Eden Local Plan

Housing Distribution Topic Paper

October 2015

This paper sets out the background to how our 'settlement hierarchy' for the new Local Plan has been generated. This refers to the status of the various towns and villages in relation to each other, and it identifies where new housing may be built in each and at what quantities for new housing sites were selected.

Contents **Page**

Housing Distribution Topic Paper

1. Introduction and Context

1.1 One of the main jobs for a new Local Plan to do is direct different amounts of new housing development to different locations. In a rural district such as Eden there is a decision to be made on the balance of development that should come forward in the towns and the villages, and which villages may receive a modest amount of new housing. To work this out we need some evidence on what's happened in the past, what we expect to happen and how planning policy is intended to influence this to achieve more sustainable outcomes.

1.2 This Paper therefore sets out the evidence which helped inform the future distribution of housing within the district. It provides the evidence to support how we have looked at options for directing new housing to our towns and villages. It follows on from two previous papers:

- The **'Housing Distribution Technical Paper'** (produced alongside the Preferred Options Local Plan in July 2014)
- The **'Proposed Changes to the Settlement Hierarchy'** Paper (July 2015).

Why do we need a plan for distributing new housing?

1.3 There are several reasons:

- A Local Plan must show where new housing development will and will not be acceptable when the District Council considers planning applications, to help give certainty to landowners, developers and local communities.
- When directing new development to certain areas we can take a view on what may be the most suitable locations based on promoting a more sustainable pattern of development. We do this by establishing a 'settlement hierarchy', which aims to locate development where it can best support existing or encourage new services and facilities.
- It's a national policy requirement - paragraph 55 of the National Planning Policy Framework (NPPF) directs that housing should be located where it will enhance or maintain the viability of rural communities and that isolated homes in the countryside should be avoided.

Key challenges when defining a settlement hierarchy

1.4 We distribute new housing by creating and setting a settlement hierarchy which reflects the relationship between towns and villages in Eden. By understanding past growth in these areas and the range of services in each settlement, we can define a pattern of sustainable growth for the district.

1.5 There are two key challenges involved in defining a settlement hierarchy, there is no standard way of doing it and every area is different:

- Getting the balance right between urban and rural areas in what is a predominately rural district. We know, based on past trends and future projections that much of the demand for new housing will come from older people (40 plus) moving in to the district to take advantage of the high quality of life. Over half (55%) of new housing being built over the past twelve years (since the base date of the existing Core Strategy, 2003) has come from new development outside the four main towns. Do we assume this trend will continue and that this is what the market will deliver or do we try and change this trend through local plan policy?

- How do we consistently identify the main villages (called Key Hubs) where we are proposing that 20% of new housing will be directed? Traditionally villages have been identified on the basis that they are more 'sustainable' as they have public transport connections and a range of services. The concept of Local Service Centres (LSCs) in our current Core Strategy (2010) stemmed from Policy RDF2 of now defunct Regional Spatial Strategy for the North West (2008) where service and transport provision was a priority. The Core Strategy there used daily public transport and presence of at least two services as its definition mechanism. However, there are two potential criticisms of this approach:
  - By applying a standard set of criteria to often very different villages can result in a list where very small villages are identified as they happen to have the identified services, or larger villages are not identified if they do not. For example Knock is currently identified as an LSC as it has a daily bus service yet is the 80th biggest village out of 117 in total with only thirty houses whereas Great Salkeld and Cliburn are not identified yet are much bigger villages (152 and 117 houses or the 21st and 28th biggest villages respectively).
  - Experience has shown that the current list of Local Service Centres could be considered too pliable, with the list of services that defined them vulnerable to frequent change. This generates uncertainty and created a list of settlements that may not necessarily be reflective of sustainable development.

1.6 We are therefore proposing to change the way we define our key hubs, based on a combination of testing options, settlement size, past trends, available sites for housing and public consultation feedback.

2. Understanding the Current Geography and Development of Eden District

Current Distribution of Population and Households

2.1 The new Local Plan has to strike a balance between influencing the pattern of development that may occur to ensure the sustainable growth of the district and allowing the market to deliver sufficient housing in the right locations to meet demand. We therefore start by looking at some of the evidence that may inform our future distribution.

2.2 The pattern of development in Eden is predominately rural. It is the largest non-metropolitan district in England and also its most sparsely populated. Penrith is by far its biggest town, with a 2011 population of 15,487. Alston, Appleby and Kirkby Stephen are the other three towns in the District. Around 117 villages (defined as ten or more dwellings in a coherent cluster) are then home to most of the rest of Eden's population. The split of population and households is as follows:

Table 1 - Current Distribution of Population and Households

Location	Population	Percent	Households	Percent
Penrith	15,487	29%	7,030	31%
Alston	2,088	4%	996	4%
Appleby	3,048	6%	1,415	6%
Kirkby Stephen	1,822	3%	845	4%
Elsewhere	30,119	58%	12,757	55%
Eden	52,564	100%	23,043	100%

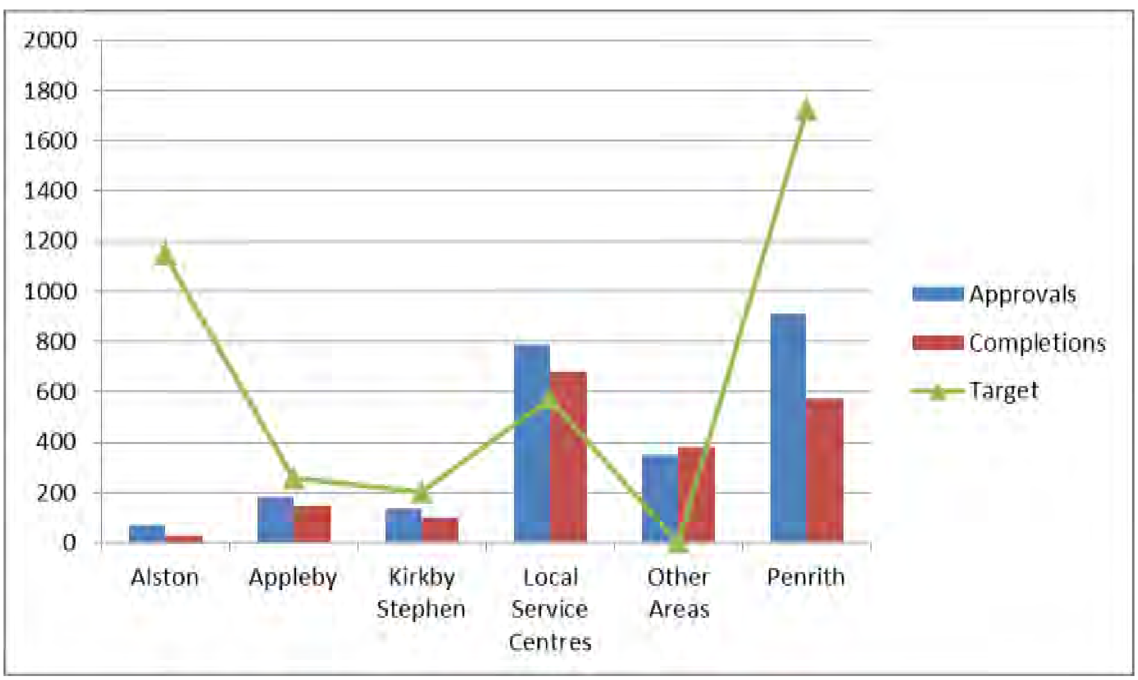
Source: ONS Census 2011.

Approvals and Completions

2.3 It's also useful to begin by looking at the pattern of past development as this can help tell us where demand is coming from and where the market favours development. Our analysis of past trends in this paper is based on a twelve year period from the base date of the current Core Strategy ie March 2003-April 2015.

2.4 The currently adopted Core Strategy (2010) anticipated a distribution of 5,258 houses over 2003/04 to 2024/25. The following graph shows the planned distribution, together with what's been completed over the past twelve years (2003/4-2014/15):

Figure 1 - Housing approvals and completions, by location

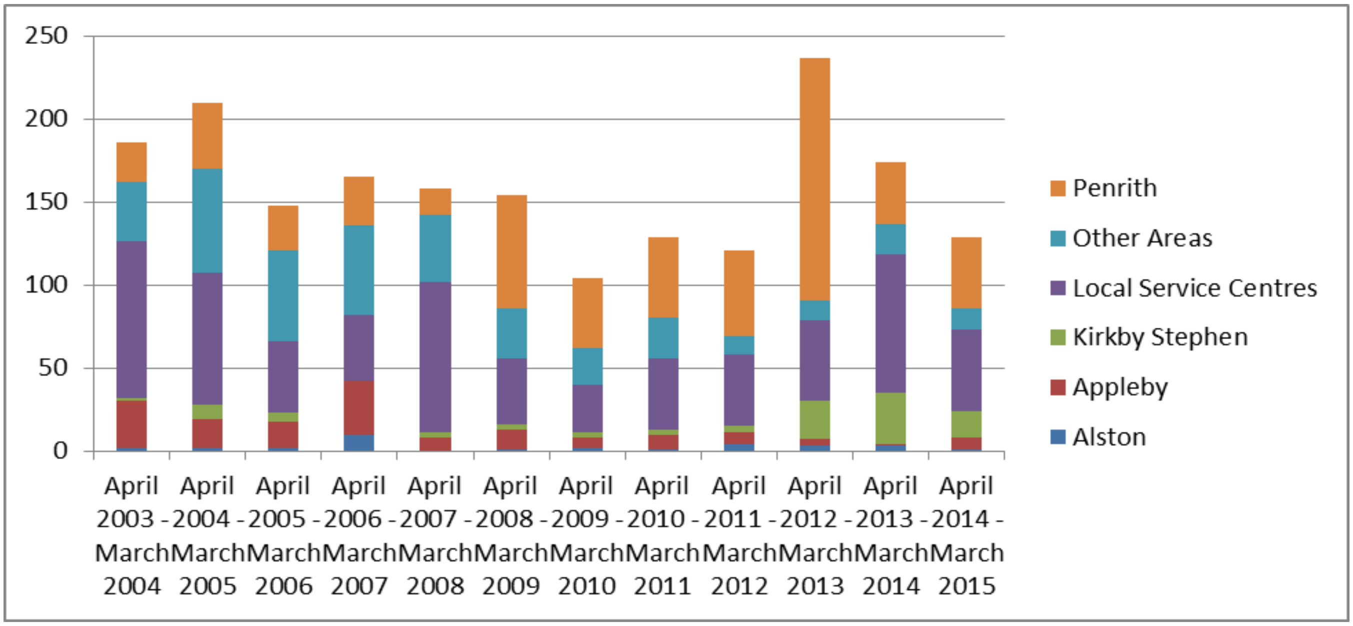


2.5 This shows a clear under delivery of housing (49% of the overall target), particularly at Penrith (delivery rates are 33% of planned supply), and a significant amount of housing coming forward in the rural areas. In fact, over the past twelve years 55% of all housing in Eden has come forward outside the four main towns. If we assume this were to continue, it would seem that the most robust means of making sure new housing is built is to concentrate more housing in the rural areas. However, we need to drill down further in to the statistics to tell us what's going on.

2.6 The first question is whether this trend is changing over time in response to planning policy. As with any planning policy, there is a time lag before they start operating effectively. Arguably permissions based on Core Strategy policy only really started coming through after its adoption in 2010.

2.7 The following chart breaks down the annual housing completions into the area they were built, imposing the current list of LSCs onto completions from 2003.

Figure 2 - Housing completions, by location

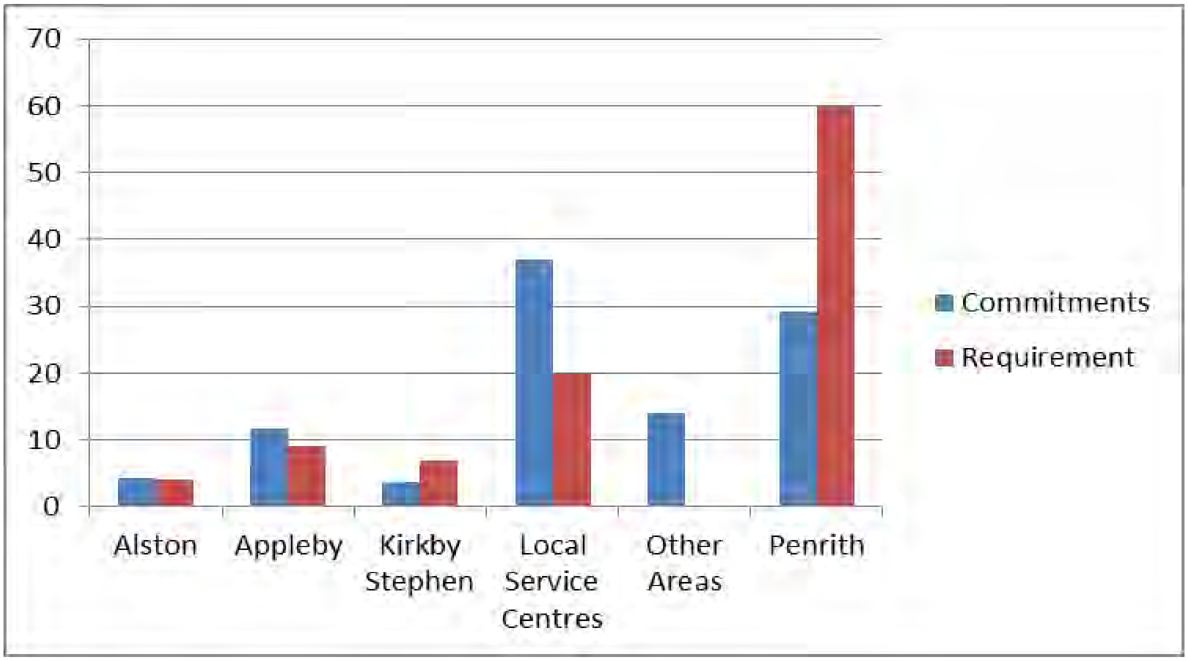


2.8 Of particular note there has been a fall in completions in the most rural 'Other Areas' since 2007. We don't know the exact reason for this but at the same time completions in the Local Service Centres increased and there was no overall fall in completions. The most likely explanation is that planning policy is directing new housing into towns and larger villages, as well as adopting a more restrictive approach to development in remote locations and this is leading to a decline in completions in the 'Other Areas' in recent years.

Committed Development

2.9 A certain number of sites will have already received planning permission but have yet to be completed. These are known as planning commitments. We can be reasonably sure that they will come forward, and this may tell us something about future trends and what can be expected to be delivered in the next 5 years.

Figure 3 - Housing commitments, by location. 31 March 2003 - 1 April 2015



2.10 The above chart includes committed development in Eden, up to April 2015. Whilst this does tell us that there are a good number of developments that are coming forward in Penrith, the numbers required are still falling short of those required in the Core Strategy. Against the graph below we can see that committed development for Penrith is less than the 60% target specified in the Core Strategy. Whilst this tells us that we are likely to under-deliver in Penrith in the next few years, approvals in the remaining towns and LSCs are buoyant, meeting the targets for growth in the short term.

2.11 There are still reasonably high levels of approvals in the LSCs and rural areas. This may in part be due to historical completions, which were approved prior to 2010, under a different policy framework. However, we need to be careful when interpreting this information as this is within the context of under delivery across most of the district, and particularly at Penrith.

Windfall Development in Eden

2.12 Within any housing distribution strategy we may need to take a view on how many ‘windfall sites’ may come forward. Windfall sites are sites that are permitted, but which are unanticipated. In other words they are not known about prior to coming forward and have not been identified as suitable sites in our approved Development Plans or Land Availability Assessments. We need to take a view on whether we assume that a proportion of development will come forward as unplanned development and then build this into our calculations on where housing is distributed. This is known as a windfall allowance.

2.13 In understanding historical trends in windfalls, we need to calculate how many of our approvals were permitted on sites we weren’t previously aware of. We do this by removing both development on allocated sites, sites identified in our 2009 Strategic Housing Land Availability Assessment (as we are looking at past trends) and development on former garden sites, as prescribed in the NPPF. The last set of housing allocations were published in 1996.

Table 2 - Housing 'windfalls'

	Allocation, Garden or Suitable SHLAA site	Windfall	Grand Total	Windfall %
April 2003 - March 2004	67	119	186	64
April 2004 - March 2005	88	122	210	58
April 2005 - March 2006	49	99	148	67
April 2006 - March 2007	65	100	165	61
April 2007 - March 2008	67	91	158	58
April 2008 - March 2009	44	109	153	71
April 2009 - March 2010	8	96	104	92
April 2010 - March 2011	18	111	129	86
April 2011 - March 2012	17	104	121	86
April 2012 - March 2013	61	176	237	74
April 2013 - March 2014	93	82	175	47
April 2014 - March 2015	47	82	129	64
Total	**624**	**1291**	**1915**	**67**

2.14 This shows that the majority of our housing (67%) has come forward on unanticipated or windfall sites. Some of this will be down to the fact that we only identify larger sites (four or more dwellings) in plans and studies. However we are aware that a significant amount of development has come forward on larger sites that have not previously been identified. The split between small and large sites for **all** completions (not just windfalls) is as follows:

Figure 4 - All Housing Completions 2010-2015

2.15 The other factor that could indicate why our windfall figure being so high is that the former SHLAA is now six years old. We could therefore expect the windfall rate to fall in the future as the rate is monitored against the 2015 Land Availability Assessment which has a more up to date list of sites. However, this is not bourne out by the evidence (see table 2) which indicates that yearly windfall completions have remained fairly static since 2003.

Potential Developable Housing Sites in Eden

2.16 Finally, we have the results of our 2015 Land Availability Assessment. (LAA) This document (available separately) forms a view on how many known potential housing sites are developable, that is they are available and there are no known constraints to delivery. The next table illustrates how the supply from the sites identified in the LAA is distributed across Eden. For comparison draft Local Plan targets are provided. This shows that they are in similar proportions as the proposed distribution of housing growth being planned for in the Local Plan.

Table 3 - Distribution of Housing Land Supply

	Local Plan Requirement		**SHLAA Supply**	
	Target	**Distribution**	**Supply**	**Proportion of overall Supply**
Penrith	1800	50%	2242	52.2%
Alston	144	4%	161	3.7%
Appleby	324	9%	360	8.4%
Kirkby Stephen	252	7%	302	7.0%
Total Towns	**2520**	**70%**	**3065**	71.4%
Key Hubs	720	20%	1076	25.1%
Villages and Hamlets	360	10%	154	3.6%
Total Rural	**1080**	**30%**	**1230**	28.6%
Total	**3600**	**100%**	**4295**	**100%**

What do we know so far?

- Around a third of Eden's current population live in its main town, Penrith. Over a half live outside the four main towns.
- There has been a significant undersupply of housing against targets (49%) since 2003. This is most pronounced at Penrith. Conversely supply has exceeded targets outside the four main towns.
- There has been a falling trend in completions in the areas outside the main towns and Local Service Centres.
- The stock of planning permissions exceeds targets everywhere except Penrith and Kirkby Stephen. This is particularly the case in the Local Service Centres.
- The majority of development has come forward on unanticipated or 'windfall' sites.
- Our assessment of 'known' housing sites suggests that the current draft Local Plan distribution corresponds with the distribution of actual sites on the ground.

3. Defining a Settlement Hierarchy

What is the current strategy for distributing housing?

3.1 Our existing method of distribution is set out in our adopted Core Strategy (2010). This directs 60% of new growth to the Main Service Centre of Penrith, 9% to Appleby, 7% to Kirkby Stephen, 4% to Alston, (as 'Key Service Centres') and finally 20% to 46 'Local Services Centres' (LSCs). It then restricts growth elsewhere to affordable housing only. Key Service Centres are designated on the basis that they have a secondary school, library, doctor's surgery, post office, at least 200 square metres of retail floorspace and 1,500 residents. Local Service Centres are defined on the basis that they have at least a community or commercial bus service, and two out of three of the following: a school, (non-mobile) post office or shop and a village hall or pub.

What is our intended future strategy for distributing housing?

3.2 Our new plan target is 3,600 homes over the years 2014-32 (200 per year). Our chosen option for distributing these homes is based on a fourfold classification of settlements:

3.3 **The Main Town** - Penrith. Penrith will continue to be the main centre. 50% of new housing (1,800 homes) would be expected to come forward at Penrith.

3.4 **The Market Towns** - Alston, Appleby and Kirkby Stephen. These towns have traditionally acted as vital 'service hubs' with a wider rural hinterland. 4% of new housing would be expected to come forward at Alston (144 homes), 9% of new housing would be expected to come forward at Appleby (324 homes) and 7% of new housing would be expected to come forward at Kirkby Stephen (252 homes).

3.5 Twenty-eight '**Key Hubs'** are identified where we expect modest amounts of market led development to occur, to help meet local need and enable services to be protected and enhanced. Villages are identified as hubs if they contain more than one hundred properties and at least three key services out of a primary school, post office, shop, village hall, pub, GP surgery and church.

3.6 This provides the following list:

• Armathwaite	• Langwathby
• Bolton	• Lazonby
• Brough and Church Brough	• Morland
• Clifton	• Nenthead
• Culgaith	• Newton Reigny
• Great Asby	• Orton
• Great Salkeld	• Plumpton
• Greystoke	• Shap
• Hackthorpe	• Skelton
• High Hesket	• Sockbridge and Tirril
• Kirkby Thore	• Stainton
• Kirkoswald	• Tebay
• Long Marton	• Temple Sowerby
• Low Hesket	• Warcop

3.7 All of these villages are designated as 'Local Service Centres' in current policy (our 2010 Core Strategy) with the exception of Low Hesket, Newton Reigny and Great Salkeld.

3.8 New on the list from our Preferred Options consultation document we published last year are Bolton, Culgaith, Great Asby, Great Salkeld, Kirkoswald, Long Marton, Morland, Newton Reigny, Skelton and Sockbridge and Tirril. Ravenstonedale (School Closure) and Yanwath (falls well below the 100 of more existing properties) have been removed from the 2014 list.

3.9 In reviewing this list we were also mindful to make sure we avoid identifying and remote villages not served by any form of public transport. All of the identified Key Hubs do have some form of bus service (albeit not necessarily daily) and are reasonably close to one of our towns – Tebay is the furthest away from a town at 11.5 miles to Kirkby Stephen.

3.10 Eighty-nine '**Villages and Hamlets'** are then identified where no sites will be allocated for development, but where small scale, sensitive development will be allowed to help meet local demand, providing it is limited to infill or 'rounding off' development only. 10% of new housing would be expected to come forward in the Villages and Hamlets (360 homes). The list published in 2014 began with a list of 65 villages sets out in Policy HS2 of the 1996 Local Plan, plus villages over ten dwellings. We received a number of comments asking for settlements to be added. To make sure any new suggestions were consistent with the existing list we carried out the exercise again to identify all villages with a group of ten or more dwellings in a coherent group (excluding proposed hubs). This resulted in the following list of 89 villages:

- Aiketgate, Ainstable, Blencarn, Blencow, Brackenber, Brampton, Brough Sowerby, Brougham, Burrells, Calthwaite, Catterlen, Cliburn, Clifton Dykes, Colby, Crackenthorpe, Croglin, Crosby Garrett, Crosby Ravensworth, Dufton, Eamont Bridge, Edenhall, Ellonby, Gaisgill, Gamblesby, Garrigill, Glassonby, Great Musgrave, Great Ormside, Great Strickland, Greystoke Gill, Hartley, High Bank Hill, Hilton, Hunsonby, Hutton End, Ivegill, Johnby, Kaber, Keld, Kelleth, Kings Meaburn, Knock, Laithes, Lamonby, Leadgate, Little Asby, Little Musgrave, Little Salkeld, Little Strickland, Longdale, Low Braithwaite, Low Moor, Maulds Meaburn, Melkinthorpe, Melmerby, Milburn, Millhouse, Motherby, Murton, Nateby, Nenthead, Newbiggin (Ains), Newbiggin (Dacre), Newbiggin (Temple Sowerby), Newbiggin-on-Lune, Newby, North Dykes, Old Town (High Hesket), Ousby, Outhgill, Pallet Hill, Raisbeck, Ravenstonedale, Reagill, Renwick, Roundthorn, Roundthwaite, Ruckcroft, South Dykes, Sandford, Skirwith, Sleagill, Soulby, Southwaite, Unthank (Gamblesby), Waitby, Winskill, Winton, Yanwath.

3.11 Outside these areas new housing development will be limited to the sensitive re- use of existing traditional buildings, essential agricultural workers dwellings or for 100% affordable ‘exceptions’ housing only.

3.12 This hierarchy is set out at Policy LS1 of the draft Local Plan. Policy LS2 shows the amounts of housing that will be expected to come forward in each area:

Policy LS2 - Housing Targets and Distribution

A minimum of 200 homes per year (a total of 3,600) will be built in Eden over the eighteen years between 2014/15 and 2031/32. New housing will be developed through the district to ensure a rate of housing completions in accordance with the following targets and proportions:

	Target	Distribution	Site allocations?	Completed	Already under construction or permitted	Left to Allocate	Annual Requirement	Affordable Housing
Target	**3600**	**100%**						
Towns								
Penrith	1800	50%	Yes	43	254	1503	83	30%
Alston	144	4%	Yes	1	56	87	5	30%
Appleby	324	9%	Yes	7	167	150	8	30%
Kirkby Stephen	252	7%	Yes	16	38	198	11	30%
Total Towns	**2520**	**70%**		**67**	**515**	**1938**	**108**	
Rural Areas								
Key Hubs	720	20%	No	34	215	472	26	30%
Villages and Hamlets	360	10%	No	21	267	72	4	Market Enabled
Total Rural	**1080**	**30%**		**55**	**482**	**544**	**30**	
Total	**3600**	**100%**		**122**	**997**	**2481**	**138**	

Position at April 2015.

Small site permissions discounted to 75% to allow for non-implementation.

4. Generating the Hierarchy

How were towns identified?

4.1 Since the 1996 Local Plan, Eden has defined Penrith, Alston, Appleby and Kirkby Stephen as its core centres for growth. They are the four biggest centres, have defined shopping areas and support the highest number of businesses and residential properties. When reviewing the list of towns, the NPPF asks that we define a list of towns that are resilient to future economic changes. We therefore saw no reason to depart from the current definition contained in the current Core Strategy. Penrith is identified as the Main Town and Alston, Appleby and Kirkby Stephen Key Service Centres are identified as Market Towns according to current criteria - they have a secondary school, library, doctor's surgery, post office, at least 200 square metres of retail floorspace and 1,500 residents.

4.2 The proportional split of new development has not changed as for the towns land availability data showed us that there was sufficient development land to deliver those proportions in the Main and Market Towns. The exception to this is that the proportion aimed at Penrith has been reduced from 60% in the current Core Strategy to 50%. The 10% is now expected to come forward in the villages and hamlets. This is because a bottom up analysis of available land at Penrith (the Land Availability Assessment) showed that there were significant risks in a 60% split to Penrith in terms of the deliverability of sites. This would equate to a completions rate of 120 homes per year which the market may not sustain. Significant past under delivery in the town also highlights that a figure of 60% could be too ambitious. The new Local Plan strategy is therefore similar to the existing strategy in the Core Strategy which aims to rebalance past growth in Penrith in light of past under delivery in the town and higher rates of completions and commitments in the rural areas, however, it is based on a more realistic assumption on deliverability at following technical work on land availability.

4.3 We also considered whether Shap should be included in the 'Main Towns' category. The housing stock in Shap is just slightly lower than that in Alston and it is also rich in services and served by good public transport links. However, whilst Shap has a market town charter, it does not contain the same range of amenities and facilities (such as a secondary school) as the other market towns do. Over the past 10 years Shap has seen low levels of housing growth, and losses in employment land. Though the area does have capacity for growth, there are indications that there may not be as much market interest to expand the village in the same way as other market towns. In addition whilst the four main towns are locally regarded as Towns Shap is seen as a village. We have therefore chosen not to change the status of Shap.

How have key hubs been defined?

4.4 Further down the hierarchy we have identified twenty eight villages as 'key hubs', where some development will be directed, including 20% of new housing development. These are intended to replace the current list of forty six 'Local Service Centres'.

4.5 We have investigated different ways of looking at a settlement hierarchy for the villages, based on changing the criteria. Some of these approaches have been listed in the rear of the document, detailing the reasons why they were discounted.

4.6 We are proposing to change the existing list of LSCs and replace them with 'Key Hubs' as experience has shown that the current list of Local Service Centres could be considered too pliable, with the list of services that defined them vulnerable to frequent change. This generates uncertainty and created a list of settlements that may not necessarily be reflective of sustainable development. We consider that a smaller list of larger villages coupled with a more flexible approach elsewhere would better serve the needs of Eden. The new list of services can be considered less vulnerable to change and are unlikely to fluctuate over the plan period, meaning that strategic development to these locations will benefit from a number of key services.

4.7 The proposed new criteria for defining Key Hubs are that they contain more than one hundred properties and at least three key services out of a primary school, post office, shop, village hall, pub, GP surgery and church. This method was selected as firstly it avoids identifying smaller villages simply on the basis that they had a particular service and secondly it is not tied to villages requiring a particular service (past approaches have suggested a daily bus service, GP surgery or school are necessary for designation). It is therefore considered more resilient to change.

4.8 At the time of the Selective Settlement Hierarchy consultation (July 2015) we were also proposing to remove any villages from the list if they meet these criteria but lie within the North Pennines Area of Outstanding Natural Beauty. This would have excluded Nenthead and Melmerby. However, we received a request from Alston Moor Parish Council (by unanimous decision) to retain its status as a Key Hub as it contains all seven services and some housing development may be appropriate to securing the objectives of the AONB. It has therefore been granted hub status as we now consider that given the remote settlement pattern of the area some limited market housing development would help sustain these services and maintain Nenthead as a hub that serves the wider area. It is also one of Eden's larger villages with around 171 properties. The other village in the AONB (Melmerby) is on the border of designation as it has 103 properties and has only just reached this threshold (it had 99 properties in 2013). Permission has recently been granted (subject to a Section 106 agreement) for eight new houses (ref. 14/0808). Given this, its location in the AoNB and the fact that no additional housing sites have been identified in the Land Availability Assessment we do not consider that it may be in a position to contribute to land supply as in other hubs. For these reasons it remains excluded.

What is the approach in the villages and hamlets?

4.9 The Local Service Centre policy within the Core Strategy included a large number of villages, but limited the amount of development outside of these locations. The NPPF requires that we should plan for housing growth to meet objectively assessed housing needs and, where viability is evidenced, permit an element of open market housing in these villages to bring forward affordable housing.

4.10 Rather than apply a broad in/out system for including villages, we are now seeking to facilitate some limited growth in the rural villages to help meet local housing need. Whereas development outside of the LSCs was limited to 100% affordable housing, national guidance gives us the flexibility to permit some market housing to increase the viability of development. On this basis, we will support housing growth in the smaller villages and hamlets where development meets an identified need and does not lead to unacceptable impacts on the character of the settlement.

What is the approach elsewhere?

4.11 We are also proposing a different approach to development outside the key hubs and smaller villages and hamlets - rural ‘exceptions’ sites in effect. At present, under policy CS9 of the Core Strategy and paragraph 4.1 of the Housing SPD, a rural exception is qualified as a development outside of our Key and Local Service Centres. Exception housing sites would be acceptable if they met the requirements of our affordable/local connection criteria, and the development was located within a catchment of 3 or more units. We are proposing that this requirement for three or more units is removed and that the exceptions policy is tightened to be generally that - an exception to policy. This would ensure that development outside of Eden’s villages and hamlets are required to provide substantial justification to underpin the need for development, and applications would need to demonstrate a need to be in that location and be restricted to local occupancy affordable housing only. This more restrictive approach would be balanced against a more permissive approach across a wider range of defined villages. New housing development will also be limited to the sensitive re- use of existing traditional buildings and essential agricultural workers dwellings, in line with NPPF policies.

How have we accounted for current planning permissions?

4.12 Some of our future housing completions will come forward on land which already has planning permission. We therefore need to discount these from the overall housing target to give us a figure for the amount of housing we need to find land for. The table at Policy LS2 of the draft plan therefore excludes any sites where homes have already been completed (the plan has a base date of 2014 meaning that a year of completions are already available) as well at sites which are under construction or already permitted. Following the method used in our housing land supply, we have taken a view that not all of our smaller committed sites will come forward. Therefore a 25% discount ‘buffer’ has been applied to all our sites less than 4 units. This presents a realistic view of sites which are unlikely to be delivered during the plan period.

Our approach to windfalls

4.13 There are two schools of thought on whether we should include a windfall allowance:

- **No we shouldn’t** - ideally we should be allocating and identifying enough housing land to meet our full target as it provides certainty and helps maintain land supply.
- **Yes we should** - the area has grown through the delivery of much new development in Eden’s villages and we should expect this to continue. If we do incorporate a windfall allowance, and a large component of our potential supply continues to be delivered through windfalls this may lead to over delivery against need, which would encourage in migration.

4.14 It comes down to the nature of our district and what the evidence is telling us. We can see that over the past four years there has been a strong trend for windfall development in Local Service Centres and rural settlements. Windfall provision in the market towns has varied, with Alston in particular showing a particular reliance on windfall sites over the past ten years. As we look a little deeper, we can see that all four of Alston’s allocated sites in the 1996 Local Plan have yet to be developed. This suggests that there may be less demand in the town for larger allocations, favouring an approach which supports local house builders develop smaller sites as and when required.

4.15 When we look at this data broken down by date rather than location, we get a more varied picture. We can see that for the most part, windfalls make an important contribution to our housing supply. This is only challenged in years where significant developments are brought forward which skew the data. The first six years of permissions did alternate on an annual basis, based on large sites coming forward, and the gaps between these years which were heavily comprised of windfall sites. The last four years of permissions have been less sporadic. This may, in part, be due to the lasting effects of the economic downturn making larger developments too risky. The Core Strategy may have made a contribution towards setting a positive approach towards new development. However the larger sites in particular are more likely to be driven by confidence of growth in the housing market.

4.16 Our approach is to not include a windfall allowance in the plan. However, we are not proposing to allocate sites in the key hubs. We have sufficient identified developable sites in our 2015 Land Availability Assessment to meet our overall housing target and the distribution supporting it. 4,763 potential homes are identified compared our target of 3,600, meaning that we do not need to rely on any 'unknown' sites coming forward to meet out targets. Some may come forward over time, although we expect the rate at which they do so to decline over time compared to past rates. In doing so they may provide an additional element of contingency against under delivery on the identified sites.

Why has no land been allocated in the Key Hubs?

4.17 It has proved difficult to come up with a robust list of housing allocations in the Key Hubs that will stand the test of time. We have found that a combination of planning applications being submitted and approved as the plan progresses, together with neighbourhood planning activity are constantly making substantial changes to any allocation strategy we devise, given the small numbers of homes that are anticipated to come forward in the hubs beyond current planning commitments. The result is the risk that any allocations strategy for the key hubs we set out becoming overtaken by events, as the plan moves towards adoption. To illustrate, new housing sites at Clifton, Stainton, Lazonby and High Hesket have been permitted since we last produced a draft plan in 2014, which would make a significant difference to how we would need to allocate sites if we were to do it again. Neighbourhood plans are also coming forward at Langwathby, Lazonby and Bolton with other Parishes also considering their own plans. We do not wish to prematurely allocate sites that may be against the wishes of any Parish and would prefer to work with them to identify land using the evidence we have amassed as part of work on the Local Plan.

4.18 Alongside this paper the District Council has published a draft 'Land Availability Assessment' (LAA) which sets out all the possible land that has been considered for housing throughout the district, and takes a view on whether it is developable and deliverable. Should villages wish to produce a neighbourhood plan which identified new housing sites this makes a good starting point, and we will work with any Parish Councils that want to take this route. In addition, information in this assessment will be used to inform any decisions on submitted planning applications for housing in our rural areas.

What options were previously put forward for distributing new housing in the future?

4.19 Four approaches to distributing new growth were originally considered and were presented for consultation alongside the 'Preferred Options' draft Local Plan back in July 2014. All options have been subject to sustainability assessment. The original four options were:

- Option 1 - Supporting settlements and services. This was the 'Preferred Option' back at the time of consultation in July 2014 but has since been modified as explained above. This option is similar to the current Core Strategy distribution, but includes limited modifications to slightly reduce rates at Penrith, and introduce more flexibility for development in rural areas. This option replaces the Local Service Centres definition with more tightly defined criteria, resulting in twenty one 'Key Hubs'. The option also includes a list of smaller villages and hamlets, which are permitted to grow to support the vitality of the rural hinterland.
- Option 2: Proportional Growth. This approach uses settlement size to determine a suitable allocation for the plan period. It considers the possibility of applying a 1% growth policy to all the towns and villages. This approach would be reliant on windfall growth in the villages, rather than allocating for growth. The same criterion for Key Hubs used for Option 1 is applied, which promotes a pattern of sustainable centres for allocated growth.
- Option 3: Retain Existing Criterion. This provides an option of sticking with the current distribution strategy set out in the Core Strategy, amended to reflect the new preferred housing target for Eden.
- Option 4: Align the distribution strategy more in line with past trends. This looks at whether future housing should go in areas where it has come forward in the past. This option reduces levels at Penrith and significantly increases development in rural areas. To ensure that this option is as sustainable as possible, the Key Hubs criterion is applied to development in the rural areas.

4.20 With the exception of Option 2 all options were based on our preferred housing target of 200 homes per year from 2014 to 2032.

Why has the previous 'preferred option' hierarchy changed?

4.21 A new option was generated as we had to reconsider our methodology following the loss of some key services. In particular public service cutbacks have resulted in the loss of some key bus routes in Eden. In Summer 2014 Cumbria County Council bus subsidy withdrawals led to the cancellation of a number of bus services, meaning a number of those settlements proposed as key hubs no longer have daily public transport. In particular the cancellation of the daily 106 bus service between Kendal and Penrith, and the 105 serving Greystoke would remove Shap, Tebay, Greystoke, Clifton, Orton, Nenthead and Hackthorpe from the list as they no longer have a daily bus service. These are some of the largest and best served villages in terms of services provided within them and we feel it would be illogical to restrict future development in these locations compared with smaller, less well served villages that would remain in the key hub category due to continued daily public transport provision.

5. Conclusions

- The NPPF requires that we define a settlement hierarchy that is resilient to change, promotes the retention of local facilities and the use of sustainable transport methods.
- Four options were originally developed, reflecting evidence and potential options for growth. Of the original options, Option 1 became our preferred strategy and was set out in the 'Preferred Options' draft Local Plan in 2014. This involved a slight reduction in the distribution for Penrith over current plans, which is redirected to the rural villages. This strategy also involved less risk for Penrith, as it remains the focus for development but provides a more deliverable figure for growth. Overall, this presented a more balanced option that the current distribution strategy (option 3). Twenty 'key hubs' were also identified. Options 2 and 4 were devised to reflect growth that is proportionate and related to past rates of development. These options shifted the emphasis for development away from the towns to the villages, which would present a less favourable model for sustainable growth in the district.
- The 'Pre-Submission' draft Local Plan contains a variation on this 'Option 1' strategy as it now includes 28 Key Hubs. The list was re-assessed following the loss of key bus services, and because an additional eight hubs gives more flexibility when it comes to delivery.
- We have set out a slightly more permissive approach to development in our smaller villages and hamlets, although we do not expect this to be a significant source of housing supply. Instead of our current 'on/off' strategy in the current Core Strategy (Market and affordable housing in Towns and Local Service Centres and only rural exceptions elsewhere) Policy LS1 now allows for local needs housing to come forward in smaller villages where a local connection can be proved.
- We think this settlement hierarchy represents the best option for delivering sustainable growth at Eden, and it is intended to endure.

Contact

If you have any comments on this paper please send them to:

The Planning Policy Team

Eden District Council

Mansion House

Penrith

CA11 7YG

loc.plan@eden.gov.uk

☏ 01768 817817

🖷 01768 890470

🖃 Customer Services, Eden District Council, Town Hall, Penrith, Cumbria CA11 7QF

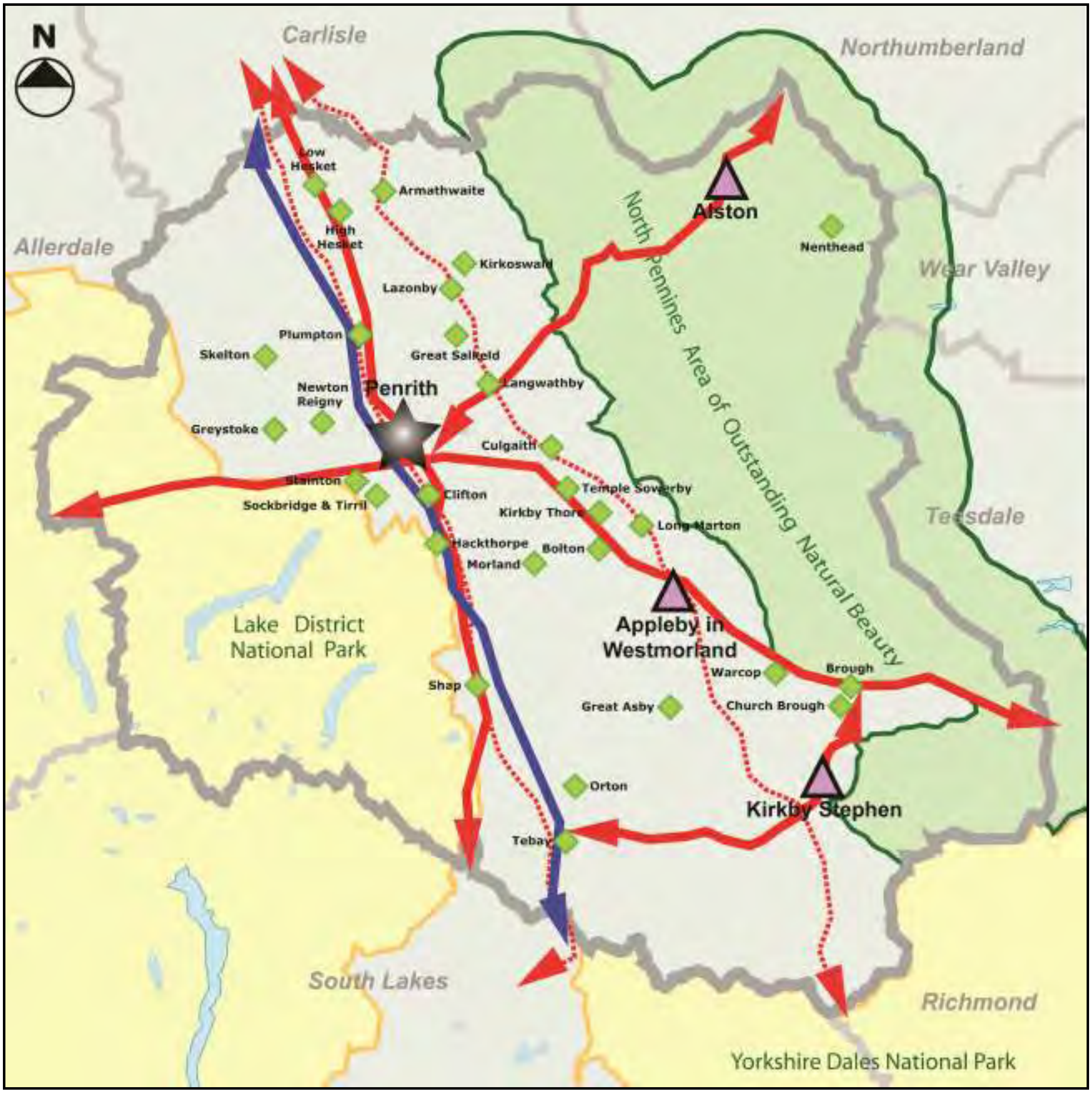
🖂 customer.services@eden.gov.uk

🖳 Information on all our services is available 24/7 at www.eden.gov.uk

Appendix 1: Housing Permissions and Completions

Permissions							
Location	Alston	Appleby	Kirkby Stephen	Penrith	Local Service Centres	Other Areas	**Grand Total**
April 2003 - March 2004	4	1	6	19	90	51	**171**
April 2004 - March 2005	2	1	0	51	1	8	**63**
April 2005 - March 2006	2	0	0	9	16	12	**39**
April 2006 - March 2007	4	2	1	76	26	6	**115**
April 2007 - March 2008	7	12	5	72	5	9	**110**
April 2008 - March 2009	23	5	3	40	43	17	**131**
April 2009 - March 2010	4	2	18	57	66	40	**187**
April 2010 - March 2011	13	2	12	236	108	10	**381**
April 2011 - March 2012	2	0	63	35	88	13	**201**
April 2012 - March 2013	1	3	1	58	47	38	**148**
April 2013 - March 2014	6	147	11	90	149	54	**457**
April 2014 - March 2015	4	5	16	169	166	93	**453**
Grand Total	**72**	**180**	**136**	**912**	**805**	**351**	**2456**
Completions							
Location	Alston	Appleby	Kirkby Stephen	Penrith	Local Service Centres	Other Areas	**Grand Total**
April 2003 - March 2004	2	28	2	24	94	36	**186**
April 2004 - March 2005	2	17	9	40	79	63	**210**
April 2005 - March 2006	2	16	5	27	43	55	**148**
April 2006 - March 2007	10	32	0	29	40	54	**165**
April 2007 - March 2008	0	8	3	16	91	40	**158**
April 2008 - March 2009	1	12	3	68	40	30	**154**
April 2009 - March 2010	2	6	3	42	29	22	**104**
April 2010 - March 2011	1	9	3	49	43	24	**129**
April 2011 - March 2012	4	7	4	52	43	11	**121**
April 2012 - March 2013	3	4	23	146	49	12	**237**
April 2013 - March 2014	3	1	31	37	83	19	**174**
April 2014 - March 2015	1	7	16	43	49	13	**129**
Grand Total	**31**	**147**	**102**	**573**	**683**	**379**	**1915**

Appendix 2: Map of Settlement Hierarchy Under Key Hubs Criteria



Appendix 3: Village Services

	Settlement	Core Strategy Designation	Preferred Local Plan Designation 2015	Primary School	Post Office	Shop	Village Hall	Pub	GP	Church	Number of facilities	Notes
1	Shap	LSC	Key Hub	Y	Y	Y	Y	Y	Y	Y	7	Lost 106 daily bus service in 2014. Funding for Tuesday, Thursday and Fridays bus to Penrith (1 a day) agreed January 2015. College day service to Kendal.
2	Stainton	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	
3	Lazonby	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	
4	Kirkby Thore	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	
5	Brough and Church Brough	LSC	Key Hub	Y	Y	Y	Y	Y	Y	Y	7	
6	Tebay	LSC	Key Hub	Y	Y	Y	Y	Y	Y	Y	7	Lost 106 daily bus service in 2014. College days service to Kendal, and Tuesday, Thursday and Fridays reintroduced to Penrith (1 bus per day).
7	Langwathby	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	
8	Greystoke	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	Lost 105 bus service in 2014.
9	Kirkoswald	LSC	Key Hub	Y	Y	Y	Y	Y	Y	Y	7	
10	Sockbridge and Tirril	LSC	Key Hub			Y	Y	Y			3	
11	Culgaith	LSC	Key Hub	Y		Y	Y	Y		Y	5	
12	Clifton	LSC	Key Hub	Y			Y	Y		Y	4	Lost 106 daily bus service in autumn 2014. College days service to Kendal, and Tuesday, Thursday and Fridays bus being reintroduced to Penrith (1 bus per day).
13	Temple Sowerby	LSC	Key Hub	Y			Y	Y	Y	Y	5	
14	Long Marton	LSC	Key Hub	Y			Y	Y		Y	4	
15	Bolton	LSC	Key Hub	Y			Y	Y		Y	4	

16	Morland	LSC	Key Hub	Y		Y	Y	Y		Y	5	
17	Orton	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	Lost 106 daily bus service in 2014. College days service to Kendal, and Tuesday/Thursday/Friday service being reintroduced to Penrith (1 bus per day).
	Nenthead	LSC	Village/Hamlet	Y	Y	Y	Y	Y	Y	Y	7	In the North Pennines AoNB
18	Armathwaite	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	
19	Warcop	LSC	Key Hub	Y			Y	Y		Y	4	
20	Great Salkeld		Key Hub				Y	Y		Y	3	
	Eamont Bridge		Village/Hamlet				Y	Y			2	Lost 106 daily bus service in 2014. College day service to Kendal. Tuesday, Thursday and Fridays bus reintroduced to Penrith (1 per day). Fellrunner Thursday only.
21	Plumpton	LSC	Key Hub	Y	Y	Y				Y	4	
22	Skelton	LSC	Key Hub	Y	Y	Y	Y	Y		Y	6	
23	Hackthorpe	LSC	Key Hub	Y			Y	Y			3	Lost 106 daily bus service in autumn 2014. College day service to Kendal. Tuesday, Thursday and Fridays bus reintroduced to Penrith (1 per day).
24	Low Hesket		Key Hub				Y	Y	Y		3	
25	Great Asby	LSC	Key Hub	Y			Y	Y		Y	4	
	Cliburn		Village/Hamlet				Y			Y	2	
26	High Hesket	LSC	Key Hub	Y				Y		Y	3	
27	Yanwath	LSC	Key Hub	Y	Y		Y	Y			4	
28	Newton Reigny		Key Hub				Y	Y		Y	3	
	Newbiggin (Dacre)		Village/Hamlet				Y				1	
	Melmerby	LSC	Village/Hamlet			Y	Y	Y		Y	4	Pub reopened June 2015. In the AoNB