be mobilized to help properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address 'lifetime homes' criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens.⁴⁶ This is not dissimilar to the practice of 'alley-gating' where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

3.12.8 Lifetime neighbourhoods

205. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers lifetime neighbourhoods, in which the public realm is designed to address the needs of older people, and activates the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example providing more greenery and more walkable, better connected places.

206. Given the expanded role of neighbourhood planning around design outlined in the Housing White Paper of 2017⁴⁷, a compelling notion is that of 'the amplification of impact of micro-environmental features' to describe that particular way in which we become more sensitive to the ordinary, smallest features of urban space as we age. This places a particular emphasis on care and reflection in how we design, for example paths and public seating; this, in turn, calls for the participation of older people in the process of design.

207. Design approaches exist that provide a starting point for locally informed policy development in this area, these include Manchester's 'Design for Access 2' and the work of Inclusive Design for Getting Outdoors (IDGO); IDGO have identified material features that make everyday negotiation of urban space that much easier for older people; these include wide and flat tarmac footways, easy transition level changes, clear, simple and visible signage, frequent warm and supportive seating and well-maintained, safe and open toilets.⁴⁸

208. In addition, the notion of 'pensioner play-grounds,' 'green-gyms,' community gardens and various forms of guerrilla gardening (for example the Incredible Edible Todmorden project) encourage active use of public space and facilities on the part of an older demographic.

3.12.9 Age-friendliness

209. Since the millennium, policy at the international level has been directed towards a more holistic appreciation of what an 'age-friendly' urban environment looks like. It has been remarked this should extend beyond physical installations, such as public seating and access to WCs, but embrace means mobilising civic agency among older group to forestall incipient marginalisation, enabling them to continue to make a full and active contribution to community life.⁴⁹

⁴⁶ Gobber, S, A Bright Grey Future, Urban Design Group Journal, Spring 2016, page 29

⁴⁷ HMG, Fixing our broken housing market, page 29

⁴⁸ RIBA/Age UK, An Alternative Age-Friendly Handbook, page 54/55

⁴⁹ RIBA/Age UK, An Alternative Age-Friendly Handbook, page 16

210. In 2006 the World Health Organisation (WHO) began developing the 'Age-Friendly Cities' movement, now a worldwide network of over 200 member cities around the world. They have produced a guide that offers a way of analysing the city from the perspective of older people, using a framework of inter-related domains: transportation, housing, social participation, respect and social inclusion, communication and information, civic participation and employment, health and community services.

211. Considering the housing domain, the WHO study identifies a checklist of attributes necessary to foster a sense of belonging and well-being among older people. In addition to affordability and designing accommodation with the needs of older people in mind, the adaptability of dwellings is important, for example their capacity to accommodate chair-lifts that enable older people to continue to live in two-storey homes⁵⁰.

212. The WHO also identified access to services, particularly those that become increasingly important as people get older, such as places of worship and community centres.⁵¹ Moreover, optimising well-being has much to do with being able to maintain links with existing networks, which is best achieved by enabling people to remain in their existing communities for as long as possible. In the Australian city of Melville small clusters of senior's housing with small gardens are made available throughout the city, so that older people are not isolated from the community and particularly from children.⁵²

3.12.10 Housing for people with dementia

213. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates⁵³. The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable.

214. Selwood Housing in the South West has pioneered approaches that help overcome these, for example the installation of property exit sensors to inform a monitoring centre when tenants leave their home and then not return within a pre-determined time.

215. In figure 9 we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

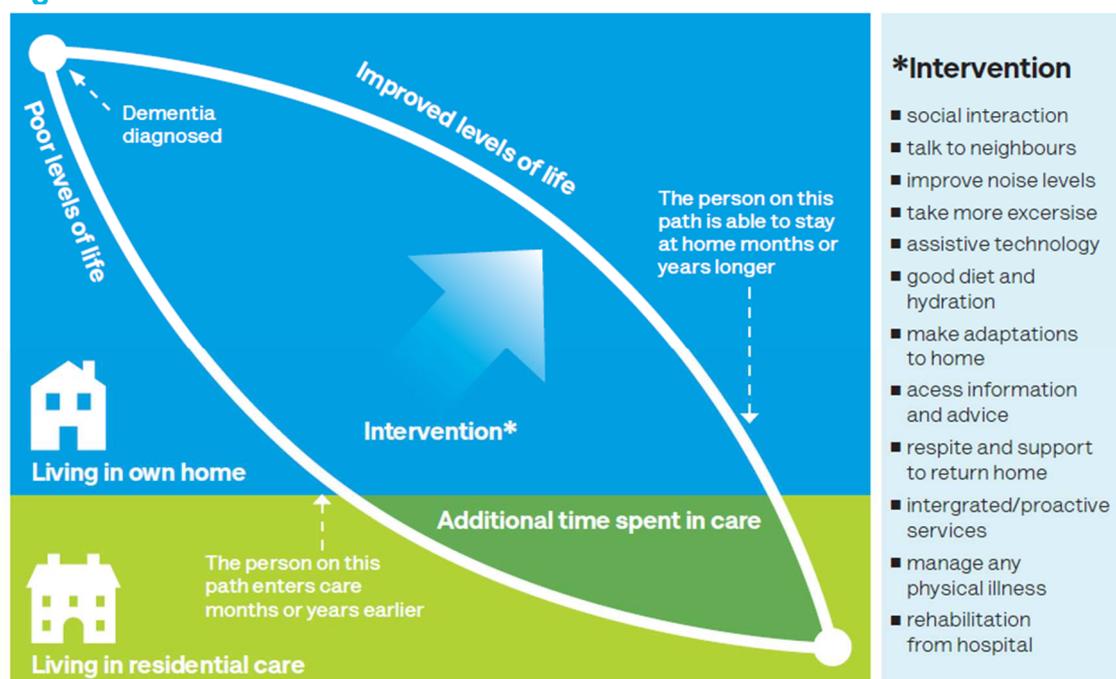
⁵⁰ World Health Organisation: Global age-friendly cities: a guide, page 32

⁵¹ Ibid, page 33

⁵² Ibid, page 35

⁵³ Alzheimer's Society, [Dementia-friendly housing charter](#), page 13

Figure 9: Dementia care chart



Source: Dementia Services Development Centre, 2013

3.12.11 The role of the Local Authority

216. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people,⁵⁴ it is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the district.

4. Market Signals

217. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

218. The PPG states:

*“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand”.*⁵⁵

⁵⁴ NPPF, para 50

⁵⁵ DGLG (2015) Housing and economic development needs assessment, available at http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019 (accessed 13/12/17)

219. These market signals relate to trends discernible within the housing market, and broader economic trends that have an impact on the housing market.

220. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

“This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be”.⁵⁶

221. In discussions with Madeley and NuLBC as to the appropriate levels of market dwellings in the Plan Area it will necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:

- Employment trends;
- Housing Market (Prices);
- Housing Market (Volume);
- Overcrowding; and
- Rate of Development (changes in housing stock).

4.1 Employment Trends

222. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of Madeley Parish.

223. Madeley sits adjacent to Keele, which is home to Keele University, and is within easy reach of Newcastle-under-Lyme and Stoke-on-Trent.

224. The PPG states that a HNA should take employment trends into account. This is to ensure that any conclusions on housing need allow for the likely change in job numbers based on past trends or economic forecasts as appropriate and also have regard to the growth of the working age population in the housing market area. In this case, we have taken into account the relevant Employment Land Review and Strategic Economic Plan; in doing this we have also considered significant proposed developments which we believe may have an impact on future employment in the area. Table 21 provides an indication of the current economic activity.

⁵⁶ DGLG (2015) Housing and economic development needs assessment, available at, http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_020 (accessed 13/12/17)

Table 21: Economic Activity 2011

| Economic category | | Madeley | | NuL | | England |
|-----------------------|------------------------------|---------|----------------|-------|----------------|---------|
| | | As % | No. of persons | As % | No. of persons | As % |
| Economically active | Total | 68.8 | 2,147 | 66.7% | 92,335 | 69.9% |
| | Employee: Full-time | 37.6% | 1,172 | 37.8% | 34,876 | 13.7% |
| | Employee: Part-time | 14.6% | 455 | 13.8% | 12,736 | 38.6% |
| | Self-employed | 10.8% | 337 | 7.6% | 6,987 | 9.8% |
| | Unemployed | 2.9% | 92 | 3.7% | 3,378 | 4.4% |
| | Full-time student | 2.9% | 91 | 3.9% | 3,591 | 3.4% |
| Economically inactive | Total | 31.2% | 974 | 33.3% | 30,767 | 30.1% |
| | Retired | 18.9% | 589 | 16.1% | 14,830 | 13.7% |
| | Student | 5% | 157 | 7.6% | 7,063 | 5.8% |
| | Looking after home or family | 2.9% | 92 | 3.2% | 2,983 | 4.4% |
| | Long-term sick or disabled | 3.1% | 96 | 4.7% | 4,341 | 4.1% |
| | Other | 1.3% | 40 | 1.7% | 1,550 | 2.2% |

Source: ONS, Census 2001 and 2011. AECOM calculations

225. Madeley's proportion of economically active residents is higher than the overall local authority level, although it is lower than the national level. However, Madeley's unemployment level at 2.9% is lower than the local 3.7% and national 4.4% average. Other key facts include the level of the population retired, which as a proportion is significantly higher (18.9%) than both the local 16.1% and national 13.7% averages.

Newcastle-under-Lyme and Stoke-on Trent: Joint Employment Land Review (Nathaniel Lichfield & Partners 2015)

226. The Joint Employment Land Review 2015 (ELR) represents the Council's most up-to date assessment of future employment growth. Three employment projections are referenced which forecast employment growth over 2013-2039, the forecast for jobs in Newcastle-under-Lyme range from 6,329 (Oxford Economics), to 9,181 (Experian) and 9,898 (Cambridge Econometrics). Madeley has good access links to the rest of Newcastle-under-Lyme and therefore it may be seen as an attractive place to live for those wanting to access the increasing employment opportunities.

227. Census data as shown below in Table 22 indicates that Madeley is already popular with long distance commuters. A significantly high proportion of Madeley's workforce (28.7%) travel between 10 and 30km to work, this is higher than both the NuL (16.5%) and the national level (21%), due in a large part to its location within the M6 corridor. Average distance travelled to work is

also higher in Madeley at 17.6km compared to the national average of 14.9km and the average for NuL of 14.9km. The longer distances evident in the data reflect the lack of significant employers within the NP area, and the proximity of the M6.

Table 22: Travel to work

| Location | Madeley | Newcastle-under-Lyme | England |
|------------------------------------|---------|----------------------|---------|
| Less than 10km | 43.4% | 60.3% | 52.3% |
| 10km to less than 30km | 28.7% | 16.5% | 21.0% |
| 30km and over | 8.5% | 7.6% | 8.0% |
| Work mainly at or from home | 12.1% | 8.7% | 10.3% |
| Other | 7.2% | 6.9% | 8.5% |
| Average distance travelled to work | 17.6km | 14.1km | 14.9km |

Source: ONS, Census 2001 and 2011. AECOM calculations

228. The ELR also makes reference to the nearby Keele University Science and Innovation Park. Adjacent to the established Science Park, 28 hectares of available land has been split into 13 plots for a variety of office developments and a proposed hotel use. Innovation Centre 5 (IC5) is the first of these developments and is due for completion in August 2016. Once fully occupied, IC5 could accommodate around 300 jobs.⁵⁷ Two additional plots within the development have been sold subject to contract. This development could offer both additional employment opportunities to residents of Madeley and additional reasons for incomers to move to the village.

Stoke-on-Trent and Staffordshire Strategic Economic Plan (Stoke-on-Trent & Staffordshire Enterprise Partnership, 2014)

229. Madeley lies within the Stoke-on-Trent & Staffordshire Enterprise Partnership and is therefore subject to its Strategic Economic Plan (SEP). It should be noted that this is an aspirational document used to bid for funds, and has not been fully tested at examination; the information should therefore be used cautiously. Part 1 of the SEP published in March 2014, sets out the highly ambitious aim of growing the economy by 50%, generating 50,000 new jobs over the decade to 2021.

230. The Enterprise Partnership has recently published a SEP 'Refresh' 'Strategy for Economic Growth – Evidence Review Key Issues Identification' (2017). This document draws together the research and evidence to consider the key issues for the economy of Stoke-on-Trent and Staffordshire (S&S). This will then be used to develop an updated shared economic growth strategy for the area, articulating the issues and priorities for the area as a whole but also those that are distinctive to neighbourhoods, villages, towns, districts and sub-regions. This strategy will set-out current and future economic priorities for the area,

⁵⁷Keele University (2016) Innovation Centre 5, available at: <http://www.kusip.co.uk/34/innovation-centre-5> (accessed 13/12/17)

informing joint-working arrangements between the local authorities and how input into a range of local, Regional and National economic growth bodies.

231. Table 23 reproduces Table 4.3 from the SHMAU which indicates the levels of projected job growth according to the Employment Land Review and the Cambridge Econometrics forecast, which suggests an overall growth of around 13% or 0.5% per annum. Given these jobs are likely to be in locations within the travel to work distances that the vast majority of Madeley residents undertake, it is a consideration for the NPA.

Table 23: Forecast Employment Growth 2013-2039

| | Change 2013 – 2039 | Annual change |
|----------------------|--------------------|---------------|
| Newcastle-under-Lyme | 9,898 | 381 |
| Stoke-on-Trent | 12,686 | 488 |
| HMA | 22,584 | 869 |

Source: Cambridge Econometrics

4.2 Housing Market (Prices)

232. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand. The PPG states house prices can be used to provide a ‘market-base’ enabling: *“the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market ‘hotspots’, low demand areas and volatility.”*⁵⁸

233. To assess the housing market in the Madeley NPA data from the Land Registry was analysed. This data provides price paid, housing type and date of transaction information which allows housing market trends to be identified. Data was downloaded for the period of January 2007 to December 2016, as this was considered a sufficiently long time frame to establish trends, is presented annually in the figure below. To replicate the NPA area, relevant post code data was filtered down to the parish level, such that only post-codes within the parish were included in the selection of Land Registry Data used for the analysis.

234. Table 24 and the associated chart (figure 10) illustrate that whilst detached properties and flats have recovered to their pre-recession prices on average, this has only occurred very recently, and indeed terraced properties are still below the 2008 average price. There have been fluctuations in the average values of semi-detached properties across the period, and although these are now slightly above the pre-recession average, they have fallen in average value across the last three years of the reporting period.

235. Overall the average price of all types of properties has increased by 20%, with detached properties experiencing the most significant percentage increase (11%) and flats experiencing the only fall in value across the period (-2%). It is important to note that Land Registry Price Paid data is not adjusted for inflation,

⁵⁸Housing and economic development needs assessment PPG, Paragraph: 011 Reference ID: 2a-011-20140306

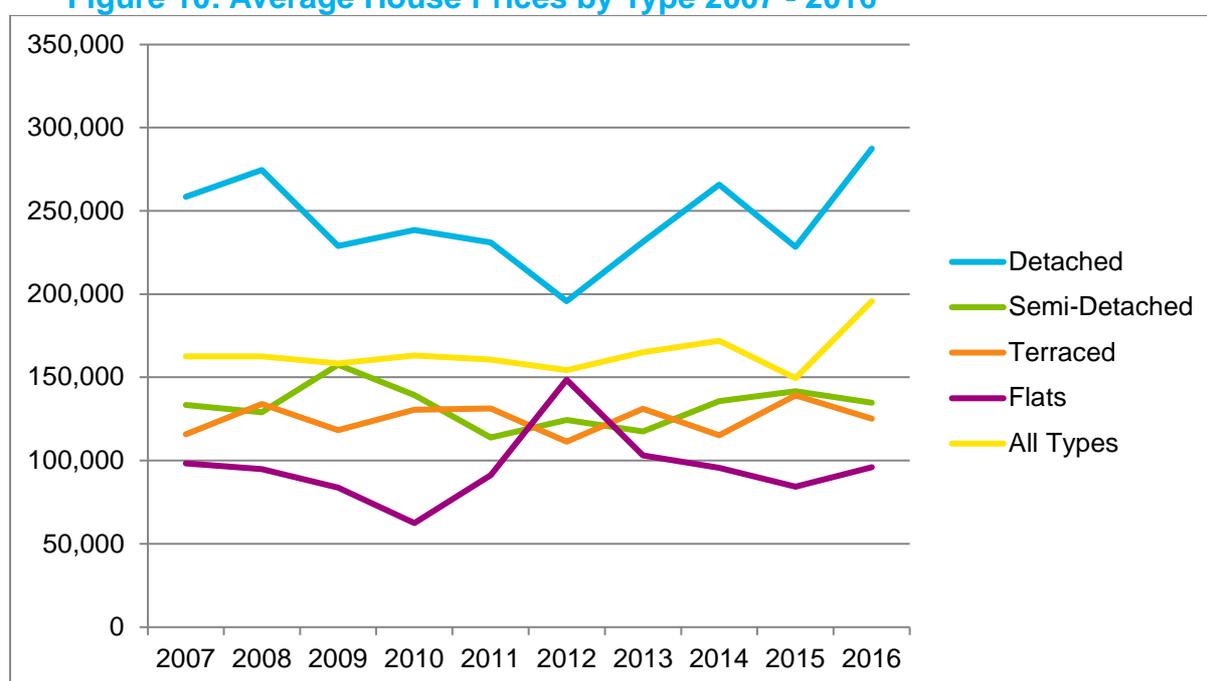
and therefore these figures suggest even weaker price recovery than may at first appear.

Table 24: Average House Prices by Type 2007-2016

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Detached | 258,424 | 274,590 | 228,890 | 238,400 | 231,029 | 195,883 | 231,306 | 265,681 | 228,333 | 287,496 |
| Semi-Detached | 133,340 | 129,057 | 157,538 | 139,389 | 113,864 | 124,341 | 117,486 | 135,655 | 141,619 | 134,729 |
| Terraced | 115,744 | 133,904 | 118,153 | 130,573 | 131,222 | 111,333 | 131,045 | 115,136 | 139,295 | 125,180 |
| Flats | 98,333 | 94,833 | 83,607 | 62,500 | 91,233 | 148,575 | 103,167 | 95,500 | 84,200 | 96,000 |
| All Types | 162,568 | 162,532 | 158,405 | 163,171 | 160,660 | 154,298 | 165,072 | 171,867 | 149,598 | 195,720 |

Source: Land Registry PPD, AECOM calculations

Figure 10: Average House Prices by Type 2007 - 2016



Source: Land Registry PPD, AECOM calculations

236. Table 25 is reproduced from SHMAU Table 3.1; this shows how house prices at the district level have altered between 2001 and 2015 for two price points: the mean and lower quartile. The SHMAU states that house prices in both Stoke-on-Trent and Newcastle-under-Lyme are notably lower than the national averages, although there has evidently been significant growth in house prices over the period shown. Indeed, the analysis suggests that entry-level house prices in Stoke-on-Trent and Newcastle-under-Lyme have increased at a rate which slightly exceeds the national change, with mean house prices in Stoke-on-Trent also growing at a faster rate than seen nationally. This growth has, however, occurred from a significantly lower base; with the average house price in Stoke-on-Trent almost three times lower in 2001 than the national average.

Table 25: Growth in house prices 2001 -2015

| | Mean | | | Lower quartile | | |
|----------------------|----------|----------|--------|----------------|----------|--------|
| | 2001 | 2015 | Change | 2001 | 2015 | Change |
| Newcastle-under-Lyme | £67,718 | £152,920 | 126% | £38,000 | £97,500 | 157% |
| Stoke-on-Trent | £46,154 | £108,586 | 135% | £26,500 | £67,500 | 155% |
| England | £121,768 | £274,823 | 126% | £54,000 | £137,000 | 154% |

Source: Land Registry

237. Further analysis is presented in Table 26 that sets out a comparison of prices in 2007 and 2016, alongside the percentage difference between the NP area and Newcastle-under-Lyme as a whole. This shows that in terms of detached properties, the difference in value has remained constant throughout the reporting period, with Madeley prices for this type of property continuing to be some 26% higher than the average for the district.

238. Semi-detached properties are now the equivalent price in the NP area and across the district, and terraced houses have increased slightly to 15% above the average price across the district. The difference in terms of the price of flats has remained largely the same; those in Madeley are around 7% less expensive compared to the district average. Overall, the price difference for all properties has increased to 27% above that of the district average.

Table 26: House Price Comparison Madeley and Newcastle under Lyme 2007-2016

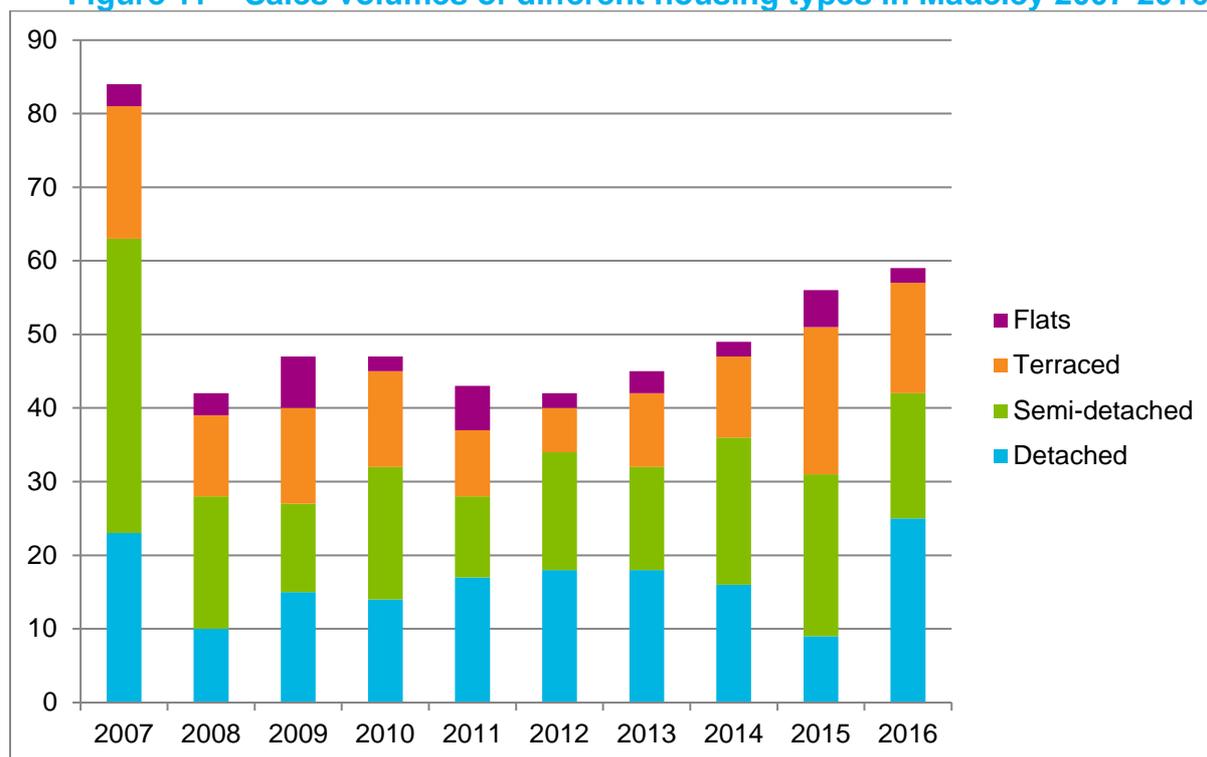
| | Prices in January 2007 | | | Prices in December 2016 | | |
|---------------|------------------------|----------------------|-------------------|-------------------------|----------------------|-------------------|
| | Madeley | Newcastle-under-Lyme | % difference 2007 | Madeley | Newcastle-under-Lyme | % difference 2016 |
| Detached | £258,424 | £190,058 | 26% | £287,496 | £213,568 | 26% |
| Semi-Detached | £133,340 | £123,490 | 7% | £134,729 | £134,136 | 0% |
| Terraced | £115,744 | £101,889 | 12% | £125,180 | £106,736 | 15% |
| Flats | £98,333 | £106,540 | -8% | £96,000 | £102,404 | -7% |
| All Types | £162,568 | £131,643 | 19% | £195,720 | £141,981 | 27% |

Source: Land Registry PPD, UKHPI, AECOM calculations

4.3 Housing Market (Volume)

239. Figure 11 depicts the relative proportions of different housing typologies sold in Madeley between 2007 and 2016. This graph represents the same Land Registry data discussed in the previous section separated out by housing type. This graph shows the effects of the national recession, and in particular that housing transactions in Madeley have not recovered to 2007 levels. Since 2012 there has been a continual small increase year on year, although volumes of sales are small scale across the period due to the relatively low proportion of housing stock in the NP area.

Figure 11 – Sales volumes of different housing types in Madeley 2007-2016



Source: Land Registry PPD, AECOM Calculations

240. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.

241. This comparison is presented in Table 27, with figures for the housing stock in Newcastle-under-Lyme District as a whole presented alongside for reference. The table shows clearly that whilst the percentage of sales and stock are roughly the same for detached and semi-detached houses, fewer flats are being sold than are represented in the existing stock, whilst more terraced housing is being sold than are in the existing stock. This suggests that there is an increased demand for terraced housing relative to supply, versus a decreased demand for flats. Indeed, in both cases, this conclusion is only reiterated by the existing stock within the district as a whole, which both point to there being less demand for flats than would be expected given its availability, and more demand for terraced housing given its availability.

Table 27: Percentage of housing sales compared to stock

| | SALES Madeley | STOCK Madeley | STOCK Newcastle-under-Lyme |
|---------------|------------------|------------------|-------------------------------|
| Detached | 31% | 35% | 25% |
| Semi-Detached | 39% | 39% | 44% |
| Terraced | 25% | 16% | 20% |
| Flats | 5% | 10% | 11% |

Source: Census 2001/2011, Land Registry PPD, AECOM Calculations

4.4 Migration

242. Madeley has experienced a slight population decline during the period 2001-2011 according to census data, whilst the district of Newcastle-under-Lyme has experienced a slight population growth of 1.5%. The decline of the NP area alongside limited growth in the wider district is set against a backdrop of low levels of migration into both the NP area and the wider district; table 23 shows the percentage of people born outside of the UK is very low in Madeley (3.3%) which is less than the figure for Newcastle-under-Lyme (5%). Therefore, migration is not seen as a significant driver of increased housing demand in Madeley.

Table 281: Population by Age Group, 2001, 2011

| Age group | 2001 Madeley | 2001 Newcastle-under-Lyme | 2011 Madeley | 2011 Newcastle-under-Lyme |
|-------------------|-----------------|------------------------------|-----------------|------------------------------|
| 0-15 | 835 | 22718 | 699 | 21058 |
| 16-24 | 418 | 14678 | 421 | 16675 |
| 25-44 | 1196 | 33394 | 964 | 30206 |
| 45-64 | 1166 | 30608 | 1259 | 33424 |
| 65-84 | 670 | 18415 | 760 | 19663 |
| 85 and over | 101 | 2217 | 119 | 2845 |
| All | 4386 | 122030 | 4222 | 123871 |
| Percentage Growth | | | -4% | 1.5% |

Source: Census 2001/2011, AECOM Calculations

Table 29: Country of birth and length of residence, 2011

| Place of birth | Population breakdown | Madeley | Newcastle-under-Lyme | England |
|---------------------|----------------------|---------|----------------------|---------|
| Born in the UK | Total | 96.7% | 95% | 86.2% |
| Born outside the UK | Total | 3.3% | 5% | 13.8% |
| | EU | 1.5% | 1.6% | 3.7% |
| | Other | 1.8% | 3.4% | 9.4% |

Source: Census 2001/2011, AECOM Calculations

Table 302: Length of residence of those born outside of the United Kingdom

| Length of residence in the Madeley UK | | Newcastle-under-Lyme |
|---------------------------------------|------|----------------------|
| Less than 2 years | 0.4% | 1% |
| 2-5 years | 0.4% | 0.7% |
| 5-10 years | 0.5% | 1% |
| 10 years or more | 2% | 2.3% |

Source: Census 2001/2011, AECOM Calculations

4.5 Overcrowding and concealed families

243. Another indicator of demand in the housing market is shown by the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock as increased demand does not always result in an increase in supply, which is relatively inelastic.

244. One of the most reliable indicators of overcrowding is the ‘persons per room’ data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NPA and the district is shown in Table 31, which demonstrates that Madeley has seen a significant decrease of 47% in the number of households with more than 1 and up to 1.5 persons per room, although there has been no change in those households with over 1.5 persons per room, which contrasts with the district data which recorded a significant decrease of 34% against this measure.

Table 31: Trends in number of persons per room in Madeley, 2001-2011

| Persons per room | Newcastle-under-Lyme | | |
|---|----------------------|----------------------|---------|
| | Madeley | Newcastle-under-Lyme | England |
| Up to 0.5 persons per room | 0.7% | 7.5% | 7.9% |
| Over 0.5 and up to 1.0 persons per room | -11% | -6.6% | 7.0% |
| Over 1.0 and up to 1.5 persons per room | -47.1% | -5.1% | 27.3% |
| Over 1.5 persons per room | 0% | -34.3% | 2.5% |

Source: Census 2001/2011, AECOM Calculations

245. A second indicator of overcrowding is the prevalence of concealed families within the NPA. ONS data shows that there are 17 concealed families in Madeley, or 1.3% of families, slightly higher than the average for Newcastle-under-Lyme (1.1%), but lower than the average for England as a whole (1.9%). Although this is not seen as highly significant, as discussed in para.105 there is evidence there is unmet additional demand for housing in the area from those already living there, that is, local demand.

Table 32: Concealed families in Madeley, 2011

| Concealed families | Madeley | Newcastle-under-Lyme | England |
|----------------------------------|----------------|-----------------------------|----------------|
| All families: total | 1,273 | 35,465 | 14,885,145 |
| Concealed families: total | 17 | 382 | 275,954 |
| Concealed families as % of total | 1.3% | 1.1% | 1.9% |

Source: Census 2011, AECOM Calculations

4.6 Rate of Development

246. Table 33 shows the net number of dwellings completed in each of the past five years, as well as the cumulative of these. The data shows clearly that the rate of development in Madeley is consistently low, and for any given year, it is likely that single development of, for example, 12 homes, may inflate the number of dwellings completed in that year given the relatively small numbers involved.

Table 33: Completions in Madeley, 2011-2016

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net completed dwellings | 2 | 2 | 3 | 1 | 1 | 3 |
| Cumulative net completed dwellings | 2 | 4 | 7 | 8 | 9 | 12 |

Source: Newcastle-under-Lyme District Council

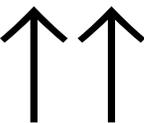
5. Conclusions

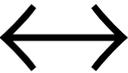
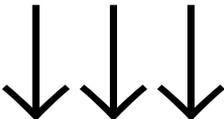
5.1 Overview

247. In Table 34 we provide a summary of the evidence related to market signals

248. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates ‘some impact’, two arrows ‘stronger impact’ and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.

Table 34: Summary of factors specific to Client NP with a potential impact on neighbourhood plan housing quantity

| Factor | Source(s) (detailed in Chapter 4) | Possible impact on future housing need | Rationale for judgement |
|--------------------------------------|---|---|--|
| Employment trends | Newcastle-under-Lyme and Stoke-on Trent: Joint Employment Land Review (2015), Stoke-on-Trent and Staffordshire Strategic Economic Plan (2014), Local Plan, Census 2001/11 |  | <p>The NPA is within a short commuting distance of both Newcastle Under Lyme and Stoke, and in the M6 corridor, all of which promote access to employment opportunities. Perhaps of more significance for Madeley is the development of an Innovation Centre adjacent to the established Science Park at Keele University. This could generate significant demand for housing in Madeley. The first stage of development at the Innovation Centre (IC5) was projected to provide an estimated 300 jobs.</p> <p>The ELR includes an employment forecast growth of 22,584 jobs between 2013-2039, or 869 per year. As a result, an assessment of two up arrows has been deemed appropriate because of the predicted future growth of employment opportunities in the local area.</p> |
| Housing transactions (Prices) | Land Registry Price Paid Data for 2006-2016, SHMA(2015), SHMAU (2017) |  | <p>Overall the average price of all types of properties has increased by 20% between 2007-2016. Property prices are 27% higher in Madeley than the Newcastle Under Lyme average. Within this overall figure, detached properties and terraced properties display the higher differences.</p> <p>Feedback from estate agents confirms that there has been increased demand for terraced / townhouse properties over the last 10 years, whilst in percentage terms there has been a general equivalent rise in the value of different properties apart from flats.</p> <p>As a result an assessment of one up arrow has been deemed appropriate; although the price has increased by 20%, this was from a relatively low base. Additionally, potential HS2 impacts prevent this from becoming a two up arrow factor.</p> |

| Factor | Source(s) (detailed in Chapter 4) | Possible impact on future housing need | Rationale for judgement |
|--------------------------------------|--|---|---|
| Housing Transactions (Volume) | Land Registry Price Paid Data for 2006-2016, Census 2001/2011 data, SHMA(2015), SHMAU (2017) |  | <p>The data and local feedback shows an increased demand for terraced housing relative to supply, versus a decreased demand for flats, whilst sales and stock of detached and semi-detached are relatively equal. Local feedback also confirms a steady rise in property sales over the last 5 years.</p> <p>As a result one up arrow has been considered appropriate due to the demand for specific types of properties and a steady rise in property sales within the NPA over the last 5 years. This is with a clear proviso that new dwellings should be suitable for those types of household types forecast to grow. Potential HS2 impacts highlighted by estate agent feedback prevent this from becoming a two up arrow factor.</p> |
| Migration | Census data 2001, 2011 |  | Migration is not seen as significant factor in determining housing need given that just 3.3% of the NPA population were born outside of the UK |
| Overcrowding | Census data 2001, 2011 |  | Madeley has seen a significant decrease of 47% in the number of households with more than 1 and up to 1.5 persons per room, although there has been no change in those households with over 1.5 persons per room, which contrasts with the district data which recorded a significant decrease of 34% against this measure. There has been a slight increase in those households with up to 0.5 persons per room. Given the analysis, a sideways arrow is considered appropriate as the contrasting factors cancel each other out. |
| Concealment | Census data 2001, 2011 |  | ONS data shows that there are 17 concealed families in Madeley, or 1.3% of families; this is slightly more than the figure for NuL (1.1%), but lower than the average for England as a whole (1.9%). There is arguably an issue with concealed households in the neighbourhood, the seriousness of which become apparent if families with non-dependent children is used as a proxy, given this household type makes up 9.6% of all households, however this on its own does not justify a up or sideways arrow and therefore three down arrows are considered appropriate. |
| Rate of development | Newcastle under Lyme BC, Land Registry Data/AECOM Calculations, |  | The data shows clearly that the rate of development in Madeley is very low, for instance in 2016/17, only 3 dwellings were completed. The SHMAU (2017) states that the viability of development sites continues to be a significant challenge. An |

| Factor | Source(s) (detailed in Chapter 4) | Possible impact on future housing need | Rationale for judgement |
|--------|---|--|--|
| | SHMAU (2017) | | assessment of one up arrow has therefore been deemed appropriate due to this low level of provision, in a context of anticipated increasing need across the NuL and SoT HMA. As a result, overall housing need, a combination of past, present and future demand, is likely to be exacerbated by an unresponsive housing market. |

Table 35

Summary of local factors specific to Client with a potential impact on neighbourhood plan housing characteristics

| Factor | Source(s) (see Chapter 4) | Possible impact on housing needed | Conclusions & Recommendations |
|---|--|---|---|
| Affordable Housing (AH) | Census, Housing Waiting List data SHMA studies | <p>The Affordability Ratio for Madeley in 2014 was 3.85, suggesting that affordable market housing (AMH) is accessible to households on average incomes.</p> <p>Data from SHMA suggests that 42.5% of all households require subsidy to access dwellings of the right type and size for their needs.</p> <p>At the borough level in 2015, the lower quartile affordability ratio stood at 5.98. Given that average lower quartile house prices are higher in Madeley than for the wider borough, this suggests affordability ratio for those on lower incomes in Madeley is greater than 6.</p> | <p>This indicates an affordability crisis for those on lower incomes.</p> <p>Shared ownership is a plausible route to home ownership for those on low incomes, for example first time buyers</p> <p>The value of entry level market properties generates a compelling argument for discounted market sales housing and affordable private rent housing. These tenures are suitable for newly forming households.</p> <p>The evidence we have gathered does not support MPC developing its own AH policy, but does suggest Local Plan policy should be assertively implemented within the NPA.</p> <p>Build to Rent should be included in the housing mix, to acknowledge the growing role this takes in providing housing to those on modest incomes.</p> |
| Demand/ need for smaller dwellings | Census, Registry Data | <p>Land Price Paid</p> <p>One person households currently form around 30% of all households and, while they have shown limited growth in recent years, they are forecast to grow strongly in the district in the period to 2039.</p> <p>The number of concealed households is 17, or 1.3% of all households</p> <p>Families with non-dependent children make up 9.6% of all households.</p> | <p>In part, this stems from the ageing population, and is therefore likely to be true for the NPA given the strong representation of older age groups.</p> |
| Demographic Change | Census, SHMA studies | <p>Over the decade 2001 – 2011, there has been a fall in the numbers of younger people, combined with an increase in those aged 65+ of 90 individuals over the period.</p> <p>At the district level an increase to the number of</p> | <p>As we have seen, given the significant forecast increases in people aged 75+, it is appropriate for policy to provide support for a significant quantum of sheltered and extra care housing as part of the delivery of new housing</p> <p>In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network’s suggested</p> |

Factor **Source(s)** **(see Possible impact on Conclusions & Recommendations**
Chapter 4) **housing needed**

| | | |
|--|---|--|
| | <p>those aged 65+ of around 11,000 is forecast between 2013 and 2039; this compares with very modest increases in the numbers of those falling into other age groups between 2013 and 2039.</p> | <p>numbers per 1,000 of the 75+ population. The data shows an estimate of the increase in the numbers of older people aged 75+ of 200 (402-602). This will result, over the Plan Period, in a need for 50 sheltered and extra care dwellings, although it is not reasonable to expect or practicable for these to be provided within the NPA</p> |
|--|---|--|

Family-sized housing

At 34%, families with children form the largest household type in the NPA. Data set out in the SHMAU suggests their numbers are forecast to rise within the district in the period to 2039.

The SHMAU takes a proactive stance, recommending that planners seek more accommodation suited to the needs of young families to support settlement viability and overall prospects for sustainable economic growth.

NPA has seen a decline in the number of those dwellings sizes (smaller and medium sized family homes) that are forecast to be in greatest need over the plan period.

5.2 Recommendations for next steps

249. This neighbourhood plan housing needs advice has aimed to provide Madeley parish Council with evidence on housing trends from a range of sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with Newcastle under Lyme Borough Council with a view to agreeing and formulating draft housing policies, taking the following into account during the process:

- the contents of this report, including but not limited to Tables 34 and 35;
- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of Newcastle under Lyme Borough Council;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA.

250. As noted previously, recent changes to the planning system, forthcoming changes to the National Planning Policy Framework and the implementation of the Housing and Planning Act 2016 will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

251. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).

252. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

253. Most obviously, this includes monitoring the status of the emerging Local Plan.

254. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Tables 29 and 30 would be particularly valuable.

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