

# Housing Topic Paper August 2019

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## Introduction

1. This Housing Topic Paper has been produced by the Northumberland National Park Authority (NNPA) to support the September 2019 submission of the Local Plan (FN1). This document is intended as a resource for further information on the proposed housing policies. The purpose of the paper is to:
  - a) Consider the housing issues, context and past delivery.
  - b) Summarise the aims and policies for housing proposed in the Local Plan;
  - c) Understand the approach to national policy requirements such as housing needs (OAN), targets, delivery tests, land availability, allocations and five year land supply;
  - d) Set out the local agreements for housing to help fulfil local need;
  - e) Evidence the steps taken in accordance with national policy and present the housing strategy.

## Planning context in National Parks

2. The Northumberland National Park Local Plan must foremost be effective at serving the purposes of the National Park, which are set out in the National Parks and Access to Countryside Act (1949), as amended by the Environment Act (1995):
  - Conserve and enhance the natural beauty, wildlife and cultural heritage; and
  - Promote opportunities for the understanding and enjoyment of the special qualities.

3. National legislation sits above all local and national policies, including the NPPF. In any event, the protection given to the landscape of national parks is mirrored in the NPPF (paragraph 172):

*'Great weight should be given to conserving and enhancing landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to these issues ... The scale and extent of development within these designated area should be limited'.*

4. NNPA recognises the need for sustainable development and increased housebuilding nationwide. It is important to note that National Park Authorities are not housing authorities. The NPPF also references the English National Parks and the Broads UK Government Vision and Circular 2012 which reads:

*'the government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them'.*

## Housing context

5. The NNPA is a very small planning authority, with only 2000 residents across the entire National Park. Covering an area of approximately 1,000 sq. km, NNP is also the least densely populated National Park with 2 residents per square kilometre (ONS).
6. The Development Management team only receives and determines around 90 planning applications each year; and in the year 2018/2019 we did not receive a single planning application for a dwelling, let alone multiple dwellings. We are attempting to address this issue in our Local Plan review.

## Past delivery

7. The following table shows the past delivery of housing in Northumberland National Park. All of the delivery is considered as windfall because no land was allocated in the previous Core Strategy or planning documents.

<b>Table 1</b>	<b>09/10</b>	<b>10/11</b>	<b>11/12</b>	<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>
Housing requirement*	5	5	5	5	5	5	5	5	8	8
Net housing delivery	7	3	4	1	1	1	3	1	0	0

\*based on RSS until 2016/17. *The indicative delivery figure from 2017/18 onwards (requirement) is based on the housing requirement recommended in the SMHA (2017).*

8. In addition to the 21 completions, NNPA has granted permission for the creation of 6 further dwellings since 2009, which have not been implemented and have now expired:

- 10NP0014 Todlaw Rochester (smaller village) 2x dwellings;
- 12NP0097 Greenaugh Farm (local centre) 3x terrace dwellings;
- 15NP0101 Land south of Greenhaugh School (smaller village) 1x dwelling.

One current planning application has not yet been completed:

- 15NP0034 Construction of 5 dwellings (commenced Aug 2019).

9. It is acknowledged that there is a lack of recent delivery and granted schemes not being delivered. This could be as a result of the current Core Strategy policies which are intended to be relaxed. There could also be a lack of demand and developer concern over successfully selling the properties. Another reason could be high building costs (being in a rural location and a small number of dwellings constructed at once) making the schemes financially unviable.
10. Between 2016 and 2018 three applications for residential units were withdrawn or refused; all were for conversions of existing tourist accommodation into residential use, in isolated locations within the open countryside, contrary to National and local planning policies
11. In the most recent year 2018/19, no planning applications were received by the authority for a single dwelling or multiple dwellings.

## Affordable housing delivery

12. Local Plan Policy 11 of NNPA's current Core Strategy (2009; FN2) requires on all housing sites of more than 0.1 hectare (or where 2 or more units are proposed) at least 50% of the resulting units to be affordable where a need exists.
13. However on 24<sup>th</sup> November 2014, a Ministerial Statement announced that the Government considered S106 charges for affordable homes and other tariff style obligations placed a disproportionate burden on small scale developers including those wishing to build their own homes. In rural areas including National Parks authorities may choose to implement a lower threshold of 5 units. This became a material planning consideration for all planning applications and subsequently formed part of National Planning policy in the NPPF 2018.
14. The consequence of the Ministerial statement affected Northumberland National Park in a significant way because the Authority had not received a planning application for 10 or more houses since the early 1990s. At the time of the Ministerial statement there were two current planning applications, both minded to be approved that would have provided affordable housing units:

A. Greenhaugh Farm (Ref 12NP0097)

Proposal for a terrace of 3 no two storey dwelling houses in a local centre (Greenhaugh) was recommended for approval in May 2014, subject to S106 to allow for all three houses to be local needs (under Core Strategy Policy H10) and one of the terrace houses to be affordable (under Core Strategy Policy 11). Drawing up the legal agreement took several months and in the meantime the ministerial statement came in. This meant none of the dwellings could be required to be affordable and as such permission was granted for three dwellings with local needs restrictions. The effect of the ministerial statement was the loss of the provision of one affordable house.

B. Burnbank Farm, Greenhaugh (Ref 13NP0031)

Outline application in respect of construction of seven two-storey dwellings in natural stone and slate in a local centre (Greenhaugh). The scheme was recommended for approval in May 2014 subject to the provision of three out of the seven units to be affordable (for rent). Again the S106 took several months to be agreed. In the meantime the ministerial statement arrived in November 2014 which meant that whilst the lower threshold meant that a commuted sum could be paid towards affordable housing, this would not provide the three affordable units that had been previously agreed. In the end the applicant decided to submit an application for five dwellings on the site, to avoid the 5 house threshold and so no affordable housing or commuted sum needed to be paid. The effect of the 2014 ministerial statement was the loss of the provision of 3 affordable units.

Despite the intention of Core Strategy Local Plan Policy H11 to provide more affordable housing within the National Park, no affordable units have been provided under this policy since 2009. The 2014 ministerial statement, since made into national planning policy (Para 63, NPPF 2019), and the slow pace of development within Northumberland National Park are considered factors for no affordable housing units being provided in this time.

## Local Plan aims

15. In considering housing policy options for the proposed Local Plan, NNPA has taken into account the nature of the existing housing stock in the National Park, experience of what has been delivered under current housing policies and responses to the earlier rounds of consultation carried out in April 2017 (*Issues Paper*, FN3-FN4), October 2017 (*Options Paper*, FN5-FN6) and July 2018 (*Preferred Options*, FN7-FN8). The proposed policies aim to:
- Help to stabilise the existing population of the National Park and, if possible, prevent further loss or even increase it;
  - Deliver housing with a mix of dwellings (in terms of size, type and tenure) that will meet the needs of present and future generations whilst contributing towards the creation of sustainable, balanced and inclusive communities;
  - Provide housing that is more affordable, particularly for working age households;
  - Prevent new dwellings from becoming second homes or holiday homes.

## Local Plan policies

16. The new Local Plan seeks to achieve these aims and take a more flexible approach to new housing development through the following policy changes:
- Providing a simpler classification (or hierarchy) of settlements into Local Centres and Smaller Villages (Policy ST4);

- Introducing a new form of market housing called Principal Residency (Policy ST5), with the following benefits:
    - This replaces the Local Connection criteria for market housing, encouraging younger and working-age families to move into the area.
    - Avoids new homes becoming second or holiday homes by applying Principal Residency to all new housing.
    - Allow a proportion of Principal Residency housing to cross-subsidise the creation of affordable housing on larger sites within a Local Centre (Policy DM3).
  - A wider set of Local Connection Criteria for affordable housing (Policy DM3);
  - Widening the Conversion of Buildings (Policy DM6) to permit conversions to residential use in specific circumstances.
17. Strategic Priority 4 of the new Local Plan aims ‘to support the provision of a range of housing that encourages more working age people and families to live in the National Park or one of its gateway settlements’. The gateway settlements (which are settlements close to, but outside of the National Park itself) are considered the most sustainable location for new development whilst their proximity to the National Park will help support shared services and enjoyment (see Plate 1, Para 36).
18. A viability assessment of the Local Plan has been carried out by Aspinall Verdi which is available on the Authority’s website (FN9). It considers the Local Plan is viable; provided sufficient grant funding is available for affordable schemes, the proposed policies will enable suitable new housing proposals to come forward. Alternatives are permissible if the Affordable Housing target cannot be financially achieved. In some cases, an element of market housing with Principal Residency criteria or a commuted sum could be acceptable to make the scheme viable.

### **Principal Residence housing**

19. The draft Local Plan introduces a new type of housing provision for the identified settlements in the National Park. Principal Residence is a form of market housing with a restriction applied by a planning condition to ensure that the dwelling is occupied as a main residence. It is being introduced for new build dwellings and those created through conversion of existing properties. The policy has two purposes;
- to prevent new dwellings to be used as second homes; and
  - to enable new people to reside in the National Park.

### **Second Homes**

20. The level of second home ownership is higher in the National Park than the national average (the Housing Needs Survey 2016 identified 5.1% of homes were second homes) and concerns about the issue were raised in responses to the Issues, Policy Options and Preferred Options Draft Plan consultations. Second homes may be empty for long periods particularly in winter leading to a loss of vitality within local communities. Households looking for a second home in the National Park also compete with local residents pushing up property prices and increasing problems of affordability for local residents.

### **New Residents**

21. In order to address second home ownership the Core Strategy (2009, Policy 10) restricted occupancy of new housing to residents meeting local need criteria, including at least 3 years permanent residency in the National Park. It is now considered that the policy is restrictive; whereas the new Principal Residency policy (ST5) will help to stem population decline, support the local economy and service function of settlements whilst continuing to restrict second home ownership.

22. It is recognised that principal residence dwellings may be occupied by people who are retired or working outside the National Park boundary. However, the requirement that they must be occupied as a main residence will ensure that the new dwellings contribute to the long-term sustainability of Local Centres and Smaller Villages. The restriction would only apply to new homes; existing open market dwellings in the National Park which would still be available for those looking to purchase a second home.
23. Principal Residence housing is an approach that has recently been adopted by Exmoor National Park Authority (Para 77, Inspectors Report; June 2017, FN17) where there is also a high level of second home ownership. North York Moors National Park has also followed a similar approach (Para 15, Housing Topic Paper; July 2019, FN18).

## **Housing need**

24. In 2017, the NNPA commissioned a Strategic Housing Market Assessment (SHMA; FN10) which provides detailed information on housing needs and the local housing market in the National Park. It concludes that:
  - The Objectively Assessed Need figure is for 8 dwellings each year, equating to 160 dwellings over the Plan Period (2017-2037).
  - Analysis of affordable housing requirements evidenced an overall imbalance (shortfall) of 2 dwellings each year.
  - The housing requirement is 'up to 8 dwellings per year'. This was not reduced down from the OAN due to the low past delivery rate and low anticipated windfall. It was not increased from the OAN either due to the special landscape considerations of the National Park. The wording 'up to' was used to reflect that the NP should not have a surplus of delivery to protect the special landscape (see Para 4 of this document).

## **Housing targets**

25. Footnote 54 of the NPPF (Feb 2019; FN11) refers to the English National Parks and the Broads: UK Government Vision and Circular 2010 (March 2010; FN12) which outlines in paragraph 78 that NNPA is exempt from housing targets:

*'The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them.'*

## **Housing delivery test**

26. Northumberland National Park is not listed in the Housing Need Data published by the government (September 2017; FN13) as the data is published at whole county level (E06000057: Northumberland). The NNPA is exempt from the housing delivery test as outlined on paragraph 2 of the Housing Delivery Test Measurement Rule Book (July 2018; FN14):

*'The Housing Delivery Test does not apply to National Park Authorities, the Broads Authority or to development corporations without full plan-making and planning decision making powers.'*

## **Land availability**

27. NNPA issued a Call for Sites between 27th February and 28th April 2017. This process enabled land owners, developers and all those on the consultation database to bring to the authority's attention any

available or potentially available land in any area of the National Park. Only two sites came forward, with one later than the formal window. The submission of just two sites gives evidence of the limited land availability or demand within the National Park.

28. In May 2019, the NNPA published a Strategic Housing Land Availability Assessment (SHLAA; FN15) which appraises the suitability, availability and achievability of sites. The SHLAA determined that 3 sites with a total of 7 dwellings were deliverable over the next 5 years. A further 10 sites for 15 dwellings are developable in the next 6-15 years.

## **Site allocations**

29. Paragraph 23 of the NPPF discusses site allocations:

*'This should include planning for and allocating sufficient sites to deliver the strategic priorities of the area (except insofar as these needs can be demonstrated to be met more appropriately through other mechanisms, such as brownfield registers or non-strategic policies).'*

30. The NNPA has been consistent in confirming since the initial stages of the Local Plan Review that, due to the nature of the National Park and the relatively low housing need/ demand, the NNPA will not be allocating sites for housing. Other National Park Authorities have taken the approach of not allocating defined allocated housing sites, for example Exmoor (Para 61, Inspectors Report; June 2017, FN17) and North York Moors (Para 1.8, Housing Topic Paper; July 2019, FN18), and NNPA has considerably less development than these other National Park Authorities.
31. Instead, Policy ST4 (Spatial Strategy) of the proposed Local Plan provides a clear strategy in the form of a Settlement Hierarchy. Given the slow pace of development, NNPA considers windfall development and rural exceptions schemes would be more appropriate than housing allocations. This allows each proposal to be assessed on its own merits and would allow community participation on a specific proposed scheme, rather than making unsustainable housing allocations.
32. As was evident from the Call for Sites in 2017 where only two sites came forward, the SHLAA where only three sites were deemed deliverable and the fact that most of the sites would accommodate just one or two dwellings, there is little evidence of sufficient sites in the National Park being suitable to be allocated for housing. As no sites are allocated all developments are therefore considered windfall, and consequently the delivery rate of housing cannot be anticipated. Therefore a trajectory illustrating the anticipated rate of development over the plan period is not considered appropriate (in accordance paragraph 73 of the NPPF).

## **Housing land supply**

33. Local Authorities are typically required to undertake a five year housing land supply calculation as per paragraph 73 of the NPPF:

*'Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies.'*

34. No five-year housing land supply has been produced for several reasons:
- National Parks are exempt from the housing delivery test (see Para 26 of this report);
  - NNPA does not allocate sites (see Paras 29-32);
  - NNPA does not have a 'supply of specific deliverable' sites (see Paras 27-28);

- This approach has been adopted by other National Parks in a comparable position such as Exmoor (Para 4.11.1, SHLAA, FN16).

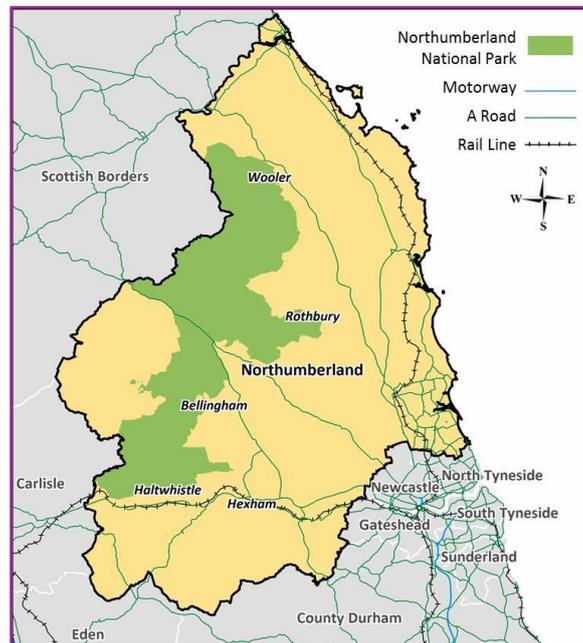
35. As NNPA cannot demonstrate a 5 year land supply, a presumption in favour of sustainable development will apply (as per paragraph 39 of PPG: Housing and Economic Land Availability Assessment; March 2014, FN19) to enable development of alternative sites. As NNPA does not allocate sites, this is *de facto* the existing practice used and that of the existing Core Strategy (though a sustainable scheme should accord with the spatial strategy or ‘settlement hierarchy’).

## Local agreements

36. In May 2019, both Northumberland County Council (NCC) and NNPA agreed upon a Duty to Cooperate and a Statement of Common Ground. The Statement of Common Ground (FN20) outlines the agreement on housing (see map of settlements in Plate 1 below):

*‘In response to public consultation on the NCC Local Plan Draft Regulation 18 the NNPA welcomed the aspiration to deliver sustainable development across the County and particularly supported the identification of Haltwhistle; Bellingham; Rothbury and Wooler as preferred locations for this growth.*

*The aspiration to promote sustainable rural economic growth in suitable locations is supported by NNPA. The gateway settlements of Rothbury, Wooler, Bellingham and Haltwhistle can help meet some of the identified housing needs of the National Park whilst also providing essential community facilities and services for current and future residents’.*



**Plate 1. Map showing the location of the Gateway Settlements in Northumberland County Council area (yellow) in relation to the National Park boundary (green).**

37. This was reflected in the Publication Draft of the Northumberland Local Plan (Paras 7.14 -7.15; Jan 2019, FN21):

*‘Working closely with neighbouring authorities through the Duty to Cooperate, the Council will continue to ensure that planned housing growth across the wider region is complementary and strategically co-ordinated. Northumberland County Council has not considered it necessary to*

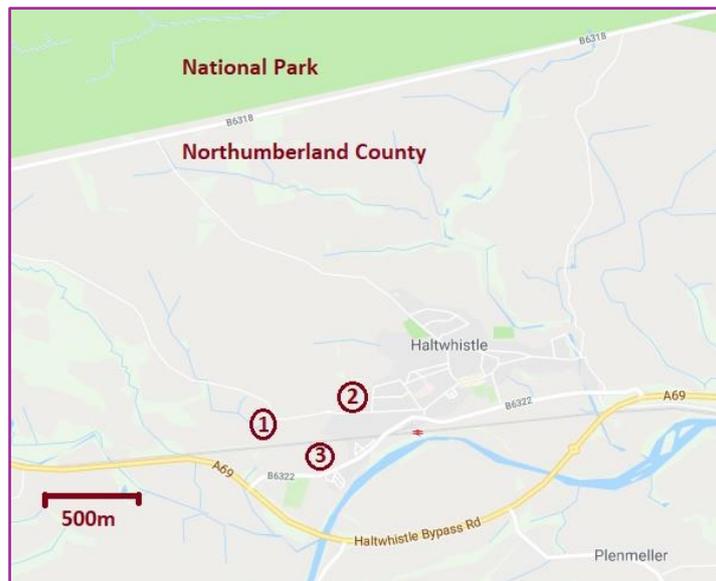
ask for any of its neighbouring authorities to help provide for any of the County's identified needs.

*While a proportion of Northumberland's overall housing need falls within the protected Northumberland National Park (an independent local planning authority), given its lower levels of need and much slower rate of new house building, the Northumberland Local Plan does not make any specific reduction to take into account housebuilding within the National Park'.*

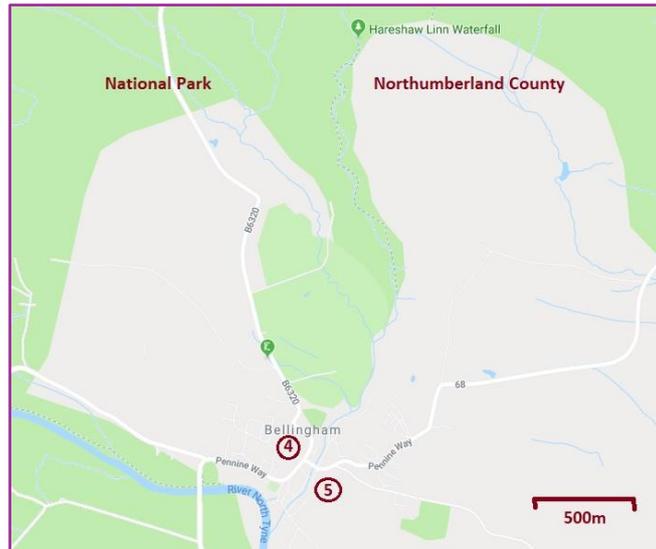
38. Therefore, Northumberland County Council proposes to meet the housing need of the whole county area (including the National Park's need of 8 dwellings per year), by not discounting this figure from their own OAN. Note that NCC do not account for NNPA's specific housing requirements; should the housing need (OAN) be adjusted higher the new housing requirement may not be met (although currently the OAN and requirement figure is the same).
39. Development for the National Park's need will be focused on the 'gateway settlements'. NCC has already allocated several sites in Haltwhistle, Bellingham and Otterburn (NCC Policy HOU 4, FN21). The indicative number of allocated dwellings and their proximity to the National Park is shown on the map below. Furthermore, NCC is on track to deliver a surplus of housing across the county-wide housing area. Their minimum residual requirement stands at -5,495 two years into their 2016-2036 Plan period (Table 7.2, Policy HOU 3, FN21).

**Table 2. Northumberland County Council Allocated Housing Sites in the Gateway Settlements (NCC Policy HOU 4, FN21)**

Site No.	Site Name	Area (ha)	Indicative dwellings
1	Land south-west of Park Road, Haltwhistle	7.89	120-150
2	Land at Greystonedale, Park Road, Haltwhistle	0.90	30-35
3	Land west of Hougill, Tyne View Road, Haltwhistle	0.16	5-6
4	Former Bellingham Auction Mart, B6320, Bellingham	1.72	50-65
5	Land at Demesne Farm, Boat Road, Bellingham	1.77	35-40
<b>TOTAL</b>			<b>240-296</b>



**Plate 2. Map showing proximity of NCC allocated sites in Haltwhistle to Northumberland National Park**



**Plate 3. Map showing proximity of NCC allocated sites in Bellingham to Northumberland National Park**

## Conclusion

40. A summary of the Housing Topic Paper and NNPA's strategy is as follows:

- In order to better fulfill the NNPA's housing aims (see Para 15 of this report), several policy changes have been proposed (Paras 16-17) as part of the Local Plan review;
- The Objectively Assessed Need figure is for 8 dwellings each year (Para 24);
- Resulting in a housing requirement of 8 dwellings per year (Para 24);
- NNPA is exempt from housing targets (Para 25) and the housing delivery test (Para 26);
- The SHLAA determined that 3 sites with a total of 7 dwellings were deliverable over 5 years (Para 28) and 10 sites for 15 dwellings were developable in the next 6-15 years;
- Instead of allocating sites, NNPA has opted for a strategic policy using a Settlement Hierarchy (see Para 31);
- As a result no housing trajectory for development rates could be produced (Para 32);
- NNPA has not produced a five year housing land supply (Para 34);
- NNPA acknowledges, based on past completion rates, this strategy may not fulfill the OAN (as required by paragraph 23 of the NNPF).
- Northumberland County Council has agreed (Para 36) to meet the housing need of the *whole* county area. NCC are currently over-delivering (surplus) in terms of housing (Para 39);
- The NNPA's housing need will be specifically met in the 'Gateway Settlements', with NCC already allocating several sites in Haltwhistle and Bellingham (Para 39);
- To enable further housing delivery, NNPA will continue to presume in favour of sustainable development and permit schemes in accordance with policy requirements (Para 35).

To conclude, Northumberland National Park has experienced a very slow pace of development over the last decade and due to its statutory purposes has limited capacity and land availability to accommodate new housing development. The Park is unlikely to be able to accommodate the OAN of 8 dwellings per year, if its natural beauty, wildlife and cultural heritage are to be conserved. The Authority refers to NNPF (2019) paragraph 172 that great weight should be given to conserving landscape and scenic beauty in National Parks.

## Document references (Footnotes)

*Click document title for hyperlink*

- FN1 Publication Draft Local Plan** (May 2019)
- FN2 Core Strategy** (March 2009)
- FN3 Issues Paper** (April 2017)
- FN4 Issues Paper Consultation Feedback Report** (Spring 2017)
- FN5 Options Paper** (October 2017)
- FN6 Options Paper Consultation Feedback Report** (Autumn 2017)
- FN7 Preferred Options** (July 2018)
- FN8 Preferred Options Consultation Feedback Report** (May 2019)
- FN9 Viability Report** (May 2019) plus **Addendum Report** (August 2019)
- FN10 SHMA** (Strategic Housing Market Assessment; May 2017)
- FN11 NPPF** (National Planning Policy Framework; Feb 2019)
- FN12 English National Parks and the Broads: UK Government Vision and Circular 2010** (March 2010)
- FN13 Housing Need Data** (UK Govt.; September 2017)
- FN14 Housing Delivery Test Measurement Rule Book** (July 2018)
- FN15 SHLAA** (Strategic Housing Land Availability Assessment; May 2019)
- FN16 Exmoor National Park SHLAA** (Nov 2014)
- FN17 Inspectors Report on the Exmoor Local Plan** (June 2017)
- FN18 North York Moors National Park Housing Topic Paper** (July 2019)
- FN19 PPG: Housing and Economic Land Availability Assessment** (March 2014)
- FN20 Statement of Common Ground NCC/NNPA** (May 2019)
- FN21 Northumberland County Council Local Plan** (Jan 2019)