

Northumberland National Park Authority



Local Plan 2017-2037

Strategic Housing Land Availability
Assessment (SHLAA)

Draft

May 2019

Contents

1. Introduction.....	3
2. National and Local Context and Policy Background.....	5
3. Study Area.....	9
4. Methodology.....	12
5. SHLAA Findings	24
6. Conclusion.....	27
7. Appendices.....	28

Figures

Figure 1: Northumberland National Park location

Tables

Table 1: Densities of recent completed developments

Table 2: Achievability Market and Cost factors

Table 3: SHLAA supply

Table 4: SHLAA Development Types

Table 5: SHLAA Land Types

Table 6: SHLAA Supply by Parish

Appendices

Appendix 1	SHLAA Matrix
Appendix 2	Site Locations Map
Appendix 3	Red/ Amber/ Green Assessment Criteria
Appendix 4	Housing Trajectory
Appendix 5	Government Methodology

1. Introduction

Background

- 1.1. The National Planning Policy Framework (NPPF) requires local planning authorities to assess the availability of land in the local area that could be potentially suitable for housing. Paragraph 67 of the NPPF states that '*strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment*'.

Purpose

- 1.2. The Strategic Housing Land Availability Assessment outlines Northumberland National Park Authority (NNPA)'s approach to housing supply, showing actual and potential sites that form the housing land supply for the period covered by the Local Plan up to 2037. It is currently anticipated that the Local Plan document will be adopted in 2019.
- 1.3. The study forms a key part of the evidence base for the NNPA's Local Plan. It will be used to ultimately test whether there is sufficient land to meet the objectively assessed need (OAN) for housing development in the National Park over the plan period.

Outputs

- 1.4. The NPPF also indicates the specific purpose of a Strategic Housing Land Availability Assessment (SHLAA) is to '*identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability*'.
- 1.5. The SHLAA provides a transparent and comprehensive technical piece of evidence relating to the suitability, availability and achievability of sites, including those that have been rejected in the site selection process.

Scope

- 1.6. Please note that the SHLAA does not allocate land for development. If it is considered appropriate to do so, this is the role of the Local Plan itself. This assessment identifies where land may be suitable for development. However, this does not confer any planning status on a site, nor guarantee that a site would be granted planning permission should an application be submitted for consideration.
- 1.7. A site identified in the SHLAA as suitable for development means only that it will be considered as part of a Local Plan preparation for potential development in the future and will where relevant be included on the statutory Brownfield Site Register. No firm commitment by the NNPA or other parties to bring a site forward for development is intended, or should be inferred. Each site is appraised on its own merits; sites are not assessed against each other or ranked in order of preference.

- 1.8. If a site is not identified as being deliverable or even included in the SHLAA, this would not prevent it potentially coming forward for residential development. This would be subject to obtaining planning permission in the usual way.
- 1.9. It should also be noted that all of the information contained within this report encapsulates a snapshot as at December 2018 and that information regarding the status of applications, permissions (commitments) and additional information, for example regarding constraints to development, is accurate for the assessment period covered.

Future

- 1.10. The report forms the culmination of an extensive exercise of desk-based analysis, consultation and survey work. The SHLAA is an ongoing process and will be monitored as part of the Local Plan monitoring process (Northumberland National Park Annual Monitoring Report). The evaluation of the monitoring reviews will indicate when the SHLAA Report should be updated.

2. National and Local Context and Policy Background

National Park Statutory Purposes and Duty

- 2.1. The statutory purpose of National Parks, set out under the Environment Act 1995, is:
- conserving and enhancing the natural beauty, wildlife and cultural heritage of the areas specified in the next following subsection; and
 - promoting opportunities for the understanding and enjoyment of the special qualities of the areas by the public.

In addition, there is a statutory duty on the National Park Authority to:

- seek to foster the economic and social well-being of local communities.

- 2.2. The Environment Act also prescribes that National Park Authorities should ‘in exercising or performing any functions in relation to, or so as to affect, land in a National Park, any relevant authority shall have regard to the purposes specified ... and if it appears that there is a conflict between those purposes, shall attach greater weight to the purpose of conserving and enhancing the natural beauty, wildlife and cultural heritage of the area comprised in the National Park’.

National Planning Policy Framework

- 2.3. The NNPA is required to produce a SHLAA under the revised National Planning Policy Framework, published in July 2018, which requires that ‘*strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a **strategic housing land availability assessment**. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:*
- *specific, deliverable sites for years one to five of the plan period;*
 - *specific, developable sites or broad locations for growth, for years 6-10; and*
 - *where possible, for years 11-15 of the plan’.*

Windfall Sites

- 2.4. An allowance can be made for Windfall Sites as part of anticipated supply should there be ‘*compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends*’ (NPPF, 2018).

Residential Gardens

- 2.5. Development and the allocation of sites on residential garden land should be avoided as the NPPF states that ‘*plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area*’. Therefore such sites have not been brought forward for assessment.

Rural Exception Land

- 2.6. Unless need is met elsewhere within the National Park, the NNPA should support the development of entry-level exception sites which '*offer affordable housing ... adjacent to existing settlements*' (NPPF, 2018), on sites that otherwise may not be permissible for housing development.
- 2.7. In rural areas, the NNPA should '*support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this*' (NPPF, 2018).

Housing Supply

- 2.8. The NNPF outlines that '*strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period*'. The NNPA, as a National Park, is exempt from a providing deliverable five-year housing supply and the housing delivery targets.

Northumberland National Park Management Plan

- 2.9. The Northumberland National Park Management Plan is the over-arching strategic document for the National Park area. It sets out the vision for the National Park and provides the strategic framework with which other plans and initiatives must be in accordance with. It is a plan for the Park as a whole and not just the National Park Authority. The National Park Management Plan also sets out the special qualities of the National Park and the land use planning system plays a crucial role in conserving and enhancing these special qualities.

Northumberland National Park Local Plan

- 2.10. The current Local Plan for Northumberland National Park is the Local Development Framework: Core Strategy and Development Policies document, adopted in 2009. The Local Plan sets out policies to guide future development in the National Park and is the starting point when we make a decision on planning applications.
- 2.11. A new Local Plan is currently in production that will guide future development and land use within the National Park over the next twenty years. The NNPA needs to ensure that the interest of all those affected by planning decisions made in the future are taken into account and that decision are made in the wider public interest. Therefore a series of consultations have been undertaken.
- 2.12. The first consultation of the Local Plan review was undertaken in Spring 2017 and offered residents, communities, visitors, businesses and other stakeholders an opportunity to express their views on how the new Local Plan should guide future development within the National Park. A Consultation Draft Local Plan Issues Paper was produced as a result. Following the Issues Paper consultation, a Policy Options

Paper was consulted on in Autumn/Winter 2017, suggesting a potential direction of travel for policy formulation.

2.13. The outcomes from both of these consultations plus updated evidence led to the production of a Preferred Options Draft Plan which was subject to public consultation between July and September 2018. The new Local Plan is expected to be adopted in Winter 2019.

2.14. This report (SHLAA) has assessed sites, in accordance with the approved methodology, under the current policies of the existing Core Strategy (2009).

Existing Policy

2.15. The Core Strategy focuses on fulfilling the statutory purposes of the National Park Authority and *'to seek to foster the social and economic well-being of the local communities'*. Strategies, policies and initiatives are developed within the context of national, regional and local drivers. The key national external drivers are set out within the UK Sustainable Development Strategy (DEFRA, 2005):

- Sustainable Consumption and Production;
- Climate Change and Energy;
- Natural Resource Protection and Environmental Enhancement; and
- Sustainable Communities.

2.16. The future of the National Park is dependent on conserving and enhancing its special qualities and requires working towards the following aims (NNPA Core Strategy, 2009):

- Sustainable land use;
- A landscape rich in biodiversity and geodiversity;
- A rich cultural heritage;
- A true sense of tranquillity;
- Opportunities for all to understand, enjoy and contribute to the special qualities;
- A thriving community and economy grounded in the special qualities.

Spatial Development Strategy

2.17. The Spatial Vision for Northumberland National Park sets out how development will *'make a contribution to protecting, sustaining, and enhancing the special qualities of the Park for the benefit of present and future generations, whilst meeting the social and economic needs of the people who live in the Park'* (NNPA Core Strategy, 2009).

2.18. Policy 5 of the Spatial Development Strategy in the Core Strategy (NNPA, 2009) is particularly relevant for the assessment of sites. The settlement hierarchy states *'the Local Centres of Alwinton, Elsdon, Falstone, Greenhaugh, Harbottle, Holystone, Lanehead and Stannersburn will be the focus for new local needs development within the National Park. Development will take place within the Smaller Villages and hamlets of Charlton, Ingram, Kirknewton, Rochester and Stonehaugh where it contributes to the provision or protection of village services [...] In the Open Countryside*

development will be limited to the reuse of existing buildings' (except replacing an existing building and meeting further clauses of the policy).

2.19. The Sequential Approach (Policy 6) has been used to assess the suitability of sites in this SHLAA report. In order to satisfy the development needs of Settlements identified in Policy 5, the Sequential Approach prioritises sites in the following order:

- *Previously developed land and buildings within the identified settlements;*
- *Other suitable sites within the identified settlements;*
- *Previously developed land and buildings adjacent to the built up area of the identified settlements;*
- *Other suitable sites adjacent to the built up area of the identified settlements.*

2.20. For the Conversion of Buildings outside Settlements (Policy 7), change of use to employment (including tourism) is supported. Change of use to affordable housing, or sequentially open market local needs is permitted where there is a proven need or it is demonstrated that the building cannot be developed for an employment or tourism use. This policy direction will be used in determining the appropriateness of sites.

2.21. Also for important consideration in the SHLAA is the 'Local Need Criteria' for new residential development. Policy 10 (New Housing Development) states that new residential housing will be '*restricted in perpetuity to that required for people meeting the local need criteria. Occupation will be restricted to prevent their subsequent sale to those without a local need. They will not be available as second or holiday home. New housing will only be allowed in settlements with adequate services*'.

2.22. The Affordable Housing stipulation (Policy 11) means that '*on all housing sites, including conversion schemes, of more than 0.1 hectares or where 2 or more units are proposed, at least 50% of the resulting units must be affordable where a need for such housing exists*'.

Housing

2.23. The pressure for housing development has not been significant within the National Park. This is due to a low population and remoteness of location. The most recent report on housing estimated the number of new dwellings required (OAN) within the National Park is 8 per annum (NNPA, SHMA, 2017).

Site Allocation

2.24. Due to the nature of the National Park and a relatively low housing need, the NNPA does not allocate sites for housing. A duty-to-cooperate agreement is being discussed between NNPA and Northumberland County Council which could help provide for housing need in the Gateway Settlements which border the National Park boundary.

3. Study Area

- 3.1. Northumberland National Park is deeply rural in its nature. With a resident population of fewer than 2,000 spread over 1,049 square kilometres, its population density is the lowest in England at 2 persons per square kilometre (ONS). This SHLAA covers the whole of the National Park area.
- 3.2. The largest single settlement is Elsdon, located in the east of the National Park, with a population of around 240 (2011 Census). Other key settlements include Alwinton, Falstone, Greenhaugh, Harbottle, Holystone, Lanehead and Stannersburn, referred to in the Local Plan as the 'Local Centres'. The larger 'Gateway Settlements', including Bellingham, Haltwhistle, Rothbury, and Wooler are more populous, however these settlements are located outside of the National Park boundary meaning that only a fraction of their parish populations are resident within the Park.
- 3.3. Much of the National Park's population resides in the Local Centres, smaller villages and small nucleated hamlets, as well as isolated houses and farmsteads. Examples of these smaller settlements include Charlton, Ingram, Kirknewton, Rochester and Stonehaugh.



Figure 1: Northumberland National Park location

Population, Housing Stock and Market

- 3.4. The National Park is facing a variety of challenges, for instance, the population of the National Park increased by 2.9% between 2001 and 2011 to 1,993 people which is stronger growth than the average for National Parks' (2.1%) but lower than the national average (7.9%). When compared to Northumberland as a whole, the National Park is estimated to have experienced a small decline in its population since 2011, following a low level of growth between 2001 and 2011.
- 3.5. From 2005 to 2015, the profile of the National Park's population has aged; with the proportion of the population aged 65+ living within the Park increasing from 14.5% to 21.8% (ONS, 2006 and 2016).

- 3.6. Analysis of affordable housing requirements (NNPA, *SHMA*, 2017) evidenced an overall imbalance (shortfall) of 40 affordable dwellings over the Plan Period 2017-2037 and an imbalance (shortfall) of 2 dwellings each year, with most of this need (61.8%) for 1 and 2 bedroom dwellings and 38.2% for 3 or more bedroom dwellings. This is not a target for delivery but expresses the overall need from the Housing Register compared with current supply of affordable housing. This indicates a clear need for family housing, elderly accommodation and housing for working-age residents.

Current Planning Challenges

- 3.7. Recent evidence (NNPA, *Economic Futures and Employment Demand Study*, 2018) suggests that employment in the National Park declined by 37% between 2006 and 2016; this is in stark contrast to the growth in jobs recorded at the national and regional level over the same period. Connectivity is a key challenge for the local economy at present. Road connectivity and public transport access is relatively poor, with a number of local businesses viewing this as a cause of recruitment difficulties.
- 3.8. Local wages are also low in relation to house prices (NNPA, *SHMA*, 2017). Despite relatively low unemployment, there is still a need to widen out the range of jobs and business opportunities to improve quality of life and maintain people and services in the area. If farming continues to decline as a local employer, the Local Plan will need to help identify more opportunities for agricultural diversification that makes use of the assets available within farm businesses and rural estates.
- 3.9. In common with other sparsely populated rural areas, the National Park continues to lose its community facilities (NNPA, *Infrastructure Plan*, 2017). Increased centralisation of health services, education, jobs and retail provision is having detrimental consequences for local communities and the wider attractiveness of the area for new families to move into. The Local Plan will need to encourage the development of new services and protect existing ones.
- 3.10. Reliance on broadband communication becomes even more important when other services are declining, yet high-speed broadband and mobile phone coverage is inconsistent across much of the National Park (NNPA, *Infrastructure Plan*, 2017). The Local Plan will need to support the provision of new broadband and mobile telecommunication infrastructure where it can be accommodated without serious harm to the National Park's special qualities.
- 3.11. There are no properties within the National Park that are connected to the national gas grid with approximately 10% of properties not being connected to mains electricity (NNPA, *Infrastructure Plan*, 2017). The National Park's housing stock is older, frequently under-occupied and inefficient in energy use. The expense of adequately heating homes in the National Park has a negative impact on quality of life for households. Newer, smaller, modern, efficient homes are needed together with affordable energy solutions that will improve the performance of the existing stock.

4. Methodology

- 4.1. A consultation draft Housing and Economic Land Availability Assessment (HELAA) Methodology (September 2016) was consulted on over a 6 week period from the 3rd October to the 14th November 2016. All comments received were considered and, where justified, amendments made to inform the final methodology document.
- 4.2. It should be noted that the previous housing land availability study for the National Park was incorporated into a Strategic Housing Land Availability Assessment (SHLAA) for Northumberland County Council (NCC), dated 2012. The County Council produced a more recent SHLAA (May 2016) used as evidence for the NCC Local Plan. The NCC SHLAA follows a revised methodology (2015) but excludes land within the National Park.
- 4.3. The processes set out in the methodology for the NCC SHLAA (May 2016) and the Employment Land Site Option Appraisal (June 2016) were taken into account when developing the methodology.
- 4.4. The final methodology document produced by NNPA for a HELAA was published in June 2017. Subsequent to that publication it was deemed more practical to separately identify the availability of strategic housing land from economic land. The published methodology remains the same for this SHLAA report.
- 4.5. The remainder of this chapter summarises the detailed HELAA methodology for the National Park which aligns with the five key stages set out in national guidance, depicted in Appendix 5.

Overview

The following sections record the methodological approach used for assessing and reviewing potential housing sites in line with the stages set out in the HELAA Methodology document. Full methodology available online at the NNPA website.

Stage 1 – Identification of Sites

Assessment Area

- 4.6. The SHLAA covers the entire area of the National Park. Settlements immediately outside the National Park border have not been included having been assessed within the Northumberland County Council's SHLAA study that forms part of the evidence base for their Local Plan (Core Strategy).

Approach to Site Size

- 4.7. National Planning Policy Guidance (DHCLG, *Housing and Economic Land Availability Assessment* [Para 9], 2018) indicates that the assessment should consider all site and broad locations capable of delivering five or more dwellings or economic sites of

0.25ha (or 500m² of floor space) and above. The methodology recognised that a minimum site size threshold may not always be appropriate and alternative criteria may be considered.

- 4.8. Given the rural nature of the National Park and taking into account historic patterns of housing delivery that indicate that the majority of residential development has been for single dwellings, it is anticipated that small sites will continue to deliver a significant proportion of housing in the area. Taking this and the methodology into account, all sites to come forward have been included in the assessment regardless of size.
- 4.9. Taking into consideration existing and emerging policy direction in the National Park, the strong likelihood is that the Local Plan will not allocate sites for development but look to promote development around the existing settlements.

Desktop Review of Existing Information

- 4.10. National Planning Practice Guidance (DHCLG, *Housing and Economic Land Availability Assessment* [Para 11], 2018) requires local planning authorities not to simply rely on sites that they have been informed about but actively identify sites through the desktop review process that may have a part to play in meeting the development needs of the local area. The types of sites considered at the desktop review stage include:
 - Sites with planning permission for housing that is unimplemented or under construction.
 - Sites on which a planning application has been refused or withdrawn
 - Land in the authority's ownership / surplus or likely to become surplus public sector land.
 - Vacant / derelict land and buildings.
 - Additional housing opportunities in established uses or underutilised facilities.
 - Sites in adjoining villages or rural settlements and rural exception sites.
 - Sites on which a relevant submission for pre-application advice has not come to fruition.
- 4.11. These sites were identified from various sources, including:
 - Authority records (including planning records)
 - Land use / property databases
 - OS maps and aerial photography
 - Officer knowledge where available
 - Land Registry

Call for Sites

- 4.12. In addition to identifying sites through the desktop review, the NNPA issued a Call for Sites between 27th February and 28th April 2017. This process enabled land owners,

developers and others to bring to the authority's attention any available or potentially available land in any area of the National Park.

4.13. The authority publicised the Call for Sites on its website as well as sending emails and letters to those on the Local Plan Consultation Database. Site submissions were accepted outside of the formal Call for Sites, and accepted for assessment. Details for all sites have been kept on record for consideration in future assessments.

4.14. The following information was requested during a Call for Sites:

- Location of the site;
- Size of the site including an appropriately scaled site location plan;
- Potential type of development;
- Potential development scale / yield; and,
- Any physical, ownership, legal or financial constraints that could prevent development on the site.

Brownfield Land

4.15. Town and Country Planning (Brownfield Land Register) Regulations 2017 require each Local Planning Authority to prepare and maintain a register of brownfield land in the local authority area that is suitable for housing development.

4.16. As part of the process to identify sites for inclusion in the SHLAA, the authority has also determined which of those sites meet the requirements for inclusion onto the Brownfield Land Register, which will be updated as required in accordance with relevant regulations and criteria.

Site Survey

4.17. The following information was determined through a desktop review of the sites, with a site survey undertaken where more information was required:

- Site size, boundaries and location;
- Current land use and character;
- Land uses and character of the surrounding area;
- Potential physical and environmental constraints (e.g. access, contamination, steep slopes, flooding, location of infrastructure/utilities); and;
- Initial assessment of whether the site is suitable for housing or employment use, or a mixed-use development comprising housing or employment use.

4.18. An initial sift of sites was undertaken to assess fundamental site suitability criteria and discount site in locations that are wholly unsuitable for housing development including those that clearly contravene National Planning Policy and legislation.

4.19. As per the SHLAA methodology, any sites identified to be affected by one or more of the Category 1 designations (listed below) were assessed and record at this stage, but not taken forward for a full site assessment or site visit:

- Sites of Special Scientific Interest (SSSIs).
- Ramsar Sites.
- Special Areas of Conservation (SACs).
- National Nature Reserves.
- Scheduled Ancient Monuments.
- Historic Parks and Gardens. 8
- Health and Safety Executive Inner Zones.
- Areas identified as a flood zone 3b.

4.20. Following Stage 1, sites considered to be more realistic candidates for potential development were then taken on to be assessed in more detail in Stage 2.

Stage 2 – Site Assessment

Potential Capacity for Housing

4.21. National Planning Policy Guidance indicates that the development potential of each identified site should be guided by the existing or emerging plan policy including locally determined policies on density. An estimate of the housing potential of each site was made (see Appendix 1).

4.22. There are currently no policies specifying a minimum net density for housing development, recognising the previous delivery of housing on small-scale sites. Where information was available such as from a planning application or the Call for Sites, the figure provided for the number of potential dwellings was used. Where no such information was available, capacity estimates were made on a contextual site-by-site basis, using locally established densities based on historic delivery and existing characteristics, such as adjacent extant housing sites.

4.23. For some of the larger sites included in the SHLAA, a density multiplier was used based on recent housing developments either built or granted permission, shown below (Table 1). A typical Plot Size was also used to determine whether a single dwelling could be appropriately sited on a smaller site.

Site	Size (ha)	Dwellings proposed/built	Density (dwellings per hectare)	Plot Size (ha per dwelling)
The Larkes, Elsdon	0.34	4	12	0.085
Greenhaugh Farm	0.24	4	16	0.06
Burnbank, Greenhaugh	0.36	5	15	0.09

Table 1: Densities of recent completed developments

Determining Housing Potential

4.24. A matrix (Appendix 1) was created to ultimately conclude whether each site was considered deliverable, developable or not deliverable/ developable as defined in the NPPF, set out below:

Deliverable – a site is available now, offers a suitable location for housing development now, and is achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years.

Developable – a site should be in a suitable location for housing development and there should be a reasonable prospect that it will be available and could be viably developed at the point envisaged.

Not Deliverable/ Developable – the assessment is inconclusive as to whether a site could support housing. This may require further more detailed investigation into the capacity to overcome specific constraints.

4.25. In order to inform and identify whether each site is Deliverable, Developable or Not Deliverable/ Developable it was necessary to test each site for its Suitability, Availability and Achievability. Sites which did not meet the criteria of one of the stages may have been excluded from consideration in further stages; particularly if the site was determined as 'Not Suitable' and 'Not Available' then an achievability assessment was typically not undertaken (see Appendix 1).

4.26. It is important to distinguish between a Suitable and a Deliverable/ Developable site. For example, a site can be assessed as Suitable for housing development but then may be categorised as Not Deliverable/Developable, due to being considered Not Available or Not Viable.

Suitability

4.27. Sites with planning permission for housing but where works had not started or are not completed were regarded as suitable unless there have been subsequent changes in circumstances which may affect this position. Sites where planning permission has been granted and all units have been completed are not included in the SHLAA.

4.28. Officers used their planning judgement and experience, as well as consultation with specialist NNPA officers where relevant, to appraise the suitability of the site in terms of physical problems such as:

- Access
- Flood Risk

- Utilities Infrastructure
- Utilities Capacity
- Ground Conditions
- Hazardous Risks

4.29. Officers also identified the potential impact of development upon the National Park's Special Qualities (as identified in the Northumberland National Park Management Plan 2016-2021):

- A landscape rich in biodiversity and geodiversity
- A rich cultural heritage
- True sense of tranquillity
- Distinctive landscape character
- Nature Conservation
- The Historic Environment
- Compatibility with Neighbouring Uses
- Amenity; including
- Open Space of Public Value
- Transport and Roads

4.30. A 'Red/ Amber/ Green' or 'RAG' approach was applied when assessing the suitability of each site. See Appendix 3 for definitions of 'Red/ Amber/ Green' and the criteria that were impact assessed.

4.31. 'Red' impacts are those that are considered detrimental with no possibility of reasonable mitigation. Any sites on which development would have an impact identified to be 'Red' has been considered 'Not Suitable' for development and thus discounted from further assessment.

4.32. The existence of any 'Amber' impacts indicates that a site could be suitable for development but the nature and extent that could be achieved may be compromised. For the site to be suitable some mitigation may be required and the feasibility and extent of that mitigation would need to be identified through further research.

4.33. Where a site is affected only with 'Green' impacts, it will be automatically considered suitable for development.

Availability

4.34. This stage established whether the site was available for housing development including identifying any legal or ownership problems. A site has been considered available if in ownership of a developer or a land owner who has expressed an interest to develop or sell land for development, including those available on the open market or submitted in the call for sites. Details were also sought from site information acquired through the planning process or targeted consultation with developers and land owners.

4.35. It was also considered that non-delivery or slow delivery of some sites in the National Park has been influenced by the wider economic climate and unique characteristics / special qualities of the area. These factors were also taken into consideration when the availability of sites was assessed.

Achievability

4.36. A site is considered Achievable for development where there is a reasonable prospect that a particular type of development will be delivered on the site at a particular point in time.

4.37. The assessment for Suitability considered the likely market attractiveness of development on each site. A judgement on achievability is based on both market and cost factors as outlined below:

Market Factors	Cost Factors
<ul style="list-style-type: none"> • Adjacent uses 	<ul style="list-style-type: none"> • Site preparation costs (including a consideration of mitigating any physical constraints)
<ul style="list-style-type: none"> • Economic viability of existing, proposed and alternative uses in terms of land values. 	<ul style="list-style-type: none"> • Any exceptional works that would be necessary
<ul style="list-style-type: none"> • Attractiveness of the locality 	<ul style="list-style-type: none"> • Relevant planning standards or obligations
<ul style="list-style-type: none"> • Level of potential market demand 	<ul style="list-style-type: none"> • Prospect of funding or investment (including addressing any identified constraints).
<ul style="list-style-type: none"> • Developer build-out rates 	

Table 2: Achievability Market and Cost factors

4.38. The assessment ultimately determines whether sites are economically viable. NPPG indicates that viability testing of plans does not require the testing of every site. However, due to the relatively small number of sites this was considered feasible for all Suitable and Available sites.

4.39. In order to determine the achievability of a site, the viability test used Market Factors and Cost Factors to produce the following values for each site:

4.40. **Gross Development Value (GDV)** – Online property websites and the Land Registry was used as a comparable measure from confirmed property sales to determine a GDV for a proposed dwelling; the size of which was based on adjacent properties, typically a modest 3-bedroom detached house or a large proportioned 4-bedroom house.

4.40.1. As per Policy 10 of the Local Plan (Core Strategy and Development Policies) all new residential development will be restricted in perpetuity to people

meeting the local need criteria. As a result, the GDV has been marked down by 10% from a comparable value of open market properties.

- 4.40.2. Policy 11 of the Local Plan requires on sites with 2 or more proposed units that 50% of those be affordable. However, National Planning Policy Guidance on 'Planning Obligations' sets out that affordable housing should not be sought from small scale and self-build development. This follows the order of the Court of Appeal dated 13 May 2016, which gives legal effect to the policy set out in the written ministerial statement of 28 November 2014:

'In a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty'.

- 4.40.3. The GDV of sites with capacity for 6 or more dwellings would have been altered with an affordable discount of 30% applied to the open market value, in line with Northumberland County Council's 'Discount Market Sale Unit – Advice for Developers'; however, only sites of 5 dwellings or less reached the viability stage.

- 4.41. **Build Costs** – An analysis of Threshold Land Values for Northumberland County Council published in June 2016 (DVS) stated the Building Cost Information Services (BCIS) figure of £1,082.15 for Median and External construction was appropriate for Northumberland.

- 4.41.1. The ONS Construction Output Price Indices (OPI) was used to update the Build Cost figures:

June 2016 – Index value: 102.2 = £1,082.15 per sq. m.

June 2018 (latest) – Index Value: 111.0 = £1,175.33 per sq. m.

- 4.41.2. Published figures by BNP Paribas and the Royal Town Planning Institute (RTPI), both suggested an additional 42% in fees, made up of professional fees, contingency, finance and developer profit at 20%. This was applied to the per square metre build cost.

- 4.41.3. The Royal Institute of Chartered Surveyors (RICS) recommends a conversion cost of £900 per sq. m. (Wisecraft, 2018).

- 4.42. **Residual Land Value** – calculated by subtracting the Build Costs (including profit) from the GDV to result in the Residual Value. This is the maximum amount a developer could pay for the land without developing at a deficit.

4.43. **Threshold Land Value** - The Threshold Value is the existing value of the land based on its *current use*.

4.43.1. The following values have been used, as recommended by the DVS in the Analysis of Northumberland Threshold Land Values (Sep 2016) document:

Agricultural Land - £8,000 to £19,768 per hectare

Industrial Land - £260,000 per hectare

Brownfield Land - £70,382 per hectare*

Greenfield Land –

Low Value Area (house sales sub £1,750 per sq. m.) - £40,468 per hectare

Medium Value Area (house sales £1,750-£2,250 per sq. m.) - £52,609 to £60,702 per hectare

High Value Area (house sales in excess of £2,250 per sq. m.) £60,702 to £80,937 per hectare**

4.43.2. *Where possible the estimated value of the site based on its current use (e.g. commercial or car park) was used rather than the average given here.

4.43.3. **House values in the National Park (£231,833 in 2007) are on average 23.3% higher (SHMA 2017) than those in the Northumberland County Council area. House values consulted in the comparable measure for GDV tended to reach around £2,000 per sq. m. but did not exceed £2,250 per sq. m. On that basis, there was no need to raise the Northumberland County TLV thresholds.

4.43.4. However, a TLV at the top end of the £60,702 to £80,937 per hectare band for High Value Areas was generally used for the TLV for several reasons; firstly as the Settlements which are the priority locations for development (see Para 2.20) are generally considered desirable markets, secondly land availability is in short supply and thirdly a higher TLV assumption is considered more realistic with a Viable conclusion.

4.44. **Viability Margin** – the Residual Land Value minus the Threshold Land Value, calculated to ultimately determine the viability of the development.

4.44.1. There may be a large disparity between the Residual Land Value and the Threshold Value, typically with the Residue far exceeding the Threshold value. This is because the Threshold value is low, based on the *current site use* and at a value which developers are typically looking to pay for a site. The Residual assessment starts from the assumption of a development being permitted on the site (GDV) and results in the *maximum* a developer could afford to pay, typically a value the land owner would be aiming to sell the site for. The different determination of uses creates the disparity between the amounts.

4.44.2. Typically a developer would not expect to pay the full Residual Land Value as the development would carry high risk. Equally, a land owner would not realistically sell their land for at the existing use value as they require an incentive to sell.

4.44.3. The Government in their Draft PPG for Viability (March 2018) recommends use of an Existing Use Value Plus (EUV+) for the Threshold amount:

'To define land value for any viability assessment, a benchmark land value should be calculated on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum price at which it is considered a rational landowner would be willing to sell their land. This approach is often called 'Existing Use Value Plus' (EUV+).'

4.44.4. The guidance recommends a figure between 6% and 20% of the GDV. Rather than using an arbitrary average uplift figure to find a new benchmark land value; a Viability Margin was used where the Threshold (existing value) was deducted from the Residual (maximum a developer could pay for the site). The Viability Margin can be seen as the negotiating window for the developer and land owner to agree a price, and reflects a more flexible methodology. The resulting Viability Margin is from where a 6-20% premium would be accounted for.

4.44.5. The final figure for the land may very much depend on the land owner's circumstances or competition from developers. The Planning Advisory Service advises that most price agreements see developers and land owners agreeing to meet halfway in the Viability Margin.

4.44.6. For the purposes of the SHLAA, where the Viability Margin (the Residual Land Value minus the Threshold Value) results in a positive value, the development is considered 'Viable'. If the amount was negative the developer could not afford to pay the current value of the site. If the Viability Margin is less than 20% of the GDV, that implies the developer may not be able to pay a sufficient premium to the landowner and therefore the conclusion was downgraded to 'Marginal'. It is not downgraded as far as 'Not Viable' as a self-builder or build-to-occupy developer may be willing to absorb more of the outstanding premium cost and save through sweat equity.

Summary

4.45. If a site was found to be Suitable, Available and Achievable (viable) a conclusion on its development potential as either Deliverable (within 5 years) or Developable (in 6-15 years) was made (see Para 4.24). This was largely based on information known to the officers about the progress of sites in terms of sale/purchase, current use, constraints

and status of planning permission. Any site determined to be Not Suitable, Not Available or Not Achievable was concluded as Not Deliverable/ Developable.

Stage 3 – Windfall Sites

4.46. Windfall Sites are defined in the NPPF as “*sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available*”. Therefore sites identified in the SHLAA would not usually be considered as Windfall.

4.47. However, given that no land has been allocated in the National Park, all sites that come forward would be classed as Windfall Sites. Land may also become available through the release of ‘Rural Exception Sites’ for affordable local needs housing.

4.48. Paragraph 70 of the NPPF states that windfall allowances should not include development within residential gardens. However, a recent High Court ruling [*Dartford Borough Council v Secretary of State for DCLG, 2016*] has concluded that rural areas can be excluded from this prohibition, given that the definition of “garden land” in the context of Paragraph 70 should only apply to garden land in built up areas.

4.49. Therefore, this assessment will identify residential garden sites in the SHLAA and they may be considered as Windfall sites along with all other forthcoming sites.

Stage 4 – Assessment Review

4.50. In line with National Planning Practice Guidance, the assessed sites have been collated with details of their development potential. This information will set out how much housing land can be provided and at what point in the future.

4.51. If any shortfalls are identified against the objectively assessed need for the National Park, the policies within the Local Plan will look to address it.

4.52. If it is clear that housing needs cannot be met within the National Park area, the Authority will consider how the need might be met in neighbouring local authority areas in accordance with the NPPF’s duty to cooperate:

‘Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries ... In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere’.

4.53. The duty to cooperate, particularly around housing, will be addressed within the emerging Local Plan for the National Park.

Stage 5 – Final Evidence Base

4.54. The SHLAA has generated a number of standard outputs as specified in NPPG, these are:

- a list of all sites or broad locations considered, cross referenced to their locations on maps (Appendix 2);
- an assessment of each site or broad location, in terms of its suitability for development, availability and achievability (including whether the site/broad location is viable), to determine whether a site is realistically expected to be developed and when (see Appendix 1);
- more detail for those sites which are considered to be realistic candidates for development, where others have been discounted for clearly evidenced and justified reasons;
- the potential type and quantity of development that could be delivered on each site/broad location, including a reasonable estimate of build out rates, setting out how any barriers to delivery could be overcome and when; and
- an indicative trajectory of anticipated development (Appendix 4) and consideration of associated risks;
- The above findings have been produced from the SHLAA. A summarised, accessible and data-safeguarded version of the assessment (Appendix 1) will be made publicly available. Alongside other evidence documents, this will support the housing development policy approach of the emerging Northumberland National Park Local Plan.

5. SHLAA Findings

Introduction

5.1. This section of the report presents the findings of the SHLAA for housing supply in Northumberland National Park. It provides information regarding the outcome of the site assessments and quantifies the potential Deliverable and Developable housing supply.

Site Assessment

- 5.2. For the SHLAA Site Assessment, 31 sites were identified (including 2 put forward in the 2017 Call for Sites). Of these:
- 2 sites have planning permission but neither have started works;
 - 3 sites had been granted planning permission which has now lapsed;
 - 4 sites were excluded and not carried forward to a full detailed assessment.
- 5.3. Of the 31 sites:
- 7 sites are deemed to be **Deliverable**;
 - 6 sites are categorised as being **Developable**, meaning they are suitable, but either not available, have a current use unlikely to change or other constraints preventing development soon;
 - 14 were determined as **Not Deliverable/ Developable** for development; either for being excluded before the full detail assessment due to reasons such as policy constraints e.g. outside an existing settlement, or for being determined as either Not Suitable, Not Available or Not Achievable.
- 5.4. The summarised matrix of the assessed sites can be seen in Appendix 1. Individual site or settlement maps showing the sites that were assessed are shown in Appendix 2.
- 5.5. The SHLAA indicated a potential supply of 7 Deliverable sites with capacity for 15 dwellings. An additional 6 sites with 10 dwellings have also been identified, which are suitable but not currently available (Developable). An overview of SHLAA supply is shown in Table 3 below.

Site Status	Site Count	Yield (dwellings)
Deliverable (0-5 years)	7	15
Developable (6-15 years)	6	10
Not Deliverable/ Developable	14	-

Table 3: SHLAA supply

Analysis

5.6. Following analysis of the findings of the SHLAA, a total of 13 sites were assessed as being suitable for potential residential development. They have an estimated capacity to deliver approximately 25 new dwellings (see Table 3 above).

Development Type

5.7. A breakdown of deliverable sites by development type is given below in Table 4. The analysis indicates that a large proportion of sites (77%) are for new builds rather than conversions, and an even greater proportion of the total number of dwellings are new builds (84%) rather than conversions. The number of dwellings deliverable by conversion shows a greater proportion in the Developable stage at 30%, up from 7% in the Deliverable category. This could be due to land being more imminently available for development whereas some buildings are in existing use and less readily available.

	DELIVERABLE		DEVELOPABLE		TOTAL	
	Site Count	Dwellings	Site Count	Dwellings	Site Count	Dwellings
New Build	6 (85%)	14 (93%)	4 (67%)	7 (70%)	10 (77%)	21 (84%)
Conversion	1 (15%)	1 (7%)	2 (33%)	3 (30%)	3 (23%)	4 (16%)
TOTAL	7 sites	15 units	6 sites	10 units	13 sites	25 units

Table 4: SHLAA Development Types

Land Type

5.8. The breakdown of land types of Deliverable and Developable sites, given in Table 5 below, shows that there is almost an even split between Greenfield and Brownfield sites (46% and 54% respectively). Greenfield sites account for the higher number of dwellings (15) over Brownfield sites (10). For Deliverable sites, the difference grows as Greenfield sites account for 73% of dwellings compared to 27% on Brownfield sites. This could be explained as Greenfield sites are more likely to be available for a development within 5 years, whereas Brownfield sites may have constraints or existing uses preventing a shorter delivery timescale.

	DELIVERABLE		DEVELOPABLE		TOTAL	
	Site Count	Dwellings	Site Count	Dwellings	Site Count	Dwellings
Greenfield	4 (57%)	11 (73%)	2 (33%)	4 (40%)	6 (46%)	15 (60%)
Brownfield	3 (43%)	4 (27%)	4 (67%)	6 (60%)	7 (54%)	10 (40%)
TOTAL	7 sites	15 units	6 sites	10 units	13 sites	25 units

Table 5: SHLAA Land Types

Supply by Parish

5.9. Table 6 below provides a breakdown of SHLAA supply by Parish. This will enable a comparison to be made of identified local affordable housing need against potential delivery.

	DELIVERABLE		DEVELOPABLE		TOTAL	
	Site Count	Dwellings	Site Count	Dwellings	Site Count	Dwellings
Alwinton			1	2	1	2
Bellingham	1	2	2	3	3	5
Elsdon	2	2			2	2
Falstone			2	4	2	4
Harbottle	1	1	1	1	2	2
Kirknewton	1	1			1	1
Tarset	2	9			2	9
TOTAL	7 sites	15 units	6 sites	10 units	13 sites	25 units

Table 6: SHLAA Supply by Parish

Constraints

5.10. A number of constraints were identified as being likely to delay or prevent Suitable sites from becoming Available and being brought forward for housing development. The willingness of landowners to sell Greenfield sites or convert Brownfield sites from their existing use were identified as key constraints.

5.11. There is also uncertainty for housebuilders to build in the current market with finance and mortgages reportedly more difficult to obtain with Local Needs Criteria in operation. Due to the rural nature of the National Park, obtaining labour and materials for construction has also often proved difficult.

Policy Constraints

5.12. One of the sites assessed as Not Deliverable/ Developable in the matrix was NNPA17/20 (see Appendix 1) in Kirknewton. Under the current Local Plan the development is outside of a named settlement (Policy 5) and conversion of a building is only permitted for tourism or local needs housing (Policy 7).

5.13. Two further sites, NNPA17/06 in Falstone and NNPA17/24 in Ingram (Appendix 1), were both excluded due to being previously converted into holiday lets due to the aforementioned policy and indicate potential lost opportunities for housing development within the National Park.

5.14. The Kirknewton site (NNPA17/20) could potentially become Deliverable or Developable in the future if changes to the spatial strategy proposed in the emerging Local Plan are adopted. Conversions to a residential use outside of the named settlements would potentially be considered acceptable under the approach set out in the emerging draft Local Plan. This could lead to potential further dwellings being delivered and increasing the supply of suitable housing land.

6. Conclusion

- 6.1. The SHLAA indicates a current potential supply of 7 Deliverable sites with capacity for 15 dwellings across the National Park. In addition, the SHLAA has identified a potential supply of 6 sites with a yield of 10 dwellings which are considered to be Developable (suitable but not yet available for development, or constraints to overcome). These sites could come forward in the future to meet Local Needs or Affordable Housing requirements.
- 6.2. This study forms a key part of the evidence base for the NNPA's emerging Local Plan. The next stage, in line with Paragraph 73 of the NPPF, will be to test the supply of deliverable sites against the objectively assessed need (OAN) for housing in the National Park.

7. Appendices