

Delivering Housing For Local Need – A Review of Practical Mechanisms For The Cairngorms National Park

Andrew McCafferty Associates

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Andrew McCafferty Associates

PLANNING AND DEVELOPMENT CONSULTANTS

The Old Barn, Cupar Road, Auchtermuchty, Fife,
KY14 7DJ
Tel. No: 01337 827888
Email: paul.amccafferty@btconnect.com

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1. Introduction

Aims and Objectives

1.1. The purpose of this review, undertaken on behalf of The Cairngorms National Park Authority, (CNPA) is to examine the practicality and effectiveness of mechanisms that target new housing to local need, in order to inform planning policy in the Cairngorms National Park Plan and the new Local Development Plan. The CNPA is looking for evidence of practical solutions to target new build housing at local need that do not distort or increase pressure on the operation of housing markets in and around the National Park. The review focuses on existing mechanisms where the consequences of implementation can be evaluated, rather than providing research into new, untested ideas. The review was required to focus on mechanisms that can be applied through or in conjunction with the planning system to new housing built for sale by the private sector and does not therefore, include social housing.

Research Methodology

1.2. The review has been conducted as a desk based survey of freely available literature, including policy documents and related material from each of the surveyed authorities and a review of relevant research and other documentation, including that produced by the Scottish Government. In addition, telephone interviews were conducted with a number of officers from various authorities, including all of the included Scottish Local Authorities, Loch Lomond and The Trossachs National Park, some English National Parks and other organisations.

1.3. An initial selection of Authorities to be included in the review was agreed with CNPA. The selection was undertaken to include all National Parks, the constituent local authorities of the Cairngorms National Park and those local authorities in Scotland which are predominantly 'rural' in nature and most likely to experience similar pressures to a National Park.

The following Authorities are included:

- Loch Lomond and Trossachs National Park;
- Aberdeenshire;
- Angus;
- Highland;
- Moray;
- Perth and Kinross;
- Stirling;
- Argyll and Bute;
- Dumfries and Galloway;
- Scottish Borders;
- The following English and Welsh National Parks – Brecon Beacons, Dartmoor, Exmoor, Lake District, New Forest, Northumberland, North York Moors, Peak District, Pembrokeshire Coast, Snowdonia, Yorkshire Dales.

1.4. In order to ensure the review was as fully informed as possible, we also sought information not only from those who are operating various mechanisms, but also from those who have to implement the requirements. To this end, we included organisations representing the development industry such as Homes for Scotland and Home Builders Federation, (England and Wales).

Structure Of Report

1.5. The CNPA set out the following ten points which they required to be addressed for each mechanism:

- A description of the mechanism.
- Where is the mechanism currently used?
- How is the option secured?
- Does it target local need?
- Does it deliver to local need households?



- Is targeted at local need in subsequent owners/tenants?
- What is the potential/likely scale of house provision per annum (100s, 10s, 1s)?
- What effects has it had on the existing housing market?
- What other effects could/would the option have?
- What are the costs of administration for the mechanism?
- What other options is it compatible with?

1.6. The main body of the report contains a summary and overall analysis of the various mechanisms found and includes a summary table covering the above points. The detailed results of the survey of each individual Authority are included as appendices, with the Scottish Authorities included in Appendix 1 and the English and Welsh National Parks in Appendix 2.

Acknowledgements

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2. Executive Summary

2.1. A proper understanding of the context within which the planning mechanisms are operated is essential. Every Authority surveyed has its own individual character and pressures and has a different way of operating the planning mechanisms it employs. Planning policies must be ‘fit for purpose’ and when addressing issues there are no ‘one size fits all’ solutions.

2.2. English and Welsh National Parks do not have the same statutory purpose as the Scottish National Parks. Their two statutory aims means they must focus on conserving and enhancing the natural beauty, wildlife and cultural heritage and promoting opportunities for the understanding and enjoyment of the special qualities of the Parks by the public, whereas in Scotland, promotion of sustainable economic and social development of the area's communities is a statutory aim. Therefore, the policies adopted to address issues faced in English and Welsh National Parks may not be compatible with the statutory aims of the Scottish National Parks.

2.3. Leaving aside the traditional and commonly adopted policies to control development in the open countryside, outside of any settlement, which usually allow for certain exceptions for obviously rural based activities, the only mechanisms found to be in use are local occupancy restrictions and exception sites, which allow development of affordable housing only on sites which would not otherwise be given planning permission.

2.4. Of the 21 Authorities included in this study, only the 12 National Parks are employing local occupancy restrictions. Setting aside the use of local occupancy restrictions only in respect of affordable housing, this leaves 7 National Parks, 3 of which are effectively operating a 100% affordable housing requirement. This only leaves 4 National Parks, Loch Lomond and The Trossachs, Northumberland, North York Moors and the Yorkshire Dales who are operating a local occupancy restriction on new build housing which does not come under the affordable definition.

2.5. Local occupancy restrictions are secured in the English and Welsh National Parks by Section 106 legal agreements, (equivalent of Section 75 agreements in Scotland) in most cases and in a couple by planning conditions. Loch Lomond and The Trossachs National Park use both Section 75 agreements and planning conditions. Section 106/75 legal agreements are complicated and time consuming, leading to considerable delays in the commencement of development to meet pressing needs.

2.6. Evidence shows that the application of local occupancy restrictions both distorts and increases pressure on the operation of housing markets. New build property values are reduced by some 15% to 40%; development viability becomes a serious issue and stops developers building, which in turn results in a reduction in the supply of affordable housing as developer contributed affordable housing is not built; prices of housing in the second-hand market are inflated due to increased demand, all of which means that local people are increasingly dependant on the affordable housing market, which primarily consists of social rented housing.

2.7. The Scottish Government discourages the use of occupancy conditions.

2.8. Examination of what is meant by local need and the difference between that and affordability has shown that in reality, they are one and the same. The reason why local occupancy restrictions have been applied is because the open market housing, new or second-hand, has become too expensive for local people to purchase, whatever the underlying reason for this might be.

2.9. Affordable housing for sale can be provided successfully in a number of ways, as demonstrated by those Local Authorities in Scotland who are actively engaging with the private sector to deliver discounted housing for sale and those organisations such as the Highland Housing Alliance and Highland Small Communities Housing Trust working in partnership with a number of organisations, both public and private sector. In the current economic climate, where public subsidies are likely to be severely curtailed, the delivery of much needed affordable housing will be increasingly dependant on the private sector. An enabling, partnership approach combined with a strategy that enables open market housing to fund the delivery of affordable housing, will be much more likely to deliver the housing required to meet local needs than the application of restrictive planning mechanisms.



3. What Is Local Need?

3.1. In conducting this study, a particular issue of definition has arisen which requires to be addressed, namely what is meant by local need as opposed to local affordable need. As this study is examining the private rather than public sector housing provision, the position set out by Communities Scotland in their report, 'Restricted Occupancy Conditions in National Parks' would seem a reasonable position to adopt:

There is an important difference in the private sector between 'local need' which restricts occupancy to 'locals' without consideration of price and 'local affordable need' which places occupancy conditions only on properties which are considered to be affordable for local people.

3.2. Within this report, local affordable need relates to the widely understood methods of provision for housing of a reasonable quality that is affordable to people on modest incomes, 'Affordable Housing'. Although the majority of forms of Affordable Housing are provided as social rented schemes or other subsidised schemes often involving a Registered Social Landlord, (RSL) or similar, Discounted Low Cost Sale and Housing Without Subsidy in particular are mechanisms where the private developer can build and sell (depending on the scheme), the dwellings, albeit sometimes with some restrictions which may tie the property to people with local needs.

3.3. Having established what is meant by local affordable needs, what is local need? Why would local people have a need, if they could afford to buy an open market property? The only reason could be that there were no properties available, as if there were, local people could afford to buy them. Although this might seem to be a somewhat unsophisticated argument, it illustrates the point that in reality in most cases, local need means a lack of affordability, which may in itself, stem from a number of other issues, including lack of housing availability. Price is a function of supply and demand. If demand exceeds supply in any particular area of the housing market, this usually leads to an upward pressure on house prices and land values. Lack of availability to meet a particular demand for dwellings of various types, sizes and locations all impact on the market.

3.4. As affordability would seem to lie at the heart of local need, use of an Affordable housing policy which targets local need would be an appropriate mechanism to employ to address this need, particularly if focus is given to schemes which enable the private sector developer to deliver, as in paragraph 3.2. This point is important in consideration of the surveyed position of Scottish Local Authorities. None of the Authorities operate any planning mechanism to target delivery of housing for local needs. However, they all have Affordable housing policies and some, as set out in detail in Appendix 1 of this report, are actively pursuing private sector delivered schemes. In discussions with the surveyed authorities, most expressed the view that this was a better approach to delivering for local need than trying to implement and enforce restrictive planning mechanisms.

The independent Rural Housing Service (2007) states:

"The lack of affordable housing in rural Scotland is the most important issue in rural Scotland today. Rural Scotland is undergoing a renaissance; the population is increasing; half of all business start-ups take place in rural Scotland; broadband has increased the scope for education and employment; and young people are choosing to remain or return to rural communities. The quality of life in our rural communities means that more and more people are choosing to live in rural Scotland. This should be positive news, but with this population growth has come huge growth in house prices and a lack of affordable rural housing, resulting in people who grew up or who work in rural Scotland not being able to afford to live there: whilst a shortage of social housing means there are few alternatives to buying a house."

(Scottish Parliament Information Centre briefing 17 March 2008 – Rural Housing)



4. Understanding The Context

4.1. When undertaking and presenting a study such as this, the results of which could result in planning policy changes affecting the lives and well-being of thousands of people, it is very important that a proper understanding is given of the context in which the planning mechanisms presented are based. Planning policies must be 'fit for purpose' and when addressing issues there are no 'one size fits all' solutions.

4.2. It would be very tempting, (though simplistic) for example, to assume that if a mechanism is in operation in English and Welsh National Parks, then it is also appropriate for National Parks in Scotland. However, as demonstrated in this report, not only are there fundamental differences between the National Parks in England and Wales and Scotland, there are also considerable differences between the individual National Parks in England and Wales, both in their approach to, 'on face value' apparently similar policies and in the degree to which they share similar issues and pressures. The context which gives each National Park its own unique character must be recognised when considering their policy approach, as indeed it should with the individual Scottish Local Authorities surveyed.

National Parks - Differences In Statutory Purpose

4.3. National Parks in Scotland have four statutory aims, as set out in the National Parks (Scotland) Act 2000. These are:

- To conserve and enhance the natural and cultural heritage of the area,
- To promote sustainable use of the natural resources of the area,
- To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public, and
- To promote sustainable economic and social development of the area's communities.

These aims are to be pursued collectively. However, if it appears that there is conflict between the first aim, the conservation and enhancement of the natural and cultural heritage, and any of the others, greater weight must be given to the first aim, (Section 9(6) of the National Parks (Scotland) Act 2000).

4.4. National Parks in England and Wales have two main statutory purposes, as established by the National Parks and Access to the Countryside Act 1949 and redrafted by the Environment Act 1995, which redefined the purposes of national park designation as:

- Conserving and enhancing the natural beauty, wildlife and cultural heritage and
- Promoting opportunities for the understanding and enjoyment of the special qualities of these areas by the public.

The 1995 Act also gave National Park Authorities, (NPAs) a 'duty' to: *seek to foster the economic and social well-being of local communities within the national parks, but without incurring significant expenditure in doing so, and shall for that purpose co-operate with local authorities and public bodies whose functions include the promotion of economic or social development within areas of the National Park. (Section 62)*. This is not, however a third purpose of National Park designation. Therefore, NPAs' main objectives relate to landscape conservation and public utility of the Parks. In doing this, they should seek to foster the well-being of local communities, but do so with no significant resources and rely on co-operation with other agencies. The scope of the statutory aims for Scotland's National Parks establishes the fundamental difference from those of England and Wales, as Scotland's National Parks are required to also promote sustainable use of natural resources and the sustainable economic and social development of local communities.

4.5. Understanding this critical difference in statutory aims is essential to enabling an appreciation of the approach taken by the National Parks in England and Wales to provision of housing in general and to targeting local needs. The following extracts from a research paper prepared by Oxford Brookes University / Sheffield Hallam University, 'The Provision of Affordable and Supported Housing in England's National Parks' (2004), provides some insight into the effects that failure to give equal weight to this 'duty' to foster the economic and social well-being of local communities has caused:

Affordable housing provision plays an important role in the social and economic well-being of local communities. However new housing development often conflicts with landscape conservation objectives. While NPAs do have concerns about the provision of affordable housing, landscape conservation carries



more importance - a situation that is embedded in institutional behaviour and legislation, and one that has created an obstacle to affordable housing provision. As one local authority councillor put it: 'If you're a bat on Exmoor, you've got a home for life - if you're a human being, you take your chances'.

Because of the priority given to landscape conservation, NPAs have argued that National Parks are not suitable places for expansive housing development and have adopted restrictive planning policies. In response to the housing needs of existing local populations (by inference their social and economic well-being), NPAs and government policies have attempted to frame planning policies that remain restrictive of new housing development, while making exceptions in certain circumstances for housing that meets local needs.

In practice, however, achievements are mixed. While some success in restricting general market housing developments has been achieved, in the majority of parks the provision of affordable housing remains inadequate.

The ability to improve the provision of affordable housing rests partly with an interpretation of the statutory purposes and the 'duty'. Restrictive planning policies in national parks were regarded as a major barrier by both housing associations and housing authorities. Their experience of working with NPAs suggested that conservation was prioritised above the need for affordable housing, often resulting in the refusal of planning permission. A clear difference between policy intentions and planning practice emerged. Analysis of stakeholder interviews suggested that NPA policy officers and NPA development control officers interpreted national park purposes differently. Policy officers were generally responsive to the need for improving the provision for affordable housing and gave greater weight to the NPAs duty to foster the well-being of local communities. However, development control officers tended to give primacy to landscape conservation, in line with legislation.

It is clear that despite attempts to resolve this position, the conflict remains - sometimes to the detriment of affordable housing provision. Despite carefully framed planning policies and a rhetoric of concern for affordable housing delivery, NPAs often prioritise landscape conservation. An elevation of the 'duty' to the same level of importance as landscape protection could significantly stimulate the provision of affordable housing in National Parks. While there may be incremental losses to landscape beauty, the benefits to the sustainability of local communities would almost certainly outweigh them.



5. Summary And Overview Of Planning Mechanisms

Summary Table

5.1. The summary table on the next page provides a very brief overview of the mechanisms found in our research, with the key points noted as set out in paragraph 1.5.

5.2. Full details in support of this summary can be found in Appendix 1 for the Scottish Authorities and Appendix 2 for the English and Welsh National Parks. The information is presented for each body in turn in alphabetical order.

Occupancy Tied to Employment

5.3. It has been and continues to be, common practice to adopt policies to control residential development in rural areas where the planning authority do not consider development to be appropriate. Such locations are usually in the open countryside, outside of any settlement. The policies usually allow for certain exceptions for obviously rural based activities, such as for persons working in agricultural or forestry or tourism based employment where location in the countryside is essential. Planning conditions or legal agreements are usually attached to any dwelling granted planning permission under these policies, restricting the occupancy of the dwelling in perpetuity to someone engaged in that activity.

5.4. These policies can contain a variety of different occupations, depending on the area covered by the planning authority and the particular rural activities of that area. For example, The Broads National Park has a particular policy for dwellings for staff working at boatyards. However, the difficulty with operating such specific policies is that they can cause real difficulties when circumstances change and the need for which permission was granted has ended. In many cases, these difficulties have resulted in planning authorities having to adopt specific policies to address requests for the removal of the occupancy conditions.

5.5. Although it could be argued that these policies address a local need, they are so focused on the particular occupational need that it is difficult to argue that they provide for local needs in a general sense. Unless moving into the same occupation, (or unless the planning authority has policies which can respond flexibly to changing needs), they are not available for purchase by other local people in need. For this reason and due to their widespread nature as generally adopted planning policies, we have not included the use of such policies in our study of mechanisms.

5.6. It is interesting to note however, that as evidenced from discussions with Aberdeenshire and Stirling Councils and in line with Scottish Government policy, there is an increasing move away from adoption of such restrictive policies in the countryside to one of encouraging appropriate development. Continuing rural depopulation, loss of employment, services and community facilities combined with the need to try and maintain vibrant, sustainable communities, are all factors helping to drive this change in approach.

Exception Sites

5.7. All of the English and Welsh National Parks have policies to allow exception sites for development of Affordable local needs housing. The one exception on first appearance is Exmoor. However, they do not have any allocated sites and only permit open market housing through the change of use of non-residential buildings to dwellings in Local Rural Centres and sub-division of existing dwellings. In the former case, where more than 1 dwelling is created, a minimum of 50% affordable local needs housing is required. Any other new build housing development must be for Affordable local needs. Therefore, Exmoor is in effect, using exception sites to provide almost all new residential development.

5.8. There are variations between the National Parks in the locations in which they will permit exception sites, (as set out in Appendix 2) but the common characteristics are:

- Sites are only for development of Affordable housing for local needs;
- Sites are in locations where residential development would not otherwise be permitted;
- Affordable local need secured in perpetuity;
- In the majority of cases, the requirement is for subsidised development controlled by a Registered Social Landlord, (RSL).



Summary Table

Mechanism	Where is the mechanism in use?	How is the mechanism secured?	Does it target/deliver to local need?	Local need in subsequent owners/tenants?	Potential/likely scale of annual housing provision (no. units)	What effects on the existing housing market?	What other effects?	What are the admin costs?	Compatible with other options?
Local Occupancy restriction – affordable housing only	Brecon Beacons	Section 106	Yes	Yes	132 all types	N/A – affordable housing only	N/A – affordable housing only	N/A – affordable housing only	Exception sites
	Dartmoor	Conditions or Section 106	Yes	Yes	60 affordable	- Reduces property values (15% to 40%) - Reduces demand which reduces development value and viability and developer interest - Little development other than subsidised affordable housing taking place - Reduced supply leaves local people more dependant on affordable housing - Increases prices and demand in second-hand market, making less affordable to local s - Demolition and re-build and other loopholes can lead to housing stock polarisation - Doesn't always decrease land values - Can cause land supply shortages	- Potential human rights issues - NIMBYism - Lack of intermediate housing options, (RSL delivery favoured) - Legal agreements long winded and complicated delaying development - Public views polarised - Questions of compliance and enforceability - Failure to control extensions leading to loss of affordability - Difficulties administering requests for removal of occupancy restrictions - Owners have difficulty obtaining a suitable purchaser on resale - Lenders won't provide mortgages - Discouraged by Scottish Government	Half a person at peak times Can't quantify – integral to all planning applications outside of larger settlements Not possible to quantify – integral part of all planning applications	
	New Forest	Section 106	Yes	Yes	36 all types				
	Pembrokeshire Coast	Section 106	Yes	Yes	88 all types				
	Snowdonia	Section 106	Yes	Yes	57 all types				
Local Occupancy restriction – local needs affordable housing. Some unrestricted open market housing allowed	Loch Lomond and Trossachs (n.b. part park)	Section 75 and planning conditions	Yes	Yes	1- 2 local need only				- Reduces property values (15% to 40%) - Reduces demand which reduces development value and viability and developer interest - Little development other than subsidised affordable housing taking place - Reduced supply leaves local people more dependant on affordable housing - Increases prices and demand in second-hand market, making less affordable to local s - Demolition and re-build and other loopholes can lead to housing stock polarisation - Doesn't always decrease land values - Can cause land supply shortages
	North York Moors	Planning condition	Yes	Yes	26 all types				
	Yorkshire Dales	Section 106	Yes	Yes	65 all types				
Local Occupancy restriction – all new build housing	Exmoor	Section 106	Yes	Yes	25 affordable	- Reduces property values (15% to 40%) - Reduces demand which reduces development value and viability and developer interest - Little development other than subsidised affordable housing taking place - Reduced supply leaves local people more dependant on affordable housing - Increases prices and demand in second-hand market, making less affordable to local s - Demolition and re-build and other loopholes can lead to housing stock polarisation - Doesn't always decrease land values - Can cause land supply shortages	- Potential human rights issues - NIMBYism - Lack of intermediate housing options, (RSL delivery favoured) - Legal agreements long winded and complicated delaying development - Public views polarised - Questions of compliance and enforceability - Failure to control extensions leading to loss of affordability - Difficulties administering requests for removal of occupancy restrictions - Owners have difficulty obtaining a suitable purchaser on resale - Lenders won't provide mortgages - Discouraged by Scottish Government	Half a person at peak times Can't quantify – integral to all planning applications outside of larger settlements Not possible to quantify – integral part of all planning applications	
	Lake District	Section 106	Yes	Yes	60 affordable				
	Northumberland	Section 106	Yes	Yes	1 local need, 1 affordable				
	Peak District	Section 106	Yes	Yes	50 affordable				
Exception Sites	All English and Welsh National Parks	Section 106	Yes	Yes	Affordable housing only, included above	N/A – affordable housing only	N/A – affordable housing only	N/A – affordable housing	Occupancy restrictions

5.9. Through their emerging local plan, Loch Lomond and The Trossachs National Park Authority, (LLTNPA) are introducing policies which are similar to the Exception Site policies in many of the English and Welsh National Parks. Some of the Scottish local authorities also have similar policies to promote the growth of affordable housing.

5.10. The key benefits and criticisms of Exception sites are summarised by Communities Scotland in their report, 'Restricted Occupancy Conditions in National Parks' (2007) as follows:

Key benefits

- Allows housing to be provided in smaller more remote settlements in order to sustain small communities.
- The land is only released where there is a proven local need for affordable housing which will remain so in perpetuity.
- Non housing land generally has lower value, therefore cost saving is passed onto developer and land user.

Key criticisms

- Difficulties ensuring unit affordability.
- Low volume of units created.
- Restrictions on land availability.
- Time consuming process.

5.11. The following picture on operation of the policy is presented by Oxford Brookes University / Sheffield Hallam University in their research paper, 'The Provision of Affordable and Supported Housing in England's National Parks' (2004):

Evidence from stakeholder interviews suggests that developing an exceptions site is far from straightforward. Typically the development process takes around five years. The myriad factors that have to come together to make a development work present developers, planners and local communities with a complex task. These factors include site identification, site procurement, fund raising, planning permission, local support and proper identification of a local need; a failure in any one of these areas can, and does, prevent a development making progress.

Local Occupancy Restrictions

5.12. Local occupancy restrictions are employed by all of the English and Welsh National Parks and by Loch Lomond and the Trossachs National Park, (LLTNP). They are not employed by any of the Scottish Local Authorities surveyed. As reported in Appendix 1, Argyll and Bute and Stirling used to operate restricted occupancy policies in part of their areas, but would not recommend employing them again.

5.13. Although there are considerable differences between the qualification criteria adopted by each National Park, in general terms, a potential resident must conform to one of the following:

- The park is current residence and has been so for a number of years;
- Descendant of a current resident and are setting up a first time household;
- Have a strong local connection to the area;
- Are a local housed in unsatisfactory conditions;
- Require to live in the locality for employment reasons; or
- Require to live close to family / friends, in order to provide essential care due to health or old age.

5.14. In the Scottish Government Social Research report, 'An investigation of Occupancy Controls in Rural Housing – 2009' undertaken by Stirling University, the following comment is made on the legality of the employment restrictions:

There is some degree of interface between restrictions on availability of housing, and the free movement of workers, which is one of the fundamental freedoms enshrined in the treaty of Rome. In essence, any rule that restricts housing to local people has the potential to make it more difficult for outsiders to move into the area for reasons of employment. (Adrian Stalker QC)

It therefore seems necessary to have a standard clause which does not exclude people moving to the area for reasons of employment. To exclude such a group would be to leave the policy open to legal



challenge through some form of judicial remedy. There can be no restrictions such as ‘habitual residence’ or any other form of time limit which may preclude purchase thus affecting freedom of movement of workers.

5.15. Although the policy basis, content and application is different in each National Park in England, Wales and Scotland, they can be grouped into three overall categories, based on the extent of application to new build properties. These three categories are shown on the summary table as three different mechanisms. The three categories are as follows:

- Local occupancy restriction applies to affordable housing only – (5 National Parks);
- Local occupancy restriction applies to local needs housing and to affordable housing - some unrestricted open market housing is allowed – (3 National Parks);
- Occupancy restriction applies to all new build housing – (4 National Parks).

It should be noted that of the four National Parks who apply local occupancy restrictions to all new build housing, only two, (Northumberland and the Lake District) apply the policy to all forms of newly formed residential development. The other two National Parks in general terms, allow unrestricted open market housing created from conversion of non-residential buildings in settlements and one includes for sub-division of dwellings. The table below provides a summary of how each National Park applies the Local occupancy criteria to new build housing types.

Local occupancy restriction applies to affordable housing only	Brecon Beacons	No restrictions on market housing, (other than usual development in the countryside restrictions). 20% affordable.
	Dartmoor	Unrestricted market housing in defined local centres, (50% affordable). Affordable only elsewhere
	New Forest	Unrestricted market housing in 4 defined settlements, (50% affordable). Affordable only elsewhere
	Pembrokeshire Coast	No restrictions on market housing, (other than usual development in the countryside restrictions), (minimum 50% affordable). Local occupancy restriction only applied to non RSL affordable housing
	Snowdonia	Unrestricted market housing in 2 defined settlements, (50% affordable). Affordable only elsewhere
Local occupancy restriction applies to local needs housing and to affordable housing - some unrestricted open market housing is allowed	Loch Lomond and Trossachs	Restriction only applied to Loch Lomondside area of the Park.
	North York Moors	Unrestricted market housing in 9 defined settlements – 50% affordable. Local needs apply elsewhere. Affordable elsewhere on exception sites.
	Yorkshire Dales	Unrestricted market housing in 4 defined settlements – 50% affordable. Local needs in defined villages. Affordable in defined villages and elsewhere on exception sites.
Occupancy restriction applies to all new build housing	Exmoor	No market housing – 100% affordable requirement (apart from certain conversions and sub-division of existing dwellings)
	Lake District	No market housing – 100% affordable requirement (see appendix 2d for new 'less restrictive' policy allowing some open market housing on windfall sites from Oct 2010)
	Northumberland	If 2 or more dwellings, 50% affordable
	Peak District	No market housing – 100% affordable requirement (apart from certain conversions)



5.16. The differences between each National Park are such that it is not possible to highlight and draw conclusions on common themes in each group. The detail for each Park provided in Appendix 2, (Appendix 1 for LLTNP) must be examined separately. For example, two of the National Parks who operate an occupancy restriction on all new build dwellings are the Lake District National Park, (LDNP) and Northumberland National Park, (NNP).

5.17. The LDNP is the largest National Park in England. It covers 2,292 square kilometres and has a population of 41,831 and a traditional settlement pattern. Only three settlements have resident populations over 3,000. Over 8 million visitors come to the National Park each year, and tourism is the major industry. There is immense pressure on the existing housing stock in many areas of the National Park. This issue is due in part to the continuing trends of people moving from urban to rural areas for a better lifestyle, and of those buying second homes or homes to be used for holiday letting purposes. There is a requirement to build 60 houses per year.

5.18. NNP extends to over 100,000 hectares and represents 20% of Northumberland County. The National Park boundary excludes the larger settlements of the area, and settlements within the boundary are typified by small villages, hamlets, and isolated farm dwellings. Significant land use change has resulted largely from the development of military training facilities and forestry. NNP is in a unique situation in that there has not been significant pressure for housing development. This low demand arises from a combination of the National Park's small population and its remote location. There are only 799 houses within the boundary. Between 1996 and 2009, only 7 new build dwellings and 22 conversions to dwellings have been completed within the National Park. Because of this lack of development pressure, there is no target for new development.

5.19. It would be difficult to find two more contrasting situations, yet they are the only two National Parks who operate the local occupancy restriction to its maximum extent. Compare this with the position of New Forest National Park, (NFNP) at 220 square miles, the smallest national park in the UK. It has an estimated population of 34,935 people, making it the UK's most densely populated National Park. There are 14,927 dwellings within its boundary and the seven largest settlements have between 1,000 and 3,200 residents. 13.5 million visitor days are spent per annum in the NFNP and 15 million people live within a 90-minute drive of the National Park. It has a housing requirement of 11 dwellings per annum, Dwelling completions within the National Park have exceeded requirements in each of the last eight years, (2002 - 2009) without the allocation of land for housing. Over this period, dwelling completions have averaged 36 dwellings per annum. This picture suggests that the NFNP is under even greater pressure than the LDNP, yet it only applies local occupancy restrictions to affordable housing.

Impact on Existing Market

5.20. There is little doubt that the application of a local occupancy restriction causes a reduction in the value of an open market property, though there are mixed views about a reduction in land values. The level of reduction is obviously subject to local circumstances and market health, but a range from 15% to 40% seems to be the norm from a study of the National Parks documentation, with 25% to 30% the most likely. As detailed in Appendix 1f, this 25% to 30% range is also experienced in the LLTNP. Communities Scotland in their report, 'Restricted Occupancy Conditions in National Parks' noted the following in relation to land values, '*The Peak District reported the fact that in some cases restricted occupancy conditions had not reduced land prices as much as had been expected and that sites were still being sold in excess of their true value, despite the forecast reduction.*' This contrasts with the experience of the LDNP, as noted under paragraph 5.21, where land values were depressed.

5.21. The following extracts from the Scottish Government Social Research report, 'An investigation of Occupancy Controls in Rural Housing – 2009' undertaken by Stirling University, provide some insight into market impacts:

The exclusion of higher income non-local buyers through occupancy restriction clearly has a profound impact on the demand for new housing. In turn, this impacts on anticipated sales volumes and prices and depresses development value, so reducing developer interest.

For National Parks in England and Wales, the reduction has been regarded as a beneficial effect (albeit one that is difficult to quantify). This is because the legislation creating the parks (from 1947) has a gearing towards environmental protection. (See Section 4 of this report).



Most Authorities have stated that these occupancy restrictions are so inhibitive to private developers that they are only really getting applications to build from organisations which are eligible for subsidy. This means that, almost exclusively, all new dwellings are in the 'affordable' housing sector i.e. social rented or low cost homeownership housing.

“The policy provides developer certainty. Whilst we do not receive a lot of housing planning applications, the majority of those we do receive are from Housing Associations because of the public funding which they receive. Private developers are finding it difficult to deliver sites for affordable housing for a number of reasons. We still receive enquiries but the logistics are proving more challenging for those developers who do not have access to public funding. It is more of a lottery for them with no secured profit.”

Lake District NPA

The pressure imposed on development by the planning system often confers a scarcity value on new housing in the countryside: rural market sector housing is often expensive. Given the rebalancing of supply and demand, those local people able to afford new housing will be the same people who could afford housing before the policy was enacted. However, by constraining new build and placing added demand pressure on the market for existing housing, a restrictions policy may make it harder for lower income groups to buy homes within the areas where policy applies.

In the Lake District, restrictions on the occupancy of new market housing depressed land values. One benefit identified by Tewdwr-Jones and Gallent (2003) was that this may enable Housing Associations to more effectively compete for development land, stretch grant subsidy and build more affordable dwellings. This however needs to be balanced against a cost: due to higher prices in the market for existing housing and a reduced supply of new market homes, lower income groups in National Parks are likely to be more reliant on social housing. The net benefit may therefore be zero.

5.22. The impact that the application of local occupancy restrictions on new build properties has on the second-hand market seems to be rarely considered. This was confirmed in discussions with officers from LLTNPA. However, it was suggested that it shouldn't have had a significant impact on values, as the number of dwellings involved is very small, (30 – 40 over 30 years). The following extract from the Scottish Government Social Research report, 'An investigation of Occupancy Controls in Rural Housing – 2009' undertaken by Stirling University provides an insight into the likely effect when the policy is applied in a more comprehensive manner across the whole of the National Park:

The natural response to not being able to buy and occupy new housing is to buy and occupy existing housing. This will result in increased demand for existing homes within the Park, and there is therefore a possibility that the price of this housing may rise sharply. Constraint on land release will not only change the distribution of house-building activity and the type and timing of housing development but will also increase house prices across a wider area. In the Lake District, a substantial increase in property values (in the market for existing housing) deterred some outside buyers from seeking retirement or second homes in the National Park and this was accepted as a success.

5.23. Since April 2006, the LDNP have operated a policy of 100% of all new build and converted property being restricted to local affordable need. More detail on the policy and outcomes is provided in Appendix 2d. One particular impact on the existing housing market concerns the demolition and rebuild of existing dwellings, for which the LDNP do not have a specific policy. Existing sound, average sized ordinary 50's / 60's type dwellings, such as bungalows and smaller houses, often on large plots are being purchased on the open market, demolished and replaced with much larger open market dwellings. These dwellings are acceptable in their design and impact on the surrounding area, (often an improvement on the original) and therefore have to be permitted. However, this activity is removing a layer of housing stock at the more affordable level and leading to polarisation of the housing stock.

Other effects and issues

5.24. The following extracts from Communities Scotland report, 'Restricted Occupancy Conditions in National Parks', highlights some further issues:

- NIMBY-ism (Not In My Back Yard) has been identified as a problem in many of the parks for example Peak District, Dartmoor and Exmoor in regard to social rented housing. People seem to be in favour of restricted occupancy conditions until a site is selected near their particular town or village. Stigmatisation is an issue and complaints have also been voiced by developers and



private individuals that the inclusion of a social housing element devalues their property making development negotiations more difficult and prolonged.

- Lack of intermediate housing options - The majority of the new stock with restricted occupancy conditions is social rented housing. In a study into “Delivering Affordable Housing through Planning Policy” by the ODPM it was reported that developers were critical of the way in which housing needs surveys were conducted as they overstated the need for social rented housing ignoring middle range options.
- The two main mechanisms to provide housing with restricted occupancy conditions are Section 106 agreements (English equivalent to the Scottish Section 75 agreement) and exception sites. Both mechanisms can be long winded and complicated.
- The use of local occupancy restrictions tends to provoke a polarised reaction in much of the public. According to organisations such as The Countryside Alliance “restricted occupancy conditions should be applied on new affordable homes to prevent their sale to people who have not lived in the area for three years or who are not moving to the area to take up employment”. In their opinion “it is imperative to safeguard affordable homes for the local people who have grown up in a community and who work there.” However on the other side of the coin the policy has provoked stern opposition. In an article entitled “Why Locals-Only Housing is Bad Economics, Impractical and Immoral” which featured in the Yorkshire Post in April 2005 restricted occupancy conditions were compared to opposition voiced in the 60’s and 70’s to Asian / African immigration.

The following concerns were also raised within the article:

- The ‘locals-only’ rule may exacerbate the problem by further reducing the supply of new houses if developers are unwilling to build where artificially lowered prices diminishes the return on their investment.
 - Developers may use cheaper materials and cut back on design costs, leading to long-term aesthetic and sustainability problems.
 - This initial ruling may be the beginning of a long process by which people’s freedom to buy and sell houses where they choose is curtailed.
 - Recent research by Dr Aileen Stockdale of Aberdeen University shows that retirees and commuters who live in the countryside tend to spend more money and hence bring greater prosperity than many long-term residents.
 - Is it fair that someone who has worked all their lives in order to buy a retirement home, or a second-home, in an idyllic part of the world should be prevented from so doing so that another person can purchase a house in the same location at a below-market price?
- Despite these issues National Parks tend to view the conditions overall as worthwhile policy interventions as they are seen to be taking action on an acute rural problem. Academics tend to have mixed views on conditions, however they generally admit that they have had limited success in some situations. The public are split heavily into two opposing camps regarding the policy.

5.25. There is some doubt as to the enforceability of local occupancy restrictions. In discussions with officers from LLTNPA, their view was that the greatest benefit of using the Section 75 legal agreement was to make the policy self enforcing, with lawyers picking up on the policy and advising their clients. LLTNPA do not have the resource to monitor and enforce the policy. They have responded to complaints where alleged abuses have been reported, but they have not taken action to evict anyone from a property, the view expressed being that this would be almost unenforceable.

In the main, English and Welsh National Park Authorities do not use formal mechanisms to police adherence to occupancy conditions: most rely heavily on the communities themselves to highlight any perceived abuses of the regulations. English National Parks suggested that the process itself acted as a check on occupancy restrictions, as potential buyers had to lodge a written submission, stating why they thought they meet the criteria. The process then involved the judgement of Planning Committees as they were responsible for issuing decisions and making assessments on applications. There was a general acceptance that the system was open to some level of abuse. However, none of the English parks asked officers to actively go out and check compliance with legal documentation and planning agreements.

(Scottish Government Social Research report, ‘An investigation of Occupancy Controls in Rural Housing – 2009’ undertaken by Stirling University).



5.26. Failure to control extensions to properties to ensure they remain affordable for local needs has been a problem for a number of the National Parks, as illustrated by an example case from the Peak District National Park in 2007, where 2 extensions were allowed to the property over a 3 year period, a third was refused but allowed on appeal. The Inspector commented, 'In my view, the already constructed extensions and ancillary development together with the land associated with the building, have already resulted in a dwelling, which is unlikely to be categorised as affordable. The existing accommodation already exceeds the affordable dwelling guidelines for 4 and 5 persons in the Local Plan and. In my opinion, the policies relating to maintaining the affordability of the dwelling are no longer relevant.'

5.27. Requests for removal of local occupancy restrictions can also be problematic, particularly if an inconsistent approach is applied. An example of this is provided in Appendix 1f from LLTNP. These requests usually occur when owners have found difficulty with selling their properties, a situation which has worsened in the current economic climate.

Restrictions On Property Size

5.28. Previous research, (Planning for affordable housing in the Cairngorms National Park - Communities Scotland March 2008), has suggested that some National Parks in England and Wales (four in their research), were operating policies which restricted the size of new open market housing. Our research would suggest that this interpretation is incorrect. None of the National Parks or Local Authorities in our survey are operating separate policies applying size restrictions to open market housing. Where size restrictions are applied, they are applied as part of the application of policies targeting housing for local needs or affordable housing through occupancy restrictions.

5.29. There are 3 National Parks who apply size restrictions to all new build property, (one of which is advisory and not set down in policy). However, none of these National Parks allow any new build open market housing. All new build housing must be for local affordable needs. In 2 cases, as noted in paragraph 5.15, these National Parks in general terms, allow unrestricted open market housing created from conversion of non-residential buildings in settlements and one includes for sub-division of dwellings.

5.30. In view of the fact that restrictions on property size are integral to the policies targeting housing for local needs or affordable housing through occupancy restrictions, we have not identified them as separate planning mechanisms in this report. Rather they are included in the relevant appendices where the detail of each occupancy restriction mechanism is recorded.



6. Other Mechanisms, Initiatives And Views

Affordable Housing - Unsubsidised / Low Cost Home Ownership

6.1. This report is not intended to be a study of what is conventionally understood to be 'Affordable Housing'. However, as discussed in Section 3, as in reality, affordability would seem to lie at the heart of local need, use of an Affordable housing policy which targets local need would be an appropriate mechanism to employ to address this need, particularly where focus is given to schemes which enable the private sector developer to deliver homes for sale, such as Discounted Low Cost Sale and Housing Without Subsidy. A number of the Scottish Local Authorities surveyed are actively engaged in such schemes, as set out in detail in Appendix 1 of this report. Once established, the Local Authorities operating these schemes have generally experienced few problems in their operation and were positive about the outcome. The general view expressed is that these are proving to be successful schemes delivering owner occupied housing to local people who could not otherwise afford to purchase.

6.2. It is relatively early days for most of the Local Authorities operating these schemes, so the number of dwellings completed and let is quite small. The Scottish Government Statistical Bulletin – Affordable Housing Securing Planning Consent 2009/10 – 22 September 2010 which covers planning consents, shows that the overall percentage of affordable housing where the developer sells discount units privately is only 1%. However, this figure is arrived at by including all Local Authorities, the majority of whom have not agreed any provision of this type. If only those Local Authorities who have agreed provision of this type is examined, the picture is somewhat different. For example, 11% of the affordable housing provision in Aberdeenshire and 7% in Angus and Scottish Borders has been provided in this way. Dumfries and Galloway have embraced this method for the first time in 2009/10, with the 50 units granted permission making up 31% of their affordable housing for the year. For Scottish borders, this figure is 19%. The conclusion to be drawn from this is that when Local Authorities actively engage in schemes where the developer sells discount units privately, such schemes can make a very significant contribution to affordable housing provision.

Scottish Government Assistance

6.3. The Scottish Government operates a number of funding schemes aimed at helping people on low to moderate incomes to become home owners. These schemes include:

- GRO grants;
- Rural Home Ownership Grants;
- Open Market Shared Equity Pilot;
- New Supply Shared Equity with Developers Trial.

Although these are not planning mechanisms, they are worth a brief mention as some of the schemes are open to private housing suppliers or individuals to purchase from private housing suppliers, which means they can assist to overcome the affordability gap both for the developer and owner.

6.4. These mechanisms are all included under LIFT, (Low-cost Initiative for First Time Buyers). The number of homes completed and made available for purchase through LIFT under the particular funding streams as shown in the table below, as presented in the Scottish Parliament Information Centre briefing 03 June 2010 – The Scottish Housing Market – Update.

	2007-08	2008-09	2009-10
New supply shared equity/shared ownership	602	802	935
Open Market Shared Equity Pilot	654	512	1,459
Rural Home Ownership Grants	71	49	28
Grants for Owner Occupation	102	125	12
Total	1,429	1,488	2,434



Enabling Organisations

6.5. A number of organisations have become established in recent years to help address the problems of housing affordability, particularly in rural areas. Examples of these organisations include:

- The Dumfries and Galloway Small Communities Housing Trust, (see Appendix 1d);
- The Highland Small Communities Housing Trust;
- The Highland Housing Alliance, (see Appendix 1e).

The two housing trusts are established as registered charities set up to help rural communities secure long term solutions to their local housing needs and represent a wide range of interests including communities, local government, landowners, crofters and housing associations. The Highland Housing Alliance is a not for profit development company that has been set up to help build more new affordable and private houses for people in the Highlands, working with the Highland Council, housing associations, landowners and private developers to ensure as many sites as possible are used for new homes and with Communities Scotland and Highlands and Islands Enterprise to link public agencies' efforts in new housing provision.

6.6. In addition to the various enabling organisations, a number of Rural Housing Enablers, (RHEs) have been employed, particularly in England and Wales. The role of the RHEs is to work with rural communities providing independent advice and support, raising awareness of housing options and helping to develop new housing in villages by deploying a multifaceted approach to housing provision such as Rural Home Ownership Grants, Rural Empty Property Grants, and community housing initiatives as well as housing association development. The 'Scottish Parliament Information Centre briefing 17 March 2008 – Rural Housing' notes: '*There are over 40 centrally funded RHEs working in England, and it has been claimed that pilot projects in Argyll and Aberdeenshire have demonstrated their benefits in Scotland (Rural Housing Service 2007 and Shelter 2007)*'.

Second Homes and Taxation

6.7. The impact that second and holiday homes can have for the maintenance of sustainable rural communities and on the affordability of open market housing for local people, is an issue which can become highly politicised, emotive and attract significant media attention. The issue is a particular dichotomy for National Parks and other areas which are affected by high proportions of second and holiday homes, as in these locations, tourism is vital to the local economy. For those National Parks in England and Wales who operate local occupancy restrictions on all new build properties, they can prevent such properties becoming second homes. Provision for holiday homes can be made, with occupancy restricted to holiday use. However, no planning control can be established on the second hand property market to prevent second home ownership. In our research, we did not find any planning mechanism employed apart from restricted occupancy conditions, which would address this issue in a way which might help to target delivery of housing to local needs.

6.8. The following conclusions from a study undertaken by Communities Scotland – 'The impact of second and holiday homes on rural communities in Scotland', put the issue in perspective:

Specific policies to control second homes would not address the broader pressures on rural communities from other groups in society such as people commuting, retiring, or moving because they can work from home, or want a change of lifestyle. Nor is it likely that specific policies on second homes would tackle the continuing limited supply of affordable housing in some rural areas. The overwhelming message from many respondents in the five case study areas in response to pressures faced by the number of second and holiday homes in their areas was for the development of affordable housing. A crucial aspect of this accommodation should be that it remains affordable and accessible for households on low incomes in perpetuity.

The impacts, both positive and negative, of second and holiday homes touch on a diverse range of factors that affect the sustainability of rural communities. These factors, such as housing, services and facilities, local economies and social and cultural vitality cut across a variety of policy areas, requiring effective partnership working between agencies.

However, it is important not to see the impact of second and holiday homes in isolation from other factors contributing to changes within rural communities and especially other pressures on local housing



markets. Thus, whilst strategies and policy responses need to take account of the impacts that second and holiday homes have, they need to situate these impacts within a much broader context in relation to the diverse range of factors and processes affecting the sustainability of rural communities.

6.9. Council Tax legislation allows a 50% discount to be applied to second homes, which has been a particular bone of contention in the past. In Scotland, discretionary powers were granted to local authorities from 1st April 2005 to reduce the discount on Council Tax for second homes and long term empty properties to as little as 10%. Local Authorities are able to reinvest any additional money received for affordable housing purposes. Bearing in mind the importance of affordable housing provision as a way of overcoming the second home issue in the findings of the Communities Scotland study, this use of additionally generated Council tax would seem to be a worthwhile method of dealing with the issue. Officers from two Scottish local authorities during our discussions, expressed the wish that they could apply a Council Tax multiplier for second and long term empty properties to help further fund affordable housing. However, this would require legislation to be passed by Government.

6.10. Support for the discount reduction implemented in 2005 is summed up in the Scottish Parliament Information Centre briefing 17 March 2008 – Rural Housing, as follows:

There has been widespread support for this policy in Scotland. However, in England and Wales there has been some criticism of similar measures. It has been argued that the impact on the second home market is likely to be minimal as, amongst other reasons, council tax represents a small percentage of the total running cost of a second home, and therefore minor tax increases will not affect demand (Gallent et al 2005).

Views from Homes For Scotland

6.11. Homes For Scotland is the representative body of the private home building industry in Scotland. Homes for Scotland represents the interests of over one hundred and thirty member organisations who provide 95 of every 100 homes built for sale in Scotland. The following extracts from Homes For Scotland's statement of evidence to the Scottish Parliament Rural Affairs and Environment Committee Rural Housing Inquiry in May 2008 are presented below to set out their views on a number of the issues reviewed in this study:

In our view, the fundamental issues might be summarised as:

- Attitudes to development in rural areas, with a strong predominance of views that development should be restricted or resisted in rural areas. This prevailing attitude fails to acknowledge that development brings a range of associated benefits, both social and economic, to communities. The voices of those who favour development, and often the voices of those who would most benefit from development, are less often heard.*
- The planning process generally is failing to identify sufficient housing land, and then failing to bring that land forward for development at a sufficient rate. This is neither an urban nor rural issue, but a Scotland-wide problem*
- Issues of infrastructure and community facilities arise across Scotland, but the increased focus on private contributions for funding causes particular difficulties in rural Scotland where the scale of development and the dispersed nature of settlement makes provision more difficult and less cost-effective*
- The challenges of restrained supply, developer contributions and higher development costs in rural areas all act against the need to provide housing which is affordable in areas where, in many cases, average incomes are lower than in urban areas*
- Delivering affordable housing in rural areas is then important, but is challenging in a context where need is less concentrated and where public subsidy is focused on areas of high deprivation. However, land values, developer returns and the scale of development do not generate the same opportunities for private contributions*
- There needs to be a recognition that not all rural areas are experiencing the pressures of high demand, in-migration and pressure on facilities. Economic regeneration is needed in parts of rural as well as urban Scotland*

Housing is an important element of economic growth in rural areas. Much housing in rural Scotland is built by small, locally-based developers, so that both the inputs to the economy from housebuilding – wages, sub-contractor and supply contracts and so on – and the returns to business owners are recycled



within communities. Housing availability is essential to attract and retain population to work locally and use local facilities. However, housing alone is not sufficient to revitalise the rural economy, hence the focus in SPP15 on an integrated approach to rural economic and social development. But house building can and does play a major part in the economic prosperity of all of Scotland.



7. Conclusion

7.1. The purpose of this study was to look for evidence of planning mechanisms currently being used, to target new build housing provided for sale by the private sector at local need, that do not distort or increase pressure on the operation of housing markets. The simple conclusion is – there are none.

7.2. Leaving aside the traditional and commonly adopted policies to control development in the open countryside, the only mechanisms in use are local occupancy restrictions and exception sites. As exception sites only allow development of affordable housing, this leaves local occupancy restrictions as the sole planning mechanism.

7.3. It is undisputed that the application of local occupancy restrictions both distorts and increases pressure on the operation of housing markets. New build property values are reduced by some 15% to 40%; development viability becomes a serious issue and stops developers building, which in turn results in a reduction in the supply of affordable housing as developer contributed affordable housing is not built; prices of housing in the second-hand market are inflated due to increased demand, all of which means that local people are increasingly dependant on the affordable housing market, which primarily consists of social rented housing. The extent to which this is considered to be an acceptable outcome depends on the context within which the policy is applied.

7.4. With the exception of the Loch Lomond and The Trossachs National Park, which only operates a local occupancy restriction in a small area of the Park, (which does not include a large adjacent settlement), only the English and Welsh National Parks operate local occupancy restrictions. However, their statutory purpose is different to that of the Scottish National Parks. They must place greatest weight on conserving and enhancing the natural beauty, wildlife and cultural heritage and promoting opportunities for the understanding and enjoyment of the special qualities of the Parks by the public, whereas in Scotland, promotion of sustainable economic and social development of the area's communities carries equal weight. Therefore, policies which result in stifling housing development may be regarded by some English and Welsh National Parks as a success, but could not be seen as either a success or appropriate to the Scottish National Parks.

7.5. The key question is 'why is there a local need?' The inescapable conclusion is one of affordability. However much an attempt is made to try and argue that affordability is a separate issue, without exception, the reason why local occupancy restrictions have been applied is because the open market housing, new or second-hand, has become too expensive for local people to purchase, whatever the underlying reason for this might be.

7.6. If the fundamental issue is a lack of affordable housing, what is the way forward? Certainly not by applying restrictive planning policies, which result in the private sector being unable to build. In the current economic climate, where public subsidies are likely to be severely curtailed, the delivery of much needed affordable housing will be increasingly dependant on the private sector. Combined with a strategy that enables open market housing to fund the delivery of affordable housing, those Local Authorities in Scotland who are actively engaging with the private sector to deliver discounted housing for sale and those organisations such as the Highland Housing Alliance and Highland Small Communities Housing Trust working in partnership with a number of organisations, both public and private sector, are demonstrating the way forward to deliver housing for local needs.



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Appendix 1 – Mechanisms Employed In Scottish Authorities

1a – Aberdeenshire

Context

Aberdeenshire is characterised by the influence of the Aberdeen housing market area and a large rural hinterland with some very remote areas. There are substantial development pressures on the commuter belt surrounding Aberdeen, part of which is designated as green belt. Beyond commuting distance from Aberdeen in the remoter parts of Aberdeenshire, the issues are very different.

In common with many local authorities, Aberdeenshire used to operate policies which were very restrictive to housing development in rural areas. Increasing problems were experienced with the operation of these policies, with successful appeals against refusals of planning permission and planning committees over-ruling the policy based recommendations. One example quoted during discussions with officers was to allow housing in the countryside for a person operating a dance studio located in the area.

Aberdeenshire are now taking a much more relaxed and pro-active stance to development in many rural areas. This supports Scottish Government policy as expressed during my discussions – *“The Scottish Government is not in favour any longer of old style occupational restrictions to countryside activity”*.

The emerging Local Development Plan sets out this new approach as follows:

We want to create a welcoming approach to development in the countryside. We want to meet needs, while at the same time recognising the effect that rural living can have on the need to travel and on issues of climate change and sustainable development. We will limit development, if the effects will be too negative and there will be too few community benefits. At the same time, we will support development in areas where it will reduce the need to travel and promote sustainable communities.

One policy covering the whole area is not appropriate. In more remote rural areas (including areas identified as regeneration priority areas) the greatest need is to promote economic rural development. In accessible areas, close to Aberdeen and around Aberdeenshire’s major towns, there is a greater need to protect the environment from one-off developments and from the effects of commuting which we cannot maintain on a long-term basis.

Mechanisms Employed

Aberdeenshire does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

However, in common with other Scottish Local Authorities surveyed, they provide for affordable housing to meet local affordable need. Differing levels of affordable housing are required from housing developments depending on the location as established from local housing needs assessments.

Aberdeenshire are one of the few local authorities in Scotland who have embraced the delivery of affordable housing for sale by the developer. This approach is now detailed further.



Affordable Housing for Sale By Developer

<p>How is requirement determined?</p>	<p>Number, type and size of units specified by Council from housing needs and demand assessments, housing waiting lists and other sources. Size is based on number of bedrooms rather than floorspace.</p>
<p>What are the qualifying criteria for purchasers?</p>	<p>First Time Buyers; or If there has been a significant change in household circumstances; or Disabled and own a house which doesn't suit needs and On moderate income - people who can demonstrate their gross annual household income is insufficient to purchase a property to meet their needs unaided on the open market. Income is assessed by Council.</p> <p>Applicants will be ranked in the following order of priority:</p> <ol style="list-style-type: none"> 1. Tenants of Aberdeenshire Council or RSLs who have a local connection to the town/village for example currently live, work or have family in the town. 2. Waiting list applicants of Aberdeenshire Council or Registered Social Landlords who have a local connection to the town/village for example, currently live, work or have family in the town and who have requested that town/village as an area in which they wish to be re-housed. 3. Tenants of Aberdeenshire Council or RSL from other areas of Aberdeenshire without a local connection to the town/village. 4. Waiting list applicants of Aberdeenshire Council or RSL from other areas of Aberdeenshire without a local connection to the town/village. <p>Should the scheme be oversubscribed then the Council will make best use of the property based on housing need. For example family sized properties will generally be offered to families who meet the criteria rather than a single person who meets the criteria.</p>
<p>How is price/discount Established?</p>	<p>The market price and discount varies depending on the location and type of property. Income levels are key to the level of discount. Discounts are normally 25 to 30% of the agreed open market value. Agreement reached between Council and developer on open market value. Internal checks made with estates surveyors if council thinks developers proposed value too high. If can't agree, both parties obtain independent valuations. Usually manage to reach agreement without too much difficulty. In order to reach the required discount level, the Council sometimes agrees to accept a smaller number of affordable units than policy would require to maintain development viability.</p>
<p>Is it secured in perpetuity?</p>	<p>Yes.</p>
<p>How is it secured?</p>	<p>Section 75 agreement.</p>
<p>How is property marketed?</p>	<p>Council agree phasing of supply of units with developer and timetable for delivery. Council commences marketing 6 months prior to completion of unit. In addition to developers own marketing, Council markets units on their web site and in the local press. The developer pays for the cost of the adverts. Applications for purchase are made to and administer by the Council.</p>



<p>Approach if no qualifying occupant</p>	<p>Developer can sell on open market if no purchaser can be found from required client group after the agreed time period has elapsed. In this instance, the developer must pay the amount of the discount to the Council.</p> <p>The agreed time period takes into account the initial 6 month pre-completion marketing period and can therefore be from 9 to 12 months.</p>
<p>What happens at resale?</p>	<p>The market price is established by valuation survey by Council approved surveyor. The original discount level set in the section 75 agreement is applied. The Council have 3 months to find a qualifying purchaser. If a qualifying purchaser cannot be found, the owner can sell the property on the open market at open market value and on sale, the level of discount applying at the time* must be paid to the Council.</p>
<p>Cost of operating scheme</p>	<p>42 dwellings were completed and sold in the financial year 2009/2010. Only 1 dwelling has been re-sold to date. This level of activity is estimated to require about 10 hours per week to administer in discussions with the Council.</p>

* Owners have the option to purchase a larger share in the property from the Council, (known as staircasing). This effectively reduces the discount level which would be paid to the Council on re-sale. However, the property cannot be bought outright, ensuring that the Council remains in control of the properties retention as affordable.

The Council has not experienced many problems with the operation of the scheme or in negotiations with developers. The general view is that this is a successful scheme delivering owner occupied housing to local people who could not otherwise afford to purchase.



1b – Angus

Context

The major areas of population in Angus are situated to the south and east, closer to Dundee and the east coast. As described in the Angus Local Plan (February 2009), (ALP) the Angus countryside encompasses a diverse rural area ranging from coastal lowlands and farmed countryside around towns, to remote upland areas. It contains a wide variety of landscape character, land uses and population levels, with differing levels of access to a range of services and facilities. Parts of rural Angus have lost people and local services, and the rural economy is changing significantly. The Local Plan encourages diversity in the rural economy and enables new housing development which can support rural services and facilities particularly in remoter areas.

The ALP directs the majority of new housing to sites within existing settlements where development can best be accommodated and the most effective use of existing and planned infrastructure can be made. In rural areas, outwith defined development boundaries, priority is given to encouraging the conversion of appropriate buildings and the reuse of underused or vacant sites. There is also support for limited new house building in the countryside. In the more remote rural areas which are losing population and/or local services, single new dwellings on appropriate sites and the creation of small groups of housing related to existing properties are supported, to encourage the maintenance and growth of rural communities.

Mechanisms Employed

Angus does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

However, in common with other Scottish Local Authorities surveyed, they provide for affordable housing to meet local affordable need. Differing levels of affordable housing are required from housing developments in each of the identified housing market areas as established from local housing needs assessments.

Although the Councils preference is for delivery of affordable housing by the RSL route, a very significant requirement for affordable housing for sale has been identified through the housing needs assessment. Angus has therefore become one of the few local authorities in Scotland who appear to be attempting to deliver affordable housing for sale by the developer.

In discussions with council officers, I was advised that in the rural area covered by the Cairngorms National Park, there had not been any housing development in recent years which had triggered the requirement for affordable housing.

The approach of provision of affordable housing for sale by the developer is now detailed further.



Affordable Housing for Sale By Developer

How is requirement determined?	Number, type and size of units specified by Council from housing needs and demand assessments.
What are the qualifying criteria for purchasers?	<p>Priority is given to applicants who satisfy each of the following criteria:</p> <ol style="list-style-type: none"> 1. They have a modest income, as defined by the Council in relation to the location of the development (use household income data from CACI Data Solutions). 2. They have a local connection via family or employment. 3. The property size is appropriate to the size of their household. <p>In all instances applicants must demonstrate to the satisfaction of the Council that the property will be used as the households permanent residence.</p> <p>Purchasers do not have to be on a housing waiting list, but if not, they must be first time buyers.</p>
How is price/discount Established?	Council determine maximum selling price based on a value range for the equity group.
Is it secured in perpetuity?	Yes.
How is it secured?	Section 75 agreement.
Approach if no qualifying occupant	Developer can sell on open market if no purchaser can be found from required client group after 4 to 5 months.
What happens at resale?	The original selection process is replicated with same discount level.
Cost of operating scheme	Only 10 – 12 units have been provided in the past 4 years, so costs of administration have been relatively small. The legal costs of setting up the Section 75 agreement are recharged to the developer.

Angus have found that in operating their affordable housing policy, they have experienced a significant degree of difficulty when the requirements for delivery involve RSL's or other bodies. Developers appear to be more receptive to delivery of the affordable housing if they are dealing with the scheme themselves.

The officers overall view of this particular scheme is that it has been relatively successful, albeit limited so far in the number of units actually delivered.



1c – Argyll and Bute

Context

Argyll and Bute covers a very large rural area of outstanding landscape value including a number of Scotland's best known and most visited islands, with small and remote communities. Many would argue that much of the area it covers is as deserving of National Park status as the currently designated parks. Indeed, proposals for the coastal area and islands were advanced for a new 'marine' national park in 2006.

Because of its special qualities, Argyll and Bute experiences high levels of tourism with its various demands including the need for accommodation in support of tourism related development and unsurprisingly, a high level of second home ownership, particularly on the islands, which drives up the price of open market housing.

Mechanisms Employed

Argyll and Bute does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

Until the establishment of the Loch Lomond and Trossachs National Park, Argyll and Bute was responsible for administering the restricted occupancy policy in the Loch Lomondside area, inherited in 1996 local government reorganisation from West Dunbartonshire. In discussions with council officers, they advised that the policy was not worthwhile, being very difficult to administer and enforce. The Council would not have continued with the policy.

In common with other Scottish Local Authorities surveyed, Argyll and Bute provide for affordable housing to meet local affordable need. Sites delivering in excess of 8 units are required to contribute 25% of the total units as affordable housing.

Although the Councils preference is for delivery of affordable housing by the RSL route, Argyll and Bute are one of the few local authorities in Scotland who are attempting the delivery of affordable housing for sale by the developer. This approach is now detailed further.



Affordable Housing for Sale By Developer

How is requirement determined?	Number, type and size of units specified by Council from studies of housing need and affordable housing requirements informing the housing strategy. The size of units is required to be in accordance with the 'Housing for Varying Needs' standards issued by Communities Scotland.
What are the qualifying criteria for purchasers?	Purchasers must be first time buyers and the property be their sole or main residence. The Council Housing service has a joint waiting list with RSLs, which is made available to developers.
How is price/discount Established?	Developers agree to sell below market value and determine the sale price. Only small flats have been developed so far, which are relatively cheap even at full market prices. The discount has been in the region of 15%.
Is it secured in perpetuity?	No.
How is it secured?	If the planning application is for planning permission in principle, a Section 75 agreement is used to secure the affordable housing requirement. Otherwise, a planning condition is applied. This approach is considered appropriate as no monitoring or enforcement is required as affordability is not secured in perpetuity.
What happens at resale?	Not applicable – properties are not secured in perpetuity as affordable, (discount on initial sale only).
Cost of operating scheme	Only a small number of units has been delivered so far. As the properties are not secured in perpetuity and no monitoring or enforcement is undertaken, costs have not been significant enough to quantify.



1d – Dumfries and Galloway

Context

The Dumfries & Galloway area comprises the rural southwest of Scotland from the border at Gretna along the strategic transport route to the major port of Stranraer in the west. Agriculture and commercial forestry account for the majority of the land use. The main population centres are along the 230-mile coastline and on the river plains of Nith, Annan, Cree and Dee. These are historic market and trading centres and ports with a background in local and maritime industries.

In the past, Dumfries and Galloway has not experienced the same pressures in the owner occupied housing sector as some other areas of Scotland. The conclusions in the Housing Needs and Market Study 2003 were that in comparison to other parts of Scotland and the UK, Dumfries and Galloway's owner occupied sector was still affordable to most economically active households. The Local Housing Strategy 2004 – 2009 comments - *It is clear that Dumfries and Galloway, has since the study was completed, experienced increasing house prices at all levels and across all parts of the region. We will need to be aware of the shifts in this market and, within the scope of the LHS, find ways to ensure that low cost and social rented homes help to alleviate some of the acute pressures facing our communities.*

Mechanisms Employed

Dumfries and Galloway does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

However, in common with other Scottish Local Authorities surveyed, they provide for affordable housing to meet local affordable need. Differing levels of affordable housing are required from housing developments depending on location and the assessed needs for affordable housing in that locality.

On anything other than small sites, where the provision of affordable housing would not be viable for an RSL to provide, the Councils preference is for delivery of affordable housing by the RSL route. However, on small sites, other types of delivery are employed, including the delivery of affordable housing for sale or rent by the developer.

This process is administered on behalf of the Council by the Dumfries and Galloway Small Communities Housing Trust. The scheme has similarities with other schemes discussed in this report, where potential purchasers have to demonstrate a local connection and low income and the discounted price is secured in perpetuity to ensure the dwelling remains affordable for people in local need. The Trust is funded by the Council to buy back and re-sell properties and the Trust administration is funded by the Scottish Government.

The scheme has only delivered a small number of dwellings so far, (more are in the pipeline) but this includes one where the Developer is renting the property at 80% of the local housing allowance level.



1e – Highland

Context

Highland covers a large diverse area (15,500 square miles, a third of Scotland's landmass) comprising rural and remote rural communities and urban areas. It has Scotland's lowest population density. The 'Highland's Housing Strategy 2010 – 2015' (HHS) comments - *Rurality brings particular challenges impacting on housing; service delivery and, as a consequence, the Housing Strategy including:*

- *Challenges to developing houses due to: difficulties securing land and / or land which it is viable to develop due to ground conditions, infrastructure problems etc.; local opposition to development etc.*
- *High development costs – which, combined with lower market values, results in very little speculative building by developers. As well as limiting supply, this leads to fewer benefits from Affordable Housing Policy contributions.*
- *Difficulties accessing services due to the distances involved combined with poor or limited and expensive transport networks.*
- *Localised housing need due to lack of transport and fuel costs.*
- *Limited housing options.*
- *The distances involved, the lack of economies of scale make the cost of providing services to small populations higher and less viable.*
- *Dispersed and / or specialist services are lacking (e.g. advice, support / care services to prevent homelessness or manage community care needs.*
- *Documented issues with 'hidden' housing need.*
- *Higher rural living costs compounded by lack of access to cheaper fuel choices.*

Mechanisms Employed

Highland does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

However, in common with other Scottish Local Authorities surveyed, they provide for affordable housing to meet local affordable need. In general, a 25% affordable housing contribution is required from developments, with differing starting levels in various areas.

The HHS notes - *The Highland Council and housing associations have been very successful at providing new affordable housing with the help of Government subsidy, consistently delivering amongst the highest number of affordable homes in Scotland. There has been a steady increase in completions of affordable housing. Over the last 6 years 2,000 new affordable homes (1,368 rented houses and 682 low cost homeownership homes) have been built in communities right across Highland.*

Much of this success is due to Highland's organisations working well together and their development practices. Because of the Highland Council's Affordable Housing Policy, private housing developers have also helped by providing a proportion of affordable housing on their larger developments.

Although the low cost home ownership homes have been provided under subsidised schemes, Highland do set out criteria to be employed for affordable housing for sale without subsidy - *We recognise that affordable housing for sale can be provided without grant subsidy and would generally consider that to, be regarded as affordable, the sale price of such houses should be 80% of their market value and fall within the bottom 25% of market prices. They should be sold to households regarded as being in housing need who are 1st time buyers.*

Encouragement is also given to developers to build more houses suited to small households and more houses suited to older people (based on their design and proximity to services) to meet changing demographics.

An example of the successful partnership approach employed by Highland Council is provided by the Highland Housing Alliance. The following extract from the HHS provides an overview.



Partnership Solutions in Highland

The Highland Housing Alliance (HHA) is a not for profit development company that has been set up by the Highland Council, Highland's RSLs and Highlands & Islands to deliver new houses - affordable housing in particular. It has, since 2005, acquired and developed a number of key sites in the Highlands, including the ground breaking Scotland's Housing Expo development which aims to showcase the best of Scottish Design and Construction in August 2010. It has built 127 houses either at its own hand or through self build plots and has enabled a further 130 RSL houses to be built on its sites. HHA is also now collaborating with Highland Council to provide new Council Housing for the first time in Highland in some years.

It uses the Highland Council recyclable Land Bank Fund for financing new purchases and infrastructure provision, which in the absence of readily available Bank finance, has enabled significant major projects to proceed, such as the Wester Craigs site in Inverness.

The HHA has positioned itself between the public and private sector, and is well placed to take advantage of new initiatives such as the Developer Shared Equity New Supply pilot and the National Housing Trust. It is seen to be as useful in the present climate to the private sector as to the social housing providers in terms of enabling major projects where pump priming and support is required. This activity is also valued as the housing investment is in addition to the HAG programme. Any surpluses which HHA makes must be used for housing purposes in line with Highland's Housing Strategy.

In terms of partnership working, the HHA is able to find common ground with the Council, RSLs and the Private Sector, which enables unique joint working to proceed with real results.



1f – Loch Lomond and Trossachs National Park

Context

Loch Lomond & The Trossachs National Park was designated in 2002 as Scotland's first National Park under the National Parks (Scotland) Act 2000. When the Park was designated in 2002, it inherited the development plan policies of the local authorities covering the Park area. A new local plan, Loch Lomond and the Trossachs Finalised Draft Local Plan February 2010, (LLTNPLP) has been prepared by the LLTNPA to replace the old plans and is currently being prepared for examination by Scottish Government, following which adoption is expected by summer 2011. The following extracts from the LLTNPLP provide a picture of some of the housing needs issues facing the Park:

'If the finalised draft plan is to reverse population decline and a significantly aging population, as well as grow the rural economy, improved access to housing needs to be a crucial component of the development strategy. The housing supply in the Park needs to be fit for purpose, meet the needs of its communities and support a healthy economy. Currently, the supply is dominated by owner-occupied and larger sized houses and only 13% of all housing in the Park is affordable (comprising mostly social rented accommodation). Second and vacant homes comprise 17% of all household spaces, although this varies considerably between different communities. The housing supply needs to be broadened in order to better meet the full range of household needs, including those of increasing numbers of smaller sized households and to address the significant backlog and newly arising number of households that are in need of an affordable home. Evidence shows an inflated housing market in the Park which has a direct impact on migration patterns. Most movement out of the Park (out-migration) is in the lower sections of the housing market where households are moving away to access more affordable housing.

The finalised draft local plan will support more in-migration and try to stem out-migration, particularly in the younger age groups, through policies supporting more affordable homes, jobs and improved and new services and facilities. A new housing land requirement has been identified which supports household growth by providing for around 75 new dwellings a year.

Housing allocations have been identified in most villages, with larger allocations directed towards the settlements with the biggest range of services and facilities and the landscape capacity to accommodate growth.

The Loch Lomondside settlements (being Tarbet, Luss, Gartocharn, Drymen, Croftamie) are considered to be under heightened housing pressure due to the limited availability of sites, the sensitivity of its high quality environment and its proximity to the urban area. There is a heightened need to ensure that the limited housing sites within this area deliver maximum local and affordable housing benefits to local communities.

Allocated and windfall sites in the Loch Lomondside settlements on all sites of four or more units will be expected to primarily deliver affordable housing. Below this threshold housing will be required to meet either affordable or local housing needs as set out in Policy HOUS2. Households in these communities have to compete for housing with strong mobile housing demand from the Greater Glasgow housing market area and this policy ensures that new housing is initially provided for those households unable to compete and meet their housing needs independently on the open market. This will also reduce the pressure for development to meet open market housing demands within a highly sensitive landscape.'

Mechanisms Employed

LLTNPA only employ local occupancy restrictions for new build open market housing within the Loch Lomondside area of the Park. Occupancy restrictions are not employed elsewhere. It should be noted that in the LLTNPLP policies are being introduced which are similar to the Exception Site policies in many of the English and Welsh National Parks, summarised in the LLTNPLP as follows:

Throughout the wider rural area, small-scale and individual affordable housing will be supported in the small rural communities and within existing building groups in the countryside. This is intended to encourage small community led and/or self build affordable housing opportunities and to help address affordable housing needs throughout the rural area.

The local occupancy restriction mechanism is now detailed further.



Mechanism – Local Occupancy Restriction

As described in the 'Context' section, when the Park was designated in 2002, it inherited the development plan policies of the local authorities covering the Park area. The new local plan, LLTNPLP is expected to be adopted in the summer, 2011. In the meantime, the original local plan policies are being applied. The table below sets out details of the mechanism as currently in operation. Details of some of the changes proposed in the LLTNPLP are then supplied, as they illustrate current thinking based on experience of operating the existing mechanism.

The Loch Lomondside area is currently covered by two different local plans, which effectively means that the LLTNPA has to operate two different schemes. The Dumbaron District District Wide Local Plan (Adopted 1999), is applied to new dwellings in Tarbet, Luss and Gartocharn. In their report, Local Housing Needs in the Loch Lomondside Area February 2010, (LHNLLA), LLTNPA note, *'This policy was in recognition that the area has traditionally been an area of demand for second and holiday homes'*. The Stirling Local Plan (Adopted 1999) applied the policy to the villages within the Loch Lomond Subject Plan area being Drymen and Croftamie. LHNLLA advises, *'This policy was in recognition that the area is subject to particular pressures for speculative housing development'*.

Do restrictions cover the whole Park area?	No, only the Loch Lomondside area.
Are restrictions applied to all new builds?	Yes.
What are the occupancy criteria?	<p>In the Dumbaron District District Wide Local Plan area, occupancy restricted to persons who:</p> <p>have resided for a continuous period of 18 months prior to the commencement of their occupation of the new house, or are employed in the Park area and required to reside there for the proper performance of their duties.* The 'local' qualification area covers the old Loch Lomond Regional Park area with the exception of Arrochar and the Balloch Recreation and Tourism Development area.</p> <p>In the Stirling Local Plan area occupancy restricted to persons who:</p> <p>a) have been resident in the Croftamie, Drymen, Buchanan and Kilmaronock Community Council Areas for at least 3 years; or b) have been employed in or running a business in the relevant Community Council Area for at least three years; or c) have a one generation family connection with a person which has been resident in the relevant Community Council area for at least three years.</p>
Is it targeted at local need?	Yes.
Approach if no local need occupant	Occupants must meet the qualification criteria.
Is it secured in perpetuity?	Yes.
How is it secured?	Planning conditions and Section 75 agreement.



Is the size of the property restricted?	No specific size restrictions.
Scale of housing provision	LLTNPA estimate that approximately 30 – 40 dwellings have been built with the occupancy restriction since the policy was first introduced 30 years ago.
What effects on the existing housing market?	Discussions with officers found that the effects of the policy on the ‘second hand’ market, (i.e. the existing open market housing which does not have occupancy conditions applied) was not known. It was suggested that it shouldn’t have had a significant impact on values, as the number of dwellings with occupancy conditions is very small.
What other effects?	Reduces the value of properties subject to the restriction. The LHNLLA states: <i>...the Park Authority commissioned two valuation reports on a hypothetical house in Gartocharn in March 2008. The results estimated the value of a property with an occupancy restriction is 10-20% below open market value. A further assessment to determine whether increasing the residency period from 18 months (as required by Policy H10 of Dumbarton District Wide Local Plan) to 5 years would have an impact on the valuation estimated a 20-30% reduction in open-market value.</i>
What are the administration costs?	Monitoring has not been undertaken to date. Enforcement action has only been taken in response to receipt of complaints or reports of misuse. The section 75 agreement is intended to make the policy self enforcing. The majority of time spent is in dealing with queries from potential purchasers when a property is being re-sold in respect of the qualifying criteria, which can be time consuming when the property market is buoyant, less so now. Applications for discharge of the section 75 agreement or planning conditions and appeals are also time consuming. At peak times, LLTNPA estimated the time requirement to be the equivalent of half a person, plus legal administration.

* Operation of this employment restriction has caused officers considerable difficulties. Judging whether someone really needs to live in the area to undertake their employment rather than it just being convenient can be very subjective and open to question. A simple requirement to be employed in the area is much more straightforward to administer fairly.

LLTNPA use a planning condition to restrict the occupancy of the dwelling. A Section 75 legal agreement is also used to ensure that this is registered in the title deeds for the property. This is considered by LLTNPA to be necessary as planning conditions are not always identified during property transactions. The use of this so called ‘belt and braces’ approach has been criticised by a number of sources, one argument being that it is contrary to Scottish Government Planning Circular 1 2010: Planning Agreements. Either Section 106 legal agreements, (the equivalent of the Section 75 legal agreement in England and Wales) or planning conditions are employed by the English and Welsh National Parks.

In discussions with officers, the view was expressed that the greatest benefit of using the Section 75 legal agreement was to make the policy self enforcing, with lawyers picking up on the policy and advising their clients. LLTNPA do not have the resource to monitor and enforce the policy. They have responded to complaints where alleged abuses have been reported, but they have not taken action to evict anyone from a property, the view expressed being that this would be almost unenforceable.



Officers are aware that some owners have found considerable difficulty with selling their properties, a situation which has worsened in the current economic climate. Evidence from estate agents supplied to officers has indicated a reduction in resale value of 25 to 30% as a direct consequence of the restricted occupancy condition.

It is noted in the LHNLLA that anecdotal evidence suggests a side effect of the policy approach is that it places pressure on the private rented sector. This is because non-locals who aspire to purchase in the area rent until such time as they qualify for the minimum residency period.

A further area of difficulty concerns the consistency of approach in dealing with requests from owners for the removal of the occupancy conditions/discharge of the Section 75 agreement. In one case the request was allowed and in another, denied. In the case which was allowed, the committee decided to allow it on the grounds that the property was very close to the boundary of the restricted area. It is difficult to administer a policy and address the concerns of other affected parties if there is a lack of clarity and inconsistency in approach.

Changes in the LLTNPLP

- The qualifying criteria for 'local need' is defined as where an individual or family:
 - (a) has lived in the qualifying area for at least three years and has a further housing need; or
 - (b) requires to move to the area for employment or family purposes.

'Households will be expected to demonstrate that they have resided in the qualification area for a continuous period of 3 years and are unable to meet their housing needs independently on the open market. This is to ensure that genuine local housing needs are met. Details of household income are likely to be required as evidence of this and will be compared to average and lower quartile house prices for the sub area of the National Park in which the proposed dwelling is located.'

Where housing need is based on employment, verification of this will be required from an employer or, for an independent business, a business plan or other supporting information. Family reasons relate to where a home is required to help care for a family member. To qualify the carer and person being cared for must be related by a one generation family connection and either of whom must have lived in the area for at least three years'.

- The restriction will apply for a period of 10 years from first occupation of the property, rather than in perpetuity as at present. *'The 10 year restriction seeks to provide a pool of local housing stock while enabling a more flexible policy approach which does not unduly hinder or limit ownership rights'.*
- The qualification area is being expanded to include households in Arrochar and Balloch. This change has been introduced to allow a wider pool of potential local purchasers.

Officers were asked during discussions how the period of 10 years had been arrived at. The Board approved the change on the basis that it would provide greater flexibility to buying and selling property while still providing a pool of housing for local needs and deterring speculative housing development. If the local plan is adopted on this basis, any existing properties which carry the occupancy restrictions will be able to apply to have them removed as soon as they meet the requirement for the restriction to have applied for 10 years.



1g – Moray

Context

In 2006 there were an estimated 37,770 households living in Moray, of which 64% lived in the North West sub-area, 35% lived in the South East and the remaining 1% lived in the Cairngorms area. Moray enjoys economic, social and environmental conditions that compare positively with many other areas of Scotland. Growth in the local economy has contributed to Moray having a lower rate of unemployment than Scotland as a whole.

Moray remains a self-contained housing market. In the period from January 2003 to December 2005, 72% of households that bought a mainstream property in Moray were already residents of Moray. The new build market also caters primarily for local residents. The proportion of local purchasers in the North West is very similar to the local authority wide picture but the South East and Cairngorms are much more open and attract a large proportion of purchasers relocating from elsewhere in Scotland and the rest of the UK.

There is little conclusive evidence that in-migration is fuelling house prices as has occurred elsewhere in rural Britain, with the possible exception of the Cairngorms sub-area. (Moray Housing Needs and Market Study April 2007).

Mechanisms Employed

Moray does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

In common with other Scottish Local Authorities surveyed, Moray provide for affordable housing to meet local affordable need. Sites delivering 10 units or more are required to contribute 25% of the total units as affordable housing.

The Council's preference is for delivery of affordable housing by the RSL route, particularly in view of the high proportion of need in the rented sector identified in the Housing Needs and Market study and the lack of a need for provision for low cost home ownership.



1h – Perth and Kinross

Context

Perth and Kinross is a diverse area of lowland and upland, with a city and a number of small towns and villages, and a mix of accessible and remote areas.

The Perth Core Area essentially covers an area within approximately 25 minutes travel by local bus from the centre of Perth. This area contains around 50% of Perth and Kinross's population and employment. It is the main source of economic growth and the natural focus for future business and industrial activity and associated residential development. Perth City is the geographic sub-regional centre for retail, leisure, entertainment education and public services. Yet Perth is also the area with lowest relative wealth, and there are areas of social and economic disadvantage within the city.

The Lowland Area comprises the planning areas of Kinross and Strathearn, and parts of the Perth and Eastern areas. It contains high-quality agricultural land and the catchments of the Earn and Loch Leven, and the lower reaches of the Rivers Isla and Tay. It is a well-settled and substantially man-made landscape, with a number of significant towns and villages that provide local services. These settlements, formerly based on agricultural and primary industries, have diversified into providing a range of manufacturing and service employment. The area is accessible to many parts of Central Scotland and it therefore attracts development pressures from outwith Perth and Kinross.

The Upland Area is characterised by small towns and villages set within an economy based on hill farming, forestry and tourism. Population levels are relatively low and local services limited. Facilities such as local shops, sub Post Offices, petrol outlets, schools and village halls, are central to maintaining communities which are vulnerable. However, the picture is not uniform and some areas have shown stability or growth driven by in-migration and local economic initiative. There are, however, widespread problems of remoteness, access to services and affordable housing. Transport options are more limited, and there is greater reliance on the private car. The need to support economic development can conflict with environmental objectives. The Upland area contains a high proportion of designated landscapes, natural and cultural resources. (Perth and Kinross Structure Plan 2003).

Mechanisms Employed

Perth and Kinross does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

In common with other Scottish Local Authorities surveyed, Perth and Kinross provide for affordable housing to meet local affordable need. Sites delivering 5 units or more are required to contribute 25% of the total units as affordable housing, (50% in Perth city centre).

The Councils preference is for delivery of affordable housing by the RSL route. They do not support private housing for rent as an affordable category due to the '*potential difficulties in ensuring that rents remain at an affordable level*' (Affordable Housing Guide January 2010). They have also yet to fully engage in the delivery of affordable housing for sale or rent by the developer, '*The need for discounted low cost sale and unsubsidised housing has yet to be fully assessed...*'.



1i – Scottish Borders

Context

The population of the Scottish Borders rose from 97,200 in 1981 to 106,800 in 2001, an increase of 9.8%. The projected population for the area by year 2011 is 108,900. Whilst the population has increased by some 2,900 (2.8%) between year 1991 – 2001, the number of households has risen by some 4,000 (9.2%). The figures show that the number of households has grown three times as fast as the population and is in part due to the average household size having fallen from 2.49 persons per household in 1981 to 2.25 persons per household in 2001. This trend is expected to continue, adding an additional 2,900 households between 2002 – 2011. The increase in the number of households creates greater pressures on the housing market. The net in-migration to the Borders which averaged nearly 1,000 persons per year between 1999 – 2004 has also added to the pressure for housing in the area.

Mechanisms Employed

Scottish Borders does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

However, in common with other Scottish Local Authorities surveyed, they provide for affordable housing to meet local affordable need. Differing levels of affordable housing are required from housing developments depending on the location as established from housing needs assessments.

Scottish Borders are one of the few local authorities in Scotland who have embraced the delivery of affordable housing for sale by the developer. *'It is often difficult for an affordable housing policy to deliver housing for first, or second time buyers who cannot afford to buy appropriate housing. However, it is intended that any affordable housing policy adopted by Scottish Borders council should include reference to an element of low cost, privately subsidised, open market housing. The availability of this type of low cost family housing is of particular concern as the gap between average incomes and what is "affordable" continues to widen. The availability of this type of housing may also be important in releasing other forms of housing for local needs.'* (SPG Affordable Housing March 2010). This approach is now detailed further.



Affordable Housing for Sale By Developer

<p>How is requirement determined?</p>	<p>RSLs have a notional minimum threshold of 4 units, below which development or acquisition is not generally viable for them. Discounted units are appropriate for developments that would yield between 1 and 4 on-site affordable units, or in instances where RSLs cannot financially commit to delivery within appropriate time-scales,</p> <p>Number, type and size of units established from housing needs assessment.</p>
<p>What are the qualifying criteria for purchasers?</p>	<p>Discounted Units will be sold to a pre-defined client group who can most closely demonstrate satisfaction of, though not necessarily all, application criterion. This includes:</p> <ul style="list-style-type: none"> • First time buyers or those who have experienced a significant change in household circumstances or those demonstrating significant housing need • The property being offered should be appropriate for the applicant's household size • The property should comprise the household's sole residence • Either being an existing RSL tenant within the Scottish Borders area or on a waiting list to join one for a minimum of 3 months • Applicants with a local connection either through family, work or cultural networks • Applicants that can demonstrate an inability to compete for appropriate housing solutions on the open market.
<p>How is price/discount Established?</p>	<p>The price to be paid for Discounted Units will change from one development to another dependent upon location, size, character and style of the property together with the amount of discount applicable. Household income data from CACI Data Solutions is examined with the mean figure multiplied by 3 to arrive at an affordability level. This is compared with the market value and amount proposed for sale by the developer. The Council try to agree a discount in the region of 40% from open market value.</p>
<p>Is it secured in perpetuity?</p>	<p>Yes.</p>
<p>How is it secured?</p>	<p>Section 75 agreement.</p>
<p>How is property marketed?</p>	<p>Developers are required to give the Council at least 3 months notice of their intention to market the units. Marketing is not allowed to proceed until the discounted price for sale has been agreed by the Council. Developers are required to market the Discounted Units via their nominated agent and through advertisement in the local press. They may market the units together with open market units.</p> <p>Application forms and guidance notes are provided by the council to the Developer. Completed applications are sent directly to Eildon Housing association who process the applications on behalf of the Council. In addition to their extensive expertise in this field, they also comprise an independent and impartial application scrutiny body. The costs of undertaking the assessment are paid by the Developer. In addition to identifying the successful applicant, a reserve list will be provided of three applicants who were adjudged as the next best under the qualifying criteria.</p>



Approach if no qualifying occupant	This situation is not envisaged due to the reserve list procedure.*
What happens at resale?	The owner is free to sell the property at any time once they have acquired title to it. The market price is established by valuation survey by Council approved surveyor. However, in an attempt to re-coup some of the “contribution” conferred by discounting the initial purchase from market value, a claw-back clause is inserted into the S75 governing its subsequent sale. The claw-back is a percentage of the difference between the amount that was initially paid for the affordable unit and that achieved upon its subsequent open market sale. This difference is known as the Gross Surplus. Initially the percentage of Gross Surplus payable is 50%, though this diminishes to 10% on a sliding scale over time.
Cost of operating scheme	The scheme took about 1 man month to set up. Ongoing costs depend on the level of activity which is currently very low, perhaps 2 days per year. Eildons costs are met by the Developer.

* Only a small number of properties have been delivered under this policy to date, though more have planning permission. Recently 3 flats were delivered for sale which generated 5 applicants, all of whom were eligible. A terraced house was also recently delivered but it wasn’t marketed effectively and there was only one applicant. Fortunately, they were eligible and able to proceed with the purchase.

In discussion with Council officers, one of the main difficulties highlighted was the increasing difficulty of negotiating the sale price and discount with the Developer. Smaller units and in particular flats are easier to negotiate as they are cheaper and therefore already more affordable.



1j – Stirling

Context

Stirling has a buoyant housing market and is generally regarded as an economically affluent area. Its population is increasing and the nature of its households is changing. House prices are above the Scottish average.

These are attributes of a healthy and successful area but they can also mask significant disparities within and between communities as well as inherent problems with the operation of the housing market. Stirling is attracting significant housing demand and this has pushed up prices beyond the reach of many local residents. This is restricting the locational and other choices that residents on low incomes are able to exercise when seeking private or rented housing. In the rented housing sector this trend has been accentuated by the impact of right to buy which has seriously depleted the stock of Council Houses. Unless action is taken these characteristics of the housing system are likely to be perpetuated, with the unemployed and people on low incomes becoming increasingly geographically concentrated. This would conflict with the Councils objectives of promoting social inclusion, quality living environments and mixed and balanced communities. (SPG Planning to Meet Stirling's Housing Needs July 2003).

Mechanisms Employed

Stirling does not employ any planning mechanisms specifically targeted on delivering new housing built for sale by the private sector to meet local needs.

Until the establishment of the Loch Lomond and Trossachs National Park, Stirling was responsible for administering the restricted occupancy policy in part of the Loch Lomondside area. The restricted occupancy policy used to extend beyond both the Loch Lomondside and National Park boundaries, covering the whole rural area of Stirling, but the policy was discontinued shortly before the National Park was established. Occupancy was restricted to those people who lived in or had a strong family connection with the community council area within which the development was proposed and was secured in perpetuity.

As advised by Council officers in discussions, the restricted occupancy condition was abandoned for a number of reasons including:

- It was very difficult to administer and enforce;
- It was difficult to confine to local people in local need;
- Banks would not provide mortgage funding;
- Considerable pressure from owners to have the occupancy requirement removed for reasons which the Council usually accepted, (such as inability to sell the property).

Stirling have recently introduced a new 'Housing in the Countryside' policy which has moved away from 'old style' controls to much more support for appropriate development in the countryside.

In common with other Scottish Local Authorities surveyed, Stirling provide for affordable housing to meet local affordable need. Sites delivering in excess of 20 units are required to contribute 25% of the total units as affordable housing.

The Councils preference for delivery of affordable housing is by the RSL route. Although supplementary planning guidance sets out a definition of low cost housing as 25% below market value, it only suggests this as an acceptable form of delivery of affordable housing if an appropriate mechanism can be agreed. From discussions with Council officers, it would seem that this mechanism has not been actively employed.



Appendix 2 – Mechanisms Employed By National Parks In England and Wales

2a – Brecon Beacons

Context

The approach to housing provision adopted by the Brecon Beacons National Park Authority, (BBNPA) as set out in their Unitary Development Plan, March 2007, (UDP) embodies a central objective of the Welsh Assembly Government's housing strategy, namely to provide everyone with “the opportunity of a decent home in safe, healthy and sustainable communities”. Supporting community vitality and viability is achieved through:

- Permitting Housing
- Enabling community facilities
- Promoting the conservation and enhancement of local distinctiveness
- Recognising infrastructure for living
- Preventing inappropriate development.

The main housing issues the BBNPA seek to address are:

- the threat to viable rural communities;
- a shortage of affordable housing;
- the need to ensure that development does not solely encourage and satisfy externally derived demand unrelated to the economic and social needs of the resident population;
- the range of circumstances found across the Park;
- the need to ensure that where limited land is available that it is utilised to best advantage to strengthen rural communities by securing housing for identified local needs;
- the need to ensure that where there is a greater choice of land available in the larger centres, that new development provides a wide range of housing types, tenure, sizes and prices;
- the need to ensure appropriate phasing and managed release of land according to sustainability criteria and to ensure that land take-up is not sterilised by non-implementation;
- the conservation and reuse of traditional buildings - where is this appropriate and what buildings qualify.

The Brecon Beacons do not experience some of the particular pressures experienced by some other National Parks, as evidenced by the following extract from the UDP:

In some parts of the UK, the degree to which existing housing stock is used for holiday or second homes by non-residents is causing a shortfall in the supply of housing for some sectors of the resident community. Whilst there are a number of holiday or second homes in the Brecon Beacons National Park, research found that second and holiday homes are not a stand-alone problem, rather they cause concern when allied to other issues. It also confirmed local perceptions that this is not a significant issue for this National Park. As a consequence this UDP does not have a specific policy covering these matters. The NPA will rely on the present planning system, whereby a dwelling, a second home and a holiday home all fall within the same use class category.

The UDP identifies a need for 1,980 dwellings over the period 2001 - 2016, 620 of which had been permitted by 1st April 2005. Of the remainder, 695 are expected to be delivered from allocated sites and 665 through large and small windfall sites.

Land in the park is divided into two categories, either the “white area”, (land within identified settlement boundaries where development is encouraged to be located), or the countryside which is subject to more restrictive policies. New dwellings in the countryside away from existing settlements require special justification, and will only be permitted if an essential need can be demonstrated for the dwelling to be located there, (such as agricultural occupancy).

Mechanisms Employed

BBNPA use local occupancy restrictions only in connection with delivery of affordable housing. They also operate an exception site policy. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

Do restrictions cover the whole Park area?	Yes, but only to affordable housing.
Are restrictions applied to all new builds?	No, only to affordable housing. On sites where 3 or more dwellings are proposed, a minimum of 20% affordable housing is required.
What are the occupancy criteria?	Occupants must be local people in housing need. To qualify as local, persons must: <ul style="list-style-type: none"> • be currently living in the community, or • demonstrate a link with the community or • be needed to fulfil a social service, or • be employed in an important local service. <p>Where Local Housing Authority policies impose a minimum time period for residence this also applies.</p>
Is it targeted at local need?	Yes, through Local Housing Needs Surveys, Community Housing Needs Surveys, Local Authority and Housing Association waiting lists and the statutory County-wide Housing Market Analysis.
Approach if no local need occupant	Applicants are considered first from the community council area within which the site lies, either in or outside the Park (some communities straddle the Park boundary); then the neighbouring community council areas within the Park; and finally the whole of the relevant Authority area within the Park.
Is it secured in perpetuity?	Yes.
How is it secured?	Section 106 agreement.
Is the size of the property restricted?	No specific restrictions. The design of the affordable housing should reflect the characteristics of the locality and/or the rest of the housing site. The mix of house types/sizes and tenure should reflect local needs and the existing affordable housing stock in the area.
Are there any other restrictions?	Permitted development rights may be withdrawn so that control may be exercised over the enlargement or alteration of dwellings in ways that would change their affordability for future occupiers.

Communities Scotland, in their review, “Restricted Occupancy conditions in National Parks” in 2007, note that the BBNPA has experienced problems with developers and interpretation of the policy, complaints from developers about why they should provide affordable homes, the drop in value of the homes and the amount of administration required. A degree of NIMBY-ism is also identified.

As the restricted occupancy condition is inextricably linked with affordable housing, it is not possible to determine to what extent issues which have arisen are related to the restricted occupancy element.



Mechanism – Exception Sites

Where there is a proven local need, development may be located on sites outside the development boundaries of settlements as an exception to normal planning policies. However, any such development is restricted to delivery of affordable housing only. As can be seen from the policy set out below, the same criteria is applied to these sites as applies to the restricted occupancy mechanism.

Policy ES30: Enabling Affordable Housing Outside Development Limits

Exceptionally, development for affordable housing will be permitted on sites in or adjoining and forming a logical extension to appropriate settlements, to meet a proven local need that cannot be met in any other way, where a local need has been established by a housing needs survey. Such permission will only be granted if:

- i) the dwellings can be controlled, tied to a legal agreement or other mechanism which restrict their occupancy to people with a proven local need for accommodation that cannot be met in any other way; and
- ii) the proposal can demonstrate that any dwellings built will be affordable to those for whom the need is proven, and that the benefit of affordable housing will be enjoyed by successive as well as the initial occupiers of the property.



2b – Dartmoor

Context

The aim for housing set out in the Dartmoor National Park, Local Development Framework Core Strategy (Adopted June 2008), (LDFCS) is:

The Authority will work with the local housing authorities to provide for the housing needs of communities within the Dartmoor National Park, with a strong priority for the provision of affordable housing to meet identified local needs.

The pattern of residential development in Dartmoor in the recent past shows a concentration of development in the larger settlements. The residential development that has taken place outside of the classified settlements has, for the most part, resulted from the provision of farm workers' dwellings or from the conversion of existing buildings (e.g. redundant hotels and barns) in the smaller hamlets or in the open countryside.

The *Devon Structure Plan* anticipates that the application of Local Plan policies within the National Park will result in about 900 dwellings within the period 2001-2016. This is equivalent to an annual development rate of 60 units per year intended to meet local social and economic needs only and not to provide for general open market demand. The draft Regional Spatial Strategy (RSS), (now abandoned under new government policy) gives an estimated strictly local needs housing provision for the Dartmoor National Park of 50 units per year between 2006 and 2026.

The LDFCS notes that: *Of the 449 new dwellings build since April 2001, 28% were affordable dwellings to meet the needs of local people unable to afford open market housing. There are even lower levels of affordable dwellings among the houses under construction at March 2006 and unimplemented permissions for dwellings. The draft RSS states that local planning authorities should routinely require more than 30% housing provided annually to be affordable but recognises that 60% or greater may be appropriate in areas of greatest need. It is clear that extra effort will be needed to reach that figure, including a shift in established policies.*

New housing development within the Park is provided as follows:

- The rate, number, type and location of houses provided is dictated by the extent and nature of local need identified by the local housing authority, housing market assessments and parish housing needs surveys, and by the ability of each community to absorb development satisfactorily without harm to the local environment.
- The majority of housing development is directed to a range of larger settlements defined as Local Centres, (at least 60% of the projected new housing guideline provision of 50 dwellings per year being located in these settlements). The emphasis is on provision of affordable housing, with open market housing required to deliver 50% affordable housing;
- In smaller settlements defined as Rural Settlements, housing development is restricted to meet identified local needs for affordable housing, (small scale development essentially serving identified needs arising from within a settlement and its parish);
- Outside Local Centres and Rural Settlements, housing development is restricted to that serving the proven needs of agriculture and forestry or other essential rural businesses, or through the appropriate conversion of rural buildings to meet identified local needs for affordable housing.

Mechanisms Employed

DNPA use local occupancy restrictions only in connection with delivery of affordable housing. They also operate an exception site policy. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

<p>Do restrictions cover the whole Park area?</p>	<p>Yes, but only to affordable housing.</p>
<p>Are restrictions applied to all new builds?</p>	<p>No, only to affordable housing. Open market housing is permitted within Local Centres in circumstances where its provision facilitates affordable housing on previously developed land or where it is provided through building conversion/sub-division or where such development facilitates significant environmental or community benefits.</p> <p>The proportion of affordable housing in open market developments will be not less than 50%. However, in exceptional circumstances, the proportion of affordable housing required can be varied where this is necessary to enable development of significant environmental or community benefit to proceed.</p>
<p>What are the occupancy criteria?</p>	<p>Occupants must be local people in housing need. The definition of 'local people' is defined separately for the following two groups:</p> <p>(i) intermediate or social housing provided by RSL's (e.g. housing associations);</p> <p>(ii) intermediate housing being provided by private individuals.</p> <p>For (i), the definition of 'local people' is as follows:</p> <p>(i) those people currently living in the parish of provision, or a rural parish adjacent to the parish of provision, and having done so for a period of at least five years; or</p> <p>(ii) those people who have lived in the parish of provision or a rural parish adjacent to the parish of provision for a period of five years but have moved away in the past three years; or</p> <p>iii) those people who have a strong local connection with the parish of provision or a rural parish adjacent to the parish of provision by virtue of, for example, upbringing or current employment.</p> <p>The eligible adjacent rural parishes will be specified in the planning obligation according to the individual circumstances of the development and its location.</p> <p>For (ii), the definition of 'local people' is as follows:</p> <p>i) those people currently living in a parish wholly or partly within the National Park or a rural parish adjacent to the parish of provision and having done so for a period of at least 5 years; or</p> <p>ii) those people who have lived in a parish wholly or partly within the National Park or a rural parish adjacent to the parish of provision for a period of five years but have moved away in the past three years; or</p> <p>iii) those people who have a strong local connection with a parish wholly or partly within the National Park or a rural parish adjacent to the parish of provision by virtue of, for example, upbringing or employment.</p> <p>An eligible household is one where there is a clear need for accommodation (having registered with the local housing authority, or a RSL, or completed a local housing needs questionnaire), an inability to afford local accommodation at current open market prices, and compliance with relevant local occupancy criteria.</p>



Is it targeted at local need?	Yes, through parish-based housing need surveys; local authority joint housing registers; housing Market Area reports, especially sub-market area reports; survey work done in the preparation of Parish Plans.
Approach if no local need occupant	If no local need identified from the parish within which the site lies within 6 months, the search is extended to adjacent parishes and finally the whole Park.
Is it secured in perpetuity?	Yes.
How is it secured?	Condition or Section 106 agreement.
Is the size of the property restricted?	Yes. Size of the units in the affordable element of a development restricted to a maximum of 80 square metres of floorspace.
Are there any other restrictions?	<p>The preferred route for provision of affordable housing is through an RSL. Where no RSL is involved, a condition will be attached or section 106 agreement sought to ensure that the level of rent is fixed at least 25% below the agreed restricted market rent or, where a dwelling is offered for sale, both the initial and subsequent sale price is at least 25% below the agreed restricted market value.</p> <p>In circumstances where permission for a dwelling has been granted to help meet the local need for affordable housing, the size of any proposed extension or the cumulative size of extensions to the original dwelling will be restricted to that which can be accommodated within permitted development rights, in order to ensure that the property remains affordable.</p>

It is recognised in the Dartmoor National Park Local Plan, (Adopted October 2004), that occupancy restrictions depress market values:

An occupancy condition would be likely to depress the price under normal market conditions by 15% on a sale but by itself this is not currently likely to result in property being available at a price which is affordable even by those on average local family incomes (£21,000-£24,000), unless a substantial deposit is available to the local purchaser. A reduction of 25% on market prices, which will already reflect the existence of the occupancy condition, would begin to bring smaller properties within reach and a 25% reduction in rental costs is likely to have a similar effect.

In the 2009 Scottish Government Social Research report, 'An investigation of Occupancy Controls in Rural Housing', DNPA are quoted as saying:

"We do not apply occupancy controls on owner occupied housing and the overwhelming majority of our affordable housing is provided by RSL's. Our model in our local plan which seeks to provide a stock of small, more affordable homes selling at 75% of open market housing value, (the price of which would take into account the occupancy condition) has produced a very limited response. I am aware of 2 units being built as components of open market schemes and put up for sale but selling them has been difficult."

Mechanism – Exception Sites

Where there is a proven local need for affordable housing which cannot be met on sites where housing would normally be permitted, consideration will be given to permitting development for solely affordable housing on sites within or on the periphery and well related to the built-up areas of Local Centres and Rural Settlements.



Housing will normally be provided by an RSL, either for rent or on a shared equity basis. Cross subsidy schemes, incorporating an element of open market housing, are not permitted. The scheme must be targeted to meet identified local needs and the support of the local housing authority is required as an important factor in determining whether permission will be granted. Much the same criteria are applied to these sites as applies to the restricted occupancy mechanism.



2c – Exmoor

Context

The housing policies set out in the Exmoor National Park Local Plan 2001 – 2011, (ENPLP) by the Exmoor National Park Authority, (ENPA) aim to ensure that the level of housing development is compatible with the conservation and enhancement of Exmoor, whilst at the same time meeting the housing needs of local communities. The plan states that *'Government planning policy guidance affords National Parks the highest level of landscape protection. National Parks are not, therefore, suitable places for major new housing developments. The focus should be on meeting the needs of those people who live and work in the area. Maximum use must be made of the existing stock of accommodation and buildings in order to reduce the need for new greenfield development.'*

Meeting local needs for affordable housing is seen as an urgent priority to achieve balanced and sustainable communities. The National Park is facing a number of issues, including a higher and increasing proportion of retired people than the national average; younger local working people having to leave the National Park to find affordable accommodation then commuting back into the National Park to work and higher paid workers that can afford to live in the National Park commuting outside to their place of work. The high quality environment of the National Park and its accessibility from London and the South East makes it an attractive place for people to retire to or own a second home. Demand is also high from people who work in the neighbouring Devon and Somerset's towns. The ENPLP states the following:

These open market pressures demonstrate why, based on the planning policies from the previous four Area Local Plans (1984-5) and the first Park-wide Local Plan (1997), 30% of new properties are occupied by retired people (77% of whom came from the south east region and elsewhere in the UK) and 23% are occupied as second or holiday homes. Of all the fully occupied properties (i.e. excluding the 23% second/holiday homes) only 1 in every 10 go to local people from National Park communities. Even with smaller 1 and 2 bedroom properties, which because of their size have a lower value, only 1 in 5 go to local people.

House prices within the National Park demonstrate these insatiable external market demands. House Price Surveys show that, since 1998 mean average house prices have risen by 153% in the National Park. At August 2004, the median average house price on Exmoor was £285,000. This figure is 83% higher than the South West average, and 84% above the UK average. The Survey shows that the average price of the most recent houses built or converted since 1980 is £339,919. The price of smaller properties is also high with median average prices for terraced and semi-detached properties being £176,250 and £248,000 respectively. Consequently, the value of the majority of properties is now well beyond the means of many local people who need accommodation, especially first-time buyers.

In response to these issues, the ENPLP sets out to ensure that all new housing meets a local, social or economic need. Housing provision is therefore based on the 'exceptions' approach - to grant planning permission where general open market housing would not be permitted. This means that no sites are allocated within the local plan, each proposal being examined on an individual site basis, based upon the needs evidence provided by the applicant/developer. This in effect means that ENPA are dealing with all new residential development under an Exception Site mechanism, which explains why they are not operating a separate Exception Site policy as described for some other National Parks. The average number of new dwellings built per annum is 25.

In consideration of site proposals, justification of a local need is not considered to outweigh other policies of conserving the National Park. The policies aim to provide most new housing in settlements. Where Parishes do not have an identified settlement (or suitable site within one), the search for a site for a local needs house(s) is directed towards an adjoining Parish. Where Parishes are split by the National Park boundary and the settlement lies outside the National Park, the need for housing is met in that part of the Parish lying outside the National Park in accordance with the relevant District Council's planning policies.

Mechanisms Employed

For delivery of new housing, the ENPLP identifies affordable housing with local occupancy ties, to be occupied by people with a proven housing need as the principal requirement. This is combined with size restrictions to ensure affordability.



Mechanism – Local Occupancy Restriction

<p>Do restrictions cover the whole Park area?</p>	<p>Yes</p>
<p>Are restrictions applied to all new builds?</p>	<p>Yes. The only exceptions are the change of use of non-residential buildings to dwellings in Local Rural Centres and sub-division of existing dwellings. In the former case, where more than 1 dwelling is created, a minimum of 50% affordable local needs housing is required. Where the development delivers an odd number of units, the affordable housing takes precedence, (e.g. 3 units, 2 must be affordable for local needs).</p>
<p>What are the occupancy criteria?</p>	<p>Occupants must be local people in proven housing need. The qualification criteria is as follows:</p> <ul style="list-style-type: none"> (i) A person (and his or her dependants) who has a minimum period of 10 years permanent and continuous residence in the parish or an adjoining parish who cannot afford (to rent or buy) accommodation in the locality and is forming a household for the first time; or (ii) A person (and his or her dependants) who has a minimum period of 10 years permanent and continuous residence in the parish or an adjoining parish who cannot afford (to rent or buy) accommodation in the locality and is currently homeless or living in otherwise unsatisfactory accommodation; or (iii) A person (and his or her dependants) who is not now resident in the parish or an adjoining parish but with a local connection with the parish including a period of permanent and continuous residence of 10 years or more within the last 20 years and who cannot afford (to rent or buy) accommodation in the locality and has a proven need; or (iv) A person (and his or her dependants) who has an essential need to live close to another person who has a minimum of 10 years permanent and continuous residence in the parish or an adjoining parish, the essential need arising from proven age or medical reasons, and who cannot afford (to rent or buy) accommodation in the locality; or (v) A person (and his or her dependants) who needs to live close to their place of work in the parish or an adjoining parish and who cannot afford (to rent or buy) accommodation in the locality. <p>Local people with access to existing accommodation or incomes/savings to enable them to afford to buy or rent suitable accommodation in the locality will not meet the policy requirements. In assessing need, account is taken of any properties owned, or previously sold or otherwise disposed of, by the intended occupants of the new accommodation to avoid any policy abuse.</p>
<p>Is it targeted at local need?</p>	<p>Yes. Apart from the two small exceptions detailed above, all new build housing must be provided as affordable local needs housing. For an individual household within a community, proof of need is established through a detailed questionnaire. Community need is proven by a local housing needs survey as established by the Rural Housing Enabler and carried out in association with the Town/Parish Council(s). Private surveys, without the assistance of the Rural Housing Enabler or a Registered Social Landlord or District Council, are not acceptable. In each case the National Park Authority will carefully examine the survey results to ensure that a genuine need exists for the number of dwellings proposed. Experience shows that generally only about 25% of those people initially expressing a need for an affordable house actually take up the offer of accommodation.</p>



<p>Approach if no local need occupant</p>	<p>In the case of dwelling(s) owned or controlled by a Registered Social Landlord (including Housing Associations) the definition of local need is initially based on criteria (i) to (v) above. The legal agreement will allow, where properties become vacant, other local persons with strong local ties to the relevant district council area of the National Park, the National Park as a whole and the remaining district council area outside the National Park, to occupy the dwellings.</p> <p>The occupancy cascade for privately owned dwellings will not go wider than the National Park area for occupants qualifying under clauses (i), (ii) and (iv) as above. The definition of local need for subsequent occupiers will include those set out in clauses (iii) and (v) as above.</p> <p>In the case of dwelling(s) where a Registered Social Landlord (including Housing Associations) is involved in a controlled occupancy retained equity scheme, where staircasing is not permitted, the occupancy cascade is as above save that where no local person can be found to occupy a property that has become vacant, the occupancy cascade will go beyond the district council area provided any occupier has a proven housing need.</p>
<p>Is it secured in perpetuity?</p>	<p>Yes.</p>
<p>How is it secured?</p>	<p>Section 106 agreement.</p>
<p>Is the size of the property restricted?</p>	<p>Yes. Floorspace of each unit is restricted to a maximum of 90 square metres for all affordable local needs dwellings.</p>
<p>Are there any other restrictions?</p>	<p>Permitted development rights in respect of extensions are withdrawn for all residential development. For affordable local needs dwellings, extensions are not allowed to increase the floorspace to more than 90 square metres. For dwellings created by sub-division of existing dwellings, if the dwellings created had floorspace less than 90 square metres, extensions are not allowed to increase the floorspace to more than 90 square metres.</p>

The ENPLP makes clear that the ENPA believe the employment of the local occupancy tie will reduce house values by between 30 – 40%.

In the period from April 2005 to March 2009, a total of 21 local needs affordable homes have been completed, of which 5 have been provided through non RSL schemes.



2d – Lake District

Context

The Lake District National Park, (LDNP) is the largest National Park in England. It covers 2,292 square kilometres and makes up a third of the total area of Cumbria. Its boundary extends across 4 districts and it encompasses 80 parishes. The National Park has a population of 41,831 and a traditional settlement pattern. Only three settlements have resident populations over 3,000. Over 8 million visitors come to the National Park each year, and tourism is the major industry.

The Lake District National Park Local Development Framework Core Strategy, (LDNP LDF CS), presents the following picture:

There is immense pressure on the existing housing stock in many areas of the National Park. This issue is due in part to the continuing trends of people moving from urban to rural areas for a better lifestyle, and of those buying second homes or homes to be used for holiday letting purposes. Earnings in many of our rural areas are lower than in neighbouring urban areas, due to the reliance on the tourism industry. This makes it difficult for people relying on local wages to compete for housing in an open market. At the same time, some stock of social housing has been bought through the Right to Buy Scheme and there has been limited new provision.

These factors have led to a significant increase in the ratio between earnings and house prices across the area. The government recommends that the ideal ratio for income to house price is between 2.9:1 and 3.5:1, depending on whether it is a single income or dual income. In the Central Lakes Housing Market Area this ratio is 13.6:1. As a result, young people and newly formed households cannot afford to buy on the local housing market, and they leave the National Park. In some places this is negatively affecting the vibrancy of our local communities.

To try and address the affordable housing issue, since April 2006, housing policy has required that all new build housing is for local affordable needs housing only. This has included conversions of non-residential property to residential. The need for the development must be demonstrated through a local housing needs survey. The LDNPA received funding for local housing needs assessments to be undertaken in some localities, but in all other localities, this has left any potential developer facing the requirement to carry out a local housing needs assessment to prove the need for any housing. The consequences of operating this 100% affordable housing policy can be summed up by the officer I spoke to at the LDNPA – *“the policy has not worked as it is not delivering anything”*. As a result of this experience, the LDNP LDF CS which is to become adopted policy later this month, brings in a different approach, which is outlined below.

The LDNP LDF CS has a requirement to facilitate the delivery of 900 houses between 2010 and 2025 which equates to 60 houses per year. This is a minimum target. Approvals for holiday letting units do not contribute towards the housing target. In order to address this and the issues of local need and affordability, the LDNP LDF CS sets out policy which only permits new dwellings where they contribute towards meeting an identified local need or local affordable need, with priority given to the delivery of affordable housing and where they help to redress the imbalances in the local housing market, and are secured in perpetuity for the purpose originally intended through the use of appropriate planning controls.

All new build housing must either be for local needs or local affordable needs. The priority given to affordable housing means that on allocated sites, 100% of the housing must be supplied for local affordable needs, except in the West Distinctive Area, (one of 5 areas the National Park has been divided into), where the need for affordable housing is much less. All other sites, (apart from exception sites) i.e. windfall sites, must provide affordable housing if four or more units are proposed. In these cases, three houses may be allowed for local need, but all others will be required to meet the identified local affordable need. Therefore, for example, if 10 houses were proposed, 7 would be required to be affordable. In addition to local connection and other eligibility criteria, the policies include restrictions that occupants must have a need to be in the ‘locality’, which is based on a defined group of parishes.

To address the pressures from holiday letting, development which will create a dwelling that is solely for holiday letting purposes will only be considered where the development reuses an existing building and will not compromise the LDNPA ability to help meet the identified local need and/or local affordable need. The proposal is also required to help to diversify the economy in the locality. The LDNPA will not consider



settlements where there is already a high percentage of holiday letting properties and a high proportion of identified housing need as appropriate locations for additional holiday letting development.

Mechanisms Employed

LDNPA employ local occupancy restrictions for all new build housing and also operate an exception site policy. These mechanisms are now detailed further.

It should be noted that the following table setting out details of the restricted occupancy mechanism describes the operation of the new policy introduced by the LDNP LDF CS. However, with the exception of the provision for local needs separate from local affordable needs, the detail also applies to the previous scheme.



Mechanism – Local Occupancy Restriction

<p>Do restrictions cover the whole Park area?</p>	<p>Yes</p>
<p>Are restrictions applied to all new builds?</p>	<p>Yes. All new builds are for local affordable needs dwellings, (a 100% affordable policy).</p>
<p>What are the occupancy criteria?</p>	<p>Occupation of all new dwellings is restricted to those who fit the Local Connection eligibility criteria:</p> <ul style="list-style-type: none"> • The household is continuously resident in the Locality defined for three years prior to occupation; or • The household is permanently employed or has a firm permanent job offer in the Locality defined. Permanent employment includes contracts for a minimum of one year's continuous employment, at a minimum of 16 hours per week. The self employed must show evidence of a viable business which shall begin operating within 3 months of the household occupying the dwelling; or • Former residents (who previously lived in the Locality defined for a period of at least three years) who wish to return to the Locality defined having completed a post-secondary (tertiary) education course within the past three years; or • Those people currently in the Armed Forces, in prison, in hospital or similar accommodation whose location is beyond their control, and immediately before moving to this type of accommodation they lived in the Locality defined for at least three years; or • Those who need to live in the Locality defined either because they are ill and/or need a lot of support from a relative who lives in the Locality defined, or because they need to give support to a relative who is ill and/or needs support who lives in the Locality defined. Proof of illness and/or need of support will be required from a medical doctor or relevant statutory support agency.
<p>Is it targeted at local need?</p>	<p>Yes. LDNPA make a distinction between housing to meet local need and housing to meet local affordable need.</p> <p>Housing to meet local needs must provide for households:</p> <ul style="list-style-type: none"> • with a Local Connection, and • be of an appropriate scale and size. <p>Housing to meet local affordable need must provide for households:</p> <ul style="list-style-type: none"> • with a Local Connection • are in Housing Need, and • be of an appropriate scale and type as evidenced by housing need surveys. <p>Housing for local affordable need is restricted to those who do not have available to them and could not afford to acquire or rent a home suitable to their needs at normal market prices or rents prevailing in the locality, and</p> <ul style="list-style-type: none"> • Needs to move from accommodation which is unfit/in disrepair, shared, temporary or overcrowded, or • Needs to be housed as a result of leaving tied accommodation, or • Is an older person or disabled and needs to move to more suitable accommodation due to medical conditions.



	<p>The National Park has been divided up into a large number of geographical localities, based on parishes. Proposals for new housing must meet the identified need of the locality in which they are sited.</p> <p>For proposals for local affordable need housing the applicant must provide evidence that the need exists. This will demonstrate how the proposal contributes to meeting an identified need and inform the scale, type and tenure required. Strategic level housing need surveys and local housing need surveys undertaken by Cumbria Rural Housing Trust are used.</p> <p>For schemes of up to three houses for local need housing, community-based evidence is required to help inform the proposal in relation to what is an appropriate size and scale in the locality. Recognised forms of evidence include:</p> <ul style="list-style-type: none"> • Strategic Housing Market Area Assessments • Local housing need surveys • Community Plans/Parish Plans • Outcomes from focussed community engagement events • Cumbria Joint Strategic Needs Assessment (2009)
<p>Approach if no local need occupant</p>	<p>This circumstance is not expected to occur for affordable sites. In the case of local need sites, should evidence be presented that no local affordable need exists, the requirement for affordable housing provision may be relaxed, but the local need housing must still support the scale and size of housing identified in the locality.</p>
<p>Is it secured in perpetuity?</p>	<p>Yes.</p>
<p>How is it secured?</p>	<p>Section 106 agreement.</p>
<p>Is the size of the property restricted?</p>	<p>Yes. Both housing for local needs and local affordable needs is required to be of an appropriate scale and size. Absolute sizes are not set, but advisory sizes are provided ranging from 40 square metres for a 1 bed flat to 85 square metres for a 4 bedroom house.</p>
<p>Are there any other restrictions?</p>	<p>The dwelling must be the household's main residence.</p> <p>Whilst all housing must be to meet local affordable need on allocated sites, developments on windfall sites must provide affordable housing if four or more units are proposed. In these cases, three houses may be allowed for local need, but all others will be required to meet the identified local affordable need. In order to prevent incremental development of a site, the efficient use of land is controlled by applying minimum density requirements which are recognised nationally (30 dwellings per hectare).</p>

Price control mechanisms are not applied to local need housing, as the LDNPA consider that the application of the occupancy condition will make the house cheaper than would be the case in the open market.

The following picture emerged from discussions with the LDNPA on the operation of the 100% affordable housing policy:

Housing delivery has been well below development plan requirements, with apart from single dwellings, only RSLs delivering any housing. The amount of RSL delivered housing is also very low, with single



sites actually delivering more of the housing. The single sites tend to come forward on the basis of, for example, where a farmer needs to provide housing on his land for members of the family who are themselves in housing need. The outcome is development of a self build local affordable need house secured on that basis in perpetuity.

RSLs are experiencing due to lack of funding and land availability. The 100% affordable housing requirement is causing landowners to hold onto their land and wait for a change in policy. The requirement to demonstrate need through a local housing needs survey means that if there is no survey, there is no development. With 80 parishes, on which the locality is defined for the housing needs survey, although the LDNPA has had a number of surveys done, the lack of survey in many areas has prevented development from taking place, as developers wait for someone else to undertake the survey.

Lack of housing supply has contributed to increased prices in the second hand housing market. There are now a number of relatively well paid people in the Park area who cannot afford to buy a house. The situation in the private rented sector however, is more affordable. There are also difficulties for owners on resale of occupancy restricted houses, as qualifying purchasers cannot obtain mortgages in the current economic climate.

One particular impact concerns the demolition and rebuild of existing dwellings. The LDNPA do not have a policy specifically targeted at replacement dwellings. There are a lot of sound, average sized ordinary 50's / 60's type dwellings, such as bungalows and smaller houses, often on large plots within various areas of the Park. These are being purchased on the open market, demolished and replaced with much larger open market dwellings. These dwellings are acceptable in their design and impact on the surrounding area and therefore have to be permitted. Often they will be an improvement visually on what they have replaced. However, this activity is removing a layer of housing stock and leading to polarisation of the housing stock.

Mechanism – Exception Sites

The LDNP Area is divided into 5 Distinctive Areas. Within these are defined Rural Service Centres, Villages and Cluster Communities then Open Countryside. The use of exception sites is set out against the appropriate categories for each Distinctive Area for the provision of local affordable needs housing.

Due to the policies adopted by the LDNPA for all new build to be local affordable needs housing, the only purpose of the exception site policy to remove the locational criteria which would otherwise apply.



2e – New Forest

Context

The National Park covers 567 square kilometres, (220 square miles) making it the smallest national park in the UK. It has an estimated population of 34,935 people, making it the UK's most densely populated National Park, (61 persons per km²). The housing stock within the National Park amounts to 14,927 dwellings (based on 2001 Census data), of which an estimated 3% are second homes or holiday lets. The seven largest settlements have between 1,000 and 3,200 residents.

The New Forest is a major recreational resource, with 42 km of coastline, 325 km of Public Rights of Way and over 30,000 hectares of accessible land (more than 50% of the area of the National Park). Research by Tourism South East (2005) indicated that there were 13.5 million visitor days spent per annum in the National Park. 15 million people live within a 90-minute drive of the National Park.

The New Forest National Park has an annual housing requirement of 11 dwellings per annum, totalling 220 dwellings over the period 2006 to 2026. Dwelling completions within the National Park have exceeded requirements in each of the last eight years, (2002 - 2009) without the allocation of land for housing. Over this period, dwelling completions have averaged 36 dwellings per annum.

These circumstances explain the New Forest National Park Authorities, (NFNPA) approach of meeting the housing requirement through supporting: (i) appropriate development within the four 'Defined Villages' of Ashurst, Brockenhurst, Lyndhurst and Sway; (ii) the conversion of existing buildings; and (iii) rural exceptions sites, all without the need to allocate sites.

The New Forest National Park Local Development Framework Core Strategy focuses on providing for affordable housing to meet local needs from within the National Park. Maximising the number of additional affordable homes provided within the overall limited number of new dwellings that will be developed in the National Park is a key objective of this Core Strategy and open market housing is therefore limited to no more than 50% of development sites within the Defined Villages. Affordable housing occupation is restricted to people who have a defined local community New Forest connection as well being in housing need.

Mechanisms Employed

NFNPA use local occupancy restrictions only in connection with delivery of affordable housing. They also operate an exception site policy. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

Do restrictions cover the whole Park area?	Yes, but only to affordable housing.
Are restrictions applied to all new builds?	No, only to affordable housing. New open market housing is only permitted on sites within the four defined villages. At least 50% of the units must be affordable housing.
What are the occupancy criteria?	Occupation is normally restricted to a local person, which means someone who lives or works in, or who has strong connections with the settlement or parish in which the scheme is proposed.
Is it targeted at local need?	Yes. A balance in provision is sought between social rented and intermediate housing, with flexibility to vary the relative proportions on a site by site basis with the benefit of advice from the respective local housing authority. A partnership approach involving both the housing authorities and the major land managers and estates holding stocks of rented properties is sought as well as with those working closely with communities to identify the level of local need and agree appropriate sites.
Approach if no local need occupant	None specified.
Is it secured in perpetuity?	Yes.
How is it secured?	Section 106 agreement.
Is the size of the property restricted?	No.
Are there any other restrictions?	In the case of small dwellings, (80 square metres of floor space or less), extensions must not result in the floorspace of the dwelling exceeding 100 square metres. In exceptional circumstances, the maximum may be increased to 120 square metres. Exceptional circumstances are defined as: <ul style="list-style-type: none"> • to meet the genuine family needs of an occupier who works in the immediate locality; or • to meet design considerations relating to the special character of the dwelling (e.g. listed buildings).

Mechanism – Exception Sites

Outside of the four defined villages, (including the other villages not included as 'defined villages'), small-scale affordable housing developments may be permitted as "exceptions" on sites in or adjoining villages to meet the identified needs of local people in these areas.

Proposals for exceptions sites should:

- meet a particular local need that cannot be accommodated in any other way; and



- be subject to a planning obligation under Section 106 of the Town and Country Planning Act (1990) to ensure that the dwellings provide for low-cost housing for local needs in perpetuity; and
- be capable of management by an appropriate body, for example a Registered Social Landlord, the Authority, or a village trust or similar accredited local organisation; and
- be located where there are appropriate local facilities (e.g. shops, schools and public transport).



2f – Northumberland

Context

Northumberland National Park is wholly within the North East region, but also borders Scotland and the North West region. The Park extends to over 100,000 hectares and represents 20% of Northumberland County. Historically, the rate of development in the National Park has been low. The National Park boundary excludes the larger settlements of the area, and settlements within the boundary are typified by small villages, hamlets, and isolated farm dwellings. Significant land use change has resulted largely from the development of military training facilities and forestry.

Northumberland National Park is in a unique situation in that there has not been significant pressure for housing development. This low demand arises from a combination of the National Park's small population and its remote location. There are only 799 houses within the boundary. A high percentage of houses within the Park are used as second residences / holiday homes (13.89%), compared to 0.04% in the North East and 0.69% in England. There is also a high proportion of detached houses (74.84%, 15.17% in the North East and 23.69% in England), (all figures from the 2001 Census). Between 2000 and 2007 house prices in Northumberland National Park have increased by 263%, compared to 159% in England.

In 2007/08 the Northumberland National Park Authority, (NNPA) determined only 66 planning applications (including 8 applications which were withdrawn). The majority of these were for extensions to existing buildings, conversion of buildings to tourist accommodation or residential dwellings and new agricultural buildings. Between 1996 and 2009, only 7 new build dwellings and 22 conversions to dwellings have been completed within the National Park.

As only 29 housing units have been completed since 1996, the NNPA have concluded in their Local Development Framework 2009, (LDF) that the LDF should not define the number of houses to be built each year. Instead, policy for managing housing supply merely states, '*Housing development will be directed to the most sustainable settlements*'. This is defined in a further policy as follows:

New housing will only be allowed in settlements with adequate services. A settlement will be regarded as having adequate services if, within it there is at least:

- a. Access to, or daily delivery from a shop selling food to meet basic daily needs;*
- b. Access to a school, either located within the settlement or accessible via a school bus service;*
- c. Public transport connection to a larger settlement with a wider range of services; and*
- d. Either a village hall / community centre or a public house.*

Mechanisms Employed

NNPA use local occupancy restrictions for all new build dwellings. They also operate an exception site policy. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

Do restrictions cover the whole Park area?	Yes
Are restrictions applied to all new builds?	Yes. All new residential development including conversions is restricted to people meeting the local need criteria.
What are the occupancy criteria?	<p>The local need criteria is defined as:</p> <ul style="list-style-type: none"> i. Existing residents of the National Park establishing a separate household; or ii. People who do not live in the National Park but have a current and long standing link to the local community including a previous period of residence; or iii. People who are in, or are taking up full-time permanent employment in an already established business within the National Park (or in another part of a parish split by the National Park boundary); or iv. Households currently living permanently in a dwelling which is either shared but not self contained, overcrowded, or is otherwise unsatisfactory by environmental health standards and which is within the National Park (or in another part of a parish split by the National Park boundary); or v. People who have to leave tied accommodation within the National Park (or in another part of a parish split by the National Park boundary); or vi. People who do not live in the National Park but propose to locate viable business within the National Park which will: clearly conserve or enhance the special qualities of the National Park; or allow opportunities for the public to understand and enjoy the special qualities. The applicant must demonstrate a need to live within the National Park. <p>Categories set out in criteria i, ii, iv, and v, will apply only to people who have resided permanently in the National Park for 3 years.</p>
Is it targeted at local need?	Yes, as defined by the local need criteria. Housing Needs Surveys are used to establish affordable housing needs.
Approach if no local need occupant	None specified.
Is it secured in perpetuity?	Yes.
How is it secured?	Section 106 agreement.
Is the size of the property restricted?	No specific restrictions. General development guidelines require residential extensions to be subservient to the main building and not to substantially increase its size.
Are there any other restrictions?	New build housing will not be available for second or holiday homes.



The NNPA policy to restrict all new housing to local needs is expected to make this housing cheaper than open market housing. However, it will not necessarily be affordable to those on the lowest incomes. Therefore, although the NNPA consider that developments of affordable housing are likely to take place in the gateway settlements outside the National Park where they can be more easily accommodated and serviced, they have concluded there is a need for a policy to support the delivery of affordable housing. This policy requires that on all housing sites, including conversion schemes, of more than 0.1 hectares or where 2 or more units are proposed, at least 50% of the resulting units must be affordable where a need for such housing exists, (as identified in a Housing Needs survey). Change of use of existing buildings outside settlements to affordable housing will also be permitted where a proven need exists.

Mechanism – Exception Sites

Small scale housing schemes to provide 100% affordable housing will be considered on sites adjacent to the identified settlements when supported by an up to date Housing Needs Survey. Housing provided in pursuit of this policy must be available to people in local housing need at an affordable cost for the life of the property.



2g – North York Moors

Context

The North York Moors National Park lies within commuting distance of Teesside, York and Leeds and is also attractive to those wanting to retire or buy holiday homes. Opportunities for new housing development are limited. Most settlements are in remote valleys which cross the moorland or are crowded into locations at the foot of steep cliffs along the coast. The conservation of open countryside and significant open spaces within villages is crucially important. There are only a handful of larger villages at the edges of the Park where there are more opportunities for new housing.

The North York Moors National Park Authority, (NYMNP) Core Strategy and Development Policies November 2008, (CSDP) describes the housing issues they face as follows:

High external demand and limited opportunities for new development mean that house prices in the Park have risen dramatically over the last ten years. Despite poor economic conditions, the average house price reported in the Authority's Annual House Price Survey 2009 was £250,185. Affordability is therefore a major concern for local people and is compounded by the fact that income levels are lower than the national average. The problem is acute for residents with low incomes who may face local prices for a terraced house more than 10 times higher than their annual household income. The comparable figure for England and Wales would be 7.7 times annual household income.

The NYMNP addresses these issues in a number of ways in the CSDP, based on the following settlement hierarchy:

- Local service centre – Helmsley
- Service villages – 8 larger villages near the edges of the Park
- Local service villages – smaller villages which have a range of local services
- Other villages – villages with more limited services, often in remote locations
- Open countryside

There is no target set for the provision of new housing in the Park and no sites are allocated. With the exception of the Local Service Centre of Helmsley, all new housing development is expected to be the result of windfalls. The CSDP notes:

Due to the environmental constraints of the Park there are limited opportunities for new housing development and therefore future completions are likely to be small in number. Over the last 16 years (1st April 1991 to 31st March 2007) a total of 423 new build residential properties have been completed within the Park, it is anticipated that future completions will be of a similar average annual figure of 26 units and will be focused in the Local Service Centre and Service Villages. This anticipated level of completed dwellings excludes provision on exception sites, the scale of which will relate to the need identified in a current Parish Housing Needs Survey.

The development of open market housing is restricted to Helmsley and the larger service villages, with a requirement for 50% of the dwellings provided to be affordable on sites of two or more dwellings are proposed or over 0.1 hectares. Local occupancy conditions are applied to new housing developments in the smaller villages across the Park and other affordable housing is allowed on 'Exception sites'.

The CSDP provides the following explanation for use of local occupancy conditions: *Local Occupancy conditions have been applied to new build properties in the Park since 1992. The concept was extended in the 2003 Local Plan to include most new build dwellings. This approach helps the Authority ensure that the limited opportunities for new housing meet local need rather than external demand. The policy does not produce 'affordable' properties as the value of houses with the condition is lowered by only 15 – 20% of market value. The high average house prices in the Park means that this is still unaffordable to many people but the policy does provide opportunities to meet the housing needs of local people who are already in the housing market.*

Mechanisms Employed

NYMNP use local occupancy restrictions for both local needs housing and affordable housing provided on exception sites. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

NYMNPA operate a clear distinction between housing which is for local needs and affordable housing. The table below details to scheme in operation for local needs.

<p>Do restrictions cover the whole Park area?</p>	<p>No. They are not applied to Helmsley and the 8 Service villages, (larger villages near the edges of the Park), where open market housing developments are supported, subject to a requirement for 50% affordable housing.</p>
<p>Are restrictions applied to all new builds?</p>	<p>Yes, within the areas to which the local needs policy applies. The following list details the circumstances when a local occupancy condition will be applied:</p> <ul style="list-style-type: none"> • Where a new dwelling is developed on an infill site within the main built up area of one of the Park’s Local Service Villages or Other Villages; • Where one or more new dwellings are created through the conversion or sub-division of an existing building within the main built up area of one of the Park’s Local Service Villages or Other Villages (whether or not the building is listed). Where a building is substantially altered so that the original dwelling is not retained, a local occupancy condition will be attached to all new dwellings in the converted building; • Where an agricultural or forestry occupancy condition is being removed; • In certain other circumstances, for instance where a replacement dwelling is built or where an unlisted traditional building in open countryside is being converted for local needs letting or for use as a live-work unit; • In very exceptional cases where an application is approved contrary to the policies set out in the Core Strategy and Development Policies DPD or because of special circumstances.
<p>What are the occupancy criteria?</p>	<p>The occupancy of local needs housing will be restricted to:</p> <p>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</p> <p>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</p> <p>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</p> <p>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</p> <p>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.</p>



Is it targeted at local need?	Yes. All applicants have to demonstrate to the satisfaction of the National Park Authority that the needs of the identified proposed occupants are genuine, that the proposal represents the most practical and sustainable solution to meet the need identified and why the existing housing stock cannot meet their needs.
Approach if no local need occupant	Not applicable to local needs housing, as the occupants of the dwelling have to be identified and agreed prior to giving planning permission for the development.
Is it secured in perpetuity?	Yes.
How is it secured?	The local occupancy restriction is applied as a condition of planning permission and relates to the property. This means that the first and all subsequent occupants must meet the local occupancy criteria. Any person wishing to purchase an owner occupied property which has a local occupancy condition attached will need to obtain written approval from the National Park Authority that they comply with the condition.
Is the size of the property restricted?	No.

Mechanism – Exception Sites

Exception sites are used for delivery of all affordable housing apart from within Helmsley and the 8 Service villages. Proposals for the development of 100% affordable housing are supported where need has been identified through a current housing needs survey on sites as follows:

- Adjacent to the main built up area of Helmsley and the Service Villages.
- On sites which could accommodate more than 1 unit within and adjacent to the main built up area of the Local Service Villages.
- Within or adjacent to the main built up area of Other Villages on sites which could accommodate more than 1 unit, where it can be demonstrated through a Sustainability Appraisal that the development will contribute to the environmental, social and economic sustainability of the settlement.

Occupants must have a local connection and must satisfy at least one of the following criteria:

- They must have been living in the parish for at least 5 years, either immediately prior to occupation or within the last 10 years or
- They must have current sole employment within the parish, defined as employment which provides the household's main income, or have had such employment for at least 5 years within the last 10 or
- They must have a close family connection to the parish, defined as having parents, children or siblings who have lived in the parish for at least 5 years immediately prior to occupation.

The local connection requirement applies to the first and all subsequent occupants of exception site dwellings and is secured through a Section 106 legal agreement. If it is not possible to find a suitable occupant at any point, the agreement includes 'cascade' arrangements whereby occupants can be selected from adjoining parishes and then from elsewhere in the National Park.

Where development is proposed in one of the 'Other Villages' in the Core Strategy settlement hierarchy, a Sustainability Appraisal is required. This is because as the smallest communities in the National Park, they have limited public transport and facilities.



The purpose of the Sustainability Appraisal is to demonstrate that the proposed site is a suitable location for new affordable housing and that the development will contribute to the environmental, social and economic sustainability of the settlement. It should include information about:

- Local services such as shops, post offices, pubs, petrol stations and bus services, including any mobile services
- Facilities such as churches, village halls, clubs or play facilities, including those shared amongst groups of parishes
- Community activities taking place on a regular basis
- Journeys people would need to make for work and school, shopping and social activities.

The NYMNPA supports applications where a reasonable part of people's everyday needs can be met within the local area and where the new development could help retain existing services, for example by providing more custom for a local shop or by keeping young families in the local community thereby maintaining the need for a local primary school. The NYMNPA also considers whether the development will help to maintain social support networks and promote a balanced community. A judgment is made on the overall balance of information presented as to whether the proposed exception site is a suitable location for the affordable housing scheme.



2h – Peak District

Context

The characteristics of the Peak District National Park, (PDNP) are described in the Peak District National Park Local Plan March 2001, (PDNPLP), as follows: *The National Park is 1,438 sq km (555 square miles) in area, consisting mainly of uplands, at the south end of the Pennines. It is surrounded by more fertile lowlands and dense urban development. Its attractive landscape is the product of nature and is managed by people. Nature provided limestone plateaux and gritstone moors and edges, shale valleys and limestone gorges. Over 100,000 years of human occupation has produced stone walled fields, meadows and rough grazing, forestry and woodlands, farmsteads, villages large and small and country houses. The current settlement pattern and human activity consists of about 3,000 farms and 100 villages. There is a resident population of over 38,000 people. There are at least 15,000 residents in work and at least 12,600 jobs in the National Park: 52% in service industries (including tourism), 19% in manufacturing, 12% in quarrying and 12% in farming. The National Park has more than 22 million visits each year.*

The Park is ringed by big cities including Manchester, Sheffield and Stoke on Trent, with Birmingham not far beyond. This brings considerable pressure on housing through demands from commuters, retirement and second/holiday homes, which has driven up house prices and private sector rents, leading to many local people being displaced to less expensive homes in the surrounding towns and cities.

The PDNP 'Supplementary Planning Guidance: Meeting the local need for affordable housing..' makes the following comments: *Opportunities for providing housing in the National Park without damaging its environmental qualities are diminishing. The supply of land is finite, whilst the demand for housing in such an outstanding location would appear to be insatiable. In view of the fact that land in the National Park is in short supply, it is essential that newly built housing is justified by need rather than simple desire. Many people will argue strongly that they have a need for a house in the National Park. It is in a prime location surrounded by urban conurbations. However, it is the task of the NPA working with others to ensure that those with a genuine local need and who cannot compete in the open market have some opportunity to secure their own home.*

The housing requirement for the Park is based on a continuation of existing policies that seek a stable population for the Park area. Housing provision is indicated as a nominal figure of 50 houses a year. Land is not allocated in the local plan for general housing demand or need. Instead, all new build housing is provided under an exception site policy for local affordable needs. The policy is outlined as follows:

Exceptionally, new residential development or the conversion of existing buildings to residential use will be permitted provided that:

- There is evidence of local need for affordable housing; and
- the site is in a town or village, or on the edge if no suitable internal site is available, or is an existing building in the countryside; and
- a satisfactory mechanism is put in place to restrict the occupancy of the housing in perpetuity to those with a local need; and
- the housing would be affordable by those on low or moderate incomes and is of a type and size which will remain affordable.

In addition, policies require that development to meet local needs for affordable housing will normally be accommodated in the parish in which the need arises. Where this is not feasible, the development will normally be provided in neighbouring towns or villages which have been identified as having potential development capacity and a basic level of service provision.

Mechanisms Employed

As set out above, all new build housing in the PDNP is provided under an exception site policy for local affordable need. The criteria for operating this approach are set out under the mechanisms for local occupancy and exception sites.



Mechanism – Local Occupancy Restriction

Do restrictions cover the whole Park area?	Yes
Are restrictions applied to all new builds?	Yes. All new build housing must be for local affordable needs. The only exceptions are conversion of an existing building of traditional design and materials in towns and villages / dwellings for agriculture and forestry / development in settlements necessary for relocation of non-conforming uses or which would enhance the valued characteristics of the Park.
What are the occupancy criteria?	<p>Occupants are required to have a proven need, (as detailed under the Exception Site mechanism). They must then satisfy the following occupancy criteria:</p> <p>(i) a person (and his or her dependants) who has a minimum period of 10 years' permanent residence in the parish or an adjoining parish and is currently living in accommodation which is overcrowded or otherwise unsatisfactory; or</p> <p>(ii) a person (and his or her dependants) who has a minimum period of 10 years permanent residence in the parish or an adjoining parish and is forming a household for the first time; or</p> <p>(iii) a person not now resident in the parish but with a proven need and a strong local connection with the parish, including a period of residence of 10 years or more within the last 20 years; or</p> <p>(iv) a person who has an essential need to live close to another person who has a minimum of 10 years' residence in the parish, the essential need arising from age or infirmity; or</p> <p>(v) a person who has an essential functional need to live close to his or her work in the parish, or an adjoining parish within the National Park.</p>
Is it targeted at local need?	Yes, through Local Housing Needs Surveys for proposals for more than one dwelling or for individual dwellings, the personal circumstances of the applicant and their current dwelling.
Approach if no local need occupant	<ul style="list-style-type: none"> • Try to sell or rent to someone within the parish or adjoining parish who meets the local occupancy criteria; • After a reasonable time period (at least 6 months) the market can be extended to include those who meet the local occupancy criteria in contiguous parishes and those in the Parish or adjacent parish with residency of just 5 years; • After a further reasonable time period (at least 6 months), the area can widen to include those who meet the local occupancy criteria in the whole of the National Park or live in that part of a split rural parish lying outside the National Park or an adjacent rural constituent parish outside the Park..
Is it secured in perpetuity?	Yes. For privately owned local needs housing, after 3 years of being built and lived in, subsequent occupants do not have to supply evidence of personal circumstance, only a connection with the parish or adjoining parish that satisfies the section 106 criteria for the dwelling.
How is it secured?	Section 106 agreement.



<p>Is the size of the property restricted?</p>	<p>Yes. Floorspace guidelines applied on a 'per person' basis as follows:</p> <ul style="list-style-type: none"> • 1 person 34 square metres • 2 person 50 square metres • 3 person 62 square metres • 4 person 75 square metres • 5 person 87 square metres <p>In schemes of 3 or more dwellings the range of size and type must be agreed with the relevant housing authority to reflect needs assessments and include provision for the elderly or disabled as need be.</p> <p>To ensure affordability, plot size is restricted to small plots, with limited curtilage. If the plot appears too large for a single dwelling, the applicant is expected to consider an application for a pair of semi detached houses, which are likely to remain affordable and satisfy the community's need.</p>
<p>Are there any other restrictions?</p>	<p>Permitted development rights are removed where it is required to retain the property at a modest size. Issues of size, type and affordability are re-assessed when an extension is applied for. Where extensions are allowed, they must be modest, not add significant value to the property and not remove it from the size guidelines. Generally, extensions of up to 10% of total floor area will be acceptable. This will allow provision to be made for changes in personal circumstances that may occur. If size guidelines are allowed to be exceeded, the applicant is required to enter into an Agreement (binding on subsequent occupiers) that he/she will not seek removal of the local occupancy restriction at a later date as a result of the consent to exceed size guidelines.</p>

Mechanism – Exception Sites

As set out in the 'Context' section, almost all housing in the PDNP is provided under an exception site policy. Residential development is permitted under this exceptions policy either as a newly built dwelling in or on the edge of defined settlements or as the conversion of an existing building of traditional design and materials in the countryside provided that:

(i) there is a proven need for the dwelling(s). In the case of proposals for more than one dwelling, this will be judged by reference to an up to date housing needs survey prepared by or in consultation with the housing authority. In the case of individual dwellings, need will be judged by reference to the circumstances of the applicant including his or her present accommodation; and

(ii) the need cannot be met within the existing housing stock. Individuals may be asked to provide evidence of a search for suitable property which they can afford to purchase within both their own and adjoining parishes; and

(iii) the intended occupants meet the requirements of the National Park Authority's local occupancy criteria, (see table above). In the case of proposals for more than one dwelling, where the intended occupants are not specified, a satisfactory mechanism to ensure compliance with the local occupancy restriction will be required - normally a section 106 agreement; and

(iv) the dwelling(s) will be affordable by size and type to local people on low or moderate incomes and will remain so in perpetuity; and

(v) the requirements of Policies for design etc are complied with.



2i – Pembrokeshire Coast

Context

The housing issues for the Pembrokeshire Coast National Park, (PCNP) can be illustrated from examination of the 'PCNP Local Development Plan adopted September 2010', (PCNPLDP). There are approximately 9,862 households in the Park, of 6,963 are owner occupied, 1,650 rented privately and 1,249 either shared ownership, rented from the Council or Housing Association. The attractiveness of the area creates external pressure for second homes, holiday letting and retirement places. This is exacerbated by low local incomes being unable to compete with the purchasing power of those from away. Anecdotal evidence suggests that demand formerly focused on the Devon and Cornwall area is now placing pressure on the Park area. Historically the market has been influenced by the outward migration of young people and the inward migration of people aged 40+. Population projections suggest that the current top-heavy population structure will continue to grow. Affordable housing is at a premium. Pembrokeshire is now the least affordable area in Wales. Using the lower quartile housing price, a net annual income of between £31,000 and £35,000 is needed. Incomes are predominantly below this range in the County of Pembrokeshire.

The PCNP has increasingly been unable to accommodate demand due to landscape capacity issues. Therefore, the current approach is to allow development commensurate with the landscape capacity of the National Park. Despite this approach, a survey of land suitable for development has been undertaken which has identified an estimated 62 hectares of developable land. The PCNPLDP notes:

If we wish to maintain the special qualities of the National Park, the amount of housing that can be built is limited by the capacity of the landscape to absorb it without significant impact. Even so, it has still been possible to identify sites to develop 1,349 residential units within the National Park. This figure does not include likely contributions from windfall opportunities. Therefore, despite the restrictions necessary to conserve the National Park, sites can be allocated for the development of housing in the National Park.

The Housing Register for Pembrokeshire, which the PCNP is relying on as the primary source of evidence of need, suggested in July 2008 that there was a backlog of need for around 460 affordable houses in the Park. The PCNPLDP recognises the importance of provision for new market housing to address this need:

Though there is no reason to allocate housing land in order to house an increasing population, there is in order to build more affordable houses so that the proportion of affordable to market housing better reflects the housing needed in the National Park. The amount of affordable housing needed in the National Park is greater than can be provided by public subsidy through Social Housing Grant – unless the money available for such subsidy is increased to an enormous degree. Development feasibility studies on the allocation sites in the Local Development Plan strongly indicate that, even without Social Housing Grant, most of the sites could be developed with 50 to 70% of the housing being affordable and subsidised by the profit from the market dwellings on the development. Therefore the profits from market houses on mixed tenure developments can subsidise the provision of more affordable housing than could be delivered through public subsidy.

The PCNPLDP makes provision 962 dwellings in the plan period, (to 2021), which is in addition to land already with planning permission, (387 dwellings). Settlements in the Park are grouped into tiers, with the majority of the housing provision allocated to the first two tiers, (there are no Tier 1 sites in the Park).

- Tier 2 Centres - have a service centre, employment and tourism function;
- Tier 3 Centres - are principally local centres with some being significant tourism centres;
- Tier 4 'Rural Centres' - have limited range of facilities to meet the day to day needs of residents. Aim is to allow limited growth to sustain rural communities and reduce the need to travel.
- Tier 5 'Countryside' - development is strictly controlled except for certain forms of development that would normally be found in a countryside location.

Mechanisms Employed

The PCNP employ local occupancy restrictions on affordable housing and use exception sites. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

<p>Do restrictions cover the whole Park area?</p>	<p>Yes, but only to affordable housing.</p>
<p>Are restrictions applied to all new builds?</p>	<p>No, only to affordable housing. On sites where 2 or more dwellings are proposed, a minimum of 50% affordable housing is required. In certain specified settlements, a higher % is required.</p> <p>The restriction is applied to non RSL managed affordable housing only.</p>
<p>What are the occupancy criteria?</p>	<p>Currently applied criteria are as follows:</p> <ul style="list-style-type: none"> • Applicants who have continuously lived within the Sustainable Community area as their principal residence for the previous 3 years • Applicants who have lived in the Sustainable Community for five out of the past ten years. • Applicants who have previously lived in the Sustainable Community with their family, for at least five years, and have a parent or close family member (child, brother or sister) who still live in the Sustainable Community. • Have a parent or close family member (child, brother or sister) living in the Sustainable Community Area, for whom they will either provide essential support to or receive essential support from. • Applicants who are in employment on a permanent contract in the Sustainable Community area or applicants who have an offer to take up employment on a permanent contract in the Sustainable Community area but cannot take up the offer because of the lack of affordable housing. <p>Draft SPG currently under consultation proposes the following:</p> <ul style="list-style-type: none"> • Have a parent or close family member (mother, father, brother, sister, daughter or son) who lives in the area, for whom they would provide or receive support and whose quality of life would be dramatically improved if that person moved closer to them; • Have lived within the area, on a permanent basis, for the past 12 months; • Currently live on a permanent basis within that area and have lived in that area for 5 years out of the past 10 years; • Have permanent full time employment within the area and social housing is their only option; • Have children at the local school.
<p>Is it targeted at local need?</p>	<p>Yes, through use of the Common Housing Register survey work by the Rural Housing Enabler.</p> <p>For non RSL managed affordable housing a person or household must in addition to being in housing need, also have to be local and in financial need.</p>



<p>Approach if no local need occupant</p>	<p>If a local person cannot be found to purchase an affordable property that has been marketed for 6 months at a price agreed by the LPA as being affordable it can then be offered to anyone in need of affordable housing in adjacent Sustainable Community areas as well. If after another 3 months the property still hasn't been sold the search can be widened to anyone in need of affordable housing in the whole of Pembrokeshire.</p> <p>If a local person cannot be found to rent an affordable property within 4 weeks of it becoming vacant it will be offered to anyone in need of affordable housing in adjacent Sustainable Community areas. If after another 4 weeks the property is still vacant the search can be widened to anyone in need of affordable housing in the whole of Pembrokeshire.</p>
<p>Is it secured in perpetuity?</p>	<p>Yes.</p>
<p>How is it secured?</p>	<p>Section 106 agreement.</p>
<p>Is the size of the property restricted?</p>	<p>No specific restrictions. Size needs to meet the identified affordable needs of the area.</p>
<p>Are there any other restrictions?</p>	<p>Issues of affordability are re-assessed when an extension is applied for. As an overriding factor, extensions need to be such that the affordability of the dwelling type is not compromised.</p>

Mechanism – Exception Sites

Exception sites are only permitted on land within or adjoining centres as set out in the 'context' section, where there are no other suitable sites to meet that need. These are sites for 100% affordable housing to meet local needs, where housing would not normally be permitted. Allowing housing on land with little or no development value can enable housing to be built at a low cost and sold or rented at affordable levels.

The Draft Supplementary Planning Guidance: Affordable Housing September 2010 notes the following in relation to exception sites:

Negotiations between RSLs wishing to develop exception sites and landowners have often failed due to landowner expectations of the value of their land for housing. The purpose of exception sites is to enable affordable housing to be built on land that has a lower value than residential land because it is on a site where housing would not normally be given planning permission. Landowners should expect that the price they will receive for exception sites will be well below the price for general residential development land, due to the economics of affordable housing funding which do not produce the same value as open market housing and which may result in very little money being available for land purchase. Typically RSLs have been unable to consider developing exception sites where land costs are more than £5,000 a plot.



2j – Snowdonia

Context

Snowdonia National Park, (SNP) is the largest in Wales, covering an area of 213,200 hectares. The Park has 60km of coastline, extensive areas of woodlands and over 96,000 hectares of moorland. SNP has a relatively low wage economy with a median household income of £23,630 (2006), with tourism and agriculture being the main employment sectors. Agriculture in the National Park is almost entirely pastoral; predominantly beef and sheep farming, but with a small dairy sector. The small scale and upland type of farming means that agricultural incomes are constrained. Diversification into such areas as farm tourism and local food initiatives has played a part in raising farm incomes. Tourism is a large employer with about 9000 full time equivalent jobs in the field, and producing most economic benefits in the Park, over £400m per annum. An estimated 11 million visitor days are spent in the Park every year.

The SNP Eryri Local Development Plan 2007 – 2022, (SNPELDP) notes: *The 2001 Census showed a population of 25,482, with a small increase to 25,745 in the Mid-2006 Population Estimates for National Parks. These relatively small changes in total population mask a much more significant structural change in population highlighting the outward migration of young people leaving the area for higher education and employment opportunities. Snowdonia's population is geographically dispersed; there are only two towns with more than 1,500 in population – Dolgellau and Y Bala. Other places such as Harlech, Aberdyfi, and Trawsfynydd have between 650 and 1250 residents. The 2001 Census showed a total of 11,211 households with permanent residents within the Park. The percentage of second and holiday homes within the National Park remains very high (14%) compared with the all Wales figure of 1%. High house prices combined with low household incomes mean that access to accommodation is difficult for many people. Although house prices are currently falling, the gap between house prices and affordability in Snowdonia is likely to remain considerable. Newly forming households cannot afford to live in the local area leading to people moving away. It is crucial to the future of the National Park that a balanced population is secured. Great emphasis must be placed on providing housing opportunities to meet the needs of the local community particularly those of young people and the elderly.*

Taking these factors into account, the requirement for new housing during the SNPELDP plan period has been calculated at approximately 770 - 830 dwellings (around 51 – 55 dwellings per year). The SNP Authority proposes that this housing requirement should be met by phased development across the plan period, split into the following three time periods (from April to March):

- 2007 – 2012 = 310 (approx 62 pa)
- 2012 – 2017 = 245 (approx 49 pa)
- 2017 – 2022 = 245 (approx 49 pa)

The level of provision proposed for the period 2007 – 2012 represents an increase of about 10% over the average building completion rate over the last 10 years, (57 per annum). Development has been set at this level in order to provide scope to achieve the required increase in affordable housing to meet local need (both current needs and the backlog of unmet demand).

To direct new housing appropriately, settlements have been allocated to one of four tiers, with housing development boundaries provided for Local Service Centres, Service Settlements and Secondary Settlements. The fourth tier is Smaller Settlements. Open market housing, (with a 50% affordable housing contribution) has been directed to the two Local Service Centres of Dolgellau and Bala which have the largest populations and considered to be better equipped with the services and employment opportunities to support new housing. In other areas of the Park, new build housing will be for affordable housing.

Mechanisms Employed

SNP employs local occupancy restrictions on affordable housing and uses exception sites. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

<p>Do restrictions cover the whole Park area?</p>	<p>Yes, but only to affordable housing.</p>
<p>Are restrictions applied to all new builds?</p>	<p>No, only to affordable housing. Open market housing is permitted in the Local Service Centres, (a 50% affordable housing contribution is required). Elsewhere, new build is only for affordable housing.</p>
<p>What are the occupancy criteria?</p>	<p>In addition to being in housing need, proposed occupiers of new affordable housing must satisfy the definition of a local person. A definition of a local person in respect of each of the types of settlement is as follows:</p> <ul style="list-style-type: none"> • Local Service Centres (Dolgellau and Y Bala): A person is local if he or she has lived or worked in full time permanent employment for • a minimum and continuous period of ten years within the ‘qualifying area’ i.e. former administrative boundary of Meirionydd District council or any community council area immediately adjoining this area. • Service Settlements, Secondary Settlements and Smaller Settlements: A person is local if he or she has lived or worked in full time permanent employment for a minimum and continuous period of ten years within the ‘qualifying area’ i.e. Community Council area in which the development is proposed or in a Community Council area which is immediately adjoining that area. • Where any relevant Community Council area straddles the Park boundary then the whole community Council area outside the Park falls within the qualifying area.
<p>Is it targeted at local need?</p>	<p>Yes, through Local Housing Needs Surveys, Community Housing Needs Surveys, Local Authority and Housing Association waiting lists and the statutory County-wide Housing Market Analysis.</p> <p>Individual housing need means the future occupier cannot afford to rent or buy ‘open market’ accommodation in the locality and conforms to one of the following criteria:</p> <ul style="list-style-type: none"> • currently homeless • establishing a new household for the first time • has been living in rented accommodation for at least three years • their current house is deemed by the Housing Authority to be in sub-standard condition and it can be proven that the current house cannot be converted or upgraded to meet their need • their existing house is too small for the family and it can be proven that the present home cannot be converted or upgraded to meet their need. • has an essential need to live close to another person who has a minimum of 10 years permanent and continuous residence in the qualifying area, the essential need arising from proven age or medical reasons. • has special needs (the elderly or disabled) • Is providing key work or service and has a full time permanent job offer in the qualifying area. • Is leaving tied housing on retirement



<p>Approach if no local need occupant</p>	<p>When a property subject to the occupancy condition is advertised for sale, it must be made available to an occupier who meets the original eligibility criteria. The property must be advertised at an affordable price, for a minimum of twelve months.</p> <p>If after twelve months the property remains unsold, with SNP agreement, the property may be offered to other persons in housing need who have lived or worked in full time permanent employment for a minimum and continuous period of 10 years within the National Park or any community council area immediately adjoining the National Park.</p> <p>If, after a further six months of advertising, the property still remains unsold, it can be offered, with SNP agreement, to a person in housing need who has lived or worked in full time permanent employment for a minimum and continuous period of ten years within the National Park or any neighbouring Local Authority.</p>
<p>Is it secured in perpetuity?</p>	<p>Yes.</p>
<p>How is it secured?</p>	<p>Section 106 agreement.</p>
<p>Is the size of the property restricted?</p>	<p>The size of affordable housing units will be restricted to commensurate with the needs of the intended household. The maximum size of affordable units should not exceed:</p> <ul style="list-style-type: none"> • Bungalow 2 bedrooms – 80m² • Bungalow 3 bedrooms – 90m² • Two storey 2 bedrooms – 90m² • Two storey 3 bedrooms – 100m² • Two storey 4 bedrooms – 110m² • Two storey 5 bedrooms – 120m² • (Garage – an additional 20m²) <p>(If the dwellings are dormer bungalows then they should be treated as two storey dwellings)</p>
<p>Are there any other restrictions?</p>	<p>Permitted development rights are removed on all the affordable housing units in order to regulate the manner in which they can be extended in the future.</p>

Mechanism – Exception Sites

Proposals for small scale affordable housing units immediately adjoining a housing development boundary will be supported provided that:

- i. A need for affordable housing has been demonstrated through an approved local housing needs survey or on the written advice of the local housing authority.
- ii. The need cannot be satisfied within a reasonable period of time by:
 - a) The use of a suitable site within the housing development boundary of the settlement
 - b) The use of existing housing which is available for sale or rent in the locality
 - c) The conversion or rehabilitation or redevelopment or existing buildings in the locality
 - d) The use of a site allocated for affordable housing
- iii. The site is a redevelopment of existing buildings or represents a logical and sympathetic extension of the settlement in a way which does not prejudice the character of that settlement or the appearance of the surrounding countryside.



iv. The size of the development is commensurate with the size of the settlement

v. There would be no adverse effects on the integrity of European designated sites.

All other controls are applied as described in the local occupancy table above.

The maximum size of exception sites is defined for each level of settlement as follows:

- Local Service centres – 10 units
- Settlements with between 100 and 725 households - 6 units
- Settlements with up to 100 households - 4 units



21 – Yorkshire Dales

Context

The Yorkshire Dales National Park, (YDNP) covers an area of 1,762 square kilometres (680 square miles) in the north of England, straddling the central Pennines in the counties of North Yorkshire and Cumbria. It has a number of large conurbations within easy reach, including Manchester, Leeds, Bradford, Teeside and Newcastle.

The Yorkshire Dales National Park Local Plan 2006, (YDNPLP) presents the following picture of housing pressures facing the Park: The population of the Yorkshire Dales National Park was estimated to be 20,110 in 2004. During the 1990s the rate of house building had generally been in excess of the growth in the local population. In 2001 the number of dwellings in the National Park was 10,236. In numerical terms, there appear to be sufficient dwellings to meet local needs. The National Park has high house prices, however, averaging £241,000 in 2005 compared to a Yorkshire & Humber average of £142,472, and a national average of £186,431. Notwithstanding the continued growth in housing numbers, house prices in the National Park have risen at a disproportionate rate (up from an average of £110,000 in 1998.) High prices are coupled with low average incomes. The combination of these factors creates difficulties of access to the housing market for many local people. Problems of availability and affordability are exacerbated by the significant percentage of dwellings in use as second and holiday homes. In 2001 15% of the housing stock was in such use, although in some areas the percentage was much higher - up to 35% in Swaledale. The lack of affordable housing contributes to the out-migration of young adults, although employment and education opportunities are also important factors. The loss of 241 council houses since the 1991 Census has reduced the availability of affordable rented accommodation.

The 2001 Census showed that 21% of the population of the National Park was over 65, compared to a national average of 16%. Children comprised 17.5% compared to a national average of 20%. Household size has also continued to decline, down from an average of 2.43 in 1991 to 2.36 in 2001. The changing age and social structure of the Dales' population and the relatively high proportion of second/holiday homes may threaten the viability of local schools, businesses and other important facilities. It is crucial to the future of the National Park that a balanced population is maintained. Great emphasis must therefore be placed on providing housing opportunities to meet the needs of the local community.

The housing objectives set out in the YDNPLP are:

- to help meet the housing needs of the local community, having special regard to their need for affordable housing;
- to resist new housing development aimed at satisfying demand from outside the National Park, except in key service centres;
- to secure housing provision on sites that are environmentally acceptable with reasonable access to services and facilities in the interests of sustainable development; and
- to give priority to re-using previously developed land within settlements, including through the conversion of existing buildings, in preference to the development of greenfield sites.

The YDNP does not have a set provision for housing delivery. Completions have averaged 65 per year in recent times. The housing strategy sets out three types of settlement where housing will be permitted:

- **Key service centres:** within the four key service centres, where most of the service provision and employment is located, residential development of open market housing will be allowed. Where evidence of need is apparent, a proportion of development will be affordable.
- **Service villages:** within the second tier service villages which provide limited services to communities in the immediate area, new build housing and residential conversion will be permitted to provide housing to meet local needs.
- **Small villages:** these are small settlements with a definable core but with few services for the local community. Residential conversion of traditional buildings to provide for an identified local need will be permitted.

Mechanisms Employed

The YDNP uses local occupancy restrictions for local needs housing and affordable housing provided on exception sites. These mechanisms are now detailed further.



Mechanism – Local Occupancy Restriction

<p>Do restrictions cover the whole Park area?</p>	<p>No. They are not applied to the 4 Key service centres, where open market housing developments are supported.</p>
<p>Are restrictions applied to all new builds?</p>	<p>No. Open market housing is permitted in the 4 Key service centres. An affordable housing contribution of up to 50% is required, depending on the level of need identified for that location. Conversion of traditional buildings to residential use is also permitted in these Key service centres.</p> <p>New housing is also permitted in the Service villages, but is restricted to local needs through the occupancy restriction. Conversion of traditional buildings to residential use is also permitted. There is no affordable housing requirement</p> <p>In the Small villages, only conversion of traditional buildings to residential use is permitted. Such development is restricted to local needs through the occupancy restriction. There is no affordable housing requirement.</p>
<p>What are the occupancy criteria?</p>	<p>i) Existing residents of the National Park establishing a separate household.</p> <p>ii) A head of household who is or whose partner is in or is taking up full-time permanent employment in an already established business within the National Park (or in another part of a parish split by the National Park boundary).</p> <p>iii) Householders currently living permanently in a dwelling which is either shared but not self contained, overcrowded, or is otherwise unsatisfactory by environmental health standards and which is within the National Park (or in another part of a parish split by the National Park boundary).</p> <p>iv) Elderly or disabled persons requiring sheltered or otherwise more suitable accommodation who already live permanently within the National Park (or in another part of a parish split by the National Park boundary).</p> <p>v) Persons having to leave tied accommodation within the National Park (or in another part of a parish split by the National Park boundary).</p> <p>vi) Former residents of the National Park (or of another part of a parish split by the National Park boundary) with close relatives in the National Park (or in another part of a parish split by the National Park boundary) whose case is accepted in writing by the National Park Authority as having an exceptional need to return to the National Park.</p> <p>There may be other priorities for local housing which are occasionally justified by material considerations.</p> <p>Categories set out in paragraphs i), iii), iv) and v) above will apply only to persons who have resided permanently in the National Park for the preceding three years.</p>
<p>Is it targeted at local need?</p>	<p>Yes, through application of the local need criteria set out above.</p> <p>The need for affordable housing is established through local housing needs surveys, but will also take into account development viability.</p>



Approach if no local need occupant	Not applicable to local needs housing, as the occupants of the dwelling have to be identified and agreed prior to giving planning permission for the development.
Is it secured in perpetuity?	Yes.
How is it secured?	Section 106 agreement.
Is the size of the property restricted?	Yes. In the service villages, floorspace of new local needs housing is restricted to floorspace of 90square metres, unless justified by local circumstances. All new housing proposals are required to meet the minimum density standard of 35 dwellings per hectare, unless the character and layout of the settlement, or the site itself, clearly requires a lower density.
Are there any other restrictions?	Outside of the Key service centres, all additional dwelling units created through such sub-division of existing dwellings will be restricted to meet local needs.

Mechanism – Exception Sites

As exceptions, small-scale housing schemes to deliver 100% affordable housing are permitted on land adjoining the defined housing development boundaries of the Key service centres, Service villages and Small villages, or through the conversion of buildings, where it is clearly demonstrated that there is a proven local need for affordable housing that cannot reasonably be provided within a development boundary. Additionally the criteria below must be met:

- i) All dwellings will be, and will remain, available for people with a local housing need, at an affordable cost to rent or share ownership. An obligation will normally be sought from the developer that the scheme will be managed by a housing association or trust. A Section 106 agreement will be sought, to ensure the restriction of the occupancy in perpetuity.
- ii) The development must respect the character and appearance of the settlement and its setting in the countryside.
- iii) In the case of a conversion the proposal must accord with policy covering conversion of traditional buildings.

The YDNPLP notes the following: *The initiative for affordable housing is likely to come from the district and parish councils and from other local groups working with housing associations. These are the agencies most likely to carry out schemes in the foreseeable future. The involvement of a Housing Association or Trust providing housing for rent or shared ownership and with a continuing interest in the property, will usually be the best way of ensuring control over the future cost of the housing as well as over subsequent changes in occupation. There may, however, also be opportunities for private developers to promote affordable housing. In such cases there would have to be firm arrangements to ensure that all of the new housing would be available, and would remain available, for local people at an affordable cost.*

