# Housing and Employment Needs Assessment Update

## City of Stoke-on-Trent

November 2021

**Turley**

# Contents

# Executive summary

1.   Stoke-on-Trent City Council ('the Council') last year partnered with Newcastle-under-Lyme Borough Council to commission joint evidence on the housing and economic needs of their shared geographic area, culminating in the production of two reports – a Housing Needs Assessment[1] (HNA) and Economic Needs Assessment[2] (ENA) – dated June 2020.

2.   While intended to form part of the evidence base for a Joint Local Plan, the decision was subsequently made to prepare separate Local Plans, with Stoke-on-Trent City Council opting to commission a Technical Cover Paper[3] (TCP) produced in March 2021. The purpose of the TCP was to more clearly draw out the findings and implications of the work for Stoke-on-Trent specifically. This informed the Council's consultation on Issues and Options for the new Local Plan, which ended in June 2021.

3.   Turley has now been reappointed by the Council to review and update selected elements of this evidence base. This update fully accounts for changes to the standard method of assessing housing need, which were only considered at a high level in the TCP, and tests the continued validity of the underlying economic forecasts. It incorporates the findings of a business engagement survey which ran through the summer and elicited responses from 42 businesses spanning a range of sectors. The report also seeks to address relevant feedback obtained during the Issues and Options consultation, which has been shared in summary form by the Council.

4.   This report does not seek to duplicate the detailed evidence compiled within the previous studies, which should therefore continue to be referenced as necessary.

**Minimum need for housing**

5.   National planning policy requires the minimum need for housing to be identified using the standard method, which was revised last December to introduce a new 35% uplift for England's twenty largest cities and urban centres, of which Stoke-on-Trent is one. While the outcome of the formula routinely changes with time, it currently suggests that **at least 679 dwellings per annum** are needed in Stoke-on-Trent, rather than the 500 dwellings per annum suggested as a minimum by the original method when the HNA was prepared. The outcome of the method now, unlike then, exceeds the existing requirement for 570 dwellings per annum that was set through the West Midlands Regional Spatial Strategy (RSS) more than a decade ago and later

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

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

[3] Turley (March 2021) Technical Cover Paper for Stoke-on-Trent: Housing and Economic Needs Assessment

included in the Core Spatial Strategy. It continues to fall slightly short of recent delivery, however, where an average of 725 dwellings per annum have been completed in Stoke-on-Trent since 2013.

6.    This report presents modelling, comparable to that of the earlier studies, which suggests that meeting the minimum need for 679 dwellings per annum in Stoke-on-Trent could grow the city's population by almost 5% over the period to be covered by the new Local Plan (2020-40). This exceeds the 1% growth that the earlier modelling suggested could result from meeting the lower need for 500 dwellings per annum, reflecting the additional capacity of extra homes, but would still represent a slowing of recent population growth. It would also allow for only limited growth in the working age population, who will gradually age and increase the size of the elderly population. This profile of population change could combine with changing behaviours – reasonably allowed for here as in the HNA – to leave a labour force that is able to support the creation of **around 413 new jobs per annum** in Stoke-on-Trent over the plan period.

**Future employment growth and implications for housing need**

7.    The scale of job growth that could be supported through a level of housing provision aligned to the revised standard method has been considered in the context of the baseline Experian forecast that was interrogated and justifiably favoured over those from Oxford Economics and Cambridge Econometrics in the ENA. The Experian forecast envisaged the creation of 559 jobs per annum over the timeframe of that report (2020-37) with the average slightly rising to **570 jobs per annum** when calculated over the new plan period (2020-40).

8.    While the suggestion of continued job growth is generally consistent with the current sentiment of local businesses who were engaged to inform this update – nearly half of whom expect to grow their workforce in the next year, with even more expecting to increase their turnover – it cannot be ignored that this Experian forecast was released in March 2020 and was therefore developed prior to the onset of the pandemic. This was acknowledged as an unavoidable limitation in the ENA itself, owing to a general lack of timely and robust local data on the impact of the pandemic. While this remains something of an issue at the time of writing, Experian has at least been able to periodically draw upon the national, regional and local data that has become available and review its outlook for Stoke-on-Trent accordingly. This initially suggested, in December 2020, that *more* jobs could be created in the city over the plan period than were forecast last March, this allowing for the recovery of jobs that were then assumed to have been lost in the pandemic, but Experian has since taken the view that considerably fewer jobs, if any, will have been permanently lost in this period, resultantly eliminating any difference between the latest forecasts, released in September, and those referenced in the ENA. This is true of both the overall number of additional jobs forecast and the sectors expected to drive growth in the city, with this close alignment indicating that **it is appropriate and**

**reasonable to retain the baseline Experian forecast that was favoured in the ENA.**

9.      While an appropriate baseline, its suggestion that 570 jobs will be created annually would still represent a slowing of the recent trend, the city having created some 920 jobs per annum between 2009 and 2020 after benefiting from substantial investment in this period. Assuming, as the forecast implicitly does, that this will slow by over a third (38%) could potentially conflict with the continued economic ambitions of the Council and the Local Enterprise Partnership, and also may not represent the optimism of interviewed businesses in identified growth sectors. This suggests that **it remains appropriate to reference the higher job growth scenario developed in the ENA**, as the upper end of the range, where this was developed to reflect the city's potential – capturing the historically strong performance of numerous key sectors – and suggests that an average of **864 jobs per annum** could be created over the plan period (2020-40).

10.    Meeting the minimum need for 679 dwellings per annum, as suggested by the standard method, appears unlikely to provide the labour that would be required to support the baseline level of job growth forecast for Stoke-on-Trent by Experian, or the higher level of job growth referenced above. This report has presented updated modelling which suggests that circa **797 dwellings per annum** could be needed to support the level of job growth indicated by the baseline forecast over the plan period, rising to **1,031 dwellings per annum** in the higher job growth scenario. The Council is once again encouraged to reference the full breadth of this revised range, in the context of the PPG, in its ongoing consideration of the implications of the investment plans and strategies it has in place on future job growth and the housing need associated.

**Size, type and tenure of housing needed**

11.    Aside from the overall number of homes needed, national policy also continues to require assessment of the size and type of housing that might be required. This can once again be understood by disaggregating the updated modelling referenced above, which suggests under any scenario that there will be a growing number of individuals and couples living alone without children, as well as an increased number of households with children. This could generate **a particular need for homes with two or three bedrooms**, based on the size of housing currently occupied by such households in this area, albeit the need for larger homes would also be expected to grow under the higher job growth scenario. **Around 75% of new homes could need to be houses** to deliver such a mix, under any scenario, with a smaller need for flats (c.15%) and bungalows (c.10%).

12.    This does, however, continue to represent only illustrative modelling of available evidence, which can be used for guidance and monitoring purposes but should not be prescribed as an explicit requirement for all sites given the

need to respond to changing market demands, local context and viability factors. It also takes no account of other factors that can be reasonably considered in establishing an appropriate mix, such as the Council's longstanding ambition to improve the quality of the housing offer through the provision of "executive homes", which continue to be less prevalent in this area in comparison to neighbouring areas that consequently attract a greater share of higher value sales.

13.     This report has also slightly updated the HNA's separate calculation of affordable housing need, confirming that **124 affordable homes are needed annually** over the plan period now chosen by the Council. This continues to be driven by the backlog of households in need at the start of the plan period, and an assumption that more households will need affordable housing going forwards than appear likely to become available. This continues to highlight the importance of ensuring that new supply is brought forward, particularly when recognised that any reduction in supply could swiftly enlarge the identified shortfall.

14.     The report has also summarised the HNA's analysis of the specific housing needs of different groups, including older people, those with disabilities, families with children, privately renting households, students and self-builders. This is considered to remain largely up-to-date and is thus still relevant, only requiring a slight update to confirm that each of the updated scenarios presented in this report continue to envisage substantial growth in the older population. This is assumed to generate **an annual need for 24-26 bedspaces** in communal establishments over the extended plan period, which – like in the HNA – continues to be separate from and therefore additional to the overall need for dwellings referenced earlier. It could also generate demand for **circa 73-78 units of specialist accommodation each year** which is *included* in those totals.

**Need for employment land**

15.     The ENA found that Stoke-on-Trent possessed a considerable supply of developable employment sites at the start of the plan period, totalling **circa 228.7ha** according to the Council's estimates, albeit their quality did vary according to a review by Aspinall Verdi which has not been revisited as part of this update.

16.     It proceeded to estimate that 83.9ha of employment land could be needed over the original assessment period (2020-37) to support the baseline level of job growth forecast by Experian, rising only slightly to 85.5ha when accounting for the labour supply that could result from meeting the minimum need for housing then implied by the standard method and further to 114.0ha when aligning with the higher job growth scenario described above. The existing supply appeared to be sufficient to meet future needs under these scenarios, at least in a quantitative sense, but would not have allowed for a continuation of

the high take-up seen during a recently buoyant period which could have generated a need for circa 241.4ha of employment land if sustained to 2037, and created a shortfall of circa 12.4ha[4]. It was noted that this shortfall could have been more than seven times larger if poorer quality sites proved to be undeliverable and others were redeveloped for alternative uses.

17. These conclusions evidently require review to align with the new plan period since chosen by the Council and reflect the higher need for housing now suggested as a minimum by the revised standard method. A review also allows for the incorporation of an additional year of data on the take-up and loss of employment space, bridging what was previously a gap to the start of the plan period.

18. The remodelled scenarios now suggest that **85.6ha of employment land could be needed** over the longer period – linked either to labour supply or baseline employment growth – rising to circa 118.4ha under the higher job growth scenario and to **281.8ha if recent development rates continue**. As in the ENA, only the latter exceeds the existing supply that was estimated at the start of the plan period, this time implying a larger shortfall of some **53.1ha**.

19. Any such balancing exercise inevitably relates to a point in time, here deliberately aligning with the start of the plan period by focusing on supply as of April 2020 and modelling need, either using forecasts or extrapolations of past take-up, from that point onwards. The Council is advised to actively monitor supply moving forwards, particularly where it is understood to have already refined its estimate of the current supply. Certain sites – identified in the ENA – are also understood to still face deliverability challenges or remain at risk of being lost, and removing these same sites and accounting for the Council's refinements would leave **128.7ha of land across the existing supply**, notably some 44% less than was estimated at the start of the plan period. This would only just meet the need for 118.4ha suggested by the higher job growth scenario and would enlarge the shortfall against the past take-up scenario, albeit caution should be exercised in comparing current estimates of supply, in 2021 and beyond, against a need that has technically been modelled from 2020 onwards as explained above.

20. The above would, however, continue to suggest – as concluded for the larger geography in the ENA – that in purely quantitative terms, it would be reasonable for the Council to consider identifying additional employment land in the emerging Local Plan to offer sufficient flexibility and choice and ensure that the supply of land does not constrain the continued growth of the local economy.

21. Furthermore, it is important to continue to recognise that this simple comparison between the total supply and calculated need is likely to mask **an**

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[4] This was incorrectly calculated with reference to a fractionally lower need, for 241.1ha, but is repeated here for consistency prior to being updated

**evident shortfall of *quality* sites**, where less than half of the remaining supply – equivalent to circa 57ha across 16 sites – was previously judged to be "good" or "very good".

22. The ENA recognised that many of the sites currently within the existing supply could ultimately be developed for a range of commercial uses, making it difficult to explicitly quantify the supply that was available to respond to the specific need for office, warehouse and industrial space. It nonetheless included more qualitative analysis of these specific needs, the review of which in this report indicates that:

- There remains a substantial need for **warehouses**, which accounts for much of the need implied under any scenario. The approach based on past take-up continues to be particularly reflective of the city's recent success in delivering such space, which has now largely exhausted the strategic sites previously allocated close to the A500 and left less than 70ha of land in these existing clusters which is likely to erode even further. This indicates that there is likely to be a shortfall of land suitable for warehouses over the plan period, which should continue to be recognised and considered alongside the evidence – presented in section 10 of the ENA – of a wider need for such land, where there was found to be a regional shortage of suitable sites in established locations close to the motorway network;

- The Council can still reasonably explore the potential to provide quality **office** space as part of its plans to regenerate the centre of Hanley, where only 15ha of land remains available at most and there will realistically be substantially less given that the mixed-use development envisaged on many of these sites will inevitably reduce the extent of any office provision. This will likely result in a quantitative shortfall compared to the estimated need for circa 5-12ha of office space, albeit it is acknowledged that there are other sites remaining outside Hanley – in areas like Festival Park, where there is notably also a competing demand for warehouses – that have previously seen office development and may continue to do so, particularly in light of ongoing changes in the type of offices preferred by businesses that will need to be monitored by the Council.

- There is likely to be a sustained need for quality **industrial** space that is well-located, this having been found to be rare across the sites that form the existing supply. A number of these sites are set to be regenerated, with scope to accommodate light industrial uses, but the Council should also look to positively identify additional land which has the potential to accommodate both warehousing and industrial uses, this having recently been achieved on a number of the larger employment sites in the city.

**Monitoring and review**

23.     This report continues to take a long-term view guided by trends recorded over a reasonable period of time. It has, however, inevitably been produced at a point in time, using evidence and guidance that is often updated. The standard method, for example, has been amended since the original HNA was prepared, and the Council should be alive to the prospect of further changes in the future.

24.     The national and indeed global economy also continue to be recovering from the unprecedented impact of the pandemic at the time of writing, while sectors of the economy are also still adjusting to new measures that have been put in place following the UK's departure from the European Union. These factors complicate attempts to assess the prospect of future economic growth in particular, particularly where unavoidable time lags mean that their impact is yet to be fully – or properly – reflected in key datasets and may not be for some time.

25.     With this report intended to inform the production of a new Local Plan, the Council is advised to keep its findings under review, and particularly consider the option of undertaking a further review before the Local Plan is submitted for examination. This will ensure that all conclusions remain valid in the context of new evidence that will continue to emerge, or new long-term strategies that may be put in place as economies recover from the pandemic. A review could also provide the opportunity for further engagement with local businesses, to understand how their requirements and ambitions are changing as they emerge from the pandemic.

26.     It is recommended that the Council also keeps its employment land supply under review, taking the opportunity to assess new sites – or consider the potential removal of others, if they are not deliverable for instance – as part of any future work. This monitoring will also need to take account of any new guidance that is forthcoming on how assessments of the need for employment land should account for recent changes to the Use Classes Order, where this is currently lacking.

# 1.  Introduction

1.1 Stoke-on-Trent City Council ('the Council') last year partnered with Newcastle-under-Lyme Borough Council to commission joint evidence on the housing and economic needs of their shared geographic area, culminating in the production of two reports – a Housing Needs Assessment[5] (HNA) and Economic Needs Assessment[6] (ENA) – dated June 2020.

1.2 While intended to form part of the evidence base for a Joint Local Plan, the decision was subsequently made to prepare separate Local Plans, with Stoke-on-Trent City Council therefore opting to commission a Technical Cover Paper[7] (TCP) – produced in March 2021 – to more clearly draw out the findings and implications of the work for Stoke-on-Trent specifically. This informed the Council's consultation on Issues and Options for the new Local Plan, which ended in June 2021.

1.3 Turley has now been reappointed by the Council to review and update selected elements of this evidence base, fully accounting for changes to the standard method of assessing housing need – considered at only a high level in the TCP – and testing the continued validity of the underlying economic forecasts, mindful that they were originally reviewed early in the pandemic. This update also takes account of new evidence where appropriate, including the findings of a business survey – summarised at **Appendix 1** – which ran through the summer and elicited responses from 42 businesses spanning a range of sectors, some of which were then individually contacted to obtain further insight. The report also seeks to address feedback obtained during the Issues and Options consultation, which has been shared in summary form by the Council.

1.4 The report does not seek to duplicate the detailed evidence compiled within the previous studies, which should therefore continue to be referenced as necessary. This report signposts specific elements of those studies where appropriate, including its detailed explanation of methodologies and analysis of recent trends.

1.5 The update is structured as follows:

- **Section 2 – Overview of original findings** – a concise summary of the key findings of the evidence produced last year;

- **Section 3 – Summary of consultation feedback** – a brief summary of feedback received during the Issues and Options consultation, where relevant to the HNA and ENA;

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

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

[7] Turley (March 2021) Technical Cover Paper for Stoke-on-Trent: Housing and Economic Needs Assessment

- **Section 4 – Current outcome of the standard method** – confirmation of the minimum need for new housing currently suggested for Stoke-on-Trent by the standard method, where this is a dynamic formula with its output evolving over time;

- **Section 5 – Revisiting scenarios of economic growth** – a headline comparison between the employment growth scenarios drawn upon in the original studies and a selection of those forecasts to have been subsequently released, taking the views of local businesses into account;

- **Section 6 – Implications for the number, size and type of homes needed** – updated modelling of the housing provision likely to be needed to support future job growth in Stoke-on-Trent, also considering the size and type of housing likely to be needed;

- **Section 7 – Reconsidering the need for employment land** – reassessment of the balance between employment land supply and demand, accounting for the revised growth scenarios and considering how the existing supply has since evolved; and

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

## 2. Overview of original findings

2.1     The original HNA and ENA – both dated June 2020 – respectively highlighted changes in the housing market and economy of Stoke-on-Trent, and demonstrated a need for new homes and employment space over the period to be covered by the new Local Plan. This is summarised in detail within the TCP, but is more briefly explained below for context.

2.2     The HNA established **a minimum need for 500 dwellings per annum** in Stoke-on-Trent, this aligning with what was then the outcome of the Government's standard method of assessing housing need, albeit it did warn that this figure was deliberately aligned with past trends and potentially underestimated the housing growth that was needed in the city as a result. The TCP referenced modelling to suggest that such a level of housing provision could grow the population of Stoke-on-Trent by only 1% over the emerging plan period (2020-40) and provide – in combination with changing behaviours – a labour force capable of supporting around **197 additional jobs per annum** over the same period[8].

2.3     The TCP noted that the minimum need had evolved and increased following the Government's review of the standard method in December 2020, which introduced a 35% uplift for the country's largest cities and urban centres including Stoke-on-Trent. The resultant suggestion of a need for **at least 684 dwellings per annum** – at the point when the TCP was prepared – still, however, fell short of the **811 dwellings per annum** that the HNA had earlier found to be needed over its assessment period (2020-37) to support even the baseline level of job growth forecast by Experian, this having been deemed the most reasonable of the three forecasts interrogated in the ENA and suggesting that **559 jobs** would be created each year in Stoke-on-Trent. It fell even further short of the **1,074 dwellings per annum** considered likely to be needed over the same period to support a higher job growth scenario, in which circa **903 jobs** could be created annually, this having been developed by adjusting the baseline Experian forecast to account for the past performance of specific sectors across the whole study area and the occasionally more optimistic outlook of another forecast from Cambridge Econometrics.

2.4     As such, it was concluded that where Stoke-on-Trent continues to be successful in creating new jobs, the growing population would likely generate a greater need for housing – of all sizes and types – than implied by the revised standard method. A separate **net need for 139 affordable homes per annum** was also identified, to both clear an existing backlog and meet newly arising need[9].

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[8] Turley (March 2021) Technical Cover Paper for Stoke-on-Trent: Housing and Economic Needs Assessment, Table 4.1 and paragraph 4.6

[9] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, section 6

2.5     The ENA found that Stoke-on-Trent possessed a considerable supply of employment sites, totalling **circa 228.7ha**[10], albeit their quality did vary according to a review by Aspinall Verdi. The ENA estimated that **83.9ha** of employment land could be needed to support the baseline level of job growth forecast by Experian, over the period that was originally assessed[11] (2020-37), rising only slightly to **85.5ha** when accounting for the labour supply that could result from meeting the minimum need for housing then implied by the standard method[12] and further to **114.0ha** when aligning with the higher job growth scenario described above. The existing supply appeared to be sufficient to meet future needs under these scenarios, at least in a quantitative sense, but would not have allowed for a continuation of the high take-up seen during a recently buoyant period which could generate a need for **circa 241.4ha** of employment land if sustained to 2037[13]. Supply could also reduce, where the ENA identified that sites were often being lost to other uses or facing deliverability challenges.

2.6     The ENA also found there to be a particular shortage of *quality* sites that were adaptable to the changing requirements of individual businesses and in locations that are attractive to the market, based on an assessment of each employment site using a set of criteria defined by the Council[14]. This was particularly apparent in the logistics market, where Stoke-on-Trent was identified as having recently offered strategic scale warehousing sites in attractive and accessible locations but has few such sites remaining as a result of strong take-up in recent years.

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[10] This was based on the net developable areas provided for each of the sites by the Council, following their identification of a list of sites to be assessed through the ENA

[11] The TCP did not seek to recalculate these figures for the extended plan period to 2040

[12] This rise may appear to conflict with modelling which suggested that the number of homes needed according to the standard method was *lower* than would be needed to support the baseline job growth forecast by Experian. This discrepancy is caused by forecast job losses under the latter scenario, which have been unavoidably moderated when assuming – under the scenario linked to the standard method – that there will be less resident labour. This is explained in more detail at paragraph 7.12 of this report

[13] Tables 9.3, 9.6 and 9.7 of the ENA reference a slightly different need for 241.1ha, which is similarly referenced at Table 5.1 of the TCP, but the correct figure – introduced at Table 8.12 of the ENA, and again at Figure 5.1 of the TCP – is **241.4ha**

[14] The site assessment criteria as defined by the Council are included at Appendix 1 of the ENA. The full set of site assessment proformas are also included at Appendix 2 to the same report

# 3. Summary of consultation responses

3.1 The Council is understood to have commenced the process of reviewing and responding to comments received through the consultation on Issues and Options for the new Local Plan, which ended in June.

3.2 As noted in the introduction to this report, the consultation document drew on the evidence presented in the HNA and ENA, as well as the TCP. The conclusions reached on the future need for housing and employment land – summarised in section 2 – directly informed the Council's proposed options for providing both.

3.3 In terms of housing provision, the Council identified four options as follows:

- **507 dwellings per annum**, based on an application of the standard method in early 2021 – presented at Table 4.2 of the TCP – but omitting the cities and urban centres uplift (**A1**);

- **684 dwellings per annum**, similarly based on the standard method and this time incorporating the cities and urban centres uplift, thereby aligning with the figure calculated in the TCP (**A2**);

- **811 dwellings per annum**, with the HNA having identified that such a level of provision would be needed to support the job growth forecast by Experian (**B**); and

- **1,074 dwellings per annum**, the HNA having similarly identified that such a level of provision would be needed to support the higher job growth scenario (**C**).

3.4 In presenting the growth options, the Council was clear to confirm that:

*"The strategy and setting the housing requirement should be linked to the employment requirement. It is not possible to go for high growth in one and low in the other"*[15]

3.5 In this context, the Council presented the following four options for employment land provision which – while not always directly aligned with the housing options above – are all based where appropriate on the same economic forecast and demographic information:

- **Labour supply**, this being based on the labour force growth that could result where housing provision aligns with the outcome of the original standard method – prior to its revision – and suggesting a requirement for **85.5ha** of employment land (**A**);

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[15] Stoke-on-Trent City Council (2021) Local Plan Issues and Options consultation, section 8.1

- **Experian baseline**, where the ENA estimated that growth in B-class jobs specifically could generate a need for **83.9ha** of employment land (**B**);

- **Higher jobs growth**, where the more pronounced growth in the number of B-class jobs could generate a greater need for **114.0ha** of employment land (**C**); and

- **Past take-up**, which assumes that the average annual rate of take-up recorded historically will be sustained to generate a need for **241.4ha** of employment land (**D**).

3.6   The Council's summary of consultation responses has been provisionally reviewed, and the following are considered to be directly relevant to this report and the updated analysis it provides:

- It was generally accepted that it is not possible, at the current point in time, to fully understand how the pandemic will affect the use of workspaces over the long-term, nor change expectations in terms of housing, but some nonetheless felt that this situation necessitated additional flexibility when interpreting evidence and developing policy;

- In considering the justification for supporting the higher job growth scenario, reference was made to the Council's stated economic ambitions, as well as the Government's desire to "level up" and support economic growth following the pandemic;

- A number of representatives of the development industry in particular considered that exceptional circumstances existed in Stoke-on-Trent to support the identification of a need for housing which was higher than implied by the outcome of the standard method. Specific reference was made in this regard to affordable housing need, the housing needs of the elderly and the role of aspirational housing in attracting and retaining a working age population. Reference was also made to recent rates of development having exceeded the outcome of the standard method, as an indicator of local market demand. In this context at least one representor concluded that scenario B (811dpa) represented the minimum number of homes that needed to be planned for, albeit noting that the higher scenario (C) would offer the potential to better deliver jobs and economic growth ambitions, while addressing the backlog of need for affordable and older persons housing. Several more representors considered that the highest of the growth scenarios represented a challenging but achievable target;

- Other representors believed that a more cautious approach should be taken to ensure that the delivery of new homes met the needs of the local population and was supported by investment in infrastructure. In this context, concerns were raised about the impact of higher levels of housing provision on the city's natural environment and green spaces;

- At least one representor identified that there were a range of factors that need to be addressed to improve graduate recruitment within Stoke-on-Trent, including the offer of high quality and affordable housing. Other representors also identified the importance of enabling the creation of a greater number and variety of good quality, well paid and skilled positions;

- There was a general recognition amongst a number of those responding to the consultation that there was a need to continue to provide affordable housing. This reflected a calculated need from the existing and future population and the impact of Right to Buy, which has reduced the total number of affordable homes in the city. Specific confirmation was sought that the calculated need for affordable housing in the latest iteration of the Council's evidence base conformed with the definition of affordable housing set out in the 2019 National Planning Policy Framework (NPPF) and the related Planning Practice Guidance (PPG);

- In appraising the need for employment land, the representative of one developer – understood to have experience in delivering such land in the sub-region – affirmed the importance of setting a requirement that sought to maintain previous success within the local economy, thereby advocating the past take-up scenario (D);

- An alternative view was expressed by a number of representors which suggested that the provision of new logistics space cannot continue indefinitely, particularly at the expense of ensuring that the conditions exist to support other parts of the economy to maintain sufficient breadth and resilience; and

- Support was expressed for the identification of additional employment land, where it was agreed that the existing supply of land did not necessarily respond sufficiently to the requirements of businesses. It was suggested in this regard that a large amount of the identified supply already has end users in place, or is of lower quality and not close enough to strategic road networks to attract businesses in the logistics sector for example. In this context, at least one respondent reached the conclusion that there is a strong rationale for the Councils to consider identifying a new generation of sites able to accommodate large scale logistics operators in the plan period.

# 4. Current outcome of the standard method

4.1 The NPPF – recently, if only modestly, updated in July 2021 – continues to reference a 'standard method' for determining 'the minimum number of homes needed', still making clear that 'strategic policies should be informed by a local housing need assessment' conducted using this method[16]. The related PPG – last summarised in section 4 of the TCP – is also unchanged and continues to emphasise that the method provides a 'minimum starting point in determining the number of homes needed in an area', requiring plan-makers to assess the existence of circumstances that justify planning for a higher – or, exceptionally, lower – level of housing need than the standard method indicates[17].

4.2 The TCP explained how the minimum need suggested for Stoke-on-Trent by the standard method had increased since the HNA was prepared, following a change to the method which came into effect in December 2020. This largely retained the previous approach – where a demographic baseline, formed of the 2014-based household projections, was adjusted to reflect the ratio between house prices and earnings – but introduced an additional 35% uplift for the authorities that predominantly cover the twenty most populated cities and urban centres, one of which (ranking 14th) is Stoke-on-Trent[18].

4.3 This uplift, when first introduced, elevated the outcome of the standard method for Stoke-on-Trent from 500 dwellings per annum to 675 dwellings per annum. With the demographic baseline always required to reflect the *current year*[19], however, the minimum need rose slightly further at the start of 2021 – to 684 dwellings per annum, this being referenced in the TCP – before falling again when new and slightly lower affordability ratios were released in late March, after that report was completed. Table 4.1 overleaf shows that this slightly reduced the scale of the affordability adjustment, meaning that the standard method currently suggests a need for at least **679 dwellings per annu**m at the time of writing.

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

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

[18] The twenty most populated towns and urban centres are defined based on the number of people living in the urban area, taking no account of local authority boundaries, but with the exception of London only one authority – the one accommodating the largest proportion of each urban area's residents – is required to apply the 35% uplift

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

**Table 4.1:    Evolving Outcome of the Standard Method for Stoke-on-Trent**

| No | Method | 2020 | 2020 | 2021 | 2021 |
|---|---|---|---|---|---|
| | | Jun* | Dec^ | Feb^ | Apr- |
| | Original method | | Revised method | | |
| 1 | Baseline: projected annual household growth[20] | 484.4 | 484.4 | 491.3 | 491.3 |
| 2 | Median affordability ratio | 4.51 | 4.51 | 4.51 | 4.37 |
| | Adjustment factor (rounded, unrounded in calculation) | 3.2% | 3.2% | 3.2% | 2.3% |
| | **Baseline with affordability adjustment** | **500** | **500** | **507** | **503** |
| 3 | Latest adopted housing requirement | 570 | 570 | 570 | 570 |
| | Notional cap, not applicable in this case | 798 | 798 | 798 | 798 |
| 4 | Cities and urban centres uplift | n/a | +35% | +35% | +35% |
| | **Adjusted baseline with uplift** | **n/a** | **675** | **684** | **679** |
| | **Minimum local housing need, per annum** | **500** | **675** | **684** | **679** |

Source: MHCLG; ONS; Turley analysis        * Table 3.2 of HNA / ^ Table 4.2 of TCP

4.4    The TCP highlighted that the outcome of the original standard method for Stoke-on-Trent was lower – at 500 dwellings per annum – than the existing requirement for 570 dwellings per annum, originally set through the West Midlands Regional Spatial Strategy (RSS) and later included in the Core Spatial Strategy in 2009. It also fell below the 693 homes delivered annually on average between 2013 and 2019.

4.5    Figure 4.1 shows that there is a much closer alignment between past delivery and the current outcome of the revised method (679dpa) albeit slightly less so when an additional year of completions is incorporated given that this raises the historic average since 2013 to 725 dwellings per annum, around 5% higher than the outcome of the method. While understood to be less of a factor in the last year, it should once again be noted that recent completions include a sizeable number of student bedrooms, as previously highlighted in the HNA[21].

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[20] 2014-based household projections, over ten years from the '*current year*' (2020 or 2021)

[21] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 2.6

**Figure 4.1: Outcome of Standard Method Relative to Past Delivery**
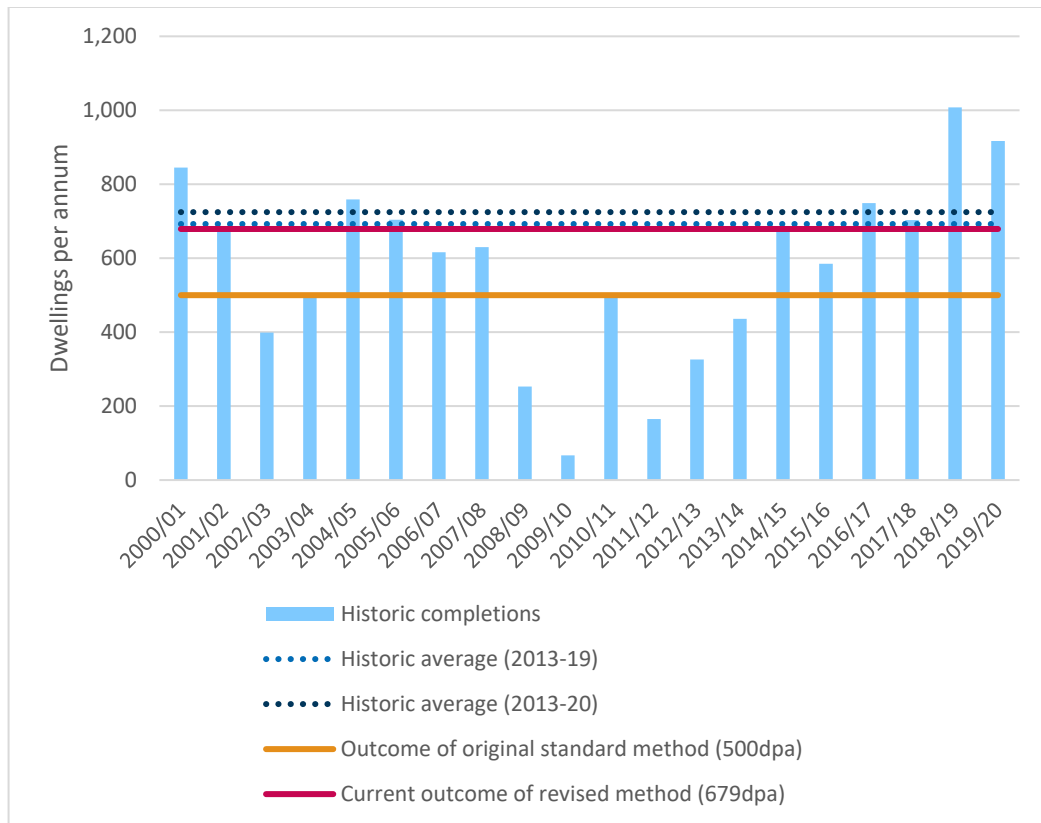


Source: Council monitoring; Turley analysis

4.6 The HNA presented demographic modelling to estimate how the population of Stoke-on-Trent and the wider study area could change if housing provision were to align with what was then the outcome of the original standard method. The TCP continued to reference the same modelling, confirming that the equivalent modelling required to similarly understand the implications of the revised method had not been produced at that point.

4.7 Edge Analytics has, however, now been commissioned to produce such a scenario, using a consistent approach[22] but assuming that 679 dwellings per annum are provided over the plan period, rather than the 500 dwellings per annum assumed previously.

4.8 This updated modelling suggests that meeting the minimum need for housing now suggested for Stoke-on-Trent, by the revised standard method, could grow the city's population by almost 5% over the emerging plan period (2020-40). This unsurprisingly exceeds the 1% growth that the earlier modelling suggested could result from meeting the lower need for 500 dwellings per annum, reflecting the extra capacity created through an additional 179 homes each year, but would still be expected to result in a slowing of the recent trend of

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[22] Explained at paragraphs 3.28 to 3.31 of the HNA and its Appendix 1, with no changes having been made to these assumptions – which are considered to remain sufficiently up-to-date – in order to allow direct comparison

population growth as shown by Figure 4.2 below. This continues to be due to demographic changes in the existing population absorbing much of the capacity brought by these new homes, leaving only limited headroom to attract and accommodate additional residents.

**Figure 4.2: Population Impact of Aligning with Standard Method**
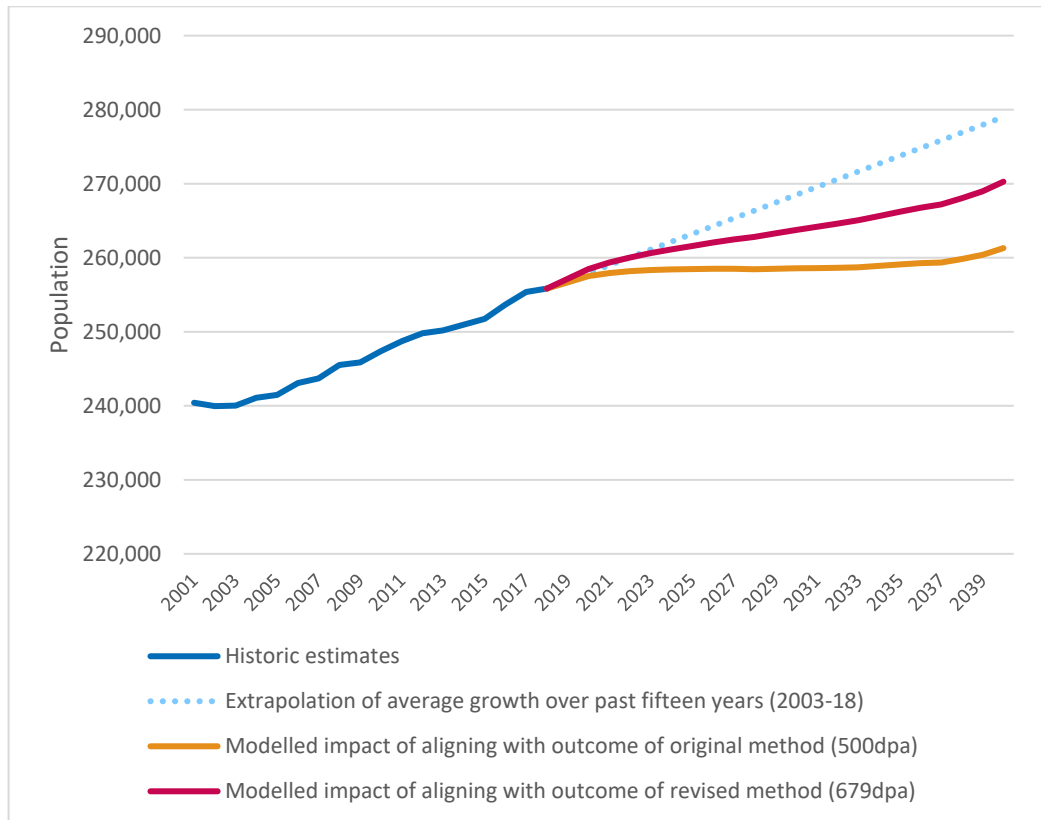


Source: Edge Analytics, 2020/21

4.9 Figure 4.3 shows that this scenario would also – like its predecessor – lead to particularly pronounced growth in the older population aged 65 or above, who indeed would be responsible for much of the population growth envisaged over the plan period. Aligning with the elevated outcome of the method would, however, allow for some growth in the working age population aged 16 to 64, which did not appear likely where only 500 dwellings per annum were assumed to be provided, albeit the scale of this growth remains relatively modest in proportionate terms (2%).

**Figure 4.3:    Modelled Impact of Housing Provision on the Age Profile (2020-40)**
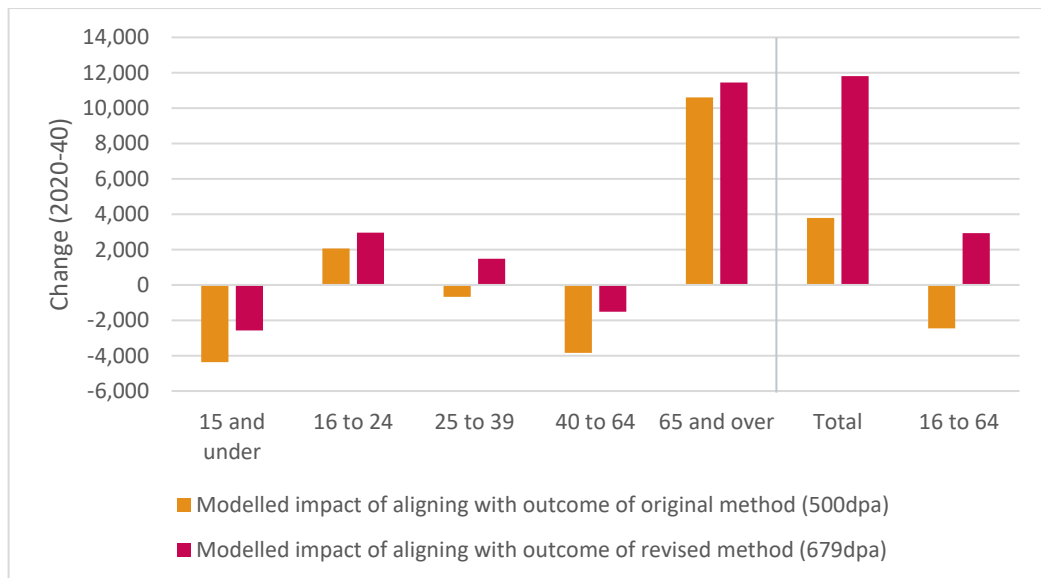


Source: Edge Analytics, 2020/21

4.10    The HNA proceeded to estimate the number of additional jobs that could be created where housing provision aligned with the outcome of the standard method, by applying reasonable and evidence-based assumptions on unemployment, economic participation, commuting and the holding of second jobs[23]. It suggested that circa 163 jobs per annum could be supported through the provision of 500 homes per year in Stoke-on-Trent over the period that was originally assessed (2020-37) with the TCP confirming a modest rise to circa 197 jobs per annum when aligning to the plan period since chosen by the Council (2020-40). The updated modelling applies identical assumptions – reflecting a lack of more recent evidence on commuting and economic activity rates, and unemployment remaining close to the level assumed in the HNA despite the pandemic[24] – and suggests that the creation of around **413 jobs per annum** could be supported if the higher need for housing implied by the revised standard method is met in full.

**Summary**

4.11    The NPPF continues to require use of a standard method of assessing the minimum need for housing, which was revised last December as noted in the TCP. At the time of writing in November 2021, it currently suggests that **at least 679 dwellings per annum** are needed in Stoke-on-Trent, rather than the 500

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[23] Assumptions outlined at paragraph 3.37 of the HNA

[24] The HNA assumed, prior to the onset of the pandemic, that the unemployment rate of 6.0% recorded in Stoke-on-Trent in 2018 would remain fixed throughout the plan period, but did acknowledge that the impact of the pandemic was uncertain (paragraph 3.37). The equivalent dataset for the calendar year of 2020 suggests that the unemployment rate actually reduced slightly to 5.2%, and has fallen again to 4.9% over the year to June 2021

homes per annum suggested as a minimum by the original method when the HNA was prepared.

4.12    The minimum need suggested by the standard method now exceeds the existing requirement for 570 dwellings per annum, set through the West Midlands RSS and later included in the Core Spatial Strategy in 2009. It is still, however, around 7% below the 725 dwellings per annum delivered on average between 2013 and 2020, which included a substantial number of student bedrooms in certain years.

4.13    Modelling presented in this section – consistent with that presented in the HNA – suggests that meeting the minimum need for housing in Stoke-on-Trent could grow the city's population by almost 5% over the emerging plan period (2020-40). This exceeds the 1% growth that the earlier modelling suggested could result from meeting the lower need for 500 dwellings per annum, reflecting the additional capacity of extra homes, but would still represent a slowing of recent population growth. It would also allow for only limited growth in the working age population, who will gradually age and increase the size of the elderly population. This profile of population change could combine with changing behaviours – reasonably allowed for here as in the HNA – to leave a labour force that is able to support the creation of **around 413 new jobs per annum** in Stoke-on-Trent over the plan period.

# 5. Revisiting scenarios of economic growth

5.1 The updated modelling presented in the previous section suggests that meeting the minimum annual need for 679 homes currently suggested by the revised standard method could grow the resident labour force of Stoke-on-Trent and support the creation of around 413 jobs each year over the plan period (2020-40).

5.2 While this was shown to be more than could have been supported by aligning with the previous outcome of the method, it evidently represents a lower level of job growth than was forecast by Experian when the HNA and ENA were prepared, where this forecast envisaged the creation of 559 jobs per annum over the period covered by that report (2020-37). Experian was preferred over two other baseline forecasts – from Cambridge Econometrics and Oxford Economics – given the latter's underlying but unlikely assumption of population decline in this area[25], and the former's more pronounced divergence from recent trends recorded locally[26]. It was also observed that an earlier Experian forecast – presented in the last Employment Land Review (ELR) – had successfully predicted the ensuing job growth in Stoke-on-Trent with accuracy[27], with the latest iteration also taking a more positive outlook for sectors that had recently grown and remained priorities for the Council as well as the Stoke and Staffordshire Local Enterprise Partnership[28] (LEP).

5.3 It cannot, however, be ignored that the favoured forecast from Experian was released in March 2020 and was therefore developed prior to the onset of the coronavirus (COVID-19) pandemic. This was acknowledged as a limitation within the ENA itself at the time of its writing, which made clear that it was '*entirely unavoidable in the absence of timely and robust local data with which to build forecasts*'[29]. This remains something of an issue, due to the time lag seen with economic datasets produced at the local level, but Experian has at least been able to draw upon more timely national and regional data – as well as the more limited amount of local data available – in periodically releasing further forecasts for Stoke-on-Trent over the past 18 months, and thereby reconsidering its outlook for the city in light of the pandemic.

5.4 This section introduces these updated forecasts and considers their implications for the level of job growth that the ENA deemed reasonable for Stoke-on-Trent, mindful of the need to critically test such baseline forecasts in the context of up-to-date local evidence where the importance of doing so was affirmed by the ENA. The analysis is intended to build upon the detailed evidence presented

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[25] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Figure 8.3

[26] *Ibid*, Figures 8.4 and 8.5

[27] *Ibid*, Figure 4.3

[28] *Ibid*, Figure 8.5 and paragraph 8.25

[29] *Ibid*, paragraph 8.5

in the ENA, noting that much of the contextual information remains up-to-date and relevant. The views of businesses obtained through the engagement process summarised at **Appendix 1** – this having not been possible at the time of drafting the ENA, early in the pandemic – have also been used to add a further layer of local insight, albeit recognising that the businesses engaged represent only a component of the city's overall business base.

**Evolution of baseline employment forecasts**

5.5     Experian updates its local area forecasts on a quarterly basis, meaning that four have been released over the past year – in December, April, June and September – with each aiming to reflect the admittedly volatile economic climate in the preceding months by taking account of the latest labour force and business statistics as well as the views of national forecasters[30].

5.6     The earliest of these forecasts, released last December, suggested that an average of 724 jobs per annum could be created in Stoke-on-Trent over the period originally assessed in the ENA (2020-37). This is some 29% more than anticipated in March, within the forecast drawn upon in that study, with the difference largely – as shown at Figure 5.1 below – being due to an assumption of substantial job losses in 2020 and 2021, the former therefore lowering the base from which change is calculated. Any jobs lost were, however, expected to have been recovered by 2024 with no meaningful difference between the respective trajectories from that point onwards.

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[30] Cambridge Econometrics and Oxford Economics have similarly produced more up-to-date forecasts, but these have not been purchased by the Council. This reflects the ENA's preference for the earlier Experian forecast, justified by local evidence, and the more general difficulties associated with economic forecasting over the past 18 months. This is considered to be a proportionate approach in these circumstances, and in this location

**Figure 5.1:   Comparing Jobs Forecast by Experian in March and December 2020**
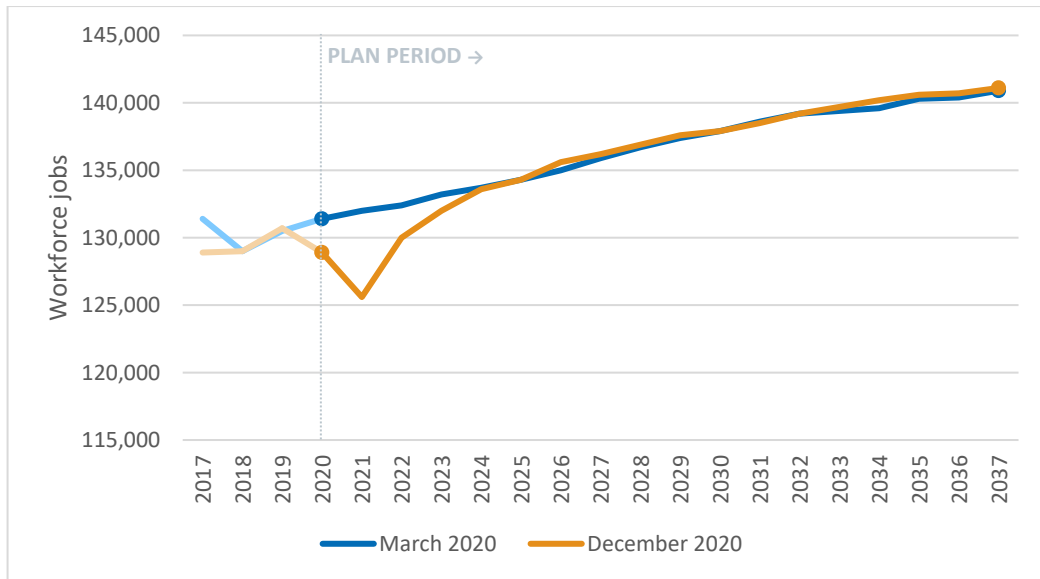


Source: Experian; Turley analysis

5.7   It is of note that the 29% gap between these forecasts, shown above to be largely caused by volatility early in the plan period, has since narrowed in more recent iterations of Experian's baseline forecast.

5.8   The forecast released in April 2021 envisaged the creation of around 600 jobs per annum in Stoke-on-Trent, only 7% more than anticipated in March 2020. The subsequent release in June was even more closely aligned to the latter, its forecast of 571 jobs per annum being only 2% higher. The latest forecast at the time of writing – released in September 2021 – is slightly lower but still suggests a level of job growth that is within 2% of the baseline considered reasonable in the ENA. Indeed, taking an average of the last two releases coincidentally produces a level of job growth that aligns precisely with that baseline, at 559 jobs per annum.

**Table 5.1:   Comparing Job Growth Forecast in Stoke-on-Trent by Experian (2020-37)**

|  | **March 2020** | December 2020 | April 2021 | June 2021 | September 2021 |
|---|---|---|---|---|---|
| Jobs per annum | **559** | 724 | 600 | 571 | 547 |
| Variance | – | +29% | +7% | +2% | -2% |

Source: Experian; Turley analysis

5.9   This growing alignment appears to reflect Experian's evolving views on the impact of the pandemic, which was thought likely – in December 2020 – to lead

to the loss of around 3,300 jobs in Stoke-on-Trent in 2020/21, this being illustrated at the earlier Figure 5.1. Figure 5.2 shows that the assumed scale of such job losses was revised downwards by Experian in their subsequent releases, which more fully account for the Government's unprecedented economic interventions and newly released data on the actual impact of the pandemic, to the point where their latest release – in September 2021 – suggests that jobs will have actually been *created* in that year, with a long-term trajectory that very closely aligns with the pre-pandemic forecast.

**Figure 5.2:    Comparing the Changing Profile of Forecast Job Growth (2020-40)**
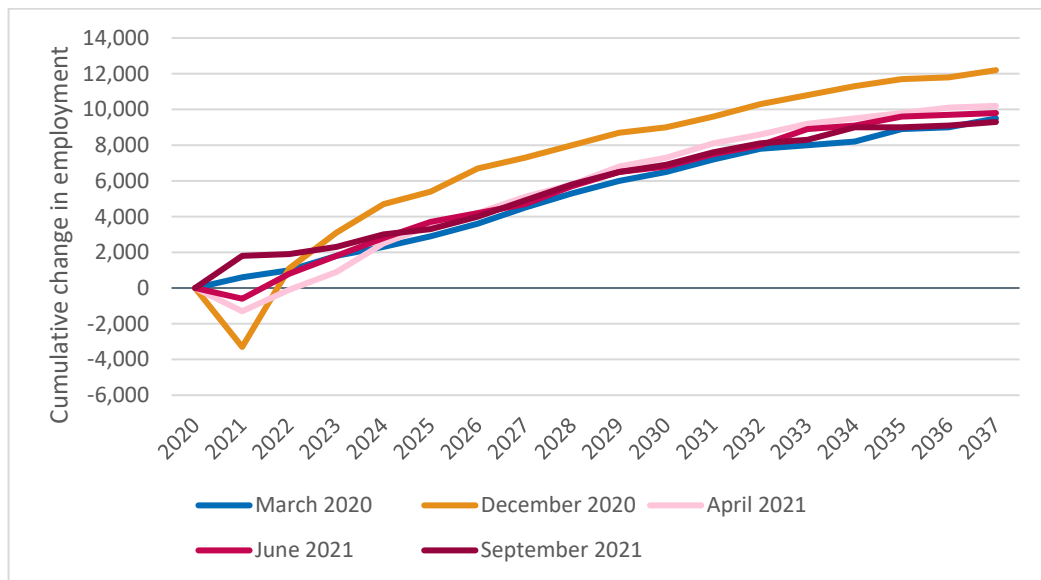


Source: Experian; Turley analysis

5.10    It is also of note that while there has inevitably been some volatility in the number of jobs forecast in individual sectors, the general trend has not changed since March 2020. Human health and social work continues, in Experian's latest release, to be the sector forecast to create the most jobs in Stoke-on-Trent, followed by transportation and storage, with this having also notably been the case in each of the forecasts produced by Experian over the last year. Table 5.2 shows that the five sectors forecast to create the most jobs last March also continue to rank in the top five in the latest release, the main change being that two sectors now rank joint-fifth with accommodation and food services – previously expected to see the seventh-highest level of job growth – taking the space created in the top five.

**Table 5.2:**     Comparing Growth Sectors in Experian Forecasts (2020-37)

| Rank | March 2020 | September 2021 |
|---|---|---|
| 1 | **Human health and social work** | **Human health and social work –** |
| 2 | **Transportation and storage** | **Transportation and storage –** |
| 3 | **Information and communication** | **Arts, entertainment and recreation +2** |
| 4 | **Construction** | **Accommodation and food services +3** |
| 5 | **Arts, entertainment and recreation** | **Construction -1**<br>**Info/comms -2** |

Source: Experian; Turley analysis

5.11    The consistency shown between the forecasts recently produced by Experian and the one considered reasonable following a thorough interrogation in the ENA suggests that it remains appropriate and reasonable to view the latter as a baseline level of job growth for Stoke-on-Trent, particularly where its suggestion of a relatively positive future for the city – this having been a distinguishing feature compared to the other forecasts presented in the ENA – aligns with the current sentiment of local businesses who were engaged in summer and autumn 2021, to inform this update. The 42 businesses that responded to the survey, for instance – summarised in more detail at **Appendix 1** – were reasonably positive about their short-term prospects, with more than two thirds (69%) expecting to increase their turnover in the coming year. Circa 43% expected to increase their workforce over the same period, this including four businesses that currently employ more than 50 people, whereas only 7% expected to reduce the size of their workforce over the same period. All of the businesses selected for individual conversations, following their response to the survey, also foresaw a continuation of their strong performance, with aspirations for growth subject to supportive national and macro-economic conditions. In this context, it was noted by a number of the businesses interviewed that they had experienced issues in recruiting to fill vacant positions , with this reflecting wider challenges in many sectors nationally at the current point in time. In this context it is of note that over three quarters (79%) of all businesses responding to the survey indicated that at least three quarters of their staff lived locally in Stoke-on-Trent.

5.12    While the above has justified the continued use of the baseline Experian forecast introduced in the ENA, the associated level of job growth does slightly change when aligned to the extended plan period now chosen by the Council (2020-40). Average annual growth in this period is very slightly higher at 570 jobs per annum than in the shorter period covered in the previous studies,

largely due to an unexplained – but ultimately inconsequential – spike in additional jobs in one of the added years as shown by Figure 5.3.

**Figure 5.3:** **Recalculating Average Annual Job Growth over the New Plan Period**
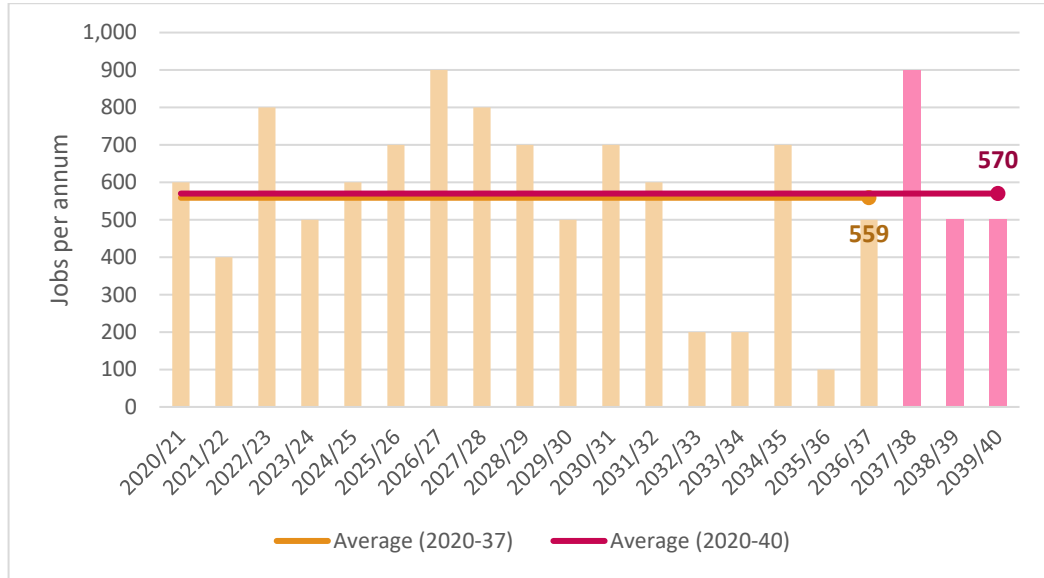


Source: Experian; Turley analysis

**The potential for higher growth beyond the baseline**

5.13    While considered to remain an appropriate baseline, the Experian forecast would still represent a marked slowing of the job growth recently achieved in Stoke-on-Trent as the city has benefited from a range of investments from the public and private sectors[31], and was found to have created some 1,630 jobs annually on average between 2009 and 2018. The departure from this past trend is less pronounced when incorporating the latest available data, which indicates that an average of 920 jobs per annum have been created annually between 2009 and 2020[32], but the baseline nonetheless still implicitly assumes that Stoke-on-Trent will create 38% fewer jobs in each year of the plan period than it has done recently.

5.14    The Council's ambitions for economic growth – summarised in section 3 of the ENA – have not diminished in the period since, but have rather been reaffirmed in various Council documents such as "Powering Up Stoke-on-Trent", which was published in February 2021 and expresses the aim of regaining momentum following the pandemic and building upon the city's strong economic

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[31] Described in section 3 of the ENA, and summarised from the perspective of Stoke-on-Trent at paragraph 2.27 of the TCP

[32] ONS (2021) Business Register and Employment Survey

foundations[33]. It describes Stoke-on-Trent as '*a crucial economic hub at [the] western end of [the] North Midlands Corridor and on the key routes connecting North West and West Midlands conurbations*', and also refers to '*strength across multiple industrial sectors including manufacturing and logistics & distribution that, when combined with locational advantage, mean it is primed for rapid further growth*'[34]. It acknowledges the impact of the pandemic to the point of its publication, but notes that the city is '*proving resilient with commercial and residential activity and values remaining strong, and independent analysts predicting strong bounce-back compared to most other UK cities*'[35]. It expresses an intention, in this context, to drive economic development and prosperity by fostering high growth sectors – specifically naming digital, advanced manufacturing (especially of ceramic components), green energy and creative industries – and creating the highly skilled and well-paid jobs that Stoke-on-Trent needs if it is to level up in the way that both the Council and the Government aspires.

5.15    The LEP has also reaffirmed that its '*core aim*' is to ensure that the whole of Stoke-on-Trent and Staffordshire continues the '*journey*' that has seen '*strong growth*' over the last decade[36]. It has acknowledged the '*economic shock*' of the pandemic but is clearly of the view that this '*does not mean Stoke-on-Trent and Staffordshire cannot reach its potential*', with the LEP continuing to '*work hard towards the central aims and objectives set out in [their] overarching strategy documents*' such as the Strategic Economic Plan (SEP) and the Local Industrial Strategy (LIS), both of which were referenced in the ENA[37]. The LEP has therefore recently described its focus as being '*firmly on creating a diverse and vibrant economy, offering high value, high wage job opportunities that boost productivity and 'level up' our towns, cities and rural areas*'[38]. It has continued to collate evidence on the challenges and opportunities associated with different sectors, one such piece of research making recommendations to the LEP's single inward investment team – "Make It Stoke-on-Trent and Staffordshire" – about how it can realise opportunities in the healthcare, advanced manufacturing, business services, creative/digital and logistics sectors[39].

5.16    The one-to-one conversations held with a number of local businesses to inform this update notably, in this context, included those active in business services as

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[33] Stoke-on-Trent City Council (2021) Powering Up Stoke-on-Trent: a prospectus to secure partnership and investment

[34] *Ibid*, p8

[35] *Ibid*, p8

[36] Stoke-on-Trent and Staffordshire Enterprise Partnership (2021) Growing Business, Increasing Jobs, Enhancing Skills: SSLEP Delivery Plan, April 2020 to March 2021; executive summary

[37] *Ibid*, executive summary; Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 3.15 to 3.19

[38] Stoke-on-Trent and Staffordshire Enterprise Partnership (2021) Growing Business, Increasing Jobs, Enhancing Skills: SSLEP Delivery Plan, April 2020 to March 2021; executive summary

[39] Hatch (2021) Stoke-on-Trent and Staffordshire: sector intelligence

well as manufacturing, namely of ceramics. These conversations served to reinforce the positive expectations as to the resilience and potential of the local business base, with each expressing positive perspectives about their future growth. The business involved in modern ceramics specifically noted that the sector had reinvented itself in recent years, this now reflected in a return to growing numbers employed in the industry within the city, which is testament to the ability of targeted public and private investment to reinforce areas of local specialism. It was also of note that a number of the professional services companies interviewed had their main office in the area but were servicing clients nationally, with this reflecting the historic legacy of the companies' formation but also highlighting how the city offered the potential for companies to grow organically and extend their client base as a result of the strong connectivity and accessibility of Stoke-on-Trent.

5.17    The above factors suggest that it remains appropriate to recognise the potential for Stoke-on-Trent to experience economic growth beyond a baseline level. This is evidently dependent in no small part on a supportive wider national economic and market context, as well as the continued success of investment and the realisation of the aspirations of the cited strategies. The ENA sought to capture this potential – and specifically recognise the strong historic performance of a number of key sectors in Stoke-on-Trent – through the development of a more optimistic scenario, which sought to address the assumed slowing of the past growth trend under the baseline by taking a more optimistic view of certain sectors[40]. This most notably affected the outlook for manufacturing, wholesale, retail, education and professional services, across the study area as a whole. It is evident from the above review that these sectors continue to broadly reflect the priorities of the LEP and the Council, with local businesses in a number of the sectors also expressing optimism with regards their own growth potential.

5.18    In this context, it is considered to remain pertinent and appropriate to reference this more positive scenario in presenting a reasonable range of potential employment growth for Stoke-on-Trent. While the scenario was developed and initially justified for the wider economic geography, including neighbouring Newcastle-under-Lyme, it could also be broken down for the individual authorities and suggested that circa 903 jobs per annum could be created in Stoke-on-Trent alone over the original assessment period[41]. This equated to around three quarters (77%) of the jobs forecast across the wider geography, including Newcastle-under-Lyme, representing a slightly more balanced distribution where Stoke-on-Trent had been responsible for some 99% of the jobs created in the years prior, between 2009 and 2018[42].

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[40] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 8.26-8.34 and Figure 8.6

[41] Turley (March 2021) Technical Cover Paper for Stoke-on-Trent: Housing and Economic Needs Assessment, paragraph 3.8

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

5.19    For the purpose of this updated study, a necessarily basic extrapolation of the forecast for Stoke-on-Trent over the newly proposed plan period (2020-40) suggests a slightly reduced rate of growth of **864 jobs per annum**[43]. Such a level of job growth would almost sustain the recent trend in Stoke-on-Trent, where an average of 920 jobs have been created annually between 2009 and 2020, but would not prevent the Council from choosing to plan for a still higher level of job growth should it have an ambition to improve upon its historic performance.

**Summary**

5.20    The previous section indicated that meeting the minimum annual need for 679 homes currently suggested by the standard method could grow the resident labour force and support the creation of around **413 jobs** in Stoke-on-Trent in each year of the emerging plan period (2020-40).

5.21    This is less than the 559 jobs per annum forecast by Experian when the HNA and ENA were prepared, this forecast having been justifiably preferred as a baseline over two others that were considered in detail within the ENA for valid reasons outlined therein. While this does relate to the slightly shorter period covered in those studies, the same can be said of the slightly higher average of **570 jobs per annum** calculated over the extended plan period.

5.22    While the suggestion of continued job growth is generally consistent with the current sentiment of local businesses who were engaged to inform this update – the majority of whom expect to increase their turnover in the next year, with nearly half also intending to grow their workforce – it cannot be ignored that this Experian forecast was released in March 2020, and was therefore developed prior to the onset of the pandemic. This was acknowledged as an unavoidable limitation in the ENA itself, owing to the general lack of timely and robust local data which remains something of an issue at the time of writing, albeit Experian has at least been able to periodically draw upon the national, regional and local data that has become available and review its outlook for Stoke-on-Trent accordingly. It initially suggested, in December 2020, that *more* jobs could be created in the city over the plan period than were forecast last March, allowing for the recovery of those assumed to have been lost during the pandemic, but it has since taken the view that fewer jobs – if any – are likely to have been permanently lost in this period with the result that its latest forecasts for Stoke-on-Trent align much more closely with those developed prior to the pandemic. The very same sectors forecast to drive job growth in this area in March 2020 also continue to feature prominently in the latest

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[43] The ENA was not required to consider the trajectory of this scenario, which was therefore designed to simply mirror the trajectory of the Experian forecast with the additional job growth seen in this scenario resultantly staggered throughout the period to 2037. An implicit assumption was therefore made on the level of job growth in 2036/37 which is simply assumed to roll forward for the additional years to 2040, to avoid any unwarranted suggestion that job growth will accelerate or slow at such a distant point in the future

forecast, released in September 2021. This, combined with the increasingly consistent level of job growth forecast overall for the city, suggests that it is appropriate and reasonable to retain the baseline Experian forecast that was favoured – after detailed interrogation – in the ENA.

5.23    While an appropriate baseline, its suggestion that 570 jobs will be created annually would still represent a slowing of the recent trend, the city having latterly benefited from substantial investment and resultantly created some 920 jobs per annum between 2009 and 2020. Assuming that this will slow by more than a third (38%) during the plan period – as the baseline implicitly does – would potentially conflict with the continued economic ambitions of the Council and the LEP, and also fail to reflect the optimism of interviewed businesses in identified growth sectors like business services and advanced manufacturing. The ENA previously sought to capture this potential through the development of a higher job growth scenario – which recognised and sought to reflect the historically strong performance of a number of key sectors – and the above suggests that this can continue to be reasonably referenced as part of a range of job growth scenarios for Stoke-on-Trent, albeit with a slight adjustment necessary to cover the extended plan period over which an average of **864 jobs per annum** could be created.

# 6. Implications for the number, size and type of homes needed

6.1 The updated modelling presented in this report indicates that meeting the minimum need for housing in Stoke-on-Trent, as established through the standard method, could grow the resident labour force and support the creation of around 413 jobs each year over the plan period. Such a level of housing provision is therefore unlikely to support the baseline level of job growth identified in the ENA and found to remain valid in the previous section, circa 570 jobs per annum being anticipated over the new plan period in this scenario. It is similarly unlikely to support a higher growth scenario in which around 864 jobs would potentially be created each year.

6.2 The HNA presented modelling which sought to estimate the level of housing provision that would be needed to support such a range of job growth in Stoke-on-Trent, albeit this was limited to the period assessed in that report (2020-37) so requires updating to cover the plan period since chosen by the Council (2020-40). These scenarios have therefore been remodelled by Edge Analytics with the outputs summarised in this section, before it proceeds to recalculate the size and type of housing needed – reconsidering the specific need for "executive housing" in the process, by drawing on the latest available market data and the views of local estate agents – and confirm the current position regarding the need for affordable housing.

**Remodelling the housing provision needed to support job growth**

6.3 As introduced in section 2, the HNA estimated that 811 dwellings per annum would be needed in Stoke-on-Trent to support a baseline level of job growth over its assessment period, with a higher level of job growth lifting this to 1,074 dwellings per annum.

6.4 Both figures relate to the period from 2020 to 2037 only, and the modelling has therefore been revisited by Edge Analytics in light of the Council's decision to select a plan period which runs to 2040. This update does alter any of the underlying assumptions made nor therefore change any of the previous outputs, instead simply extending the horizon of the modelling by making assumptions on the level of job growth in the *additional* years (2037-40) and estimating the number of homes needed in these years using a consistent approach[44]. The average number of homes needed annually has then been recalculated, with this being necessary to reflect the longer period.

6.5 This remodelling suggests that an average of **797 dwellings per annum** will be needed over the chosen plan period to support a baseline level of job growth,

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[44] Introduced in section 3 of the HNA, with its paragraph 4.39 confirming that a consistent approach was taken for the jobs-led scenarios

with **1,031 dwellings per annum** needed to support the higher job growth scenario. Each of these figures is slightly lower than estimated previously, reflecting slightly weaker demographic pressures in the added years and – in the case of the higher job growth scenario – the slightly lower rate of job growth assumed in that period.

6.6 It remains the case, however, that meeting the housing need implied under either scenario would require a boosting of housing supply in Stoke-on-Trent, where an average of 725 dwellings per annum have been completed since 2013 and fewer (c.575dpa) have been provided on average during a longer period back to 2000.

6.7 Looking at the population accommodated through such a level of housing provision, Figure 6.1 indicates that the lower scenario would almost sustain the population growth recorded over fifteen years to 2018, as previously observed – with reference to the original scenario – in the TCP. Growth of the city's population would in contrast be expected to potentially accelerate under the higher job growth scenario.

**Figure 6.1:    Benchmarking Population Growth under Employment-led Scenarios**
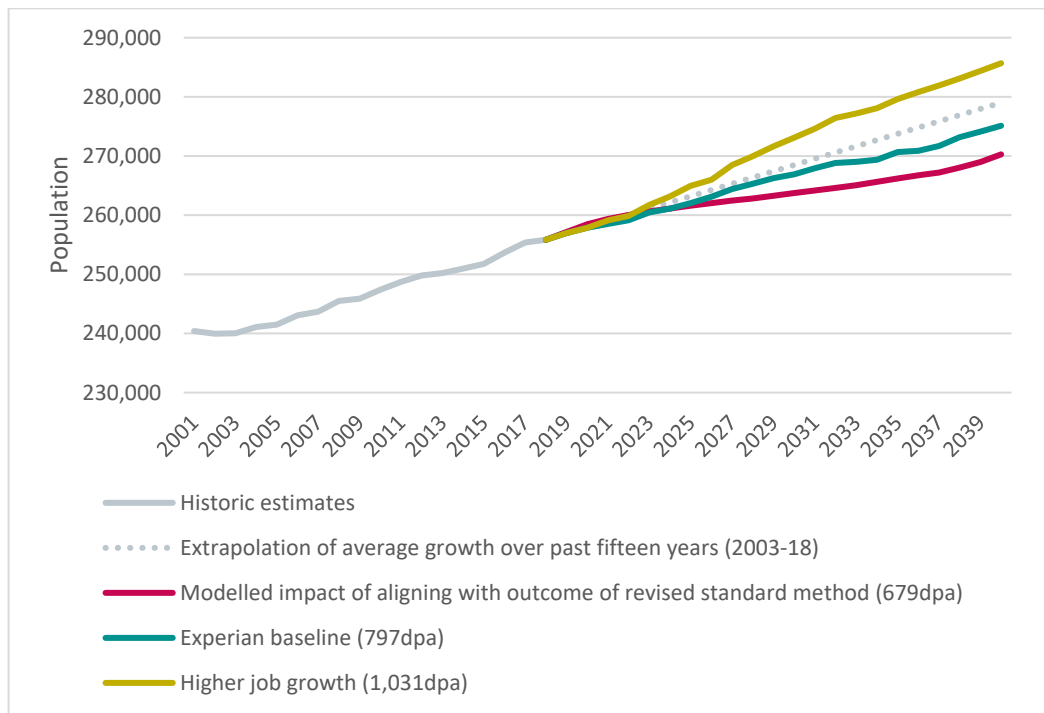


Source: Edge Analytics; ONS; Turley analysis

6.8 The HNA concluded that the standard method, at the time, did not appear fully representative of the housing needs of the study area, and suggested that the employment growth scenarios – both robust and justified in the context of national policy and guidance that has not since changed – could act as valuable

reference points for the Councils as they exercised their judgement on the level of growth to be pursued through future plan-making[45].

6.9     The standard method has since been revised with an uplift introduced for the country's largest cities and urban centres like Stoke-on-Trent, where a substantially higher need for at least 679 dwellings per annum is now implied at the time of writing. This is more closely aligned with the baseline job growth scenario, as updated in this report, thus reducing the risk of forecast job growth being curtailed if only the minimum need for housing is met. This risk has not been eliminated entirely, however, with the modelling suggesting that at least 118 more homes would be needed each year to support the lower of the two employment forecasts. The range associated with the updated jobs-led scenarios is therefore continued to remain an important reference point for the Council. It is once again encouraged to reference the full breadth of this revised range, in the context of the PPG, in its ongoing consideration of the implications of the investment plans and strategies it has in place on future job growth and the housing need associated.

**Size and type of housing needed**

6.10    Beyond the overall number of homes needed, the NPPF continues to require assessment of the size and type of housing needed. The modelling presented in the HNA, and updated in this report, allows overall housing need to be segmented in this way.

6.11    The HNA anticipated substantial growth in the number of one person households living in the study area, alongside growth in the number of couples without children and households with dependent children. The scale of this growth did, however, vary depending on whether housing provision was assumed to align with the standard method or support either baseline or higher job growth. The TCP found the same to be true when considering Stoke-on-Trent alone, and this remains the case in the updated modelling even though the elevated outcome of the revised standard method minimises the scale of the difference between the various scenarios.

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[45] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 4.48

**Figure 6.2: Projected Change by Household Type (2020-40)**



Source: Edge Analytics; Turley analysis

6.12 Such different households naturally have varying requirements in terms of housing, with Table 5.1 of the HNA showing for example that people living alone in Stoke-on-Trent tended to – though did not always – live in smaller homes at the last reported Census in 2011. Households with dependent children and unrelated adults, in house shares for instance, were more likely to occupy larger properties. This was a reflection both of households' ability to exercise choice in the market, and also the stock of housing available locally.

6.13 The HNA presented analysis which showed that a continuation of these local trends could see most of the additional households forming in Stoke-on-Trent requiring two or three bedrooms, and this remains the case when incorporating the updated modelling described in this report. There continues to be a weighting towards the former under the scenario linked to the now-higher outcome of the standard method (42/39%) which becomes slightly more balanced under the extended employment growth scenarios (41/40%). The proportion of households requiring at least four bedrooms also continues to rise between the scenarios, with a slight fall in the proportion requiring only one bedroom.

**Table 6.1:    Implied Size of Housing Required in Stoke-on-Trent (2020-40)**

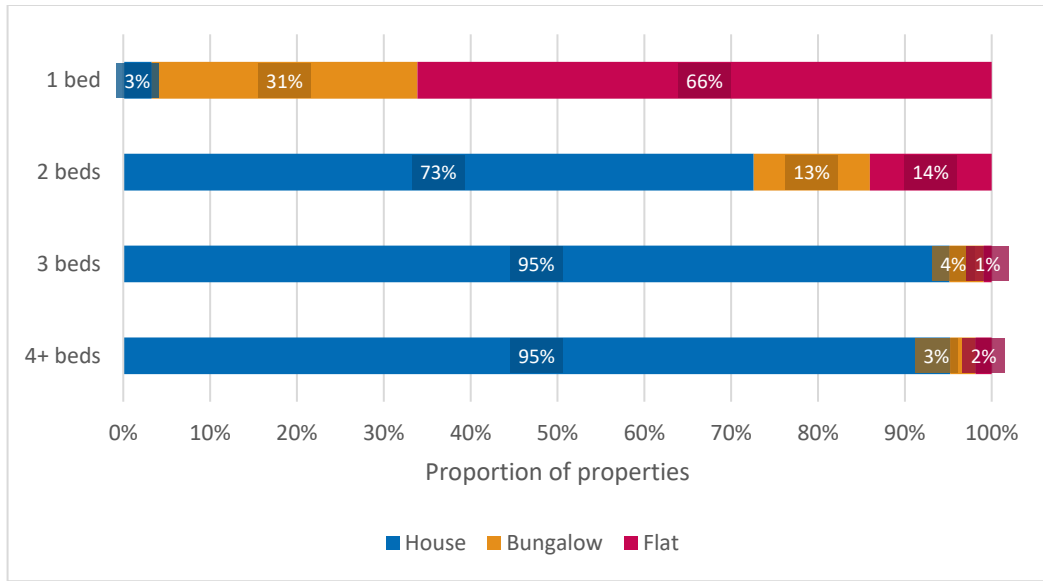|  | Standard method (679dpa) | Experian baseline (797dpa) | Higher job growth (1,031dpa) |
|---|---|---|---|
| 1 bed | 12% | 12% | 11% |
| 2 beds | 42% | 41% | 41% |
| 3 beds | 39% | 40% | 40% |
| 4+ beds | 7% | 7% | 8% |
| Total | 100% | 100% | 100% |

Source: Turley; Edge Analytics; Census 2011

6.14    Whilst the above continues to suggest that proportionally the strongest need will be for two and three bedroom homes, it does notably identify a need for all sizes of homes. This is considered to align with current market evidence, with the estate agents contacted to inform this analysis confirming that there remained a need for homes across the spectrum, albeit in accordance with the above the demand for smaller family homes was observed as being very strong. This was suggested as reflecting demand for such housing from first time buyers and those households looking for extra space to accommodate a hybrid model of working – attracted by the city's offer of value for money – as well as investors.

6.15    The HNA proceeded to estimate the type of properties that may be required to provide homes of the necessary size, with reference to data released by the Valuation Office Agency (VOA) that has since been updated to confirm the proportion of the city's homes of each size that are flats, bungalows and houses as of 2021[46]. It continues to show that most one bedroom properties in Stoke-on-Trent are flats, albeit with there being some bungalows of this size, with houses then accounting for the vast majority of larger homes.

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[46] VOA(2021) Council Tax: stock of properties, 2021

**Figure 6.3: Profile of Homes of Different Sizes in Stoke-on-Trent (2021)**



Source: VOA, 2021

6.16 Based on this stock profile, it can be reasonably estimated that meeting the need for different property sizes – summarised at Table 6.1 – could require around three quarters of new homes to be houses, with nearly 15% needing flats and circa 11% requiring bungalows. This is relatively consistent across the various scenarios as shown at Table 6.2.

**Table 6.2: Implied Type of Housing Required (2020-40)**

|  | Standard method (679dpa) | Experian baseline (797dpa) | Higher job growth (1,031dpa) |
|---|---|---|---|
| House | 75% | 75% | 76% |
| Bungalow | 11% | 11% | 11% |
| Flat | 14% | 14% | 13% |
| Total | 100% | 100% | 100% |

Source: Turley; Edge Analytics; Census 2011

6.17 This still, however, represents only illustrative modelling using available evidence, the previous reports having made clear that it can be used for guidance and monitoring purposes but should not be prescribed as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors[47].

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

6.18 The HNA made clear that consideration can also be given to other factors in establishing an appropriate mix, such as the Council's long-held ambition to improve the quality of its housing offer through the provision of executive housing as a means of satisfying the needs of higher earners that have historically tended to move elsewhere[48]. This continues to be an issue, with nearly half (48%) of the 42 businesses surveyed to inform this update expecting their ability to attract and retain talent over the next five years to be affected by perceptions of Stoke-on-Trent as a place to live and work. More than a quarter (29%) expected the availability of sufficient housing to be an issue, and slightly more (36%) felt that the migration of talent away from this area would cause problems.

6.19 It has long been considered that there is a relative lack of higher value housing in Stoke-on-Trent, reaffirmed by the latest VOA data which indicates – as of 2021 – that only 1% of the city's homes are in the highest Council Tax bands (F/G/H) compared to 7% across the West Midlands and 9% throughout England as a whole[49]. Only three authorities in the country[50] have fewer such properties, in proportionate terms, and it is also of note that neighbouring areas offer considerably more as shown at Figure 6.4 below. Some 16% of properties in Cheshire East, for example, are in these higher Council Tax bands, placing it just outside the top 20% of all local authorities in England.

**Figure 6.4: Comparing the Proportion of Homes in Highest Council Tax Bands (2021)**



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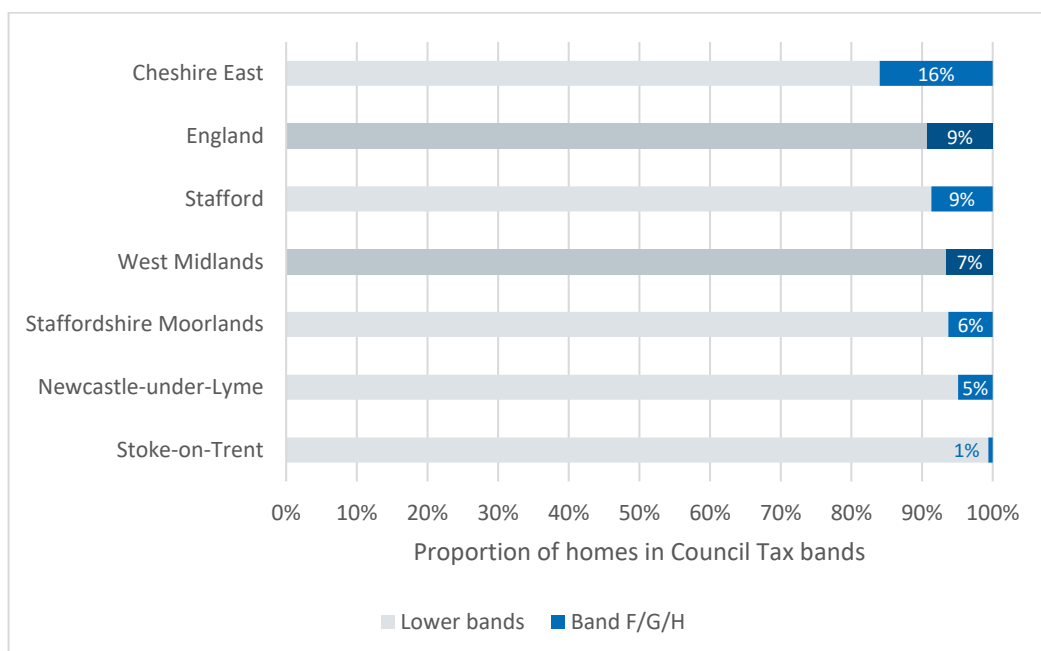
[48] *Ibid*, paragraphs 5.23 to 5.28

[49] VOA(2021) Council Tax: stock of properties, 2021

[50] Kingston-upon-Hull; Sandwell; and Barking and Dagenham

6.20    The same data confirms that the few homes in the highest Council Tax bands in Stoke-on-Trent share a broadly consistent profile, some 87% being detached houses and around 84% having at least four bedrooms.

6.21    It follows that the provision of larger detached housing in Stoke-on-Trent is likely to offer the greatest opportunity to increase the presently limited supply of higher value properties, in the highest Council Tax bands. The lack of such properties is likely to be preventing activity at the highest level of the housing market in Stoke-on-Trent, where it can be observed that 10% of the properties sold last year throughout the city and the surrounding authorities were sold for more than £412,000, but only 22 sales were recorded within this bracket in Stoke-on-Trent[51].

6.22    Where the potential value of such housing in attracting and retaining skilled labour was noted above – based on responses to the recent business survey – this was only reinforced in the one-to-one conversations held with a number of these businesses. It was observed that the aspirations and expectations of younger members of their workforce were understood to have risen, with the flexibility offered by larger homes identified as of increasing value. Similarly it was noted, with specific reference to businesses primarily in the professional services sectors, that their employees were prepared to commute further from work to find the right home. It was noted that in making such decisions it was not only the house itself that was important, but also the perceived quality of its setting including, for example, schools and access to green space. This represents an important consideration in seeking to attract and retain such households where the local economy is successful in generating higher skilled and better paid jobs.

6.23    In this context, it is considered that there is an evidential justification for the Council pursuing a policy-led approach that would provide a greater number of large homes with the necessary infrastructure to address deficiencies in the existing stock and support its longstanding aspirations.

**Need for affordable housing**

6.24    Section 6 of the HNA applied the well-established methodology through which affordable housing needs are separately calculated, outlined in the PPG. A change in the definition of affordable housing, introduced through the publication of a new NPPF in 2018 and retained in its subsequent revisions, did not result in any alterations to this guidance, and as such the calculation is considered to be consistent with this updated definition.

6.25    The first stage of the calculation established the scale and profile of affordable housing need in gross terms, capturing around 1,740 households in Stoke-on-

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[51] Land Registry (2021) Price paid data

Trent that were in the greatest need on the Council's housing register at the start of the plan period in March 2020. A further need for circa 992 affordable homes was also expected to arise each year, as new households form who are unable to afford the cost of market housing – which has not markedly changed in the period since[52] – and existing households' circumstances change. These factors combined to imply a gross need for circa 1,095 affordable homes per annum throughout Stoke-on-Trent over the period covered by the HNA (2020-37) albeit this slightly reduces to **1,079 dwellings per annum** when amended to reflect the newly chosen plan period (2020-40).

6.26 The PPG subsequently requires supply to be taken into account, allowing for lettings, the release of occupied affordable homes and committed supply for example. This indicated that around 956 affordable homes could become available annually in Stoke-on-Trent, this continuing to be slightly lower than the estimated gross need to suggest a residual net need for **124 affordable homes per annum**. This equates to roughly 18% of the minimum overall need for housing suggested by the standard method, and a smaller proportion of the scenarios linked to future economic growth (12-16%). There is implied to be a shortfall of all but two bedroom properties, with a particularly acute shortfall of one bedroom properties as summarised below.

**Table 6.3:    Affordable Housing Need in Stoke-on-Trent (2020-40)**

|  | 1 bed | 2 beds | 3 beds | 4+ beds | Total |
|---|---|---|---|---|---|
| Total housing need currently | 887 | 282 | 375 | 196 | 1,740 |
| Total newly arising need annually | 472 | 225 | 230 | 65 | 992 |
| **Annual gross need over plan period[53]** | **516** | **239** | **249** | **75** | **1,079** |
| Estimated supply per annum[54] | 293 | 475 | 177 | 10 | 955 |
| **Net need per annum** | **223** | **-236** | **72** | **65** | **124** |

Source: Turley analysis

6.27 The imbalance between the need for and supply of affordable homes, alongside evidence that the existing stock is incapable of accommodating the substantial backlog of households on the housing register at the start of the plan period,

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[52] The assessment assumed that Stoke-on-Trent households earning less than £15,000 per annum would need affordable housing, as summarised at Table 6.2 of the HNA. Due to necessary rounding, this was slightly more than the circa £12,570 per annum that was estimated to be needed to purchase at the entry level of the market, where the calculation of an equivalent lower quartile – based again on Land Registry data – suggests that costs were only slightly higher over the year to June 2021 than they were in 2019, used as the basis of the assessment (£81,000 vs. £77,500). Lower quartile rents have likewise risen only slightly according to the latest ONS data, from £4,800 per annum over the year to September 2019 to £5,100 per annum over the year to March 2021

[53] Total housing need plus twenty years of newly arising need, divided by the twenty year plan period

[54] Broken down at Appendix 2 of the HNA

highlights the importance of ensuring that new supply is brought forward. This is also important where it is recognised that any erosion of the existing stock, through Right to Buy or a reduction in lettings in a single year for example, could swiftly result in a larger shortfall.

6.28    The HNA also considered the potential role of different affordable housing products in meeting the gross need that has been locally evidenced, including First Homes which are now being introduced by the Government[55]. Its analysis indicated that affordable rent is the only product of those assessed to require a lower income than would be required to access the open market, this acting as the threshold below which some form of affordable housing is assumed to be needed. Other products, such as shared ownership and discounted market sale, can nonetheless be expected to play a role in the functional housing market – enabling movement which frees up more affordable homes, for example – even if their impact could be tempered by the application of discounts to new build properties that generally attract a premium.

**Specific needs of different groups**

6.29    The NPPF continues to require the housing needs of different groups in the community to be assessed and reflected in planning policies, this having therefore been considered in sections 7 and 8 of the HNA.

6.30    Older people were one such group whose housing needs were specifically assessed, with the HNA having identified that this was a growing cohort of the population which was likely to grow even further into the future, regardless of how many homes were provided. This is still true of the updated scenarios presented in this report for the extended plan period, with Table 6.4 showing that the number of residents aged 65 or above could grow by at least 26% over this longer period to 2040 if housing provision aligns with the slightly higher minimum need now suggested by the standard method, or by as much as 29% under the higher job growth scenario. The eldest in this cohort would be expected to grow in number at an even faster rate.

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[55] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 6.31 to 6.50. The concept of First Homes was introduced at paragraph 6.41, based on an initial consultation, and while they were not referenced in the recently revised NPPF a new section (70) of the PPG was added in May 2021 to provide further detail

**Table 6.4:  Projected Future Change in the Older Population of Stoke-on-Trent (2020-40)**

|  | Standard method (679dpa) | Standard method (679dpa) | Experian baseline (797dpa) | Experian baseline (797dpa) | Higher job growth (1,031dpa) | Higher job growth (1,031dpa) |
|---|---|---|---|---|---|---|
|  | Change | % change | Change | % change | Change | % change |
| Aged 65+ | 11,451 | 26% | 11,931 | 27% | 12,928 | 29% |
| Aged 75+ | 8,585 | 43% | 8,795 | 45% | 9,233 | 47% |
| Aged 85+ | 2,802 | 56% | 2,871 | 58% | 3,008 | 60% |

Source: Edge Analytics

6.31    The HNA estimated how this growth could generate a need for specialist accommodation, acknowledging in doing so that Edge Analytics' modelling itself makes assumptions on the number of people living in a communal establishment to align with the methodology used to develop official household projections[56]. This remains the case, with Edge Analytics' updated modelling continuing to suggest a similar level of need – for circa 24-26 bedspaces in such establishments per annum[57] – over the plan period. The assumption that these individuals will live in communal establishments, rather than conventional dwellings, means that they are once again not captured within the reported need for the latter, instead being separate from and additional to this need.

6.32    The HNA also estimated the demand for other forms of specialist accommodation that is included in the assessed need for dwellings, based on the Strategic Housing for Older People Analysis (SHOP@) toolkit that continues to be widely used in similar studies and is still explicitly referenced in the PPG[58]. Updating this analysis suggests that there could be demand for circa 73-78 units of such accommodation in every year of the extended plan period, as summarised at Table 6.5.

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[56] *Ibid*, paragraph 7.18

[57] Circa 24 per annum (480 in total) under the scenario linked to the standard method; circa 25 per annum (493 in total) under the Experian baseline scenario; and circa 26 per annum (519 in total) under the higher job growth scenario

[58] PPG Reference ID 63-004-20190626

**Table 6.5:** **Projected Demand for Specialist Housing in Stoke-on-Trent (2020-40)**

| | Standard method (**679dpa**) | Standard method (679dpa) | Experian baseline (**797dpa**) | Experian baseline (797dpa) | Higher job growth (**1,031 dpa**) | Higher job growth (**1,031 dpa**) |
|---|---|---|---|---|---|---|
| | Total | Annual | Total | Annual | Total | Annual |
| Sheltered housing | 1,073 | 54 | 1,099 | 55 | 1,154 | 58 |
| Enhanced sheltered housing | 172 | 9 | 176 | 9 | 185 | 9 |
| Extra care | 215 | 11 | 220 | 11 | 231 | 12 |
| **Total** | **1,459** | **73** | **1,495** | **75** | **1,570** | **78** |

Source: Edge Analytics; Housing LIN; Turley analysis

6.33    Aside from older people, the HNA also considered the specific needs of:

- **People with disabilities**, who in Stoke-on-Trent tend to live in private households rather than institutional accommodation[59]. Nearly a quarter of all residents were limited to some extent in their daily activities at the last reported count in 2011, but this increases markedly with age such that the growing elderly population alone is likely to increase the number of residents with disabilities[60]. The Council should be aware of this growing need in establishing appropriate policies on new housing provision, albeit the continued adaptation of existing homes – through Disabled Facilities Grants, for example – will also be important where funding is available given that new homes account for only a fraction of the overall stock;

- **Families with children**, who often own their generally larger homes in Stoke-on-Trent but also rely to a notable extent on social housing and the private rented sector, more so than seen in Newcastle-under-Lyme[61]. The city could accommodate as many as 6,720 additional households with children over the plan period, according to the updated modelling summarised at Figure 6.2 of this report, and this cohort will likely continue to represent a sizeable proportion of all households under any scenario.

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[59] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Figure 7.9

[60] *Ibid*, Figures 7.7 and 7.10

[61] *Ibid*, Figures 8.1 and 8.2

This reaffirms the importance of providing sufficient larger housing, suitable for families, as part of any mix;

• **Privately renting households**, which are likely to grow in number given projected growth in those household types – such as unrelated sharing adults and families – that currently show the greatest tendency to rent[62]. Demand for rented housing is also likely to grow where the area creates the new jobs envisaged in the ENA, as those roles that tend to be filled by privately renting individuals are currently prevalent in the sectors forecast to grow. This demand could be predominantly met through stock managed by private landlords, but the Council is advised to closely monitor the success of Clayworks – a pioneering Build to Rent scheme that has been recently delivered in the city centre – to understand the potential role of such developments in meeting a continued local need for quality rented accommodation;

• **Students**, who have fluctuated in number at Staffordshire University – leading to a consolidation at the Stoke-on-Trent campus in 2016 – but appeared to be increasing prior to the pandemic, rising by an average of 5% in the two years to 2019/20[63]. The HNA noted that the university had paused a major investment in its campus at the time of writing, due to the uncertainty brought by the pandemic, but this is understood to have now resumed with the flagship Catalyst building due to open in early 2022, forming part of a campus masterplan that is due to be implemented over the period to 2030[64]. As with the earlier modelling presented in the HNA, the updated scenarios continue to principally allow for indigenous growth amongst residents of traditional student age, meaning that a significant growth in the student population could generate an additional need for housing that is not explicitly taken into account. The Council is therefore once again advised to maintain dialogue with Staffordshire University to fully understand its long-term growth plans and their implications for the local housing market. There is unlikely to be a substantial need for new accommodation in the short-term, beyond that already in the pipeline, except where the Council wishes to support and encourage improvement in the quality of provision and/or reduce pressure on the private housing market; and

• **Self-builders**, who appear relatively small in number given that only 182 households in Stoke-on-Trent had registered their interest with the Council as of February 2020. The Council is nonetheless advised to actively monitor the adequacy and number of suitable plots that are available for

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[62] *Ibid*, Figure 8.3

[63] HESA (2021) HE student enrolments by HE provider, academic years 2014/15 to 2019/20. Note that all but the latest year's data were previously shown at Figure 8.8 of the HNA

[64] https://www.staffs.ac.uk/news/2021/10/the-catalyst-for-the-community-40m-staffordshire-university-project-keeping-the-pound-in-stoke-on-trent

such housing, mindful of the general desire for larger homes amongst those expressing an interest[65].

**Summary**

6.34    This report has indicated that meeting the minimum annual need for 679 homes currently suggested by the standard method could grow the resident labour force of Stoke-on-Trent and support the creation of around 413 jobs in each year of the extended plan period (2020-40).

6.35    The baseline Experian forecast favoured in the ENA – and found to remain valid in the previous section – does, however, indicate that some 570 jobs per annum could be created in the city over the same period, with the previous section also identifying the prospect of 864 jobs being created annually in a higher job growth scenario. Neither scenario appears likely to be supported through a level of housing provision aligned to the outcome of the standard method, with this section having presented modelling to suggest that circa **797 dwellings per annum** could be needed to support a baseline level of job growth over the chosen plan period, rising to **1,031 dwellings per annum** to support the higher job growth scenario. This updates the modelling presented in the HNA, which was based on a shorter period, but these scenarios – and the range that they imply – can once again act as reference points for the Council. It is encouraged to reference the full breadth of this revised range, in the context of the PPG, in its ongoing consideration of the implications of the investment plans and strategies it has in place on future job growth and the housing need associated.

6.36    The updated modelling can once again be disaggregated to understand the size and type of housing that could be needed to accommodate additional households. The analysis in this section continues to suggest a prevailing need for homes with two or three bedrooms, albeit with the need for larger homes also notably growing under the higher job growth scenario, and once again indicates that meeting this need under any scenario could require around 75% of new homes to be houses. This continues to represent only illustrative modelling of available evidence, however, which can be used for guidance and monitoring purposes but should not be prescribed as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors. It also takes no account of other factors that can be reasonably considered in establishing an appropriate mix, such as the Council's longstanding ambition to improve the quality of the housing offer through the delivery of "executive homes", which continue to be lacking in this area in comparison to neighbouring areas that consequently attract a greater share of higher value sales.

6.37    This section has also slightly updated the HNA's calculation of affordable housing need, confirming that **124 affordable homes** are needed annually over

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[65] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 8.2

the extended plan period now chosen by the Council. This continues to be driven by the backlog of households in need at the start of the plan period, and an assumption that more households will need affordable housing thereafter than appear likely to become available. This once again highlights the importance of ensuring that new supply is brought forward, particularly when recognised that any reduction in supply – such as losses through Right to Buy or estate rationalisation – could swiftly enlarge the identified shortfall.

6.38 The section has also summarised the earlier analysis of the specific housing needs of different groups, including older people, those with disabilities, families with children, privately renting households, students and self-builders. This is considered to remain largely up-to-date and is thus still relevant, only requiring slight update to confirm that each of the updated scenarios presented in this report continue to envisage substantial growth in the older population. This is assumed to generate an annual need for 24-26 bedspaces in communal establishments over the plan period, which – like in the HNA – continues to be separate from and therefore additional to the overall need for dwellings specified earlier. It could also generate demand for circa 73-78 units of specialist accommodation each year which is *included* in those totals.

# 7. Reconsidering the need for employment land

7.1 The ENA identified that between 83.9ha and 241.4ha of additional employment land could be needed in Stoke-on-Trent between 2020 and 2037, as previously introduced in section 2.

7.2 The existing supply of 228.7ha of such land, quantified by the Council as of April 2020, was found to be sufficient in a quantitative sense to meet the lower estimates of need, where three of the four scenarios suggested a need for 114.0ha or less. A quantitative shortfall was only implied in one scenario, which extrapolated the take-up rate recorded between 2012 and 2019 and suggested that there could be a shortfall of circa 12.4ha if this were to continue[66].

7.3 The ENA did, however, also identify the prospect of this shortfall increasing to as much as 91.5ha – relative to this highest need scenario, based on past take-up – when removing certain sites from the supply, specifically those that were awaiting planning decisions for other uses. This included those that the Council expected to be lost to residential use and those that were most likely to face deliverability challenges due to their particularly low quality when considered from an employment perspective[67]. An overall quantitative surplus remained in the other scenarios even when these sites were removed, however, with the remaining supply (149.6ha) continuing to be higher than the need for as much as 114.0ha suggested by those scenarios.

7.4 The previous calculations now require review to align with the new plan period (2020-40) and the labour supply scenario is also in need of an update to reflect the higher level of housing need now implied as a minimum by the revised standard method. This update also provides the opportunity to refresh the past take-up scenario – incorporating the additional year of historic data that is needed to bridge the gap to 2020, as the start of the plan period – and to revisit the supply, highlighting any elements that are at risk as well as any qualitative factors that have emerged or had their importance reinforced since the ENA was prepared. In considering such qualitative needs, the current views of Make It Stoke-on-Trent and Staffordshire have once again fed into the analysis, as in the ENA, and information obtained through engagement with local businesses (documented at **Appendix 2**) has also been taken into account as relevant.

7.5 This update is not intended to review the Council's identified supply in detail, nor update the site assessments undertaken by Aspinall Verdi which were summarised in section 7 of the ENA and documented in a series of proformas at

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[66] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 9.3. It should be noted that this shortfall was calculated with reference to a fractionally lower need for 241.1ha, rather than the correct figure of 241.4ha, but the same figure is quoted here for consistency prior to being updated in this section

[67] *Ibid*, Table 9.7. The sites removed through this exercise were identified, with specific reasons for doing so, in paragraphs 9.17, 9.19 and 9.25. As above, this shortfall was calculated with reference to the slightly lower need for 241.1ha but has not been corrected

its Appendix 2. Reference should also continue to be made to the detailed overview of employment space and the commercial property market review presented within sections 4 and 5 of the ENA, which are considered to remain up-to-date and provide detailed baseline assessment of Stoke-on-Trent's existing employment stock and relevant market signals.

7.6     The implications of changes to the Use Classes Order, implemented shortly after the ENA was drafted, have not been considered at this stage. This is because the PPG has not been updated at the time of writing and therefore offers no direction on how these changes should be taken into account when assessing the need for employment land. Such assessments have traditionally aimed to quantify the need for land suitable for offices, industrial premises and warehouses, respectively in Use Classes B1, B2 and B8, but the former was officially revoked on 1 September 2020 and effectively replaced by a broader Use Class (E) which includes – amongst other things – shops, financial services, restaurants and surgeries[68]. The newfound breadth of this category – incorporating premises, like shops, that have traditionally been covered by separate assessments – means that it is simply not possible, using the evidence and guidance available at this point in time, to robustly estimate the amount of land that could be needed to accommodate such uses in full. The reported need for offices in this section could therefore be viewed very much as a minimum figure, to be augmented by an as-yet unquantifiable need for other premises in Use Class E, or could alternatively be simply taken into account by the Council as it considers how best to meet the full need for such space through allocations and other means.

**Recalculating future demand**

7.7     Section 8 of the ENA introduced the various approaches that were – and continue to be[69] – endorsed by the PPG for the purposes of quantifying the future demand for employment land and floorspace. It remains important to note that each approach has strengths and limitations, and that none can therefore be viewed as definitive with some interpretation necessary.

7.8     The PPG continues to encourage the use of employment forecasts which provide a view on how changes in the national and global economy could affect the performance of different sectors in individual areas, albeit with the limitation that their "top-down" methodologies sometimes fail to fully recognise local specialisms and associated growth opportunities[70]. Such forecasts nonetheless formed the basis for two of the ENA's scenarios, one using an unadjusted baseline forecast from Experian and the other linked to an adjusted, higher job growth scenario. These scenarios can be straightforwardly

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[68] The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020

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

[70] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 8.15

adjusted to align with the new plan period, with the forecasts having already been extended for the purposes of assessing housing need in section 5.

7.9   The PPG also advocates demographically derived assessments based on labour supply. The ENA explained that such assessments become redundant when an area plans to deliver the homes that are calculated as being needed to support forecast job growth, but if not – and an area plans for a lower level of need, aligned to the standard method for example – then such a "labour supply" scenario can be based on the reduced level of job growth that can be supported in those circumstances[71]. The outcome of the standard method for Stoke-on-Trent has risen, from 500 to 679 dwellings per annum, but remains short of the 797 dwellings per annum estimated to be needed to support the baseline level of job growth forecast by Experian. Meeting the minimum need suggested by the standard method would provide the labour to support 413 jobs each year rather than the 570 forecast annually over the plan period. On this basis, an updated labour supply scenario can reasonably assume that 413 jobs are created in Stoke-on-Trent each year.

7.10  The jobs envisaged in each of these scenarios have been assigned to use classes, as required by the PPG, using a consistent approach to the ENA[72]. This has discounted as many as 91% of future jobs – under the Experian baseline and labour supply scenarios – which are unlikely to require the office, industrial or warehousing premises that are the focus of this assessment, reducing to circa 70% but remaining a clear majority in the higher job growth scenario. While these jobs are unavoidably omitted from this point of the assessment, the Council is again advised to consider how forecast change in sectors like healthcare, entertainment and retail can be accommodated through policies or site allocations that meet this implied need, mindful of their separate and distinct land requirements.

**Table 7.1:   Job Growth Accommodated in "Non-B" Use Classes (2020-40)**

|  | Additional jobs forecast per annum | Total jobs over plan period | Assumed to be in "non-B" use classes | % |
|---|---|---|---|---|
| Experian baseline | 570 | 11,400 | 10,235 | 91% |
| Higher job growth | 864 | 17,282 | 12,128 | 70% |
| Labour supply | 413 | 8,251 | 7,743 | 91% |

Source: Experian; Edge Analytics; Turley analysis

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[71] *Ibid*, paragraph 8.38

[72] Appendix 3 to the ENA sets out the assumptions applied, based on best practice and experience of other studies

7.11    The remaining jobs have again been assigned to property types using the assumptions outlined at Appendix 3 of the ENA, which are considered to remain reasonable in the absence of any further official guidance. They have then been consistently converted into floorspace through the application of the employment densities summarised at Table 8.2 of the ENA, this process first requiring conversion into full time equivalent (FTE) jobs which has been similarly done in a consistent manner.

7.12    This process, summarised at Table 7.2, suggests that more jobs requiring office space than warehouses could be created under the Experian baseline scenario, albeit with the lower employment density seen in the latter producing a much larger floorspace requirement. Forecast decline in sectors requiring industrial space produces a negative requirement for such premises, which is moderated in the higher job growth scenario – being more optimistic in its outlook for these sectors – and also in the labour supply scenario, which is necessarily simplistic in moderating any growth or decline envisaged by the baseline forecast to reflect an assumption of fewer workers.

**Table 7.2:    Implied Need for Employment Space in B Use Classes[73] (2020-40)**

|  | Experian baseline | Experian baseline | Higher job growth | Higher job growth | Labour supply | Labour supply |
|---|---|---|---|---|---|---|
|  | Additional FTE jobs | Floorspace (GEA, sqm) | Additional FTE jobs | Floorspace (GEA, sqm) | Additional FTE jobs | Floorspace (GEA, sqm) |
| Office | 1,788 | 23,747 | 3,003 | 39,887 | 1,305 | 17,340 |
| Industrial | -2,417 | -108,297 | -310 | -13,871 | -1,765 | -79,076 |
| Warehouse | 1,324 | 97,344 | 1,763 | 129,603 | 967 | 71,078 |
| **Total** | **695** | **12,794** | **4,457** | **155,619** | **508** | **9,342** |

Source: HCA; Experian; Edge Analytics; Turley analysis

7.13    The amount of land needed to accommodate such floorspace can then be estimated, using the plot ratios introduced in the ENA[74].

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

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

**Table 7.3:    Implied Need for Employment Land in B Use Classes (2020-40)**

| | Experian baseline | Experian baseline | Higher job growth | Higher job growth | Labour supply | Labour supply |
|---|---|---|---|---|---|---|
| | Floorspace (GEA, sqm) | Additional land | Floorspace (GEA, sqm) | Additional land | Floorspace (GEA, sqm) | Additional land |
| Office | 23,747 | 1.6ha | 39,887 | 2.7ha | 17,340 | 1.2ha |
| Industrial | -108,297 | -27.1ha | -13,871 | -3.5ha | -79,076 | -19.8ha |
| Warehouse | 97,344 | 24.3ha | 129,603 | 32.4ha | 71,078 | 17.8ha |
| **Total** | **12,794** | **-1.2ha** | **155,619** | **10.5ha** | **9,342** | **-0.8ha** |

Source: HCA; Experian; Edge Analytics; Turley analysis

7.14    Like their counterparts in the ENA, the above represent only net estimates, simplistically assuming that floorspace is only required where a new job is created and is vacated whenever a job is lost. This does not, however, allow for the ongoing loss of employment space in Stoke-on-Trent, which the ENA found to have occurred at an average rate of circa 8,585sqm per annum over the period for which reliable data was available (2016-19) albeit this falls slightly to 7,010sqm per annum when incorporating data that is now available for the subsequent year[75] (2019/20). Assuming that this continues and losses are replaced, to avoid a reduction in the overall stock, would only elevate the amount of floorspace and land implied to be needed over the plan period, as shown below.

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[75] No office space (B1a/b) was reported to have been lost in 2019/20, but 2,223sqm of industrial space (B1c/B2) was lost along with 59sqm of warehousing space (B8).

**Table 7.4:    Implied Need for Employment Land in B Use Classes, Allowing for Losses (2020-40)**

| | Floorspace to replace… | Floorspace to replace… | Floorspace to replace… | …added to each scenario | …added to each scenario | …added to each scenario |
|---|---|---|---|---|---|---|
| | Annual (sqm) | 20 year plan period (sqm) | **Land required** [76] | Experian baseline | Higher job growth | Labour supply |
| Office | 1,264 | 25,280 | **+1.7ha** | 3.3ha | 4.3ha | 2.8ha |
| Industrial | 3,477 | 69,540 | **+17.4ha** | -9.7ha | 13.9ha | -2.4ha |
| Warehouse | 2,270 | 45,400 | **+11.4ha** | 35.7ha | 43.8ha | 29.1ha |
| **Total** | **7,011** | **140,220** | **+30.4ha** | **29.3ha** | **62.0ha** | **29.6ha** |

Source: Turley analysis

7.15    The ENA complemented these scenarios with another linked to past take-up, as encouraged by the PPG[77]. This addresses a limitation of the above scenarios – which assume a direct relationship between job growth and floorspace requirements, when the reality is normally more complex – but does have its own limitations, implicitly assuming as it does that land will continue to be available as it has been in the past.

7.16    The past take-up scenario presented in the ENA was based on the Council's monitoring which indicated that circa 49,508sqm of employment space had been completed annually on average between 2012 and 2019, this being a gross measure of additions which meant that there was no need to make an equivalent allowance for losses[78]. An additional year of data is now available from the Council, for the 2019/20 monitoring year, which slightly raises the previously reported averages for industrial and warehousing space – and the overall average, to 50,280sqm – but slightly lowers the average for office space as can be seen below.

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[76] When applying identical plot ratios, i.e. 40% for industrial and warehousing premises and 150% for offices

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

[78] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, Table 5.3 and paragraph 8.65

**Figure 7.1:** **Employment Space Completed in Stoke-on-Trent, Gross (sqm; 2012-20)**
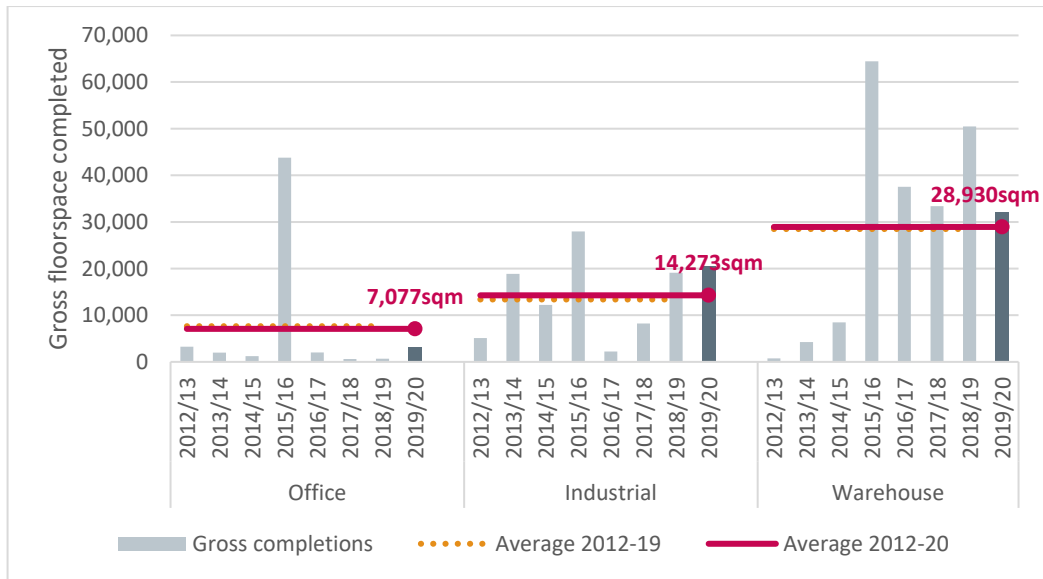


Source: Council monitoring; Turley analysis

7.17 A simple continuation of the trend recorded to the start of the plan period would see around 1 million sqm of employment space developed within that period, to 2040, and could require circa 226ha of land when applying the plot ratios used in the ENA and again earlier in this section.

**Table 7.5:** **Extrapolating Past Completions of Employment Space**

|  | Average annual take-up, 2012-20 | Extrapolated over 20 year plan period | Land required |
|---|---|---|---|
| Office | 7,077sqm | 141,545sqm | 9.4ha |
| Industrial | 14,273sqm | 285,468sqm | 71.4ha |
| Warehouse | 27,930sqm | 578,595sqm | 144.6ha |
| **Total** | **50,280sqm** | **1,005,608sqm** | **225.5ha** |

Source: Council monitoring; Turley analysis

7.18 Before comparing the above to the other scenarios, an allowance needs to once again be made for choice and flexibility, to align with best practice and plan positively for employment growth[79]. The ENA made a similar allowance, equivalent to the average rate of supply over five years where it recognised that establishing such a margin is not an exact science and requires a degree of

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[79] *Ibid*, paragraph 8.69.

judgement[80]. Repeating this approach using the updated completions data introduced above produces a buffer of circa 56.4ha, estimated as being needed to accommodate the annual delivery of around 50,300sqm of employment space for five years. This is applied to each scenario at Table 7.6.

**Table 7.6:    Need for Employment Land with Flexibility Margin (hectares; 2020-40)**

| | Experian baseline | Experian baseline | Higher job growth | Higher job growth | Labour supply | Labour supply | Past take-up | Past take-up |
|---|---|---|---|---|---|---|---|---|
| | Gross need | …with margin | Gross need | …with margin | Gross need | …with margin | Gross need | …with margin |
| Office | 3.3 | 5.6 | 4.3 | 6.7 | 2.8 | 5.2 | 9.4 | 11.8 |
| Industrial | -9.7 | 8.2 | 13.9 | 31.8 | -2.4 | 15.5 | 71.4 | 89.2 |
| Warehouse | 35.7 | 71.8 | 43.8 | 79.9 | 29.1 | 65.3 | 144.6 | 180.8 |
| **Total** | **29.3** | **85.6** | **62.0** | **118.4** | **29.6** | **85.9** | **225.5** | **281.8** |

Source: Turley analysis

7.19    The scenarios can be seen to imply a need for between 86ha and 282ha of employment land in Stoke-on-Trent over the plan period, this once again being a relatively wide range where the ENA previously identified a need for 84-241ha of such land in the city, albeit over a different period[81]. The range does, however, again narrow when focusing on the need for different types of premises, as illustrated at Figure 7.2.

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[80] *Ibid*, paragraph 8.70. It is noted that an equivalent margin of five years has been applied in the evidence that informed the St Helens Local Plan, currently at Examination, and this appears to have been accepted by the Inspector given that no modification has been proposed to this specific element of the Plan

[81] *Ibid*, Table 8.12

**Figure 7.2: Range of Employment Land Requirements (2020-40)**
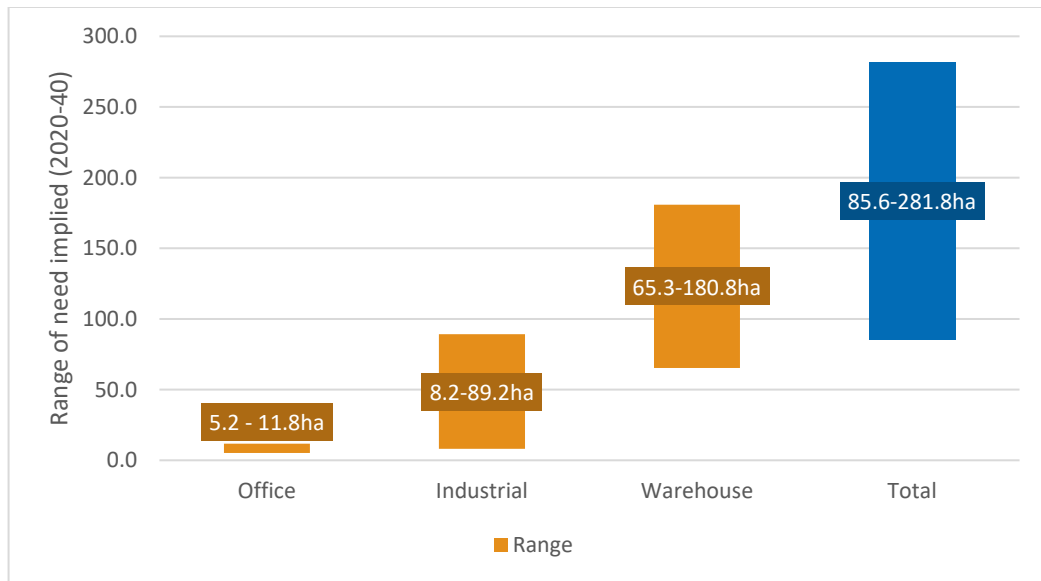


Source: Turley analysis

**Balance with supply**

7.20    The ENA identified that there was around 228.7ha of existing employment land in Stoke-on-Trent as of April 2020, according to the Council's monitoring. This aligns with the start of the plan period – and thus the period which continues to be assessed here – and is therefore considered to remain an appropriate and logical reference point.

7.21    In a purely quantitative sense, this existing supply appears t to meet the need implied under all scenarios except the past take-up scenario, as was the case in the ENA. The scale of the shortfall against this highest scenario is, however, now considerably larger than the 12.4ha reported previously, due both to the new plan period and the slight increase in the average take-up rate. The other scenarios show greater consistency in the scale of the implied surplus, which may appear surprising when these scenarios cover a longer period but is explained by the smaller allowance for losses which may not require replacement to the extent assumed previously, based on the latest year's data.

**Table 7.7:    Supply/Demand Balance for Stoke-on-Trent**

|  | Estimated need (2020-40) | Total supply at base point (April 2020) | **Estimated surplus/ shortfall** | Previously reported surplus/ shortfall[82] |
|---|---|---|---|---|
| Past take-up | 281.8ha | 228.7ha | **-53.1ha** | -12.4ha |
| Higher job growth | 118.4ha | 228.7ha | **+110.3ha** | +114.7ha |
| Labour supply | 85.9ha | 228.7ha | **+142.8ha** | +143.2ha |
| Experian baseline | 85.6ha | 228.7ha | **+143.1ha** | +144.8ha |

Source: Turley analysis

7.22    Any such balancing between supply and demand inevitably relates to a point in time, here deliberately aligning with the base year of the plan period by focusing on supply as of April 2020 and modelling need – either using forecasts or extrapolations of past take-up – from that point onwards. It is important that the Council actively monitors supply moving forwards, particularly where it is understood to have already refined its estimate of the current supply since the ENA was produced (as shown at **Appendix 2**). Certain sites – identified in the ENA[83] – are also understood to still face deliverability challenges associated with their poor quality in terms of potential employment use or remain at risk of being lost[84]. Removing all of these sites from the available supply, and accounting for the Council's latest monitoring, would leave **only 128.7ha** of employment land in Stoke-on-Trent. Whilst it cannot at this point in time be definitively stated that all of these sites will indeed be lost as potential sources of employment land, it is important to note that this lower supply figure is some 44% less than the Council's estimate at the start of the plan period.

7.23    Such a quantum of supply would only just meet the need for 118.4ha suggested by the higher job growth scenario, and would enlarge the shortfall against the past take-up scenario. Caution should, however, be exercised in comparing current estimates of supply, in 2021 and beyond, against a need that has technically been modelled from 2020 onwards as explained above.

7.24    As per the conclusions of the ENA, the above indicates that it is reasonable for the Council to consider identifying additional employment land in the emerging Local Plan beyond the sites identified through the ENA, to offer sufficient

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[82] *Ibid*, Table 9.3

[83] *Ibid*, paragraph 9.25

[84] *Ibid*, paragraphs 9.17, paragraph 9.19 and Table 9.5.  The Council has since indicated that conditions are in the process of being discharged at Wilson Road (**2020-S63**) for example, and a decision notice is still to be issued for land at Century Street (**2020-S15**). The application for residential development at the junction of Park Road and Anchor Road (**2020-S70**) is yet to be determined. HIF funding is understood to have been secured for land between Huntilee Road (**2020-S37**) albeit an application is still yet to have been submitted.

flexibility and choice and ensure that the supply of land does not constrain the continued growth of the local economy[85].

**Accounting for the quality of supply**

7.25    The basic comparison between the total quantum of supply and need set out above risks failing to account for the quality of supply, as noted in the ENA, and indeed could potentially serve to mask a shortfall of *quality* sites. This recognises that even following removal of the poorest quality sites[86], only 44% of the remaining supply – equivalent to circa 57ha across 16 sites – was classified as "good" or "very good" following assessment by Aspinall Verdi, as part of the ENA.

**Table 7.8:    Quality of Sites in Potentially Reduced Supply**

|  | Very good | Good | Average | Total |
|---|---|---|---|---|
| Total area | 8.0ha | 49.1ha | 71.6ha | **128.7ha** |
| Number of sites | 4 | 12 | 17 | **33** |

Source: Aspinall Verdi; Council monitoring; Turley analysis

7.26    The limited quantum of quality sites that are most likely to match business needs is considered to further elevate the importance of understanding the need for different types of premises, as the ENA considered in detail, recognising in turn the geographic concentration of market demand and existing supply which relates. The final part of this section therefore explores in more detail the need for different types of premises in the city, taking account of the latest estimates of current supply.

**Considering the need for specific types of premises**

7.27    The ENA recognised that many of the sites currently within the existing supply could ultimately be developed for a range of commercial uses, making it difficult to explicitly quantify the supply available to respond to the specific need for office, warehouse and industrial space where the aforementioned totals can indeed be disaggregated to each property type.

7.28    It nonetheless included more qualitative analysis of these specific needs, which can be reviewed to account for the updated scenarios, the evolving supply picture and the business engagement undertaken to inform this update. The latter does, however, provide only limited insight given that a majority (71%) of the 42 businesses that responded to the online survey were satisfied that their existing accommodation met their current needs, albeit five businesses,

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[85] *Ibid*, paragraph 9.28

[86] Identified at paragraph 9.25 of the ENA, and deducted once again above

(including retailers, manufacturers, haulers and engineers) did note that their current premises were not large enough and could not be expanded. Twelve predicted that they would need more space over the next five years, half of these expecting to fully relocate to a larger site with all but one of the others expecting to operate from more than one location in future. Only one business expected to reduce their floorspace over the next five years, with the majority (69%) expecting their requirements to stay the same.

7.29    Specifically, in the context of the conclusion noted above regarding the availability of quality sites, the limited availability of such premises or sites was raised as an issue by two of the businesses that expected to need more space, being given as a reason why they would be unable to grow as planned over the next five years. Whilst evidently only a small number of businesses within a larger local economy, and it is unclear to what extent businesses searched for new premises – or merely perceived a lack of premises – this suggests that the Council will need to consider identifying a new supply of land which responds to those types of uses demonstrating a more acute shortfall.

7.30    The analysis below should continue to be read alongside, and is not intended to replace, the more detailed analysis presented in section 9 of the ENA. Where new supply figures are presented, however, these are considered to represent an updated position based upon the latest site information provided by the Council.

*Warehouses*
7.31    Sitting beneath the updated scenarios introduced in this section is a need for circa 65-181ha of warehousing space over the plan period. This represents a substantial proportion of the need implied by each scenario (64-84%) which clearly demonstrates the scale of demand for such space, in a location as connected as Stoke-on-Trent.

7.32    The past take-up scenario in particular is also a reflection of the city's recent success in delivering this type of space, and thus attracting distribution and logistics businesses. This success is clear from the strategic employment sites close to the A500 that were previously allocated for development, which have now largely built out or received planning permission. Warehousing space within these clusters evidently remains in demand, but there is now believed to be less than 70ha of land remaining in areas which have demonstrably accommodated the demand for such uses[87], with a number of the remaining sites also subject to live planning applications meaning that supply is likely to erode even further. This will particularly be the case where this type of space

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[87] This was previously estimated at paragraphs 9.41 – 9.43 of the ENA, but the Council now believes that the developable area has reduced where sites **2020-S33** and **2020-S58** have built out, the available area of site **2020-S10** has reduced to 17.7ha and only 0.3ha and 0.9ha remains on sites **2020-S8** and **2020-S9** respectively. This leaves the area around Etruria Valley with a supply of approximately 19ha, Chatterley Valley with 42ha and Trentham with 6ha. The latter relates to **2020-S60** only, with **2020-S63** having already been discounted in arriving at the lower estimate of potential supply, but it is of note that its inclusion – while increasing supply throughout these areas to over 120ha – would leave a shortfall against the upper estimate of a need for some 181ha of warehousing space

continues to be taken up at the rate seen in recent years, noting that the engagement with businesses and other stakeholders has reaffirmed that the demand for logistics space in the locality remained very strong.

7.33    Where this estimated supply of less than 70ha is considered to be broadly representative of that which exists in higher demand areas and is suitable for warehousing, there appears likely to be a shortfall of such land over the plan period under the full range of scenarios, and especially under the past take-up scenario which is considered to be more representative of needs within this sector. It is acknowledged that there are other sites identified in the supply, for example around Fenton, which could potentially deliver new warehouse space, but these are not in areas considered to benefit from the same levels of market demand due to poorer accessibility or the lack of a sufficient critical mass.

7.34    In the context of the identified shortfall for land suitable for warehousing in Stoke-on-Trent, it is important to also reference the evidence presented in section 10 of the ENA which identified a need and demand from strategic operators related to a demand for logistics in proximity to the motorway network, as also evidenced by the strong demand for such space in the locality in recent years. This reflected both the anticipated sustained local need throughout Stoke-on-Trent and Newcastle-under-Lyme, but also an identified shortfall of such sites at the regional level based on evidence published at the time.

7.35    The ENA, having also covered Newcastle-under-Lyme, did highlight the potential to identify new land along the A50 which could address the shortfall and contribute more widely to meeting sub-regional needs for strategic warehousing and logistics space. The potential provision of such sites would need to be carefully considered between the two authorities in the context of any further allocations in Stoke-on-Trent, where it is recognised that connectivity and proximity to the strategic road network are particularly key determinants of a site's suitability and market appeal for logistics occupiers.

### *Offices*

7.36    The updated modelling suggests a quantitative need for circa 5-12ha of office space in Stoke-on-Trent, albeit this continues – as in the ENA – to assume that such space is developed at a relatively high density in urban areas[88]. It presented a sensitivity to show the amount of land that could be needed if lower density schemes – filling only 40% of their plot – were to prevail, in business parks for example[89], and such an eventuality would continue to markedly elevate the need implied by each of the updated scenarios as shown by Figure 7.3.

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

[89] *Ibid*, paragraphs 8.73 to 8.78 and Figure 8.12

**Figure 7.3: Impact of Lower Density Office Assumption (2020-40)**
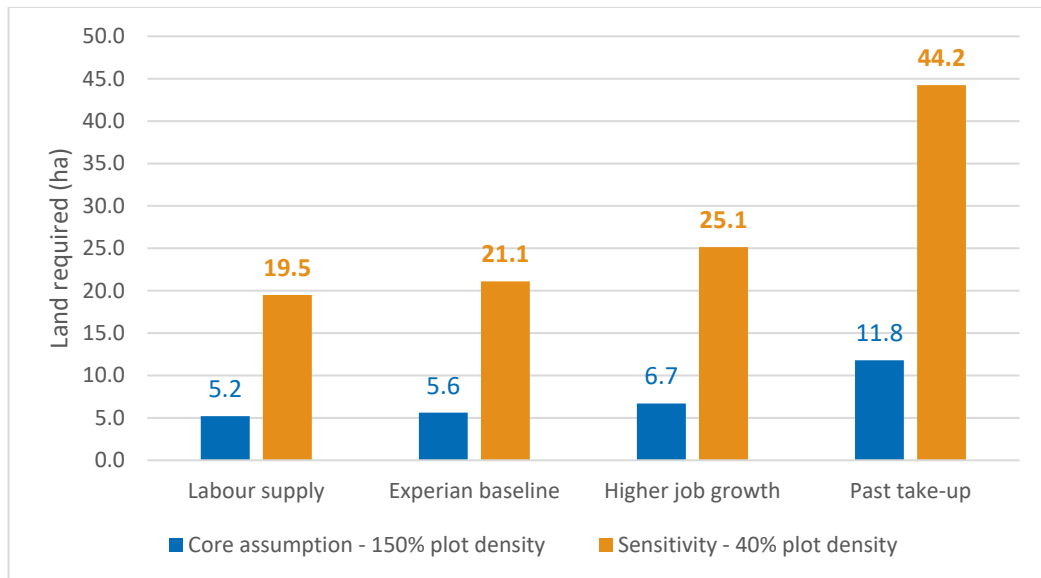


Source: Turley analysis

7.37 It remains the case, at the time of writing, that there is a degree of uncertainty surrounding the nature and scale of demand for office space, following the pandemic and its acceleration of changes in working behaviours. In this context, the business survey notably found that whilst a substantial proportion of respondents envisaged hybrid working and flexible working being introduced or retained, very few suggested that they would be adopting a fully remote working model. This implies that there will be a continued need for office space in Stoke-on-Trent to provide businesses with a base and to respond to the growth anticipated in those sectors that tend to occupy such premises.

7.38 With the ENA having noted that Hanley is generally the city's primary location for new office space, it is of note that there is at most around 15ha of land now remaining in this area, much of which will likely accommodate mixed-use developments that will thus reduce the quantum of office space that can be accommodated on this land, potentially by a significant amount. This suggests that there is likely to be a quantitative shortfall against the estimated need, at least at the upper end of the range.

7.39 This reaffirms the importance of the Council exploring the potential for a modest amount of quality office space as part of its ongoing plans to regenerate the centre, particularly close to the train station.

7.40 It was noted in the ENA that the development of Festival Park had also included some office space, for which there would likely be demand given the evolving nature of the office market, albeit it assumed that the competing demand for warehouses in this location could affect the scale of its contribution towards meeting a need for offices specifically. This nonetheless requires ongoing monitoring by the Council.

**Industrial**

7.41   The updated modelling suggests a need for 8-89ha of industrial land in Stoke-on-Trent, this evidently being a particularly wide range with its upper end linked to past take-up and therefore reflecting the evolving nature of such space.

7.42   Engagement with local businesses has affirmed that there is likely to be a sustained need for industrial floorspace, especially where this is in the right location and is of the right quality.

7.43   Where there is evidently a residual supply of potential land, it was noted in the ENA that much of this land scored relatively poorly, often reflecting a site's location, context and/or historic use. It was recognised that a number of these sites had been prioritised for regeneration by the Council, with the potential to include light industrial uses that could therefore contribute towards meeting needs. It remains the case, however, that the Council should look to positively identify additional land which has the potential to respond not only to the significant demand for warehousing, noted above, but also potentially for industrial uses. Such sites could evidently accommodate both uses, as has been the case on a number of the existing larger scale employment sites in the city.

**Summary**

7.44   The ENA identified that between 83.9ha and 241.4ha of additional employment land could be needed in Stoke-on-Trent between 2020 and 2037. The existing supply of 228.7ha of such land, estimated by the Council as of April 2020, therefore appeared sufficient – at least in a quantitative sense to meet all but the highest of the need scenarios, which extrapolated the take-up rate recorded between 2012 and 2019 and showed that there could be a shortfall of circa 12.4ha if this were to continue[90]. It was noted, however, that the shortfall against this scenario could be more than seven times larger if poorer quality sites prove undeliverable and others are redeveloped for alternative uses.

7.45   These conclusions evidently require review to align with the new plan period since chosen by the Council (2020-40) and reflect the higher need for housing now suggested as a minimum by the revised standard method, this having previously formed the basis of a labour supply scenario. An additional year of data on the take-up and loss of employment space, bridging what was previously a gap to the start of the plan period, can also be incorporated.

7.46   This section has therefore recalculated the previous estimates of demand. It has identified that 85.6ha of land could be needed over the longer plan period in certain scenarios, linked to labour supply or the baseline employment growth forecast by Experian, but highlighted that this could rise to circa 118.4ha under a higher job growth scenario and to 281.8ha if recent development rates continue. Only this past take-up scenario exceeds the existing supply that was

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[90] This was incorrectly calculated with reference to a fractionally lower need, for 241.1ha, but is repeated here for consistency prior to being updated

estimated at the start of the plan period, suggesting a potential shortfall of some 53.1ha.

7.47   Any such balancing exercise inevitably relates to a point in time, here deliberately aligning with the start of the plan period by focusing on supply as of April 2020 and modelling need, either using forecasts or extrapolations of past take-up, from that point onwards. The Council is advised to actively monitor supply moving forwards, particularly where it is understood to have already refined its estimate of the current supply. Certain sites – identified in the ENA – are also understood to still face deliverability challenges or remain at risk of being lost, and removing these same sites and accounting for the Council's refinements would leave 128.7ha of land across the existing supply, notably some 44% less than was estimated at the start of the plan period. This would only just meet the need for 118.4ha suggested by the higher job growth scenario and would enlarge the shortfall against the past take-up scenario, albeit caution should be exercised in comparing current estimates of supply, in 2021 and beyond, against a need that has technically been modelled from 2020 onwards as explained above.

7.48   The above would, however, continue to suggest – as concluded for the larger geography in the ENA – that in purely quantitative terms, it would be reasonable for the Council to consider identifying additional employment land in the emerging Local Plan to offer sufficient flexibility and choice and ensure that the supply of land does not constrain the continued growth of the local economy.

7.49   Furthermore, it is important to continue to recognise that this simple comparison between the total supply and calculated need is likely to mask the potential shortfall of *quality* sites, where less than half of the remaining supply – equivalent to circa 57ha across 16 sites – was previously judged to be "good" or "very good".

7.50   The ENA recognised that many of the sites currently within the existing supply could ultimately be developed for a range of commercial uses, making it difficult to explicitly quantify the supply that was available to respond to the specific need for office, warehouse and industrial space. It nonetheless included more qualitative analysis of these specific needs, the review of which in this section indicates that:

•   There remains a substantial need for **warehouses**, this accounting for much of the need implied under any scenario. The approach based on past take-up continues to be particularly reflective of the city's recent success in delivering such space, which has now largely exhausted the strategic sites previously allocated close to the A500 and left less than 70ha of land in these existing clusters which is likely to erode even further. This indicates that there is likely to be a shortfall of land suitable for warehouses over the plan period, which should continue to be

recognised and considered alongside the evidence – presented in section 10 of the ENA – of a wider need for such land, where there was found to be a regional shortage of suitable sites in established locations close to the motorway network;

- The Council can still reasonably explore the potential to provide quality **office** space as part of its plans to regenerate the centre of Hanley, where only 15ha of land remains available at most and there will realistically be substantially less given that the mixed-use development envisaged on many of these sites will inevitably reduce the extent of any office provision. This will likely result in a quantitative shortfall compared to the estimated need for circa 5-12ha of office space, albeit it is acknowledged that there are other sites remaining outside Hanley – in areas like Festival Park, where there is notably also a competing demand for warehouses – that have previously seen office development and may continue to do so, particularly in light of ongoing changes in the type of offices preferred by businesses that will need to be monitored by the Council.

- There is likely to be a sustained need for quality **industrial** space that is well-located, this having been found to be rare across the sites that form the existing supply. A number of these sites are set to be regenerated, with scope to accommodate light industrial uses, but the Council should also look to positively identify additional land which has the potential to accommodate both warehousing and industrial uses, this having recently been achieved on a number of the larger employment sites in the city.

# 8.  Conclusions

8.1    Turley has been reappointed by Stoke-on-Trent City Council to review and update key elements of the Housing Needs Assessment (HNA) and Economic Needs Assessment (ENA) that were jointly commissioned with Newcastle-under-Lyme in 2020. These documents then fed into a Technical Cover Paper (TCP) which was prepared for Stoke-on-Trent to inform a consultation on Issues and Options, which ran until June 2021.

8.2    This update seeks to fully account for the introduction of a revised standard method of assessing housing need, also testing the ongoing validity of the economic forecasts used in the earlier studies – which were developed prior to the COVID-19 pandemic – and extending them to cover the new plan period for the Stoke-on-Trent Local Plan, which now runs from 2020 to 2040. It also incorporates the findings of a business survey and takes account of feedback obtained during the Council's recent consultation on Issues and Options for its new Local Plan.

**Minimum need for housing**

8.3    National planning policy requires the minimum need for housing to be identified using the standard method, this having been revised in December 2020. This introduced a new 35% uplift for England's twenty largest cities and urban centres, of which Stoke-on-Trent is one. While the outcome of the formula routinely changes with time, it currently suggests – at the time of writing in November 2021 – that **at least 679 dwellings per annum** are needed in Stoke-on-Trent, rather than the 500 dwellings per annum suggested as a minimum by the original method when the HNA was prepared. The outcome of the revised method now, unlike then, exceeds the existing requirement for 570 dwellings per annum that was set through the West Midlands Regional Spatial Strategy (RSS) more than a decade ago and later included in the Core Spatial Strategy. It continues to fall slightly short of recent delivery, however, where an average of 725 dwellings per annum have been completed in Stoke-on-Trent since 2013.

8.4    This report has presented modelling, comparable to that of the earlier studies, which suggests that meeting the minimum need for 679 dwellings per annum in Stoke-on-Trent could grow the city's population by almost 5% over the period to be covered by the new Local Plan (2020-40). This exceeds the 1% growth that the earlier modelling suggested could result from meeting the lower need for 500 dwellings per annum, reflecting the additional capacity of extra homes, but would still represent a slowing of recent population growth. It would also allow for only limited growth in the working age population, who will gradually age and increase the size of the elderly population. This profile of population change could combine with changing behaviours – reasonably allowed for here

as in the HNA – to leave a labour force that is able to support the creation of **around 413 new jobs per annum** in Stoke-on-Trent over the plan period.

**Future employment growth and implications for housing need**

8.5     The scale of job growth that could be supported through a level of housing provision aligned to the revised standard method has been considered in the context of the baseline Experian forecast that was interrogated and justifiably favoured over those from Oxford Economics and Cambridge Econometrics in the ENA. The Experian forecast envisaged the creation of 559 jobs per annum over the timeframe of that report (2020-37) with the average slightly rising to **570 jobs per annum** when calculated over the new plan period (2020-40).

8.6     While the suggestion of continued job growth is generally consistent with the current sentiment of local businesses who were engaged to inform this update – nearly half of whom expect to grow their workforce in the next year, with even more expecting to increase their turnover – it cannot be ignored that this Experian forecast was released in March 2020 and was therefore developed prior to the onset of the pandemic. This was acknowledged as an unavoidable limitation in the ENA itself, owing to a general lack of timely and robust local data on the impact of the pandemic. While this remains something of an issue at the time of writing, Experian has at least been able to periodically draw upon the national, regional and local data that has become available and review its outlook for Stoke-on-Trent accordingly. This initially suggested, in December 2020, that *more* jobs could be created in the city over the plan period than were forecast in March 2020, this allowing for the recovery of jobs that were then assumed to have been lost in the pandemic, but Experian has since taken the view that considerably fewer jobs, if any, will have been permanently lost in this period, resultantly eliminating any difference between the latest forecasts, released in September, and those referenced in the ENA. This is true of both the overall number of additional jobs forecast and the sectors expected to drive growth in the city, with this close alignment indicating that **it is appropriate and reasonable to retain the baseline Experian forecast that was favoured in the ENA**.

8.7     While an appropriate baseline, its suggestion that 570 jobs will be created annually would still represent a slowing of the recent trend, the city having created some 920 jobs per annum between 2009 and 2020 after benefiting from substantial investment in this period. Assuming, as the forecast implicitly does, that this will slow by over a third (38%) could potentially conflict with the continued economic ambitions of the Council and the Local Enterprise Partnership, and also may not represent the optimism of interviewed businesses in identified growth sectors. This suggests that **it remains appropriate to reference the higher job growth scenario developed in the ENA**, as the upper end of the range, where this was developed to reflect the city's potential – capturing the historically strong performance of numerous key

sectors – and suggests that an average of **864 jobs per annum** could be created over the plan period (2020-40).

8.8    Meeting the minimum need for 679 dwellings per annum, as suggested by the standard method, appears unlikely to provide the labour that would be required to support the baseline level of job growth forecast for Stoke-on-Trent by Experian, or the higher level of job growth referenced above. This report has presented updated modelling which suggests that circa **797 dwellings per annum** could be needed to support the level of job growth indicated by the baseline forecast over the new plan period, rising to **1,031 dwellings per annum** in the higher job growth scenario. The Council is once again encouraged to reference the full breadth of this revised range, in the context of the PPG, in its ongoing consideration of the implications of the investment plans and strategies it has in place on future job growth and the housing need associated.

**Size, type and tenure of housing needed**

8.9    Aside from the overall number of homes needed, national policy also continues to require assessment of the size and type of housing that might be required. This can once again be understood by disaggregating the updated modelling referenced above, which suggests under any scenario that there will be a growing number of individuals and couples living alone without children, as well as an increased number of households with children. This could generate **a particular need for homes with two or three bedrooms**, based on the size of housing currently occupied by such households in this area, albeit the need for larger homes would also be expected to grow under the higher job growth scenario. **Around 75% of new homes could need to be houses** to deliver such a mix, under any scenario, with a smaller need for flats (c.15%) and bungalows (c.10%).

8.10   This does, however, continue to represent only illustrative modelling of available evidence, which can be used for guidance and monitoring purposes but should not be prescribed as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors. It also takes no account of other factors that can be reasonably considered in establishing an appropriate mix, such as the Council's longstanding ambition to improve the quality of the housing offer through the provision of "executive homes", which continue to be less prevalent in this area in comparison to neighbouring areas that consequently attract a greater share of higher value sales.

8.11   This report has also slightly updated the HNA's separate calculation of affordable housing need, confirming that **124 affordable homes are needed annually** over the new plan period now chosen by the Council. This continues to be driven by the backlog of households in need at the start of the plan period, and an assumption that more households will need affordable housing going forwards than appear likely to become available. This continues to highlight the

importance of ensuring that new supply is brought forward, particularly when recognised that any reduction in supply could swiftly enlarge the identified shortfall.

8.12    The report has also summarised the HNA's analysis of the specific housing needs of different groups, including older people, those with disabilities, families with children, privately renting households, students and self-builders. This is considered to remain largely up-to-date and is thus still relevant, only requiring slight update to confirm that each of the updated scenarios presented in this report continue to envisage substantial growth in the older population. This is assumed to generate **an annual need for 24-26 bedspaces** in communal establishments over the extended plan period, which – like in the HNA – is separate from and therefore additional to the overall need for dwellings referenced earlier. It could also generate demand for **circa 73-78 units of specialist accommodation each year** which is *included* in those totals.

**Need for employment land**

8.13    The ENA found that Stoke-on-Trent possessed a considerable supply of developable employment sites at the start of the plan period, totalling **circa 228.7ha** according to the Council's estimates, albeit their quality did vary according to a review by Aspinall Verdi which has not been revisited as part of this update.

8.14    It proceeded to estimate that 83.9ha of employment land could be needed over the original assessment period (2020-37) to support the baseline level of job growth forecast by Experian, rising only slightly to 85.5ha when accounting for the labour supply that could result from meeting the minimum need for housing then implied by the standard method and further to 114.0ha when aligning with the higher job growth scenario described above. The existing supply appeared to be sufficient to meet future needs under these scenarios, at least in a quantitative sense, but would not have allowed for a continuation of the high take-up seen during a recently buoyant period which could have generated a need for circa 241.4ha of employment land if sustained to 2037, and created a shortfall of circa 12.4ha[91]. It was noted that this shortfall could have been more than seven times larger if poorer quality sites proved to be undeliverable and others were redeveloped for alternative uses.

8.15    These conclusions evidently require review to align with the new plan period and reflect the higher need for housing now suggested as a minimum by the revised standard method. A review also allows for the incorporation of an additional year of data on the take-up and loss of employment space being incorporated, bridging what was previously a gap to the start of the plan period.

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[91] This was incorrectly calculated with reference to a fractionally lower need, for 241.1ha, but is repeated here for consistency prior to being updated

8.16 The remodelled scenarios now suggest that **85.6ha of employment land could be needed** over the longer period – linked either to labour supply or baseline employment growth – rising to circa 118.4ha under the higher job growth scenario and to **281.8ha if recent development rates continue**. As in the ENA, only the scenario based on past take-up exceeds the existing supply with a shortfall at this stage of **53.1ha**.

8.17 Any such balancing exercise inevitably relates to a point in time, here deliberately aligning with the start of the plan period by focusing on supply as of April 2020 and modelling need, either using forecasts or extrapolations of past take-up, from that point onwards. The Council is advised to actively monitor supply moving forward, particularly where it is understood to have refined its estimate of the current supply. Certain sites – identified in the ENA – are also understood to still face deliverability challenges or remain at risk of being lost, and removing these same sites and accounting for the Council's refinements would leave **128.7ha of land across the existing supply**, notably some 44% less than was estimated at the start of the plan period. This would only just meet the need for 118.4ha suggested by the higher job growth scenario and would enlarge the shortfall against the past take-up scenario, albeit caution should be exercised in comparing current estimates of supply, in 2021 and beyond, against a need that has technically been modelled from 2020 onwards as explained above.

8.18 The above would, however, continue to suggest – as concluded for the larger geography in the ENA – that in purely quantitative terms, it would be reasonable for the Council to consider identifying additional employment land in the emerging Local Plan to offer sufficient flexibility and choice and ensure that the supply of land does not constrain the continued growth of the local economy.

8.19 Furthermore, it is important to continue to recognise that this simple comparison between the total supply and calculated need is likely to mask **an evident shortfall of *quality* sites**, where less than half of the remaining supply – equivalent to circa 57ha across 16 sites – was previously judged to be "good" or "very good".

8.20 The ENA recognised that many of the sites currently within the existing supply could ultimately be developed for a range of commercial uses, making it difficult to explicitly quantify the supply that was available to respond to the specific need for office, warehouse and industrial space. It nonetheless included more qualitative analysis of these specific needs, the review of which in this report indicates that:

- There remains a substantial need for **warehouses**, which accounts for much of the need implied under any scenario. The approach based on past take-up continues to be particularly reflective of the city's recent success in delivering such space, which has now largely exhausted the

strategic sites previously allocated close to the A500 and left less than 70ha of land in these existing clusters which is likely to erode even further. This indicates that there is likely to be a shortfall of land suitable for warehouses over the plan period, which should continue to be recognised and considered alongside the evidence – presented in section 10 of the ENA – of a wider need for such land, where there was found to be a regional shortage of suitable sites in established locations close to the motorway network;

- The Council can still reasonably explore the potential to provide quality **office** space as part of its plans to regenerate the centre of Hanley, where only 15ha of land remains available at most and there will realistically be substantially less given that the mixed-use development envisaged on many of these sites will inevitably reduce the extent of any office provision. This will likely result in a quantitative shortfall compared to the estimated need for circa 5-12ha of office space, albeit it is acknowledged that there are other sites remaining outside Hanley – in areas like Festival Park, where there is notably also a competing demand for warehouses – that have previously seen office development and may continue to do so, particularly in light of ongoing changes in the type of offices preferred by businesses that will need to be monitored by the Council.

- There is likely to be a sustained need for quality **industrial** space that is well-located, this having been found to be rare across the sites that form the existing supply. A number of these sites are set to be regenerated, with scope to accommodate light industrial uses, but the Council should also look to positively identify additional land which has the potential to accommodate both warehousing and industrial uses, this having recently been achieved on a number of the larger employment sites in the city.

**Monitoring and review**

8.21   This report continues to take a long-term view guided by trends recorded over a reasonable period of time. It has, however, inevitably been produced at a point in time, using evidence and guidance that is often updated. The standard method, for example, has been amended since the original HNA was prepared, and the Council should be alive to the prospect of further changes in the future.

8.22   The national and indeed global economy also continue to be recovering from the unprecedented impact of the pandemic at the time of writing, while sectors of the economy are also still adjusting to new measures that have been put in place following the UK's departure from the European Union. These factors complicate attempts to assess the prospect of future economic growth in particular, particularly where unavoidable time lags mean that their impact is yet to be fully – or properly – reflected in key datasets and may not be for some time.

8.23 With this report intended to inform the production of a new Local Plan, the Council is advised to keep its findings under review, and particularly consider the option of undertaking a further review before the Local Plan is submitted for examination. This will ensure that all conclusions remain valid in the context of new evidence that will continue to emerge, or new long-term strategies that may be put in place as economies recover from the pandemic. A review could also provide the opportunity for further engagement with local businesses, to understand how their requirements and ambitions are changing as they emerge from the pandemic.

8.24 It is recommended that the Council also keeps its employment land supply under review, taking the opportunity to assess new sites – or consider the potential removal of others, if they are not deliverable for instance – as part of any future work. This monitoring will also need to take account of any new guidance that is forthcoming on how assessments of the need for employment land should account for recent changes to the Use Classes Order, where this is currently lacking.

# Appendix 1: Summary of business survey and engagement

Both the HNA and ENA were commissioned in early 2020, being completed in draft in June of that year before being finalised in the subsequent months. As each report explains, this coincided with the onset of the coronavirus pandemic (COVID-19). In the context of the unprecedented challenges facing businesses at the time, it was agreed with the Councils that it was not an appropriate or representative time to seek to engage the local business community, particularly where they were undertaking separate work in this regard to support local businesses and develop their own recovery and resilience plans[92]. It should be noted that this was less of an issue for the HNA, with a number of key individuals and organisations able to be engaged to discuss the specific needs of different groups despite the restrictions in place at the time[93].

The commissioning of this update for Stoke-on-Trent, in 2021, provides an opportunity to complete aspects of the engagement process that was originally intended, to augment the detailed analysis of secondary datasets and the information directly held by the Council and other public sector bodies, noting for example that the Make It Stoke-on-Trent and Staffordshire team were directly involved in the initial studies and specifically the assessment of the employment land supply in the ENA[94].

It must, however, still be appreciated that the pandemic is still ongoing at the time of writing, and businesses' views must therefore be considered in this context. The method of engagement was also, out of necessity, designed to make maximum use of digital forms of communication.

This appendix initially provides an overview of the different components of the engagement process, and then concisely summarises the key findings of a survey of local businesses conducted through the summer of 2021.

**Overview of engagement process**

As noted above, the engagement process completed to inform this update to the evidence for Stoke-on-Trent was largely designed to address an acknowledged gap with regards to understanding the current and future needs of businesses.

In this context, engagement was structured around an online business survey, the results of which are summarised at the end of this appendix and have fed into the analysis presented in the main report. The survey was designed in partnership with the Council and issued by them, to their existing list of local business representatives, via emails containing a link to the survey in late July 2021. The survey was initially

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[92] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 1.6

[93] Turley (June 2020) Housing Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraph 8.1

[94] Turley (June 2020) Economic Needs Assessment: Newcastle-under-Lyme and Stoke-on-Trent, paragraphs 6.67 and 9.30

intended to remain live for three weeks but was subsequently extended into early September, after being reissued to businesses that had not responded the first time. A total of 42 businesses responded to the online survey.

As part of the survey, businesses were asked if they were willing to be separately contacted to talk through their responses, with a selection of those responding positively then approached. Businesses were selected for this further engagement based on their size, sector and with reference to specific answers of interest. A total of five such follow-up conversations were held with a range of businesses, these being informally structured interviews.

In order to frame the engagement with businesses and also understand the changing economic strategy context, a call with the Chief Executive of the Stoke on Trent and Staffordshire Local Enterprise Partnership was conducted in early November 2021. A call with the Chief Executive of the Chamber of Commerce was also held later in the same month.

Further to the above, separate calls were made to a number of local estate agents in October 2021, to complement and inform the analysis of the local housing market.

It should also be noted, in the context of the above, that this update followed the Council's consultation on Issues and Options for its new Local Plan. Its timing has meant that consultation responses – identified by the Council and summarised in section 3 – could be taken into account where they were deemed relevant and/or commented on the HNA and ENA. This included representations from those active in developing or promoting land within the city.

**Business survey**

The ENA included a review of applicable national policy and guidance within section 2. This referenced the PPG and its continuing expectation that policy-makers will 'need to liaise closely with the business community…to understand their current and potential future requirements'[95]. It also separately noted that the guidance was – and remains – clear that such engagement should aim to understand the business community's 'changing needs and identify…barriers to investment'[96] and that authorities' evidence of market demand should be drawn from 'local data and market intelligence, such as **recent surveys of business needs**, discussions with developers and property agents and engagement with business and economic forums'[97] (emphasis added).

Aspinall Verdi, who were responsible for assessing the employment land supply in the ENA, engaged with developers and property agents in undertaking their assessment, and as noted above representations from some of these organisations were also received during the Council's Issues and Options consultation, and taken into account

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[95] PPG Reference ID 2a-026-20190220

[96] PPG Reference ID 61-040-20190315

[97] PPG Reference ID 2a-026-20190220

in this update. Separate to this, and as explained above, the opportunity was taken in producing this update to issue an online survey to the local business community.

The findings of selected aspects of this survey are outlined below, with this drawn upon in the analysis presented throughout the main report.

**Overview of businesses**

The survey recorded responses from a range of businesses of different sizes and in various sectors. In terms of size, the majority of businesses (28) employed fewer than 10 people, with eight employing between 11 and 25 people, two between 26 and 50 people, another two between 51 and 100 people and three employing more than 100 people.

The vast majority solely operated from their premises within the city, with only six having operations also located outside of Stoke-on-Trent. The majority (27) of the businesses responding had been in operation for more than ten years with only eight having been operating for less than five years.
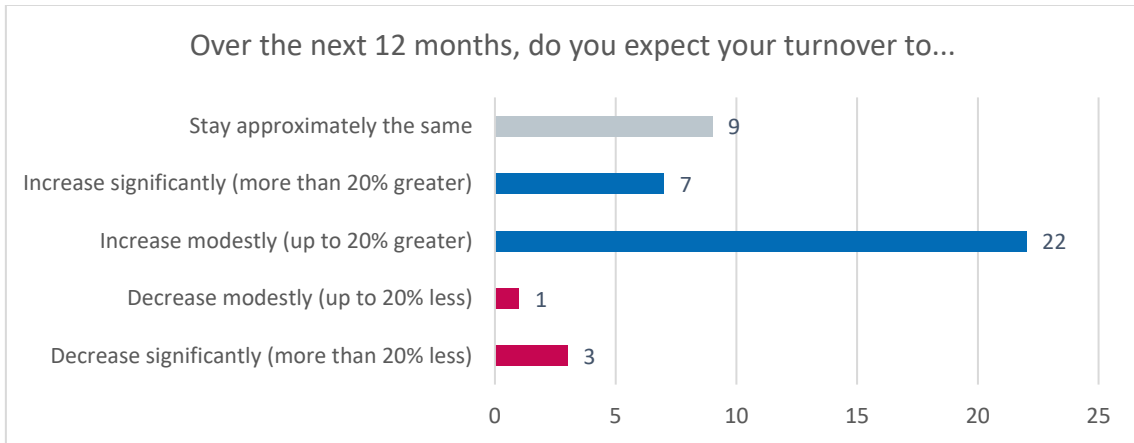
**Performance and outlook**

The challenges arising from the pandemic for many businesses were apparent, with 20 businesses – close to half – stating that they had seen a reduction in their turnover over the last year. Positively, however, almost as many businesses reported that their turnover had actually increased.

**Figure 1.1   Reported change in turnover over the last 12 months**
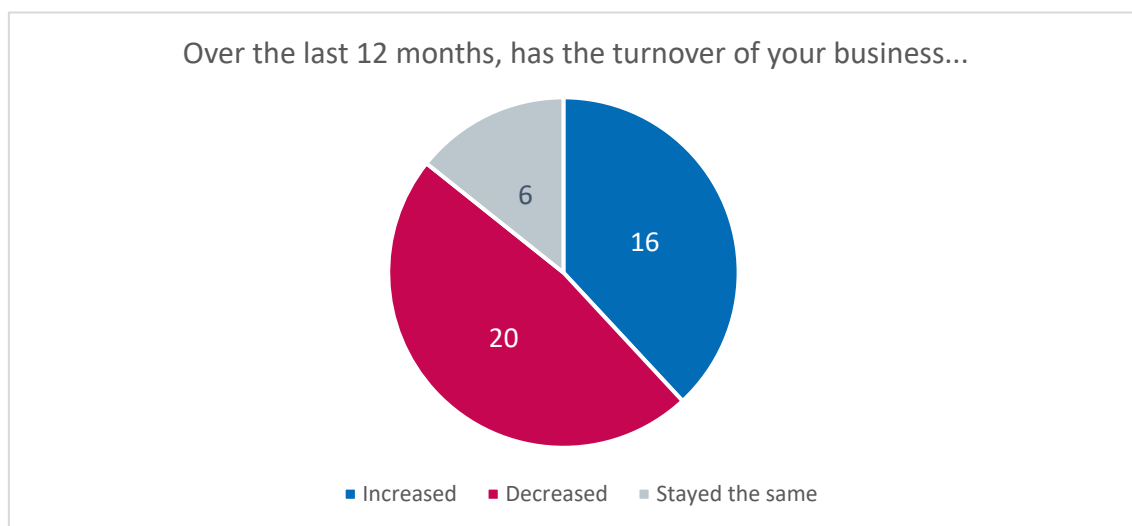


In terms of their outlook for the next 12 months, over half of the responding businesses (22) expected a moderate increase in turnover (up to 20%) with seven even more positive in suggesting a more significant increase (above 20%). A more limited number of businesses anticipated that their turnover would decrease, with only three expecting a significant decrease (more than 20%) and one a moderate decrease (less than 20%). Those businesses expecting a fall in turnover all notably employed fewer than ten people.
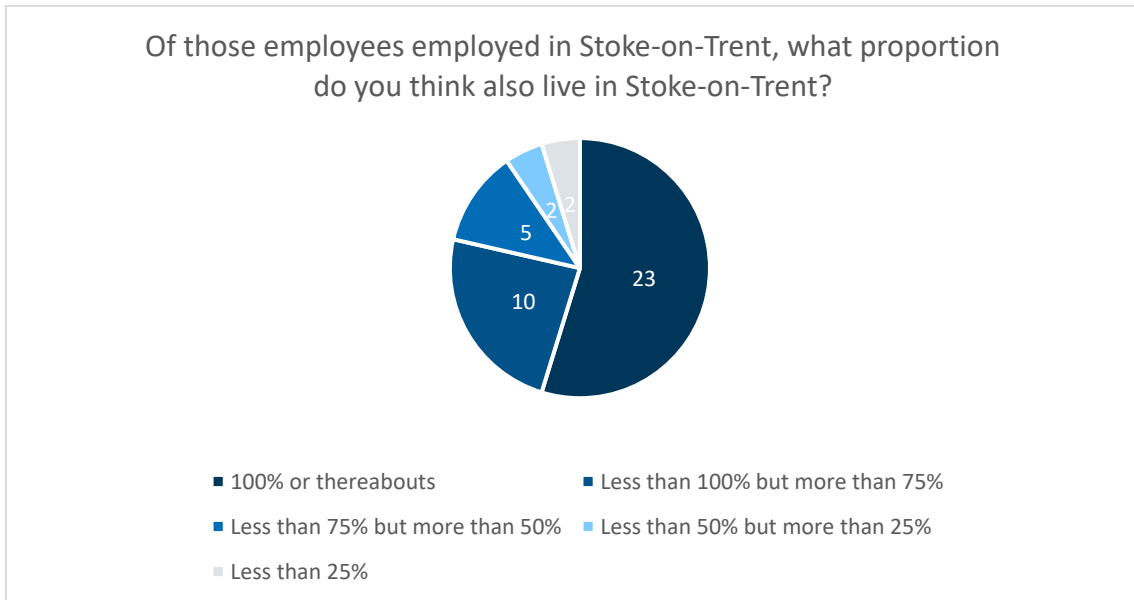
**Figure 1.2 Outlook regarding business turnover**



Over the next 12 months, do you expect your turnover to...

| Category | Value |
|---|---|
| Stay approximately the same | 9 |
| Increase significantly (more than 20% greater) | 7 |
| Increase modestly (up to 20% greater) | 22 |
| Decrease modestly (up to 20% less) | 1 |
| Decrease significantly (more than 20% less) | 3 |

**Employees**

In order to understand the relationship between businesses and their workforce, the survey sought to establish the broad proportion of staff that lived and worked in Stoke-on-Trent. Over half (23) of businesses reported that "100% or thereabouts" of their employees lived in the city, these predominantly being employers with less than ten staff. A further nine reported that over 75% of their employees lived in the city, with this including a number of the larger businesses.

**Figure 1.3 Proportion of staff living in Stoke-on-Trent**



Of those employees employed in Stoke-on-Trent, what proportion do you think also live in Stoke-on-Trent?

- 100% or thereabouts: 23
- Less than 100% but more than 75%: 10
- Less than 75% but more than 50%: 5
- Less than 50% but more than 25%: 2
- Less than 25%: 2

The survey also sought to understand how employee numbers were expected to change over the next five years. Over half (24) of businesses indicated that they expected staff levels to stay the same or reduce, albeit again these were predominantly smaller businesses with less than ten employees at present. It was notable that of the 18 businesses who expected moderate or significant growth in the number of employees over this period, two employed more than 100 people, another

two employed over 50 and another eight employed more than 11 staff. This would suggest a generally positive picture with regards growing numbers of employees.

**Figure 1.4    Changing employee numbers over the next 5 years**
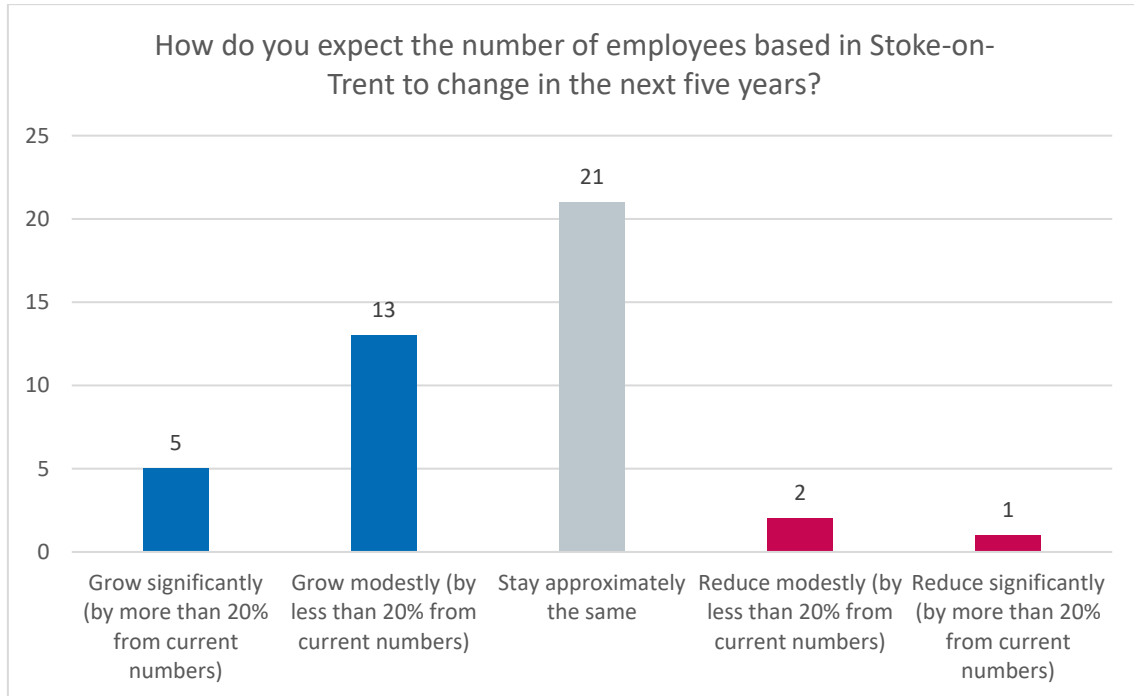


The issue of recruitment was also explored through the survey, noting the stated intentions of businesses above. A number identified challenges in recruiting, with this including reference to the availability of staff who had the required qualifications and skills, specific reference being made to CAD technicians and skilled pottery workers. It was observed by a number of businesses that issues of recruitment stretched beyond Stoke-on-Trent, with this including references made by a company involved in construction and a haulage company.

In understanding the factors that could potentially affect their ability to attract and retain talent over the next five years, a range of responses were received from businesses. Increased competition for talent was identified by the most businesses and interestingly almost half of businesses expected the "perception of Stoke-on-Trent as a place to live and work in" to be a factor, albeit with only nine specifically identifying the availability of sufficient housing as an issue. The challenge of talent migration was identified by 15 businesses as a factor with this potentially being related to the above.

**Premises and ways of working**
The majority of businesses (30) confirmed that their current premises were satisfactory in meeting their current needs. A total of five businesses suggested that their current premises were not large enough. The residual identified a range of other issues which meant that their current premises were not satisfactory, with this including insufficient car parking and concerns around security.

Looking forward, it was interesting to note that 12 of the businesses expected to need larger accommodation in the next five years, presumably reflecting intentions to grow as noted above. Of these, five suggested they would need an additional site to facilitate growth and six indicated that they would relocate from their current premises into something larger. Only one company expected to need smaller premises. Half of the businesses expected to be able to meet their accommodation needs in Stoke-on-Trent, with three not having started their search. Two businesses interestingly suggested that there was a lack of suitable sites or premises to meet their needs in the city, noting also that "land prices are too high" and that "slow broadband" was also a factor.

In terms of the size of property sought, four respondents suggested they would be looking for premises between 501 and 1,000 sqm, two in the town centre and two in industrial estates. Only one business indicated that they would be seeking premises between 2,001 and 5,000 sqm (on an industrial estate) and another one expected to require between 1,001 and 2,000 sqm (out of town centre, but on a main road). Three businesses would be seeking smaller premises of 101-200 sqm (two on a business park, one in a more rural location).

Noting the changes brought about as a result of the pandemic, the survey revealed that most businesses expected to accommodate hybrid working and flexible working hours going forward. However, only two businesses anticipated fully remote working being retained as a working practice. This is important in suggesting the continued need for specific business accommodation.

# Appendix 2: Changes to the employment land supply since April 2020

The ENA included the Council's estimate of its existing employment land supply as of April 2020, which is considered to remain a valid base point where it closely aligns with the start of the proposed plan period.

The Council has, however, continued to monitor its supply, estimating that there is now around 10% less land than suggested in the ENA. This appendix confirms precisely where the Council has made changes to the developable areas stated in that report.

| Site 2020 - | Name | Developable area as of… | Developable area as of… |
|---|---|---|---|
| | | April 2020 | April 2021 |
| S69 | Former Johnson Matthey, Whittle Road, Meir | 8.19 | 2.80 |
| S58 | Sidway/Radial Park – CFS 14 | 3.30 | 0.00 |
| S10 | Etruria Valley Phase 3a and 3b, Forge Land Etruria | 20.50 | 17.70 |
| S9 | Etruria Valley Phase 2a, Forge Lane Etruria | 3.05 | 0.86 |
| S8 | Wades, Trade Park 4, Hanley Economic & Festival Court | 1.70 | 0.30 |
| S42 | Berryhill Pottery | 11.44 | 10.10 |
| S43 | Diamond Gimson Works, King Street, Fenton | 2.68 | 1.40 |
| S33 | Chatterley Valley (Area 3) | 1.05 | 0.00 |
| S13 | Gas 0048older site, Etruscan Street | 0.94 | 0.00 |
| S4 | Central Business District (Smithfield) | 2.00 | 1.08 |
| S59 | South Car Park, Stanley Matthews Way, Trentham Lakes | 0.74 | 0.00 |
| S16 | Land at Clough Street (including CFS 12) | 3.46 | 2.80 |
| S46 | Former Sub-Station, Bute Street, Fenton | 0.35 | 0.00 |
| – | Other sites, unchanged | 169.34 | 169.34 |
| **–** | **Total** | **228.74** | **206.38** |

**Turley**
1 New York Street
Manchester
M1 4HD


T 0161 233 7676