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Craster Neighbourhood Plan

Housing Background Paper

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1. Introduction

Background

- 1.1 Craster Parish was designated as a neighbourhood area for the purposes of neighbourhood planning on 29 January 2019. The preparation of the plan is being led by Craster Parish Council.
- 1.2 The main driving force behind the decision of the parish council to prepare a neighbourhood plan was their concern at the level of second and holiday homes across the parish. The parish council is therefore seeking to establish a principal residency policy to restrict the development of any future new housing. This would require it to be occupied as the sole or main home of the occupants and where the occupants spend the majority of their time when not working away from home. The vision for the plan is therefore:

A vision for Craster

By 2036 Craster Parish will contain a mix of housing that meets the needs of a revitalised local community. New residential developments will be permanently occupied by residents.

- 1.3 The purpose of this report is to support the preparation of the Craster Neighbourhood Plan by providing evidence to inform a principal residency restriction.

Format

- 1.4 The report is structured as follows:
- section two provides a review of relevant national and local planning policy;
 - section three describes the parish and identifies the key local issues for consideration;
 - section four provides a summary of the results of early engagement with the local community;
 - section five outlines the options for a policy approach and explains the recommended approach; and
 - section six provides a summary of the conclusions and details of the next steps.

2. Strategic planning context

National policy and guidance

- 2.1 National planning policy and guidance are set out within the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG). Paragraph 77 of the NPPF requires planning policies and decisions to be responsive to local circumstances in rural areas and identifies the importance of maintaining the vitality of rural communities.
- 2.2 NPPG highlights that people living in rural areas can face challenges in terms of housing supply and affordability. It explains that a wide range of settlements can play a role in delivering sustainable development in rural areas, therefore blanket policies restricting housing development need to be supported by robust evidence.

Development plan - adopted

- 2.3 The development plan for Northumberland currently consists of the saved policies of the former local planning authorities that were part of Northumberland before local government reorganisation in 2009. For Craster Parish, the adopted development plan comprises the policies contained within: the Alnwick District Core Strategy (2007 – ADCS) and the saved policies of the Alnwick District Local Plan (1997 – ADLP).
- 2.4 Whilst the ADCS acknowledged¹ the growing demand and impact of second and holiday homes across the former Alnwick District, it did not include a specific policy to seek to manage future development. Instead it sought to increase the provision of affordable housing.
- 2.5 Policy S1: location and scale of new development (strategic policy) identifies Craster as a 'local needs centre', which is a settlement with limited services, or which are peripherally located in relation to employment and transport. Development in Craster is therefore currently restricted to that which satisfies local needs only. Policy S10: tourism development (strategic policy) seeks to focus new cultural and tourism development within or adjacent to rural service centres, sustainable village centres and local needs centres. This policy seeks to ensure that new tourism development will avoid an adverse impact on the well-being of communities
- 2.6 The ADLP does not refer to the pressures created by second and holiday homes. Policy H13 allows restrictive occupancy conditions to be removed where there is no longer a need for the restriction. However, this is a non-strategic policy and is considered to conflict with national policy and guidance.

Development plan - emerging

- 2.7 Northumberland County Council has prepared a new draft local plan which, once adopted, will replace the existing and saved planning policies of the former district council. The Northumberland Local Plan (NLP) was submitted to the Secretary of State for Housing, Communities and Local Government in May 2019 and is now undergoing examination.

¹ Key challenge page 7, paragraphs 2.3.5, 5.1.1 and 5.4.1.

Regulations do not require neighbourhood plans to accord with the strategic policies of an emerging plan, however it is good practice to give consideration to the provisions of an emerging plan.

- 2.8 The NLP highlights the issue of the impact of the increasing numbers of second and holiday homes in the county², explaining that the prevalence is most stark along the north Northumberland Coast. The NLP acknowledges that second and holiday homes do provide some economic benefits. However, it is stated that the lack of permanent occupation of properties is having an adverse impact on the social fabric of affected communities, resulting in diminished support and demand for local facilities and schools. As a result, some settlements have begun to lose their sense of community with some services only operating at certain times of year. In addition, during peak holiday seasons, some services struggle to meet the needs of visitors as well as the permanent population. The NLP explains that the demand for holiday accommodation, coupled with rising house prices and a limited supply and turnover of homes, has made many smaller properties unaffordable to the local population.
- 2.9 As a result, policy HOU10: second and holiday homes (non-strategic policy) restricts the occupancy of new market dwellings in parishes where 20% or more of household spaces are identified as having no permanent residents. It will require a principal residency restriction to be applied and secured through a section 106 legal agreement.
- 2.10 Policy STP1: spatial strategy (strategic policy), identifies a settlement hierarchy for the county. Craster is not specifically referred to within the settlement hierarchy. As a village, policy STP1 would support development in Craster where it would support the social and economic vitality of the area, including other settlements nearby. It requires the new development to:
- Retain the core shape and form of the settlement;
 - Not adversely impact upon the character and appearance of the settlement, the rural setting or the surrounding countryside; and
 - Not increase the number of dwellings in the settlement over the plan period by more than 10%.
- 2.11 As the parish lies within the Northumberland Coast Area of Outstanding Natural Beauty (AONB), policy ENV5 is also relevant. This requires that the special qualities of the AONB be conserved and enhanced, having regard to the current management plan and locally specific design guidance. The policy provides guidance on assessing proposed affecting the AONB, highlighting a number of considerations, including:
- The sensitivity of local landscapes and their capacity to accommodate new development;
 - Intervisibility between the AONB, the seascape and the landscape beyond;
 - The need to sustain and where appropriate, enhance: the significance of heritage assets, sense of remoteness, the natural functioning of the coastline and a clear distinction between settlements and the open countryside; and
 - As far as possible the AONB will be recognised as a living working area by allowing small scale development where it does not impact on the special qualities. Consideration will be given to the extent that the development adds to the availability of permanently occupied and affordable housing to meet local needs.

² Paragraphs 7.6 and 7.50-7.53

Conclusions

- 2.12 This section of the report has explained that national policy and guidance, as well as the adopted and emerging development plan for the parish identify that it is appropriate to include principal residency restrictions, where appropriate evidence is available to support the restriction.

3. Craster Parish

Introduction

- 3.1 This section provides information about Craster Parish, including a population and housing profile and considers affordability issues.

Population

- 3.2 The 2011 census recorded a parish population of 305. Table 1 illustrates that in comparison to the county as a whole, there is a significantly higher percentage of people aged 65 and over and a much lower percentage of people aged 15 and under.

Table 1: Age profile

Age Group	Craster		Northumberland	
	Number	%	Number	%
0-15	36	11.8%	53,866	17.0%
16-24	21	6.9%	30,847	9.8%
25-64	142	46.6%	168,011	53.2%
65-74	63	20.7%	34,366	10.9%
75+	43	14.1%	28,938	9.2%
Total	305		316,028	

- 3.3 Table 2 provides details of the household composition within the plan area in 2011 compared to the county as a whole. This illustrates that the parish contains a larger proportion of one person households, with a larger number of households aged over 65.

Table 2: Household composition

Household composition	Craster (%)	Northumberland (%)
One person household	30.9%	29.9%
Aged 65+	22.1%	14.0%
Other	8.7%	15.9%
One family only	67.1%	66.3%
All aged 65+	20.8%	10.3%
Married/ same-sex civil partnership couple	32.9%	36.7%
Cohabiting couple	3.4%	9.6%
Lone parent	10.1%	9.7%
Other household types	2.0%	3.8%

- 3.4 Table 3 illustrates economic activity rates in the parish in 2011 compared to the county as a whole. Economic activity rates are significantly less within the parish, with a large percentage of economically inactive being retired. Of those people who were employed a lot less were employed full time than in Northumberland, there were also a lot more self-employed people.

Table 3: Economic activity (aged 16-74)

Employment status	Craster (%)	Northumberland (%)
Economically active	58.4%	67.9%
Employed – part time	11.9%	14.7%
Employed – full time	25.7%	37.0%
Self employed	14.6%	9.5%
Unemployed	3.1%	4.4%
Full time student	3.1%	2.2%
Economically inactive	41.6%	32.1%
Retired	29.6%	18.8%
Student (incl. full time)	4.0%	3.5%
Looking after home/ family	4.0%	3.6%
Long term sick/ disabled	2.7%	4.4%
Other	1.3%	1.8%

Housing stock/ tenure

3.5 Within the parish the 2011 census identified that there were 245 household spaces. Across the parish 39.2% of dwellings had no usual residents, an increase of 13% from 26.2% in 2001. In the county as a whole, only 6.4% of household spaces had no usual residents. Table 4 provides a comparison with other parishes in the north of the county in the 2001 census and the 2011 census. This information was gathered as part of the preparation of the NLP³.

Table 4: Second homes and household spaces without residents (2001 - 2011)

Parish	% household spaces with no residents (2001)	% household spaces with no residents (2011)	Change 2001-11
Beadnell	52.7%	55.3%	2.6%
Bamburgh	41.5%	47.1%	5.6%
Holy Island	39.7%	41.1%	1.4%
Newton-by-the-Sea	38.9%	46.4%	7.5%
Adderstone with Lucker	31.7%	29.1%	-2.6%
Easington	29.8%	44.5%	14.7%
Alwinton	28.6%	26.7%	-1.9%
Middleton	27.9%	37.9%	10.0%
Kirknewton	26.3%	31.6%	5.3%
Craster	26.2%	39.2%	13.0%
Akeld	25.9%	31.6%	5.7%
Ewart	25.0%	19.4%	-5.6%
Kilham	24.7%	25.9%	1.2%
Chillingham	23.5%	23.5%	0.0%
Ellingham	22.2%	21.2%	-1.0%
Ingram	22.0%	30.4%	8.4%

³ <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Studies%20and%20Evidence%20Reports/Housing%20Studies/Technical%20Paper%20for%20Housing/NCC-Second-and-Holiday-Homes-Technical-Paper.pdf>

Parish	% household spaces with no residents (2001)	% household spaces with no residents (2011)	Change 2001-11
Hauxley	21.5%	16.6%	-4.9%
Harbottle	21.5%	18.7%	-2.8%
Cartington	21.4%	18.2%	-3.2%
North Sunderland	21.3%	29.0%	7.7%
Ilderton	20.8%	22.7%	1.9%
Glanton	20.3%	16.6%	-3.7%
Alnmouth	20.1%	35.1%	15.0%
Doddington	19.5%	35.9%	16.4%
Embleton	19.1%	26.7%	7.6%
Kyloe	19.0%	25.1%	6.1%
Chatton	18.5%	18.9%	0.4%

- 3.6 Council tax records from April 2016⁴, identify that 55 homes were second homes, which equates to 28.4% of the housing stock. Non domestic rates information published by the county council in November 2019⁵ identifies that 44 properties within the parish were registered as self-catering holiday units.
- 3.7 The evidence base supporting the emerging NLP seeks to bring together details from the 2011 census and compare it with council tax and business rate information from 2016. The information contained within table 5 is taken from the NLP second and holiday homes background paper⁶ to seek to give a more up to date picture of the scale of second and holiday homes across Northumberland.

Table 5: NCC evidence on second homes in Northumberland

Parish	Number of second and holiday homes as % of household spaces
Beadnell	67.5%
Newton-by-the-Sea	61.2%
Bamburgh	54.0%
Easington	50.4%
Embleton	49.2%
Holy Island	47.0%
Adderstone with Lucker	44.6%
Ingram	44.3%
Middleton	41.4%
Craster	39.6%
Alnmouth	38.3%
North Sunderland	31.4%
Ellingham	25.9%
Alwinton	25.7%
Akeld	25.7%

⁴ <https://opendata.northumberland.gov.uk/datasets/>

⁵ <https://opendata.northumberland.gov.uk/datasets/>

⁶ <https://www.northumberland.gov.uk/NorthumberlandCountyCouncil/media/Planning-and-Building/planning%20policy/Studies%20and%20Evidence%20Reports/Housing%20Studies/Technical%20Paper%20for%20Housing/NCC-Second-and-Holiday-Homes-Technical-Paper.pdf>

Parish	Number of second and holiday homes as % of household spaces
Chatton	25.5%
Whitton and Tossen	24.5%
Kyloe	24.2%
Kielder	23.2%
Netherton	21.3%
Hauxley	20.0%
Falstone	18.2%

- 3.8 Table 6 illustrates that the level of home ownership is notably higher than Northumberland as a whole and the proportion of households in social rented accommodation is slightly lower.

Table 6: Housing tenure

Tenure	Craster (%)	Northumberland (%)
Owned	72.5%	65.8%
Shared ownership	0.7%	0.4%
Social rented	16.8%	18.7%
Private rented (incl. rent free)	10.1%	15.1%

Affordability

- 3.9 The evidence base accompanying the emerging NLP provides an illustration of affordability issues in areas where there are pressures for second and holiday homes. Table 7 is taken from the NLP evidence base and illustrates the relationship between house prices and incomes. Postcodes within the Craster Neighbourhood Plan Area fall within NE66.

Table 7: House price incomes to affordability ratios (2016)

Postcode area	Value
NE69	15.5
NE18	12.9
NE67	11.8
NE44	11.4
NE45	10.8
NE71	10.4
NE13	10.3
NE68	10.1
NE20	9.9
NE70	9.8
NE26	9.2
TD12	8.9
NE25	8.8
NE47	8.8
NE66	8.6
NE46	8.6
TD5	8.5
NE48	8.4

Postcode area	Value
NE65	8.1
NE42	8.0
NE43	7.9
NE19	7.8

Conclusions

- 3.10 This section has illustrated that whilst Craster does not have the highest levels of second and holiday home use in the county the level has increased substantially (13%) since the 2001 census (26.2% to 39.2%) and recent evidence suggests that this level is continuing to grow. In addition, the population profile of the parish is ageing at a rate greater than the county as a whole, with more one person households and more households aged over 65 and significantly less economically active people. As a result, there are significant concerns regarding future community vitality.

4. Feedback from early engagement

Background

- 4.1 During the summer of 2019 the parish council conducted a survey of all residential properties within the parish. The survey sought views on the proposed approach of the neighbourhood plan to limit any new build development within the parish to that which would be permanently occupied.
- 4.2 The parish council received 11 responses to the survey all but one of which supported the approach to introduce a principal residency restriction, comments included:
- Need to understand the expected need for additional housing in the parish and the type of housing required. If there is no anticipated shortage then no new housing should be approved;
 - Lack of a general store in the village is an issue if more housing is proposed;
 - Concern that the village is a ghost town in the winter with no sense of community;
 - Questions whether there are any sites left to be developed within the village;
 - Concern that young people cannot afford to live in the village which means there are very few young families;
 - Lack of volunteers for the lifeboat crew;
 - Lack of affordable housing;
 - No football team;
 - Second and holiday homes do not contribute to village life;
 - Holiday accommodation provides an income for local businesses as most are inhabited all year around, not only in the summer months;
 - Concern about the impact of other parishes who have implemented the policy and the impact on Craster and other areas, whether the approach will push the problem beyond the boundaries;
 - Holiday homes bring little or nothing to the community but second home owners may want to retire to the area;
 - Second and holiday homes should be required to pay full council tax and a levy to pay more for the facilities in the parish;
 - Concern about the negative impact on house prices;
 - Visitors may respect their surroundings less;
 - Concern over the security of properties;
 - Concern that the introduction of the approach may not reduce house prices enough; and
 - Less young people will result in further reductions to local amenities.

Conclusions

- 4.3 The survey indicated that residents who responded have concerns regarding the impact of second homes on the vitality of their community and agree with the proposed approach to introduce a principal residency restriction to any new development.

5. Proposed planning policy approach

Background

- 5.1 National policy is clear that a role of the planning system is to promote sustainable development in rural areas in order to enhance or maintain the vitality of rural communities. The ADCS highlights the issues of second and holiday home ownership and seeks to support the provision of affordable housing rather than restrict the occupation of new housing development.
- 5.2 The emerging NLP and its evidence base highlights that the proliferation of second and holiday homes along the north Northumberland coast in particular are impacting on the sense of community in certain villages. As a result, the NLP proposes a policy which will limit the occupation of new market dwellings in parishes where 20% or more of household spaces are identified as having no usual residents to that of a principal residence. The 2011 census identifies that 39% of household spaces in Craster Parish have no usual residents.

Options

- 5.3 It is considered that the parish council has two options to address the issue of second and holiday homes. The first is to rely on the policy approach within the emerging NLP, the second is to include a specific principal residence policy within the Craster Neighbourhood Plan.
- 5.4 As the NLP plan is currently at examination stage, there is a risk that either the plan as a whole or elements of it may not pass examination. If the plan does not pass examination or policy HOU10 is removed or modified, future development of second or holiday homes may come forward within the parish. If policy HOU10 remains, unmodified there would be the requirement for new homes within the parish to be restricted to principal occupancy. However, it is not clearly stated within the NLP that Craster is a parish specifically covered by the policy, there could therefore be a lack of clarity in the implementation of the policy.
- 5.5 At present, future housing development within the parish would be assessed against policies within the ADCS. As Craster is identified as identified as a local needs centre (policy S1), new housing development would be restricted to that which is for local needs only. Therefore, if a developer could demonstrate a local need for more housing, in principle it could be approved without restriction.
- 5.6 The emerging NLP is not as flexible as the ADCS. Craster is not specifically referred to within the settlement hierarchy, it would therefore be considered to be a village under policy STP1. As a result, development in or adjacent to Craster would be restricted where it would not: retain the core shape and form of the settlement; adversely impact upon the character and appearance of the settlement and its setting; and not increase the number of dwellings over the plan period by more than 10%. Again, however, there is a risk that this policy may be modified following examination.

Recommendation

- 5.7 Whilst the policies within the emerging NLP would result in a greater level of prescription to that contained within the ADCS, including the requirement for principal residences, at this stage it is unclear whether the relevant policies will pass examination. If the policies do remain within the NLP, the principal residency policy in particular does not explicitly refer to Craster. Therefore, developing a specific principal residency policy within the Craster Neighbourhood Plan would provide more clarity for developers and greater comfort to the local community. A draft policy is suggested below.

Policy 1 Managing second and holiday homes

All new open market housing within the Craster Neighbourhood Area will be required to have a restriction to ensure its first and future occupation is limited to use only as a principal residence. New, unrestricted open market housing will not be supported.

A principal residence is that which is occupied as the residents sole or main residence, where the resident spends the majority of their time when not working away from home.

The restriction will be secured through a section 106 legal agreement. This legal agreement will require the occupier of a home with a principal residence restriction to keep proof that they are meeting the restriction. An occupier will be obliged to provide this proof if/ when Northumberland County Council requests this information.

6. Conclusions and next steps

- 6.1 This report has demonstrated that there is evidence to support the inclusion of a principal residency policy within the Craster Neighbourhood Plan. In addition, that the inclusion of such a policy would provide clarity for future developers and comfort to the local community that should new housing development come forward within the parish, this would be occupied as permanent residences rather than being used as second or holiday homes.
- 6.2 Neighbourhood plans must be compatible with EU obligations, specifically strategic environmental assessment (SEA) and habitats regulations assessment (HRA). SEA is a way of ensuring that the environmental implications of policies are taken into account before plans are brought into force. The main purpose of the HRA process is to ensure that the plan will not result in significant damage to internationally important nature conservation sites.
- 6.3 In order to establish whether an SEA or HRA is required a **screening opinion should be requested from the county council once the scope of the neighbourhood plan is agreed by the parish council**. Given the relationship and proximity of the plan area to internationally important nature conservation sites should the plan look to support new development it is likely that the plan will require a HRA. The requirement for a HRA would then automatically trigger the need for an SEA.
- 6.4 As part of the preparation of this report, an informal opinion was requested of NCC as to whether a HRA was required if the neighbourhood plan only contained a principal residence policy. If that was the case, NCC advised that it was unlikely to be needed. However, should the plan contain any other policies which give support to new residential development, such as the identified of a settlement boundary it is likely that the plan would require a HRA and as a result a SEA.
- 6.5 If a HRA is required, this work would be undertaken by NCC. Alongside this, work should commence on the SEA, the first task would be to prepare a **scoping report**. The regulations require **consultation with Natural England, Historic England and the Environment Agency** (for a period of five weeks).
- 6.6 Once feedback is received on the scoping report work can commence on **drafting the pre-submission neighbourhood plan and the accompanying environmental report**. These would then be subject to a **six week consultation with the local community and the consultation bodies**.
- 6.7 Following the consultation on the pre-submission plan, amendments would be made to reflect feedback and the plan would then be **submitted to the county council for examination**. The plan would need to be **accompanied by the final environmental report, a consultation statement** (setting out what engagement was undertaken on the plan and how it influenced it) **and a basic conditions report** (explaining how the plan meets the legal requirements).

