

Northumberland National Park Local Plan Examination

Northumberland National Park Authority's response to the Matters, Issues and Questions identified by the Inspector

Matter 4 – Housing	EXMIQ04
---------------------------	----------------

Issue

Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the approach to housing.

Overall housing needs

1) Was the methodology used to identify a housing need figure appropriate?

4.1.1 Current Planning Policy Guidance '*Housing and economic development need assessments*' states that the standard method should **not** be used to assess housing need for National Parks (para 2a-014). This is because the data required for the model is not available at this level. Instead, an alternative approach should be taken with a method determined locally and comprising the best available information on households and affordability.

4.1.2 Para 4.15 of the Strategic Housing Market Assessment (SHMA) sets out the methodology used to identify housing need, which although produced before the latest revision of the Planning Practice Guidance, is deemed compatible with the current PPG.

4.1.3 The SHMA consultants Arc4 confirmed that the calculation of objectively assessed housing need:

- included a review of the housing market area;
- made use of DCLG household projections as the starting point estimating the OAN;

Tony Gates

Chief Executive (National Park Officer)

www.northumberlandnationalpark.org.uk

www.thesill.org.uk

Northumberland National Park Authority

Eastburn, South Park, Hexham, Northumberland, NE46 1BS

T: 01434 605555

E: enquiries@nnpa.org.uk

- considered sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;
- took account of employment trends;
- took account of market signals;
- considered an increase in the total housing figures where it could help deliver the total number of affordable homes.

2) Is the figure of up to 160 dwellings (8 per year) justified?

4.2.1 The SHMA (para 4.33) commented that *'an OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail.'*

4.2.2 The SHMA presented the key components of the OAN methodology which are now summarised below:

Housing market area

4.2.3 As the National Park has a statutorily defined boundary, the OAN needs to be considered in this context and any figures derived for this geographical area. The National Park is one of the most sparsely populated areas of the country and exhibits close interactions with the 'gateway' settlements of Wooler, Haltwhistle, Bellingham and Rothbury.

4.2.4 Given the statutorily defined boundary of the National Park, it is an appropriate Housing Market Area for planning purposes.

Demographic starting point

4.2.5 2014-based DCLG household projections evidenced a need for 7 dwellings each year over the plan period 2017-2037.

Adjustments to the projections

4.2.6 Adjustments were considered to reflect alternative assumptions in relation to the underlying demographic projections and household formation rates of the local area which accords with PPG paragraph 2a-017. Migration trends suggested a lower number and there was a negligible impact on numbers if alternative headship rates were assumed.

Employment trends

4.2.7 The SHMA (at para 4.27) commented '*given the small population base and interactions between the National Park and other areas of Northumberland and beyond, it would be a challenge to derive accurate employment trend data*'. No adjustments were recommended to take account of employment trends but it was recommended that the National Park monitored changes in economic activity.

Market signals and past trends in delivery

4.2.8 Housing market signals relating to price and quantity were considered. Although the narrative in the SHMA intimated that adjustment was needed, a final adjustment for market signals was included. This took into account the Government's general desire to increase the supply of housing when considering market signals adjustment. This increased the OAN by 1 dwelling each year.

Affordable housing need

4.2.9 The SHMA evidenced an annual need for 2 affordable dwellings. Given that this need is to be met within the established overall need, no upwards adjustment for affordable need was recommended.

4.2.10 The use of the term 'up to' was used to express the fact that delivery in the National Park is likely to be very limited over the plan period and the SHMA consultants did not want to impose any unrealistic targets for delivery. The Authority would also add that the term 'up to' reflects the restriction in the English National Parks and the Broads: UK Government Vision and Circular (2010; NNPA-068) which says '*the Government recognises that the Parks are not suitable locations for unrestricted housing*'.

3) What is the specific basis for the uplift for market signals of 1 dwelling per year and how was this quantified?

4.3.1 Housing market signals relating to price and quantity were considered. Although the narrative in the SHMA (NNPA-025) intimated that no adjustment was needed, a final adjustment for market signals was included. This took into account the Government's general desire to increase the supply of housing when considering market signals adjustment.

4.3.2 The House Price Ratio (HPR) and Rental Affordability Ratio of the area was considered (para 4.6). The HPR for the Northumberland National Park was 7.8 and the RAR was 29.2%, indicating that a 20% uplift to the baseline demographic outcome would be appropriate. This increased the OAN by 1 dwelling each year.

4) Is there any basis for further uplifts?

4.4.1 No. The evidence did not support further uplifts (see pages 48 and 49 of the SHMA; NNPA-025).

5) What is the relationship with the Northumberland Local Plan in terms of identifying housing needs?

4.5.1 Northumberland County Council (NCC) have identified a housing need number, based on the standard methodology in their SHMA (footnote 14 NNPA-056), of 717 dwellings per annum. This is for the **whole of the county** and does not exclude any housing need within the National Park.

4.5.2 Nevertheless, the National Park Authority has undertaken its own SHMA (NNPA-025) and identified a need of 8 dwellings per annum.

4.5.3 There is no formal agreement in place for Northumberland County to take the housing needs of the National Park. However, in terms of identifying need, as NCC have not deducted the National Park's need from their own county-wide assessment (page 16 NNPA-012), they are to an extent accounting for the Park's need.

Housing requirement/provision

6) What is the basis for not identifying a housing requirement figure in the Local Plan? Is this justified and consistent with national policy?

4.6.1 Para 65 of the NPPF states that '*strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period*'.

4.6.2 The Housing Need is clearly identified as 8 dwellings per year in the SHMA (para 4.37; NNPA-025). The SHMA (para 4.38) states that the housing requirement figure should not be adjusted either upwards because of the physical and environmental nature of the National Park, or downwards as our past completions are negligible and all forthcoming completions will be windfall. Based on the recommendations of the SHMA, the Authority has a housing requirement figure of 8 per year.

4.6.3 The basis for not identifying this figure in the Local Plan (NNPA-001) itself is, crucially, the National Park's statutory purposes must be fulfilled and protected over the need to meet housing requirements. Therefore the Authority does not want to present a presumption that meeting the housing requirement figure holds any weight over the statutory purposes.

4.6.4 In terms of national policy, the housing requirement figure is used in the Housing Delivery Test (HDT) to calculate whether there is a deliverable supply of homes (para 001; PPG Housing Supply and Delivery). However, National Parks are **exempt** from the HDT, as the Housing Delivery Test Measurement Rule Book states:

'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'.

Although the Authority has identified a housing requirement figure, due to exemption from the HDT, the Authority considers this another reason not to include the figure in the Local Plan.

7) What would be the implications of including a housing requirement figure?

4.7.1 The inclusion of a housing requirement figure is not considered to make a positive contribution to the Local Plan, for the reasons outlined above in response to Question 6. The Authority has considered its inclusion, but due to the policy direction taken in not allocating sites, relaxing restrictions and relying on windfall, the inclusion of the housing requirement figure would be inappropriate.

4.7.2 Equally, the Authority does not want this figure to become restrictive either, as NNPA would accept a surplus to this housing requirement figure provided the development is sustainable, protects the NP's statutory purposes and accords with the Local Plan policies.

4.7.3 This rationale is also set out in the conclusion of the Housing Topic Paper (NNPA-030).

8) What role will the Northumberland Local Plan have in meeting housing needs from the National Park? Is this clear and to what extent is this agreed?

4.8.1 Northumberland County Council clearly state their position in regards to the housing needs of the National Park in their Local Plan at Para 7.15 (NNPA-056). It reads as follows: *'While a proportion of Northumberland's overall housing need falls within the protected Northumberland National Park (an independent local planning authority) given their limited*

needs and the low level of new housebuilding, the Northumberland Local Plan does not make any specific reduction to take into account housebuilding within the National Park'.

- 4.8.2 The Statement of Common Ground (SoCG; NNPA-012) agreed with NCC also states that they do '*not make any specific reduction to take into account house building within the National Park*', in practice accounting for the National Park's needs. The SoCG also indicated focusing development on the 'gateway settlements', in order to '*help meet some of the identified needs of the National Park*'.
- 4.8.3 There is a close link between the Northumberland and National Park local authority areas, particularly through these 'gateway settlements' such as Wooler, Rothbury, Bellingham and Haltwhistle lying close the National Park boundary, with many parishes crossing the boundary too.
- 4.8.4 NCC's Publication Draft Local Plan, currently under examination, sets out a requirement to deliver over 17,700 new homes (or 885 per year) over the planning period 2016-2036 (para 7.13; NNPA-056). Northumberland County aim to deliver a proportion of these in the 'gateway settlements' close to the National Park boundary, as explained in the Housing Topic Paper (para 39; NNPA-031).
- 4.8.5 As Northumberland measured 197% in the 2018 Housing Delivery Test (MHCLG) we are satisfied that sufficient completions will be made to cover the National Park's need. The Northumberland Local Plan (NNPA-056) also seeks to focus development at the aforementioned gateway settlements, and 5 sites are proposed for allocation in Haltwhistle and Bellingham (see Para. 39 of the Housing Topic Paper NNPA-030). This will help to ensure that housing need from the National Park is met in the gateway settlements.
- 4.8.6 Northumberland County Council's Local Plan is likely to result in the National Park's need of 8 dwellings per year being met, but this has not been more specifically set out in writing beyond '*no specific reduction*' (see 4.8.1 above). This is because NCC's Housing Delivery Test is assessed on the whole county projections (including the National Park), but then completions within the National Park have not been accounted for towards their delivery. MHCLG have confirmed in writing that they are currently updating the model to amend this discrepancy. Should NCC be able to include National Park delivery in their HDT figures, there is an increased likelihood a more formal housing agreement could be made.

9) Is the reliance on windfall sites justified?

- 4.9.1 The approach to windfall sites is primarily because of continuing with the Settlement Hierarchy (Policy ST4), as explained in response to Q16 of Matter 3. Windfall is considered preferable to allocating sites in the settlements due to the slow pace of development, allowing each proposal to be assessed on its own merits and avoids making unsustainable housing allocations.
- 4.9.2 A further benefit of windfall delivery is it would not raise land values in the way allocating sites might, which could keep rural exception sites at more viable levels. The Authority received no objections to this overall approach (NNPA-009) and it is not unusual for other National Park authorities to adopt this direction (paras 6.25, 6.54 and policy HC-S1(3) of the adopted *Exmoor Local Plan 2017* and para 7.26 of the *North York Moors Draft Local Plan*).
- 4.9.3 This does create a reliance on windfall sites, however the Authority fully believe a relaxation in policies, particularly DM6: Conversion of Buildings and reducing the Local Connection Criteria to Principal Residency for ST5: New Housing, will result in a greater net housing delivery which will be monitored through the Annual Monitoring Report (AMR) process and reviewed every 5 years.

10) What is the basis for not allocating housing sites and is this justified?

- 4.10.1 Whilst the Authority appreciates a plan-led approach to housing, we feel the basis for not allocating housing sites is justified. This is a continuation of the established policy approach of the 2009 Core Strategy (NNPA-050) where the settlement hierarchy was accepted by the Inspector as it represented the most appropriate strategy in the local circumstances, considering the slow pace of development, the lack of available sites and the constraints of being a protected area.
- 4.10.2 The approach of allocated sites was considered in both the Policy Options paper (NNPA-038, at paras 1.20 and 3.50) and in the Preferred Options draft plan (NNPA-040, at paras 2.2, 4.89, 4.126 and policy 15[3]). There were no objections received to this approach. One comment was received from two Elsdon residents who supported the Authority's approach of not selecting sites (page 110, NNPA-011).
- 4.10.3 Not allocating sites is part of the overall housing strategy and partly explained in the answers above. To reiterate, the Authority considers a direction of Settlement Hierarchy (Policy ST4) combined with more flexible conversions (DM6) and occupancy policies (ST5) is preferable to allocating sites. The reasons outlined above (4.10.1) by the Inspector have not significantly changed. There still remains a slow pace of development in the NP, a

continued lack of available sites and the constraints of the National Park. By allowing each proposal to be assessed on its own merits (regardless of allocation status) this avoids making potentially unsustainable housing allocations in order to meet housing requirements. In relaxing policy (as explained in the response to Question 9 above) more completions are anticipated which would justify this approach.

4.10.4 The SHLAA supports the approach of not allocating sites. Only two submissions came forward in a 2017 Call for Sites, both outside of the Local Centres (in the smaller villages of Charlton and Stonehaugh). The SHLAA (NNPA-026) showed, of the sites known to the Authority, only 3 sites comprising 7 units in total were deemed deliverable over the five-year period. Most of the developable sites in the SHLAA have a capacity of 1 or 2 dwellings and therefore it would be excessive to allocate the number of sites required in order to supply the requirement of 160 homes. Practically it would only be of benefit to developers to allocate sites of 5 or more in the Local Plan, and the SHLAA only shows one deliverable or developable site with 5 units and this scheme has already commenced.

11) Taking all of the above factors into account, is the overall approach to housing provision and meeting housing needs justified and consistent with national policy?

4.11.1 As expressed in the answers above the Authority believes there is strong justification for the overall approach to housing provision and meeting needs. This justification is laid out in the conclusion of the Housing Topic Paper (NNPA-031). The key points are:

- Northumberland National Park has a low Objectively Assessed Need of 8 per annum for the local plan period (2017-2037).
- Based on past completions and low number of deliverable sites (SHLAA NNPA-026), the approach of the Core Strategy (2009; NNPA-050) needs to be updated.
- The overall approach to housing provision is to relax policies relating to conversions (DM6) and occupancy restrictions (ST5).
- Instead of allocating sites, NNPA has opted for a strategic policy using a Settlement Hierarchy.

These last two points in tandem is predicted to result in more completions than allocating housing sites (as explained in Question 10 above).

4.11.2 Should this new housing approach not result in meeting the housing need, Northumberland County Council have set out in their submitted Local Plan (para. 7.15, NNPA-056) that their housing need figure will incorporate the National Park's need. Northumberland also want to

focus development on the gateway settlements and have proposed the allocation of five sites resulting in 240-296 dwellings in Haltwhistle and Bellingham (Table 2, NNPA-030).

12) Is the lack of a housing trajectory justified?

4.12.1 National Policy says that '*strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period*' (NPPF para 73). The housing trajectory would normally map out the delivery rates of allocated sites and the supply over the local plan period. The decision not to include a housing trajectory is based on the low levels of development and the reliance on windfall sites. As such, the inclusion of a housing trajectory would not be particularly accurate, proportionate based on the small numbers involved, realistic when based on windfall completions or add benefit to the Local Plan.

Policy ST5: New Housing

13) Is the approach to housing mix and the reference to the most recent Strategic Housing Market Assessment sufficiently flexible?

4.13.1 Policy ST5 contains a requirement that new residential development schemes will ensure a mix of dwellings. The policy has been intentionally designed to be flexible and not to be too prescriptive in the type of dwellings that are created in order to better facilitate windfall development.

4.13.2 Generally, it is perceived that part 1 of Policy ST5 will come into force on large developments (in local centres) or on rural exceptions sites where a balanced community, different tenure types and homes for future generations are more likely to be needed. The Authority recognises that the potential for development in the National Park is limited and every opportunity to provide a mix of dwellings should be sought, but especially on larger sites (in local centres) and on rural exception sites. However, these larger developments are unlikely, as in the past twenty years the largest application received was for 7 houses on one site.

4.13.3 To clarify when this policy is likely to be used in decision making, the Authority suggests a modification to part 1 could be implemented on Policy ST5 as follows:

- Part 1 to read, '*all new residential development (of more than 5 dwellings) will contribute towards...*'

4.13.4 Chapter 5 of the SHMA (page 50, NNPA-025) details the need for various housing types including overall dwelling mix, affordable housing, the private rented sector, self-build, family housing, older people and ethnic minorities. However, reference to the SHMA in part 2 may result in the policy becoming outdated and does not add anything to the requirements of part 1. As a result, the Authority proposes the removal of part 2 (ST5):

1. Having regard to the existing housing stock in the locality, all new residential development (of more than 5 dwellings) will contribute towards the creation of sustainable, balanced and inclusive communities by ensuring a mix of dwellings (in terms of size, type and tenure), that will meet the needs of present and future generations.

~~*2. Development proposals will be assessed according to how well they meet the needs of those living in and seeking to move to Northumberland National Park, as identified in the most recent Strategic Housing Market Assessment.*~~

14) What is the basis for the requirement that new housing is for principal residence occupancy and is this justified?

4.14.1 One of the main aspects of the review of Core Strategy (NNPA-050) policies back in 2016 was the concern amongst the planning team and Authority Members that the current Local Connection Test was too rigid and the policy was not successful in housing delivery (Table 1 of Housing Topic Paper NNPA-031). The former Local Connection requirement for occupants of new housing in the Core Strategy has been removed in order to facilitate this aim. Members were also clear that retaining some form of mechanism was required to ensure that any new housing was for residential use, rather than for holiday use.

4.14.2 The basis for the principal residency requirement is set out in the Local Plan itself (paras 4.52-4.54, NNPA-001). Overall vacancy rates (the difference between dwellings and households) are approximately 20%, compared to 6.4% in Northumberland and 4% in the North East and England. This indicates a significant number of holiday and second homes in the National Park. Although tourism is supported by the Authority and in the Local Plan, population decline, the loss of services and vitality of communities must be addressed and the Local Plan aims to introduce more permanent residents, particularly working age families, to the National Park.

4.14.3 We consider this policy is justified as it allows significantly more flexibility for future developers than the rigid Local Connection Test which has not worked. We anticipate more housing proposals will come forward which will support our existing local services of the

Park's settlements. No objections were raised in the Publication Draft consultation (NNPA-009) from local communities regarding this proposal. In the Preferred Options consultation (page 12, NNPA-041) Elsdon Parish Council applauded the Principal Residence requirement. Although the HBF raised concerns, appreciation of the local circumstances and the low levels of development in the National Park must be considered. We receive so few housing applications each year (as outlined in Housing Topic Paper NNPA-031) and we wish those permitted to be retained for housing (rather than second or holiday homes), an aim which hopefully the HBF shares.

15) How would this affect the viability and funding of new housing and how has this been taken into account?

4.15.1 A Viability Assessment (NNPA-027) has been undertaken by consultants on behalf of the Authority. This has been taken into account and the consultants recommended that a principal residency unit be valued at 95% of open market value units. This is significantly higher than the existing Local Connections Test which is valued at approximately 80% of the open market value (para 7.4, Viability Assessment NNPA-027).

4.15.2 The conclusion of the Viability Addendum Report (paras 6.21-6.26, NNPA-028) found that the Local Plan is considered viable. For some typologies this is dependent on Homes England providing the required levels of grant funding for affordable housing. However, should a scheme be proven not to be viable (the Authority accepts that the Principal Residency requirement has an effect on viability), then part 4 of Policy DM3: Affordable Housing allows the scheme to proceed with affordable housing replaced by principal residency housing in some circumstances.

4.15.3 The Authority considers it important to monitor this policy including new build values to check whether the policy would not have an adverse and unexpected impact on viability. This would be carried out within 5 years of implementation.

16) How would this be applied and enforced in practice?

4.16.1 Para 4.54 of the Local Plan (NNPA-001) confirms that '*where permission is granted for a Principal Residence market dwelling, a condition will be attached to ensure that the occupancy of the dwelling(s) is confined to a person's sole or principal residence in perpetuity*'.

- 4.16.2 An informative will also be attached to any decision notice to advise that the principal residence condition will be monitored by the local planning authority and occupiers may be required to provide evidence to the local planning authority on request. It will also explain that the LPA may need to carry out checks to ensure that this condition is being complied with.
- 4.16.3 In terms of enforcement, due to the low levels of housing development that come forward within the National Park it will not be an onerous task to monitor or enforce this condition. Any monitoring would be carried out in a similar manner to the conditions limiting tourism development, in a proactive way by occasional letters to the occupiers, and developers will be informed of this in the informative outlined above. Like with other monitoring issues the planning team may receive reports from members of the public or parish councils in which we will investigate through making contact with the owner, as well as carrying out research online (holiday cottage websites are freely available). Furthermore, the Authority has a relationship with the County Council to obtain council tax information to ascertain whether the property is being used contrary to the principal residency condition.
- 4.16.4 The Authority is satisfied a condition would be sufficient (rather than a Section 106 legal agreement as is currently used with the local connections test) and this is outlined in supporting paragraphs to the policy. A proactive informative on any decision will make it clear to developers and landowners that this condition will be monitored and where necessary enforced.

17) Is it intended to apply this requirement to all new housing including all of the circumstances set out in parts 3.b and 3.c?

- 4.17.1 The principal residency requirement should apply to all **new** housing. The rationale, reiterating the response to Question 14, is that there is a high proportion of holiday and second homes in the National Park and new permanent residents are sought to address the population decline, the loss of services and vitality of communities.
- 4.17.2 Secondly, the open countryside is not the preferred location of new housing in line with Policy ST4: Spatial Strategy. Specific reasons must be given for the creation of a new dwelling in this location such as an essential farming or forestry activity. It is expected that in these exceptional circumstances the property would require principal occupancy anyway in order to fulfil the function, such as farming or land management for example.

4.17.3 However, as 3c) refers to **existing** residential dwellings, the principal residency requirement should not apply. Therefore the Authority proposes moving the proposed modification SoM41 (see Schedule of Modifications NNPA-002) from 3) to 3b) so it reads:

'b. In Open Countryside, providing Principal Residence occupancy.'

This would mean both 3a) and 3b) would have this stipulation, but it would not apply to 3c). The change would be consistent with Policy DM6: Conversion of Buildings and not alter the findings of the Policy Matrix (NNPA-032).

18) What is the basis for the approach towards custom and self-build housing and is it justified and consistent with national policy?

4.18.1 National policy on self-build and custom housebuilding is set out in footnote 26 of the NPPF (para 61), which also refers to section 1 of the Self Build and Custom Housebuilding Act 2015. Para. 4.49 of the Local Plan (NNPA-001) clearly states that *'the National Park Authority will positively encourage the delivery of custom and self-build housing and be proactive in exploring ways to approve plots in pursuit of the duty set out in the Self-Build and Custom Housebuilding Regulations'*.

4.18.2 The Authority maintains and updates the Self-build and Custom Housebuilding Register. As shown in the Monitoring Report (page 20, NNPA-099) there have been 10 new entrants over the past four years. The Authority currently operates a local connection test, meaning only those resident in the National Park (for at least the last three years) are entered into Part 1 of the Register. In line with planning guidance on Self-build and Custom Housebuilding only the entrants on Part 1 count towards demand. This demand has been met by the implementation of permission for five suitable self-build plots in Greenhaugh in September 2019.

4.18.3 Part 4 of Policy ST5: New Housing indicates that self-build or custom housing may be either affordable or restricted to local needs. The Authority acknowledges that part 4 excludes individuals and does not align with the rest of the policy, so therefore proposes the following modifications:

~~Custom and s~~Self-build and custom housebuilding may be approved in accordance with other relevant housing policies, and as either:

a) affordable housing: ~~where the house would be restricted to those in occupation by an eligible household and the value discounted by 25% in perpetuity;~~ or

~~b) local needs custom and self-build housing principal residency: where occupancy of the house would be restricted to a Local Person in perpetuity.~~

4.18.4 This change is to reflect that the local connection criterion is not required for new housing in line with Policy ST5. Affordable housing and principal residency are defined in the Glossary of the Local Plan and therefore further stipulation is not deemed necessary.

19) Is suggested modification SoM41 necessary for soundness? Are other modifications necessary?

4.19.1 Proposed modification SoM41 (see Schedule of Modifications NNPA-002) is intended to clarify that the Principal Residence approach is applicable to all new housing, including those set out in parts 3b). Otherwise, it may appear that this criterion was only applicable to condition 3a) and is therefore considered necessary for soundness.

4.19.2 However, the Authority considers that SoM41 should be moved from 3) to 3b) as explained in para 4.17.3 above. This is so that the modification does not apply to 3c) for replacement dwellings.

Policy DM3: Affordable Housing

20) What is the evidence in relation to affordable housing needs, what is the past record in delivery and what are the likely mechanisms for future delivery?

4.20.1 A commentary on Affordable Housing delivery is presented in the Housing Topic Paper (page 3, NNPA-030). The Core Strategy (2009, NNPA-050) required housing sites of 2 or more units to have at least 50% affordable units. A Ministerial Statement in November 2014 introduced a threshold of 5 units for National Parks and now forms part of the NPPF (para 63, NNPA-059). Affordable homes have not been delivered as a consequence of the Ministerial Statement as developments in the National Park rarely meet the threshold. Four potential affordable housing units in the planning application process at the time of the statement were subsequently lost as a result.

4.20.2 Due to these factors, no affordable units have been provided since 2009. The SMHA (NNPA-025) identifies that two affordable housing units should be delivered for every year of the Local Plan (2017-2037) in order to meet the need. It is stressed that this is not a

target, but expresses the overall need compared with the current supply of affordable housing.

4.20.3 The limited and slow pace of development means that future delivery of affordable housing will be difficult. The SHMA (NNPA-025) suggested Community Land Trusts and this has given the authority some steer on future research. There have also been discussions regarding Community-led Housing. Some work was initiated involving Community Action Northumberland (CAN) to assess provision in one area of the National Park, however that particular Parish was not keen to pursue this. It is considered the best opportunity and most likely mechanism would be for a Rural Exception Site to come forward at one of the Local Centres.

21) What is the basis for the requirement for 50% affordable housing and the threshold of more than five dwellings? Is this justified and what is the evidence regarding viability?

4.21.1 The threshold of five units is based on the Ministerial Statement in November 2014 and now incorporated into the NPPF (para 63, NNPA-059). This is the minimum threshold the Authority can implement. Due to low delivery of affordable housing and the small-scale development typical of the National Park, it would not be appropriate to raise this threshold.

4.21.2 The 50% requirement over the threshold, as per criterion 3 of Policy DM3: Affordable Housing, is based on a balance of maximising affordable housing delivery whilst also acknowledging a scheme needs to be viable in order to progress. As per para 5.21 of the Local Plan (NNPA-001) *'if the few remaining suitable housing sites and traditional buildings within settlement are not used to provide local needs housing, then it will put pressure on other sites outside settlements that the potential to harm landscape'*.

4.21.3 Ultimately, if the 50% affordable housing threshold proves too ambitious and unviable, a developer can provide evidence and potentially supply less affordable units as per part 4 of Policy DM3. However, the reverse is not true for the Authority i.e. with a lower threshold more could not be requested where the opportunity arises. Therefore, the Authority considers an ambitious target of 50% is justified but also flexible.

4.21.4 The Authority ensured that viability testing was done on a range of typologies, including greenfield, brownfield, inside and outside local centres and with a range of units. Those sites outside local centres would be Rural Exception Sites, in accordance with Policy DM3, and were therefore tested with 100% affordable housing. Typologies with 6 or more units would trigger the 50% requirement and were therefore tested on that basis.

4.21.5 The Viability Addendum Report (paras 6.21-6.26, NNPA-028) concludes that the Local Plan is considered viable. For some typologies this is dependent on Homes England providing the required levels of grant funding for affordable housing. A workshop held with Registered Providers found that the level of grant funding required seemed in the typical range used in practice.

22) Is the policy sufficiently flexible in terms of taking account of viability on particular schemes?

4.22.1 Criteria 4 and 5 of Policy DM3: Affordable Housing both offer sufficient flexibility around viability. Should a scheme be proven not to be viable, then part 4 allows the scheme to proceed with affordable housing replaced by principal residency housing in some circumstances. Criterion 5 accepts the payment of a commuted sum in lieu of on-site delivery of affordable housing where the scheme would otherwise not be viable.

23) Why do parts 3-5 of the policy only apply to Local Centres? Should they also apply to Smaller Villages?

4.23.1 Policy ST4: Spatial Strategy makes a clear distinction between Local Centres and Smaller Villages. Parts 3-5 of Policy DM3: Affordable Housing are flexible to allow schemes in Local Centres that otherwise would not be viable or proportionate to the scale of a Smaller Village. This is part of the Settlement Hierarchy approach, and without these criteria there would be little practical difference between a Local Centre and a Smaller Village within the Plan.

4.23.2 Parts 3-5 of Policy DM3 only apply within Local Centres as sites adjoining a Local Centre must deliver 100% affordable units in order to be permissible as per part 1 of the policy. These Rural Exception Sites would not be acceptable other than in this exceptional circumstance and therefore parts 3-5 with lower thresholds are not applicable. Therefore the Authority feels the use of the term 'within a Local Centre' across parts 3-5 is entirely justified.

24) Is suggested modification SoM44 necessary for soundness? Are other modifications necessary?

4.24.1 SoM44 (see Schedule of Modifications NNPA-002) is considered necessary as the criterion reads that if the scheme was unviable an element of principal residence housing would be

considered. It could then be perceived that the remaining proportion could be open market housing. Whereas the intention, as modified, is that a larger proportion of principal residence housing could be proposed but the remainder would still be affordable housing.

4.24.2 The Authority deems this modification necessary to improve soundness, but feel no further modifications are required in this regard.

Policy DM4: Rural Workers' Housing

25) Is it intended that the principal residence occupancy requirement applies in such cases and if so, is this clear and is it justified?

4.25.1 This policy was introduced as the current Core Strategy is silent on this matter of rural workers' housing. Previously PPS7 (Planning Policy Statement 7 Sustainable development in Rural Areas) provided sufficient criteria to assess such planning applications. However with the 2012 NPPF, this detail was removed and the Authority found it necessary to provide a local context and more detail for such applications.

4.25.2 It is intended that principal residency applies to Rural Workers' Housing for two main reasons. Firstly, there should be strong justification to build a dwelling in a rural, often isolated, location against the general premise of the Settlement Hierarchy. Only full-time employment, therefore necessitating principal residency, satisfies this exception.

4.25.3 Secondly, part 2 of the policy limits the change of the dwelling from Rural Workers' Housing to principal residency only. Otherwise the policy could offer a potential loophole to the establishment of new open market housing, which would be against the strategic spatial objectives of the Local Plan, as explained in Question 14.

26) Is the policy sufficiently flexible to take account of changing circumstances?

4.26.1 Policy DM4 whilst mentioning farming, agriculture and forestry also refers to '*essential land management activities*' and is therefore considered flexible to account for a broad range of operations should circumstances change.

4.26.2 Criterion b) requires three years of established activity, which may not seem particularly flexible to changing circumstances. However, without this stipulation a substantial number of Rural Workers' Housing could appear for speculative activities. This would not be in keeping with the statutory purposes, sustainable development principles, the settlement hierarchy or the unsuitability of National Parks for unrestricted housing.

4.26.3 Part 2 specifically allows for flexibility around restricted/ tied farm workers' housing and appreciates that circumstances in the farming sector may change, necessitating a reconsideration of the further need of the tied house. It is up to the applicant to demonstrate that the tie is no longer needed. This is considered sufficiently flexible.

Policy DM5: Accommodation for Gypsies, Roma and Travellers

27) What is the evidence in relation to the need for such accommodation?

4.27.1 The evidence for this type of accommodation is the Northumberland Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (NNPA-089) prepared by Northumberland County Council. As stated in Para. 5.34 of the Local Plan (NNPA-001) levels of need are negligible and there is no justification to allocate a site within the National Park. The Authority has no knowledge of receiving planning applications for such accommodation or reports of any unauthorised encampments.

28) Is the approach to this issue justified and consistent with national policy in the light of this evidence?

4.28.1 As stated in Para 5.33 of the Local Plan (NNPA-001), national planning policy requires local planning authorities to identify sites for Gypsy and Traveller pitches where there is evidence of need. If there is no evidence of need then authorities are required to set out an exceptions policy, similar to that applied to affordable housing, which forms the approach of Policy DM5.

29) Are the criteria in the policy justified and consistent with national policy? What is the basis for criterion b)?

4.29.1 The Authority believes the Local Plan and the policy is consistent with the Planning Policy for Traveller Sites, particularly in regard to Rural Exception Sites. The Authority has taken a proportionate approach to the plan-making guidance in respect of no need being identified. However, para 27 of the guidance lists National Parks as an exception to the 5-year supply of deliverable sites.

4.29.2 The basis for criterion b) is the Northumberland Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (NNPA-089) prepared by Northumberland County Council. The assessment considers the whole county, including the National Park,

and identifies 8 sites are required up to 2035/36. Due to negligible levels of need there is no justification to allocate Gypsy and Traveller Sites in the National Park. Criterion b) will accept such sites only if Northumberland County Council are unable to meet the need.

30) Is suggested modification SoM49 necessary for soundness? Are other modifications necessary?

4.30.1 Proposed modification SoM49 (see Schedule of Modifications NNPA-002) proposes to add Travelling Showpeople to Policy DM5. This is to align with the national Planning Policy for Traveller Sites (MHCLG) which uses the term. It is also considered necessary to prevent implications for the Equality Impact Assessment. A further modification (also under SoM49) was proposed to correct a grammatical error.