

Issues for the new Local Plan

The following paper sets out the main issues to be addressed within the new Local Plan. Is there anything missing?

1. Settlements

- 1.1 **Settlement Hierarchy** – do we need one/how will it work?
- 1.2 Do we want or need **settlement boundaries**?
- 1.3 **Botton Village** – do we need a specific policy (as at present)?
- 1.4 Identifying local **green space** which holds a particular significance to a local community in terms of beauty, historical significance, recreational value, tranquillity or richness of wildlife - how is it to be assessed and how do we involve local people?
- 1.5 **Infill sites** – Is the current definition serving its purpose?

2. Housing

- 2.1 **How many new homes, of what sort** and where?
- 2.2 Do we treat different parts of the National Park differently on the basis of need and viability?
- 2.3 Do we **allocate sites**?
- 2.4 What do we do about **local occupancy**? Do we keep it? Do we limit the size of dwellings? Do we widen the criteria? What do we do about local occupancy and conversions?
- 2.5 How do we approach **employee annex blocks?/manager's dwellings**
- 2.6 Does policy need strengthening regarding **annex blocks in gardens** (separate dwellings)?
- 2.7 How do we approach **conversions**? How much of the original building needs to be there? Where are they acceptable? Do we need to define quality of the building suitable for conversion, to stop conversion of poorly built or modern buildings? How do we approach this in the National Park given the move to widen permitted development right for conversions outside the National Parks?
- 2.8 What sort of **affordable housing** do we need (and how is it subsidised)?
- 2.9 Does the policy on **house extensions** (DP19) need strengthening? Should extensions be limited to meeting need only?
- 2.10 Do we 'opt in' to building regulations covering **accessibility/older people's accommodation**?

3. Tourism

- 3.1 Does policy need to cover other types of **accommodation** e.g. yurts, pods, treehouses etc. and the different impacts on the wider landscape they can have?
- 3.2 What should our approach to **extending existing sites** be?
- 3.3 Does the '**established woodland requirement**' need looking at, as sites can be in woodland but highly visible whereas some sites outside woodland are less visible.
- 3.4 Do we change the **length of time in conditions/agreements**? i.e. 12 months but need to demonstrate holiday use (easier to monitor?) vs 11 months (shutting down for 1 month) to try and stop use as main residence
- 3.5 Should we have something specific for existing facilities e.g. Sutton Bank, Moors Centre, Dalby i.e. **hubs for tourist activity**?

4. Agriculture

- 4.1 **Agricultural workers dwellings** – does a new dwelling have to be within the existing steading? Does it have to be for someone who needs to be permanently on site?
- 4.2 **Do new agricultural buildings** for livestock need to be within existing farm steading?
- 4.3 **New farmsteads** – what is the policy on starter farms where someone has a few fields and wants to develop a farmstead?
- 4.4 **Approach to remote agricultural buildings** – in light of push elsewhere to allow change of use/conversions through permitted development rights is our current policy the right one?
- 4.5 **Do we need a farm shop policy?** Or wider retail aimed at rural activities?

5. Retail

- 5.1 **Retail Policy** – should it include other uses, not just A1 and A2?

6. Major development

- 6.1 **What should our major development test** policy be? What is our interpretation of national need, particularly in the context of policy in the joint Minerals and Waste Local Plan?

7. Environment

- 7.1 **SUDS policy** – do we need one?
- 7.2 How do we phrase/improve policy on **tranquillity**?
- 7.3 Do we need a **dark skies/exterior lighting policy**?
- 7.4 What's our view on **renewable energy** (including wind)? Do we identify 'suitable areas'?
- 7.5 What's our approach to **solar farms and photovoltaic panels** in villages?

8. Design

- 8.1 **Materials** – use of uPVC in traditional and modern buildings. What are our expectations?

9. Other

- 9.1 Policy on retention of community facilities e.g. **shops** and demonstration of non-viability.
 - 9.2 Should **stables** be in with domestic policy, not equestrian policy?
 - 9.3 What is our approach to **adverts** (including roadside/tourism)?
 - 9.4 What can we say about **broadband** (is it covered by building regulations?)
 - 9.5 What is our policy on the **coast (Heritage Coast)**?
 - 9.6 What is our policy on **forestry**, especially tracks for shooting?
 - 9.7 Do we need a policy on **public sculpture and art**?
- PF



North York Moors Local Plan

Housing – Five Questions

This draft paper has been prepared for Members of the Development Plan Working Group. Future versions may be issued to support public consultation. It has been created to update Members on changes to national planning policy and practice and initiate debate and discussion over the best way forward when planning for housing in the North York Moors National Park.

It covers some of the key decisions to be made around the provision of new housing, such as the amount, size, type, location and tenure. It will be supported by more detailed technical papers on housing and settlement hierarchy.

This is a discursive paper and nothing in it should be taken to indicate any future direction of policy

9 June 2016

DRAFT

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1. Why have we produced this paper?

- 1.1 We have now started preparing a new North York Moors Local Plan. This will direct the amount and type of new development in the National Park to the year 2035. As part of this process the National Park Authority will need to make decisions on the amount, type and location of new housing to be made available.
- 1.2 This paper is the first step in this process and has been prepared to initiate and facilitate discussion with the Development Plan Working Group, which is due to convene on the 9 June. It covers five key questions relating to new housing. Until we know more about the types and locations of sites that may be available for housing we cannot make any final decisions on these questions, however in the meantime we can open debate about the future direction of policy on housing.
- 1.3 Nothing in this paper should be taken to indicate any future direction of policy.
- 1.4 We are aiming to publish an 'Issues and Options' document this autumn which will also cover the issues set out in this paper. This will be accompanied by more detailed topic papers which will set out additional evidence to help inform the decisions to be made.

2. What are we aiming to achieve?

- 2.1 We start by taking a step back and asking a basic question – in housing terms, what do we want to try and do for the long term good of the National Park?
- 2.2 Everything we do is guided by the two 'statutory purposes' relating to National Parks. These are to conserve and enhance the natural beauty, wildlife and cultural heritage of the Park and to promote opportunities for the understanding and enjoyment of the special qualities of the Park. In carrying out these purposes the Authority also has a duty to seek to foster the economic and social wellbeing of local communities. The Local Plan must help reconcile these purposes and the socio-economic duty and in recognition of the statutory purpose of planning it should aim to deliver sustainable development within the context of the above statutory purposes.
- 2.3 Government policy on new housing in the National Park is further articulated in its 2010 Circular '*English National Parks and the Broads*'¹ which, although originally written to cover a five year period is still extant. This states that "*the Parks are not suitable locations for unrestricted housing*" and that the expectation is that new housing will be focused on *meeting affordable housing requirement, supporting local employment opportunities and key services*" (paragraph 78).

From this we can take our objectives as:

- a) Taking a restrictive approach to new housing to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park This message is reinforced in the National Planning Policy Framework which indicates that development in National Parks may need to be restricted to meet National Park purposes. This means avoiding

¹ Department of Environment, Food and Rural Affairs, English National Parks and the Broads, UK Government Vision and Circular, March 2010.

unrestricted market housing to meet demand from elsewhere or within the National Park, and instead focus on meeting housing *need*, in other words where it:

- b) Delivers *affordable* housing
- c) Fosters the economic and social wellbeing of local communities by:
 - Supporting local employment opportunities
 - Supporting key services

2.4 This should then ensure that any housing development is genuinely sustainable in the context of a National Park and its national purposes. A quality of development that conserves and enhances the National Park is also crucial to reflecting National Park purposes.

Five questions

2.5 To achieve these objectives the following five questions will need to be answered:

1. How many new homes will we need?
2. What types and sizes of new homes will we need?
3. Where should any new housing be located?
4. How do we deliver sufficient affordable housing to meet our needs, and of what sort?
5. Should we apply a local connection restriction to new housing, and if so, to whom and where?

2.6 Until we know the types and sizes of sites that may be available it is not possible to fully answer these questions. It may not be possible for example to meet all housing need without causing unsustainable harm. The quality of design of new housing also has a major influence on the way new housing relates to the National Park. However, as a starting point considering these questions will help inform our approach.

3. Question 1 – How many new homes will we need?

3.1 We do not currently have a housing target, but our Core Strategy includes an ‘anticipated level of completions’ of **26 homes per year** between the years 2008 and 2026. This is based on the average level of completions between 1991 and 2007. Between 2008 and 2016 **285 homes** were completed or **36 homes per year**. A further 327 have permission but have yet to be started or completed (not all may be).

3.2 Local Planning Authorities (including National Parks) are now expected under government policy to establish housing targets by calculating what is termed ‘objectively assessed need’ (OAN). This is a top down calculation which uses demographic and economic modelling to work out the overall demand and need for new housing in the future. It is known as a ‘policy off’ figure in that it does not take any constraints on land availability into account – it is a pure expression of the demand for new housing regardless of how it may fit into or affect an area.

- 3.3 Calculating a separate OAN for a National Park is however problematic. Much of the information required corresponds to local authority rather than National Park boundaries. This means we cannot obtain a separate figure for the National Park area in exact accordance with Government guidance. It also means there is an overlap – each of the four districts within the North York Moors National Park (NYMNP) boundary (Hambleton, Redcar and Cleveland, Ryedale and Scarborough) have recently each produced their own figure for OAN based on their own boundaries, including the part of the NYMNP within each district or borough. Providing an additional figure for the NYMNP would therefore be double counting some need. If we were to assume that each of the four districts plan for their OAN within their own planning boundaries this would meet the needs of the NYMNP, removing any requirement for us to plan for any new housing.
- 3.4 However, this ignores our role as a local planning authority in terms of positively planning for the needs of the area for which we are responsible. We therefore commissioned a ‘Strategic Housing Market Assessment’ (SHMA)² jointly with Hambleton, Ryedale and York, part of which looks at housing need. The SHMA has recently been completed. Rather than calculate an ‘additional’ OAN it concludes that the national policy expectation is that the Park will not be catering for wider market demand but should focus on meeting affordable need and needs which support the local economy and local communities. It therefore generates a range of figures to support this aim.
- 3.5 Briefly, it starts by projecting forwards past trends in births, deaths and people moving in and out of the NYMNP. It then looks at the likelihood of people to form their own household by applying probabilities based on age, sex and type of household before converting the number of households into potential new dwellings by taking into account empty and second homes. It then looks at how this will influence the number of workers and finally looks at the need for affordable housing.
- 3.6 The results of the SHMA are as follows:

	Need for new dwellings 2014-35
Baseline:	6 dwellings per annum
5 year trend:	-4 dwellings per annum
13 year trend	2 dwellings per annum
Zero net migration	-44 dwellings per annum
Zero Population Growth	29 dwellings per annum

² GL Hearn, North York Moors Strategic Housing Market Assessment, June 2016.

- 3.7 The baseline is our 'do nothing' scenario and calculates what would happen to our current population in terms of them being born, dying and moving in and out (migration) over time. The 5 and 13 year trend illustrate what happens if we extrapolate past migration rates over these periods into the baseline figure. The zero net migration figure shows what happens if no one moves in or out and it's just births and deaths driving population change. Finally, a zero population growth figure shows how many homes are needed if the population of the North York Moors is to be the same at 2035 as it was in 2014.
- 3.8 There are three key trends driving these projections. Firstly the NYMNP has been losing population over time. Between 2001 and 2014 the NYMNP has 'lost' 768 people or 3.2% of our population. Secondly the population has been getting older and younger people have been moving out. Third, people have been living in smaller households than before. The 5 and 13 year trend figures are picking up on the loss of population and hence are generating little or no need for new housing (as they are based on past trends). The zero net migration figure is negative as the population is ageing and not being replaced as people die? Finally, the fact that people have been forming smaller households (due to people not getting married, marrying later, getting divorced or living longer as single older persons), which means that even if we plan for zero population growth we will still need new houses as our households will be smaller – our figure of 29 dwellings per year reflects this.

Figure 1: NYMNP Population change 2001- 2014

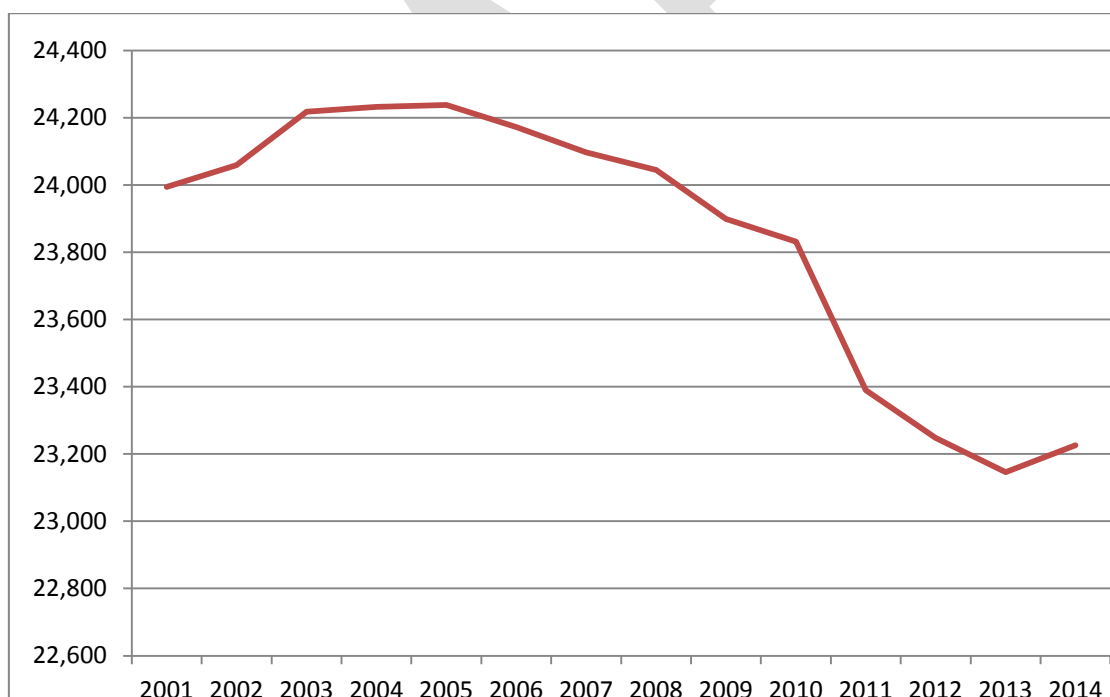


Figure 2: NYMNP Population change by age group, 2001-2014

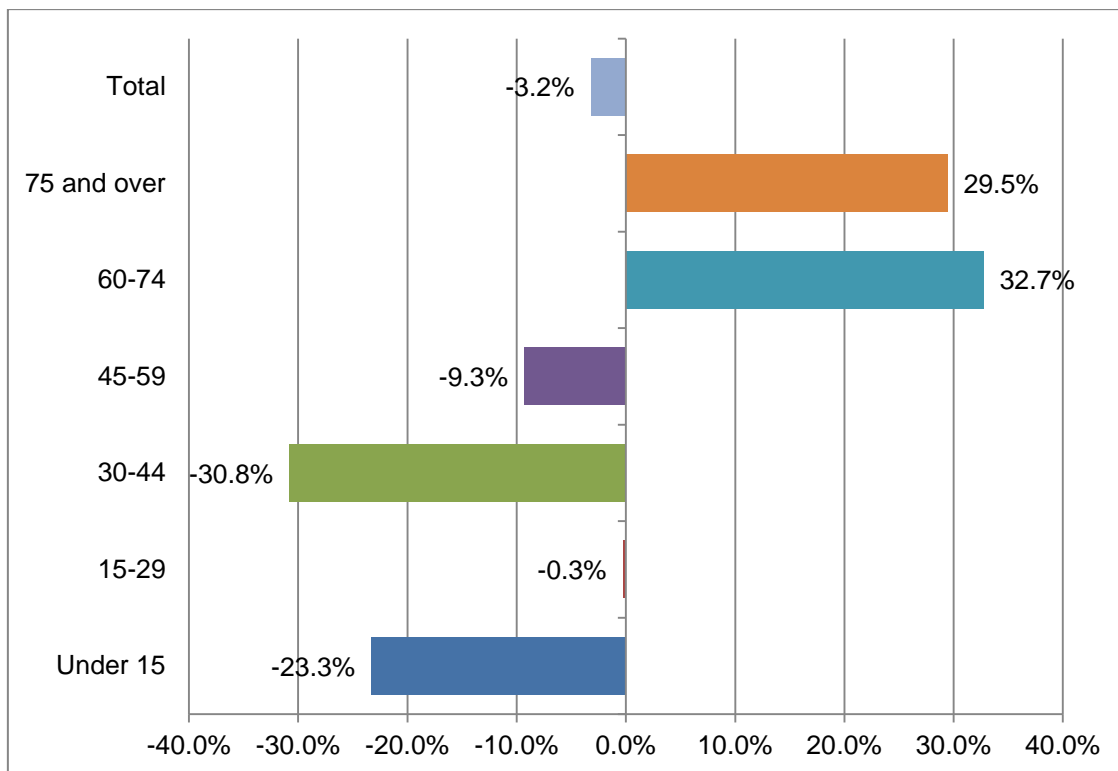
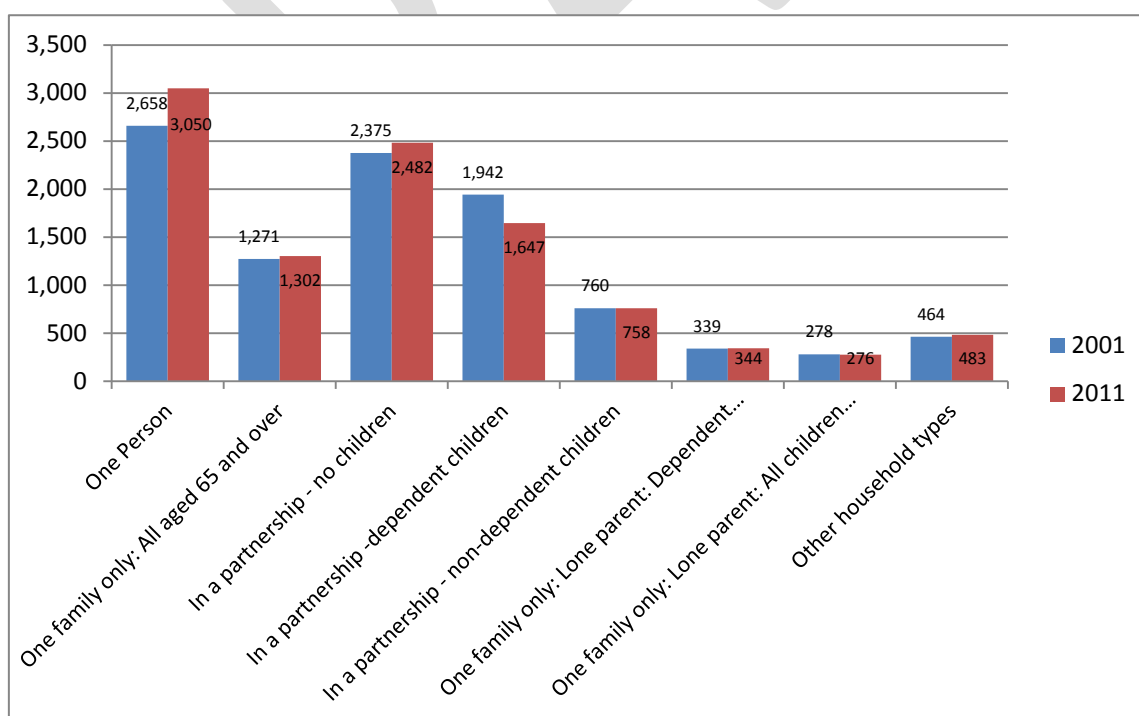


Figure 3: NYMNP Changes in type of household, 2001-2011



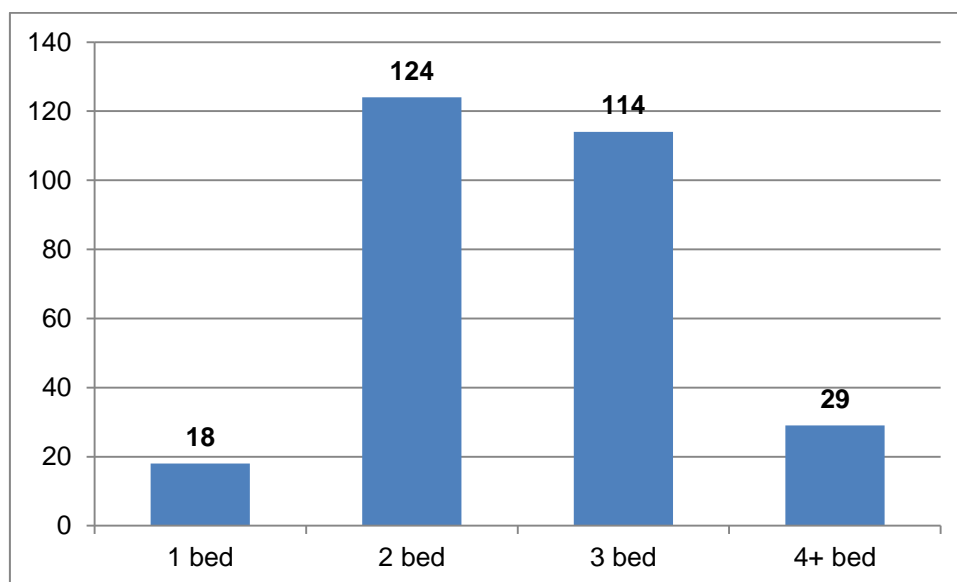
- 3.9 Two further checks are then made. Firstly whether there will be enough people to do new jobs or replace people who are due to retire. Job projections are not available for the National Park. Instead, it was calculated that our figure of 29 dwellings per annum would generate 16 new workers, which is enough to maintain job numbers. Secondly, the modelling showed that 21 of the 29 new homes would need to be affordable to meet the needs of our population, based on how many people will not have sufficient incomes to afford new housing.
- 3.10 For context if we take the figure of 29 homes per year this would mean 609 homes would be built over the life of the plan. 36 homes per year have been completed since 2008. We also have outstanding planning permissions for 79 new homes (not all of these may eventually be built) and a further 155 homes are planned on two sites at Helmsley within the National Park Boundary (sites NYMH1 & 3). In addition 34% of our housing completions have been in the form of conversions of existing buildings since 2008. Taking all this into account if we adopted a housing target of 29 homes per year this would imply a need to find new sites (or assume windfall land may come forward) for up to 285 new homes or 14 per year.
- 3.11 An eventual housing target will also be dependent on the availability of suitable sites and the need to make sure we are conserving and enhancing the National Park which will require further assessment.

Question 1 - *What are Members' views on the possible policy objective of aiming to stabilise the current population over time?*

4. Question 2 – What type and size of housing will we need?

- 4.1 The following graph shows that the bulk of new housing in the National Park came in the form of two and three bedroom units, with the most common size of unit being a 2 bed home (124 units or 44% of the total number of completions).

Figure 4: Housing completions by size, 2008-2016



4.2 We also know that our households are getting smaller (see figure 3 above) and this trend is likely to continue. Our SHMA has modelled the need for different sizes of new houses and recommends the following housing mix:

- 1 bed: 15-30%
- 2 bed: 40-60%
- 3 bed: 15-25%
- 4 bed: 5-10%

4.3 Finally, the SHMA also calculates a need for eight sheltered accommodation units 8 per annum 1 enhanced sheltered unit per annum and 2 extra care units per annum.

Question 2: Does this housing mix feel right?

5. Question 3 – Where should new housing be located?

The current settlement hierarchy

5.1 The current Core Strategy directs new housing to villages according to their place in the National Park 'settlement hierarchy':

Tier	Settlement	What's suitable? (Market Housing) (Core Policy J)	What's suitable? (Affordable housing) (Core Policy K)
Local Service Centre (Market town)	Helmsley	Open Market Housing with 40% affordable (depending on site viability) on sites of 0.1 hectares or two	Rural exceptions for affordable housing adjacent to the built up area

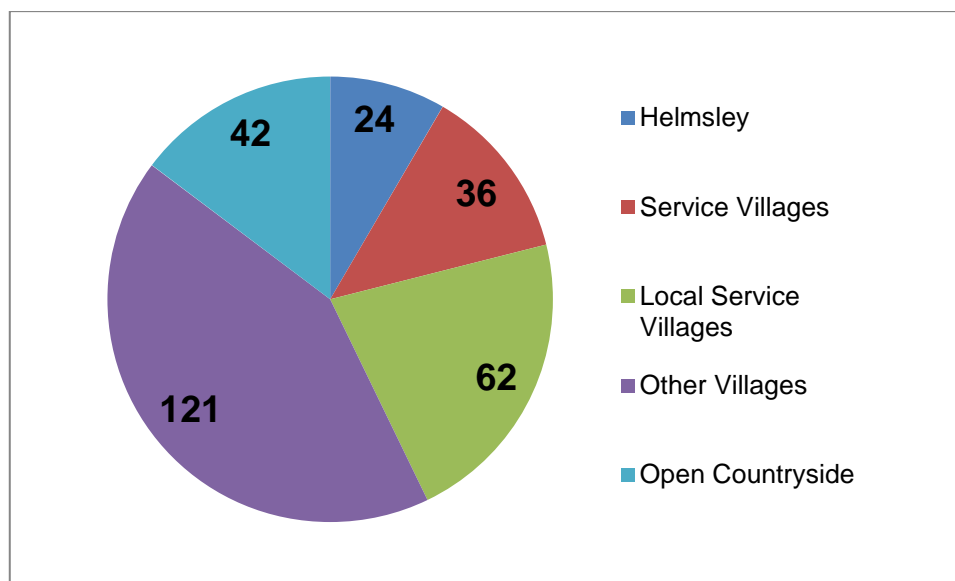
Tier	Settlement	What's suitable? (Market Housing) (Core Policy J)	What's suitable? (Affordable housing) (Core Policy K)
		or more dwellings	
Service Villages (A shop selling food, a primary school and 'good' public transport links, on the edge of the Park)	Ampleforth Easington Guisborough (part) Scalby Sleights (part) Thornton-le-Dale (part) West and East Ayton	Open Market Housing with 40% affordable (as above) on sites of 0.1 hectares or two or more dwellings	Rural exceptions for affordable housing adjacent to the built up area
Local Service Villages (Self-contained settlements within the Park with some limited services)	Fylingthorpe Hinderwell Osmotherley Lythe Staithes Swainby	Local needs housing on infill sites/as conversions (local occupancy only)	Rural exceptions for affordable housing adjacent to the built up area on sites of more than one dwelling
Other villages (Very limited or no facilities.)	48 smaller villages	Local needs housing on infill sites/as conversions (local occupancy only)	Rural exceptions for affordable housing adjacent to the built up area on sites of more than one dwelling where it contributes to the sustainability of the settlement
Open countryside (no development, or sporadic development or isolated buildings)		Essential dwellings for farming, forestry or other land management activities, replacement of existing dwellings, conversions to holiday lets and local occupancy letting dwellings.	n/a

- 5.2 At present open market housing is permitted only in Helmsley and the Service Villages with a requirement to provide 40% affordable dwellings dependent on viability. Local needs housing is permitted on small infill sites or as conversions of existing buildings in Local Service Villages and Other Villages. 100% affordable housing on exception sites is permitted within or adjacent to all settlements in appropriate circumstances. New development in Open Countryside is allowed only where it is essential for farming, forestry or other essential land management or for conversion of a traditional rural building.

Is it working?

- 5.3 Since the adoption of the Core Strategy and Development Policies DPD in 2008 the following numbers of homes have been completed:

Figure 5. Housing completions by location, 2008-2016



- 5.4 It should be noted that completions will include some schemes which were given planning permission before 2008 under the old Local Plan. A full breakdown of both completions and planning permissions is available at Appendix 1.

- A total of **285 units** have been developed between 2008. This is **36 per year**, 66% of which were new build and 34% (98 units) were conversions of existing buildings.
- 42% of these homes (121 dwellings) were built in the 'other villages' category as set out in our settlement hierarchy. Under this policy new housing is restricted to infill development or conversions and is restricted to local occupancy only.
- Only 8% of completions were within Helmsley (24 dwellings) – however this low figure is likely to change as larger new schemes are now coming forward in the town following the adoption of the Helmsley Plan and coinciding with economic recovery.
- There were **119 affordable houses delivered** (42% of the total). Almost half of these were built in the 'other villages' (55 units) with a further 42 built in Local Service villages. Conversely, only 22 were built in Helmsley and the Service villages where some market housing is allowed to help cross subsidise affordable housing. This reflects the fact that the bulk of our affordable housing supply has come forward on rural exceptions sites (although as schemes in Helmsley progress this balance may change slightly)

- **98 units were delivered as local occupancy only dwellings (34%);** the 119 affordable units would also be subject to occupancy controls, meaning that **76% of all new housing built would have been available to local people only.**

5.5 Our settlement hierarchy is broadly working with one or two provisos:

- Nearly 21% of completed housing units were in Helmsley and the Service Villages suggesting that development is being focused in the larger settlements as planned.
- Although 42% of completed housing units (121 houses) were in Other Villages (the smallest type of settlement) these were spread among 53 different villages and were generally in small schemes of one or two units – flowing from the Authority’s definition of infill sites. This is a reasonable scale of development for these individual small villages
- Open market housing developments in the Service Villages have not delivered the amount of affordable housing anticipated by Core Policy J; the 22 affordable units completed in Service Villages were not part of open market developments but were on exception sites in Thornton le Dale and Sleights. The economic downturn from 2008 will have resulted in viability problems on small open market sites and developers may also have been ‘put off’ by the affordable requirement. Whatever the reason, no affordable units have been delivered through Core Policy J in these larger villages.
- The permissions granted in Appendix 1 show that there were a few ‘unexpected’ permissions which are likely to be explained by the specific circumstances of the particular applications – 6 open market units in Other Villages/Open Countryside and 3 units with a local occupancy condition in Helmsley/Service Villages. This is only a small number of exceptional cases.
- A large proportion of housing permissions (around 34%) are for conversions of existing buildings which may be located in any tier of the settlement hierarchy and this pattern is likely to continue.

5.6 We now need to consider whether the current approach is still appropriate for the new Local Plan:

Do we need a settlement hierarchy at all?

5.7 When the Core Strategy was adopted in 2008, identifying a settlement hierarchy was a requirement imposed via the Regional Spatial Strategy. Local planning authorities are now free from that constraint and the Authority could choose not to have a settlement hierarchy at all but to rely on a ‘call for sites’ exercise to plan future development in suitable locations and allocate sites as part of the new Local Plan before taking a very restrictive approach to further development.

5.8 **The advantages** - it provides a way of directing development – employment as well as housing – into appropriate locations and gives a clear message to potential developers about what types of proposal will be considered in particular locations. It is a way of encouraging applications that represent sustainable development and ensuring that existing

villages with services continue to have development activity/population to maintain those services. Keeping a settlement hierarchy with policies that set out what types of development will be supported in each tier means that it would not be essential to allocate particular sites as part of the new Local Plan.

- 5.9 **The disadvantages** - it can quickly become out of date if particular services or facilities in individual villages change. It can also be inflexible and prevent a good development proposal simply because the proposed location is in a village which has been assigned to a particular tier in the hierarchy. Any list of settlements based on set criteria will also inevitably 'throw up' settlements that may be small or unsuitable for new housing but are identified as having the requisite services, conversely they can exclude larger settlements with plenty of services if they are missing a particular feature (Castleton being the obvious anomaly in our current hierarchy). Not setting a formal hierarchy would avoid this problem.

If we keep a settlement hierarchy does it need to be reviewed?

- 5.10 There are various ways of creating a settlement hierarchy. Our options include (but are not limited to the following (or a combination of the following):

- We could continue as at present and base a hierarchy on a mix of public transport links and certain basic services;
- We could base it on just services and not require public transport links. Given the steady decline in public transport services in recent years and reliance on the private car within the National Park it may be appropriate to put less emphasis on access to public transport in the new Local Plan, particularly as it leaves out 'service rich' villages with no public transport link;
- We could look at existing employment opportunities, for example by looking at the workforce of each Parish and/or planning permissions granted for new employment uses;
- We could look at the physical size of the main built up area or the number of houses in a village or hamlet'
- We could base a hierarchy on a few key services. For example the presence of a primary school is a key facility in many villages, attracting other community activities which use it as a venue, and new housing could help support it. Similarly we could take the presence of a GP surgery as a particularly important facility.
- We could take a more cluster based or 'hubs and hamlets' approach and identify particular villages whose services serve a wider catchment of villages with few or none of their own where new housing across the cluster would help support services in the 'hub' village.

If we keep a settlement hierarchy are the types of development supported in each tier still appropriate?

- 5.11 If a settlement hierarchy is kept in the new Local Plan, it would be appropriate to review the types of development that are supported in different tiers and our policies on how housing may 'fit in' villages. Points to consider are:
- Since the SHMA concludes that the priority for the future is for local affordable rather than open market housing should the Authority stop supporting open market housing in Service Villages or their equivalent in a new hierarchy? The argument would be that open market schemes have not delivered the 40% affordable contribution that was intended so the justification for allowing open market dwellings may no longer be there.
 - Is it necessary to reconsider the spread of housing development to take account of and foster appropriate new types of economic activity? An opposing view would be that it is more important to concentrate new development in existing larger villages with services to ensure that they remain strong and vibrant communities.
 - What are the implications of the need for further extra care facilities and accommodation suitable for older people?
 - In Local Service Villages and Other Villages housing development is restricted to small infill sites within a continuously built up frontage which can accommodate no more than one dwelling (unless it is affordable housing on an exception site). This definition of infill sites has protected important spaces and the 'open' built form which characterise many villages. We need to decide whether it should be kept for the new Local Plan and whether it is still appropriate for it not to apply to the larger Service Villages.

Question 3 – What are Member's views of how the current settlement hierarchy has been operating and are there any views on how it should be reviewed?

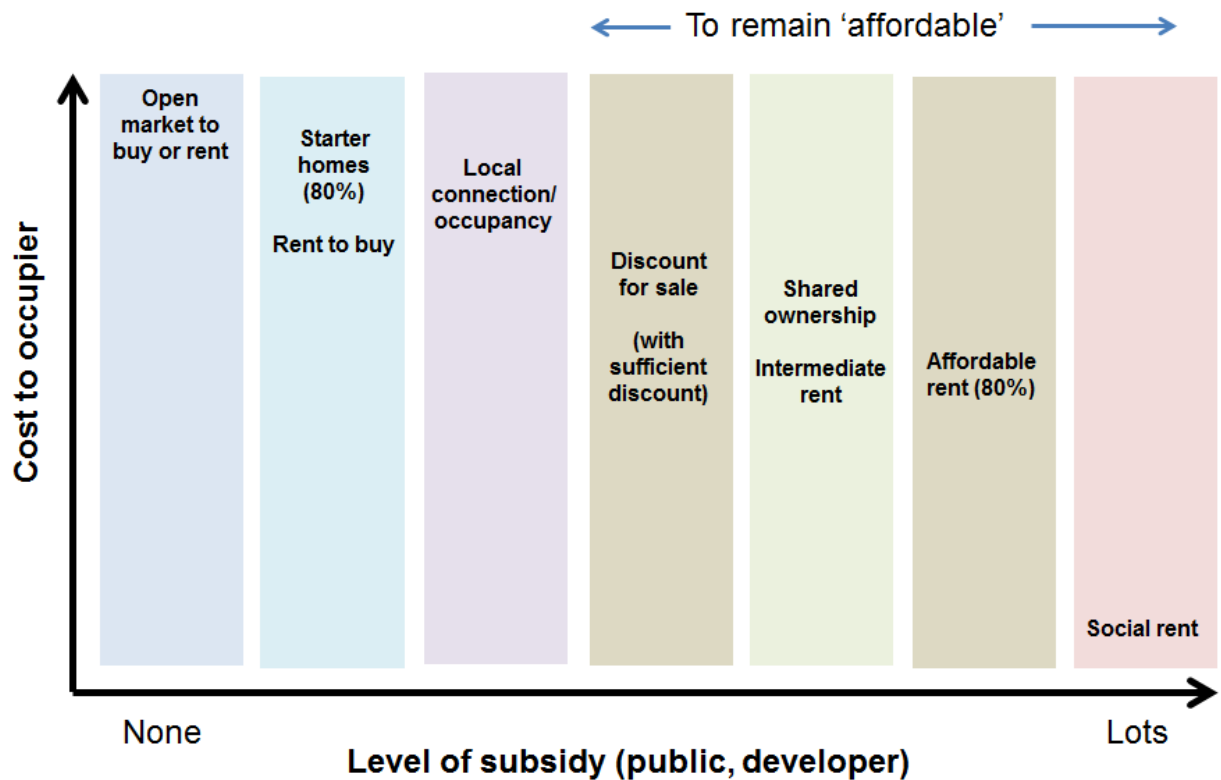
6. Question 4 – How do we deliver sufficient affordable housing to meet our needs, and what sort?

- 6.1 Since 2008 **119 affordable houses** have been completed (42% of our total supply). So far no affordable houses have been delivered over this period in Helmsley (although some are in the pipeline) and 22 have been delivered in the 'Service Villages'. It is these locations where an element of market housing is permitted if it can support new affordable homes. Most affordable housing has therefore come forward in 'Local Service Villages (42 homes) or 'Other Villages (55 homes). This means that the majority of affordable housing delivered since 2008 has been developed on 'exception sites' under Core Policy K. Exception sites are sites that would not normally be granted permission for housing but are considered acceptable on an exceptional basis to provide affordable housing (defined as being genuinely affordable and in perpetuity). The clear expectation that only affordable housing may be permitted on such sites results in a smaller uplift in land value when permission is granted and correspondingly lower selling prices. We have been working with the North

Yorkshire Rural Housing Enablers and have a track record of delivering affordable housing on exceptions sites.

- 6.2 The early affordable housing schemes provided 100% social rented dwellings and more recent schemes have included shared ownership alongside social or affordable rented dwellings. The Section 106 agreements for all schemes require that all dwellings must be affordable in perpetuity and be occupied by local people in housing need.
- 6.3 It is important to be clear about the distinction between affordable housing and local needs (or local connection) housing. Local needs housing has a condition or legal agreement attached to the planning permission which restricts occupation but is not necessarily affordable. Evidence suggests the value of local occupancy properties is typically reduced by 15 – 20% so they fall between open market and affordable dwellings in terms of value.
- 6.4 Since 2008 a great deal has changed in terms of affordable housing policy and funding. There are three key changes:
- Firstly, the vast majority of public subsidy is now earmarked for home ownership schemes, including 'Help to Buy shared ownership' and 'Rent to Buy'. Following the Planning & Housing Act (May 2016) the government is also introducing a new Starter Homes programme which will provide starter homes at 20% less than market value. However it is only likely to be required on schemes of ten or more units which will be rare in the NYMNP and is not a requirement on exception sites.
 - Secondly, an affordable housing threshold of 5 or fewer homes is now set out in government guidance where contributions towards affordable homes cannot be sought. On schemes of 6-10 units a contribution could be sought but would have to be pooled and spent elsewhere. This does not however apply to rural exceptions sites.
 - Third, the definition of rural exceptions sites was widened in the National Planning Policy Framework in 2012 to allow for 'mixed' sites where an element of market housing would be allowed if it cross-subsidised a significant element of affordable housing within the scheme. The NPA has not initiated this on any of its exception sites.
- 6.5 There is also the issue of what type of affordable housing is the most suitable. In recent years the range of affordable housing 'products' has widened. The following diagram is an attempt to set out a housing 'menu' in terms of the various housing types and their approximate affordability and need for some sort of subsidy:

The Housing Menu



- 6.6 The balance to be struck is whether to pursue fewer 'more expensive' sites for social or affordable rent (which may no longer be eligible for grant) by allowing some market housing to provide cross subsidy or broaden the criteria to include 'less affordable' units which may still be funded – for example for shared ownership or starter homes. On the other hand shared ownership models whilst suiting some of the market and attracting subsidy are not affordable for many. Similarly, starter homes are unlikely to meet the needs of many households in the National Park; the SHMA commented that only 20% of those in need of affordable housing would be able to afford a property at 20% less than full market value.
- 6.7 The Authority has so far resisted allowing open market dwellings on exception sites - although some rural planning authorities have adopted this approach in order to bring forward sites – because it has so far been possible to find workable proposals for 100% affordable schemes. However, in the absence of capital subsidies for rented dwellings, if the Authority wishes to continue provide affordable housing on exception sites the options are:
- Accepting that all dwellings will be some form of home ownership for which government subsidies are still available;
 - Allowing some open market dwellings in the mix so that affordable rented dwellings can still be provided (with management arrangements in place), 'cross-subsidised' by the open market dwellings.

6.8 Two questions arise: first, whether schemes which are entirely home ownership would meet the housing needs identified in local needs surveys and second whether there is a fundamental question of principle about development in these locations being justified only because 100% affordable housing in perpetuity is being provided. One possibility is to consider an option along the lines of Dartmoor National Park Authority's exception site policy. This allows development for affordable housing to meet local needs within or adjoining the built up area of a settlement and in most cases the schemes are expected to be 100% affordable. However, in exceptional circumstances, Dartmoor may allow some market housing to facilitate affordable provision, provided certain criteria are met:

- The scheme must not be viable for 100% affordable housing;
- The land brought forward must have the value it would have for a 100% affordable scheme;
- The amount of open market housing must be the minimum required to deliver the affordable housing;
- The scheme should have no more than 25% open market dwellings.

Question 4 – What are Member's views on the range of affordable housing products available and whether the Authority should allow a proportion of open market housing on exception sites to facilitate cross subsidy of affordable housing?

7. Question 5 – Should we apply a local connection restriction to new housing, and if so, to whom and where?

The current position

7.1 Local occupancy conditions have been applied to certain new housing developments in the Park since 1992. Policy states that 'local needs' housing will be supported on infill sites or conversions within the main built up areas of the smaller 'local service villages' or 'other' villages as defined in the settlement hierarchy. The rationale is that limited opportunities for new housing are used to meet local need rather than cater for external demand.

7.2 Occupancy is restricted to:

- | | |
|---|---|
| A | People who are currently living in and have permanently resided in the National Park for 5 years or more and are living in accommodation that no longer meets their requirements or |
| B | People who do not currently live in the National Park but have a strong and long standing link to the local community including a previous period of residence of 5 years or more or |
| C | People who have an essential need to move to live close to relatives who are currently living in and have resided in the National Park for at least the previous 5 years or more and require support for reasons of age or infirmity or |

D	People who require support for reasons of age or infirmity and need to move to live close to relatives who are currently living and have resided in the National Park for at least the previous 5 years or more or
E	People who need to live in the National Park as a result of current sole employment within that parish or adjacent parishes within the National Park

7.3 Applicants are expected to fill out a Local Occupancy Proforma as set out at Appendix G of the Housing Supplementary Planning Document. They are also expected to be able to demonstrate that the current stock does not need the applicant's needs. When a local needs dwelling is being sold, if no suitable purchaser can be found within the parish after 25 days a 'cascade' kicks in where people from adjoining parishes are eligible, then after another 25 days it cascades further so that anyone with the National Park becomes eligible.

7.4 A similar set of occupancy criteria apply to affordable housing.

How does this compare to other National Parks?

7.5 Seven out of the ten National Parks in England (including the Broads Authority) operate some form of occupancy control on 'non-affordable' housing. The main housing paper will give further details but in summary they vary from no policy at all (Broads, New Forest, South Downs) to slightly more flexible policies than the North York Moors (Yorkshire Dales, Dartmoor, Northumberland, Peak District) to tighter policies which do not employ a cascade or require longer residency/employment periods (Lake District, Exmoor).

Are local occupancy conditions working?

7.6 Since 2008 the Authority has granted planning permission for 98 new homes with this restriction (34% of our total). Occupation is actively monitored – there have been only two cases since 2004 where our monitoring revealed that legal agreements were not being honoured and action was taken. This indicates that the policy is meeting with some success in that it is meeting a local need and has not been subject to abuse.

Current Issues

7.7 However, there are issues around operation of the policy. They include:

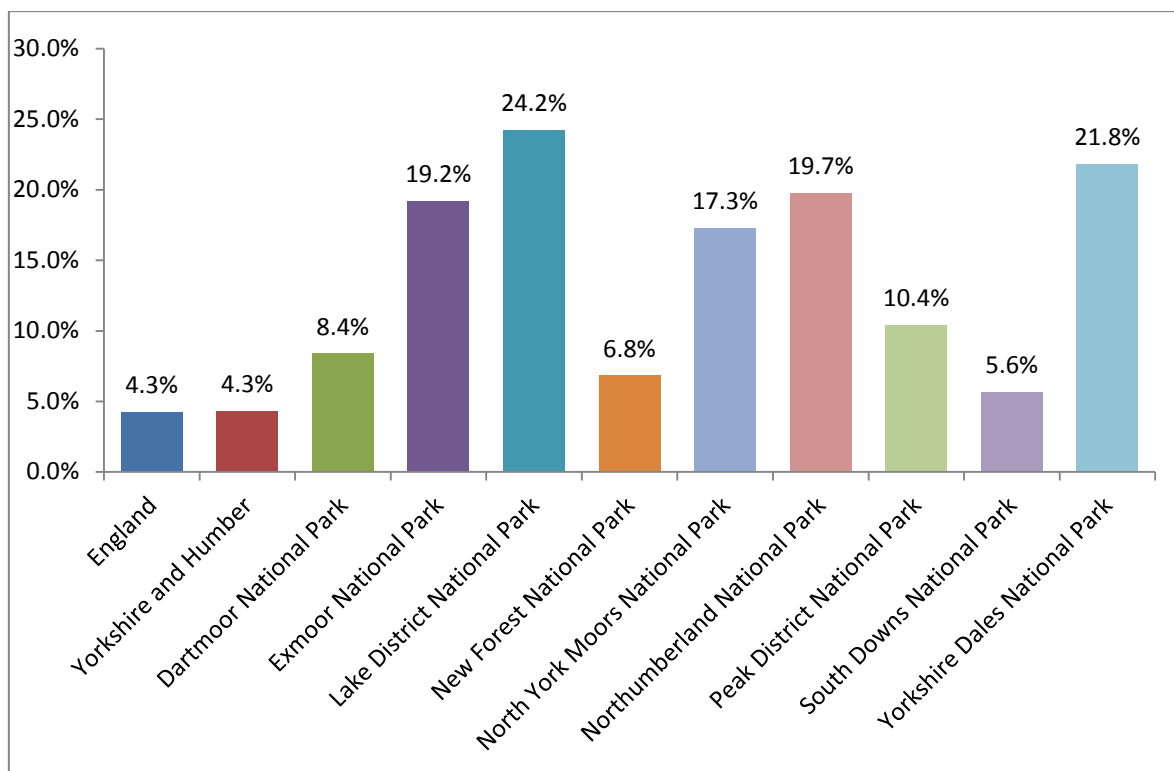
- Given the scarcity of available housing land in the NYMNP the delivery of local occupancy housing may use a site that could instead have been used for affordable housing;
- Applicants have stated that the condition or agreement can make it difficult for potential owners to raise a mortgage, particularly if they are using lenders and solicitors who are not familiar with the operation of the policy;
- There is room for interpretation in the wording of the condition, particularly regarding the need to live in the National Park for employment reasons. The essential need to live in a community for employment has been applied more flexibly recently, taking account of the particular circumstances of individual cases;

- The ‘family link’ criterion for those who have not lived in the National Park previously is quite restrictive in that it is limited to people who need to be looked after or to look after someone else. It does not for example apply to families reuniting to share childcare or adult children returning when they fail the five year occupancy test;
- Occupancy is proven if an applicant has ‘a need’ to be close to a full time job and cannot meet their needs on the open market, both of which are open to interpretation;
- There have been difficulties finding local occupants for larger properties with higher values e.g. in Faceby and Scawton, leading to requests for the condition to be lifted in order for the property to be sold. There is also a perception that the policy is leading to the construction of larger properties which may be out of the reach of many locally if they come up for resale;
- The greatest difficulties in finding occupants who meet the local connection criteria have been in communities near the edge of the Park. In some cases the Authority has agreed that households from adjacent areas outside the Park should be accepted;
- Information about proposed local occupants provided with a planning application may be out of date/no longer relevant by the time the development is completed;
- Following through with enforcement action if a property is occupied by someone who does not comply with the condition can be sensitive and difficult if it means people are being required to leave their home;

Discussion points

- 7.8 The starting point is to ask why we operate a local connection policy and whether it is still justified.
- 7.9 Our starting point is the National Parks Circular which states that *“the Parks are not suitable locations for unrestricted housing”* and that the expectation is that new housing will be focused on *meeting affordable housing requirement, supporting local employment opportunities and key services”* (paragraph 78).
- 7.10 Local occupancy is primarily used within the National Park to help to address the issue of second homes and high house prices preventing people already living and working in the area finding homes. Local communities have helped shape our Parks and continue to play a major role in securing Park purposes
- 7.11 The issue of second homes remains a live one – according to the 2011 census 17.3% of homes in the NYMNP were ‘household spaces with no usual residents’. This is a high proportion even for a National Park. This proportion had increased by 37% since 2001.

Figure 6: Household spaces with no usual residents, 2011



7.12 The first question is whether we should take a more restrictive approach and limit new housing to affordable homes only given the high levels of second home ownership (and its rapid increase) or whether we should continue with local occupancy given the loss of population in the National Park and need to support communities and services

7.13 If we are to continue with local occupancy the next question is how restrictive it should be – how local is local? The following paragraphs group issues for discussion against particular local occupancy categories.

The employment connection

7.14 At present if someone ‘needs’ to live in the National Park as a result of sole employment within that parish or adjoining parishes they are eligible. Although need is not currently defined at present the assumption is that someone working at a local business would not necessarily qualify for local needs housing if they could not show that being close to the premises was important (for example, to work in pub/hotel kitchens).

- a) Is there merit in being more specific in defining what a local ‘need’ is, for example by defining what we consider to be a ‘key worker’ i.e. contributes to the functioning of an area’s community?
- b) Is there merit in allowing properties to be open to anyone who works in the local area/contributes to the community on an on-going basis regardless of the specific importance of being able to get to work quickly or cheaply?

- c) Is there merit in allowing people starting their own business within the National Park boundaries to be eligible i.e. accepting evidence of a business being set up as well as an offer of employment from an existing business?

The residency connection

- 7.15 At present people who are currently living and have been living in the NYMNP for five years or more or who have previously lived in the National Park for five years or more and have a 'long standing link' to it are eligible for local occupancy housing.
- a) Should the residence period be reduced from 5 to 3 years? The period was extended to 5 years in 2008 to address concerns that households were frustrating the aim of the local needs policy by living in rented housing for a relatively short time in order to become eligible. However, a less restrictive approach could be considered again, in line with some other National Parks who typically operate a three year period (Yorkshire Dales, Lake District and Northumberland).
- b) What do we mean by 'long standing link'? At present this is given as someone who has grown up in a particular community, has close family still living there or who wants to return after a period of study is eligible.

The caring connection

- 7.16 At present people who require support for reasons of age or infirmity are eligible, as are those who need to give support to close relatives.
- a) What do we mean by close relative?
- b) Should the criteria be widened to allow someone to move in if they have a close relative in the area who is not in need of support? For example, would it be acceptable for someone to move in whose parents are in the area and able to provide childcare for their offspring?

Other connections not currently included

- a) Should children's attendance at a local school be added to the list of criteria?
- b) Should anyone undertaking full-time post-secondary education or skills training and returning to the locality within 12 months of its completion be eligible?

Other issues

The proximity connection

- 7.17 At present the local connection is based around the particular parish where the development is located. If an occupant cannot be found a 'cascade' operates. This is not currently specified in policy or guidance but is included in the Section 106 guidance. After 25 days anyone from adjoining parishes are eligible, after a further 25 days anyone within the NYMNP is eligible.

- a) Should the approach to be different in settlements on the fringe of the National Park, for example Thornton-le-Dale, where the Park boundary runs through the settlement and people with a valid local link to the community may live beyond the Park boundary?
- b) Should the cascade be widened to include the whole of the four wider districts and boroughs (this approach is being proposed in the Yorkshire Dales)
- c) Should the length of the cascade be altered? Other National Park Authorities for example operate three months limit limits.

A size limit on dwellings?

- 7.18 Should there be a size limit on new dwellings subject to a local connection condition given the experience of lack of demand for large local occupancy dwellings? This could be a way of avoiding problems that have been experienced in the re-sale of large local occupancy properties. If so, what should the size limit be?

The approach to conversions and listed buildings?

- 7.19 Should a different approach be taken for conversions in comparison to new build proposals since the building is already an integral part of the settlement/landscape? At present new build and conversion proposals are treated in the same way and information about specific occupants is required at the point of applying for planning permission. It could be argued that this requirement for information in advance should be waived for conversions since the building is part of the existing fabric of the settlement/landscape.
- 7.20 Is there a case for considering whether a local connection condition is appropriate at all if the development enables the preservation and enhancement of an important element of built heritage, for example a listed building?

Question 5 - *What are Member's views on the use and operation of local connection criteria?*

Appendix 1: Housing Development in the North York Moors National Park.

i) Completions – type of scheme and size of dwellings

	Open market dwellings		Local occupancy (incl. agricultural dwellings)		Affordable dwellings		Total
	New Build	Conversion	New Build	Conversion	New Build	Conversion	
1 bed	0	4	0	14	0	0	18
2 bed	9	15	11	23	66	0	124
3 bed	16	11	16	18	53	0	114
4+ bed	9	5	7	8	0	0	29
Total	34	35	34	63	119	0	285

ii) Completions – type of scheme and location

	Open market dwellings	Local occupancy (incl. agricultural dwellings)	Affordable dwellings	Total
Helmsley	23	1	0	24
Service Villages	14	0	22	36
Local Service Villages	4	16	42	62
Other Villages	17	49	55	121
Open Countryside	10	32	0	42
Total	69	98	119	285

iii) Planning permissions – type of scheme and location

	Open Market	Local Occupancy	Affordable dwellings	Total
Local Service Centre	34	1	9	44 (14%)
Service Villages	26	2	22	50 (15%)
Local Service Villages	0	14	36	50 (15%)
Other Villages	3	81	41	125 (38%)
Open Countryside	3	55	0	58 (18%)
All locations	66	153	108	327 (100%)

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