



Project Management



Planning Consultants



Building Surveyors



Disabled Access
Consultants

Planning Appeal Appendices 1-7

Holy Vale Farmhouse
Holy Vale
St Mary's
Isles of Scilly
TR21 0NT

Prepared on Behalf of :
The Holy Vale Partnership

Date : 29th January 2016

Ref :13123
Local Authority Ref. P/16/060/FUL

CONTENTS

APPENDIX 1	3
APPENDIX 2	4
APPENDIX 3	5
APPENDIX 4	6

APPENDIX 1

Decision Notice

IMPORTANT – THIS COMMUNICATION AFFECTS YOUR PROPERTY



COUNCIL OF THE ISLES OF SCILLY

Town Hall, St Mary's Isles of Scilly TR21 0LW
Telephone: 01720 424350 – Email: planning@scilly.gov.uk

Town and Country Planning Act 1990
Town and Country Planning (Development Management Procedure) Order 2010

REFUSAL OF PERMISSION FOR DEVELOPMENT

Application No: P/16/060/FUL

Date Application Registered: 26th July 2016

Applicant: Mr Ian Sibley
The Holy Vale Partnership
Porthcressa
St Mary's
Isles of Scilly
TR21 0JQ

Agent: Mr Ian Sibley
Island Architects
Porthcressa
St Mary's
Isles of Scilly
TR21 0JQ

Site Address: Holy Vale Farmhouse Holy Vale St Mary's Isles of Scilly TR21 0NT –

Proposal: Reconfiguration of 5 no. existing dwellings and conversion of outbuildings to create 3 no. new dwellings (Amended Plans)

In pursuance of their powers under the above act, the Council hereby **REFUSE** the above development for the following reason:

- R1 Without the use of formalised restrictive mechanisms to control occupancy to meet recognised local needs or to accommodate key workers, the creation of 3 new open market dwellings is contrary to Policy 3 of the Isles of Scilly Local Plan 2005. Consequently, the proposed dwellings are not considered to be a socially sustainable form of development in the context of the Isles of Scilly as required by Paragraphs 7 and 8 of the National Planning Policy Framework 2012.

Signed

A handwritten signature in dark ink, appearing to be 'C. Sibley', written over a horizontal line.

Senior Manager: Infrastructure and Planning

DATE OF ISSUE: 22nd September 2016

APPENDIX 2

Extracts From: Isles of Scilly Local Plan 2005



The
Isles of Scilly
LOCAL PLAN

A 2020 Vision

Adopted November 2005



Foreword

The Isles of Scilly are special. Residents and visitors agree.

For over a century our Council has had a responsibility to plan for the future of the islands with the intent of benefiting its residents. Continuing to rise to this challenge, we have produced a new Local Plan which has been subject to extensive public consultation.

With limited land, a population of just over 2,000 and an internationally recognised environment of outstanding quality, we have a unique combination of responsibilities, challenges and pressures, which the Local Plan seeks to address.

Our aims are simple. With this Local Plan, together with other related strategies and documents, we want to meet the needs and aspirations of our communities to ensure a sustainable and viable future for the islands whilst maintaining the outstanding quality of the environment.

This Local Plan provides the framework for tackling important issues, including the provision of affordable housing, ensuring tourism and farming remain viable and that there is adequate social and physical infrastructure for residents and visitors alike. All these issues need to be addressed in the context of the sensitive management and preservation of the superb environment in which everything on the islands happen.

Cllr Christine Savill

Chairman of the Council of the Isles of Scilly.



Contents

	Page
Introduction	1
Sustainability	1
Vision	3
Layout of Plan	3
Implementing the Plan	3
Section One - Core Policies	4
Policy 1 - Environmental Protection	4
Policy 2 - Sustainable Development	5
Policy 3 - Housing	7
Policy 4 - Economic Development	9
Policy 5 - Transport	11
Policy 6 - Infrastructure for Sustainable Communities	12
Section Two - Detailed Policies and Proposals	14
Policy 7 - Fish and Livestock Processing	14
Policy 8 - Safeguard Power Station, St Mary's	14
Policy 9 - Waste Disposal	14
Policy 10 - Air Travel Infrastructure, St Mary's & Tresco	15
Policy 11 - Uninhabited Islands	15
Proposal A - Housing Sites, St Mary's	15
Proposal B - Employment Land, St Mary's	16
Proposal C - Sport & Recreation Facilities, St Mary's	17
Proposal D - Quays	17
Proposal E - Mixed Use Development, Tresco	18
Section Three - Proposals Map and Inset Maps	

Introduction

- 1 The role of the planning process is to bring about the most efficient and effective use of land in the public interest. This role is achieved through the framework of policies and proposals contained in this Local Plan (the Plan).
- 2 We will apply these policies when deciding whether or not to give planning permission¹. The Plan also identifies locations for housing, employment and other development for community needs over the next ten years.
- 3 The Plan's policies have to be broadly in line with the Government's national and regional planning guidance. The Plan deals with the use of land although it takes account of other strategies and programmes in order to achieve wider goals for the islands².
- 4 The proposals set out in the Planning and Compulsory Purchase Act 2004 alter the way that plans are prepared. The new system is intended to provide greater flexibility and speed in the planning system. In response to these proposed changes, the Local Plan has been prepared for easy conversion to the new system.


Sustainability

- 5 The Government's sustainability agenda has four themes:
 - Social progress that recognises the needs of everyone.
 - Protection of the environment.
 - Prudent use of natural resources.
 - Higher and stable levels of economic growth and employment.
- 6 The Government's sustainability agenda gives us useful headings but it is important to look at their relevance to the Isles of Scilly more critically.
- 7 Community - the islands' population continues to be fairly constant at about 2,000 people but this is ageing, with a disproportionately large number of older people. Achieving suitable infrastructure for a viable and demographically balanced population is an ongoing challenge. This challenge includes transport between the islands and to the mainland, water resources, sewerage and other waste treatment, electricity and telecommunications as well as community and recreational facilities. Providing new homes, where needed, for islanders with a specific local need or for key workers is another major challenge that is also central to the Plan.

¹Section 54A Town and Country Planning Act 1990 and Section 36(6) of the Planning and Compulsory Purchase Act 2004

²Sustainable Economic Development Strategy 1998, "On the Edge"; Development Plan 2000, Isles of Scilly Integrated Area Plan 2001; AONB Landscape Assessment 2002; "Moving On" Transport Strategy 2003; AONB Management Plan 2005; Housing Needs Survey 2005; Hugh Town Urban Survey Report 2003; Heritage & Cultural Strategy 2003



- 
- 8 Environment - the islands' natural and built environment is special and designated with a unique coverage of national and international environmental policies. We have an obligation of custodianship in partnership with the wider world community. Protecting and enhancing a diverse and high quality environment is essential for sustaining the economic prosperity of the islands.
- 9 Natural resources - water resources on the islands are limited and require careful management to prevent over extraction, pollution and saline intrusion. Any mineral extraction would conflict with the islands' environmental qualities.
- 10 Economy - the economy relies on the islands' unique character and environment. The future of tourism, the islands' primary sector, is dependent on responding to niche markets with a view to raising the value and quality of the tourism product. The number of visitors in the peak season is currently considered to be close to its optimum level. Agriculture (which maintains much of the landscape) and fishing need support and the prime objective is to create better quality employment and raise incomes by diversifying farming as well as maximising added value to the islands' produce.
- 11 Planning has an important role in achieving these aims. The Community Strategy³ also addresses these issues and sets the vision for achieving sustainable development for the islands and key objectives that underpin our Plan. The Community Strategy has been prepared in the context of the Local Government Act 2000, which requires local authorities to prepare strategies that will focus, shape and co-ordinate existing and future activities in the area, so that they effectively meet community needs and aspirations. This should be based on a partnership approach.

Vision

Ensure the viability of resident communities on the islands by providing sufficient housing, local employment, means of transport and general social infrastructure in order to meet their needs and aspirations whilst preserving and enhancing the islands' outstanding environment and natural beauty.

- 12 During the drafting of the Plan the policies and proposals have been subject to a strategic appraisal⁴ that has helped formulate and test them against environmental, social and economic objectives.

³Local Government Act 2000 requires local authorities to prepare strategies that will focus shape and co-ordinate existing and future activity in one area so that they effectively meet community needs and aspirations.

⁴The findings of the Strategic Appraisal are available as a background paper to the Plan.

Layout of the Plan

- 13 The Plan is in three sections. The overarching core policies in Section One will be applied to all proposals while Section Two identifies site specific policies and proposals. These too must be in line with the core policies.

Section One: Objectives-based Core Policies for the islands.

Section Two: Detailed Policies and Proposals.

Section Three: Proposals Map and Inset Maps.

- 14 **The Plan, its policies and proposals should be read as a whole. Key elements of policies are not duplicated but still apply to issues that may be relevant.**

Implementing the Plan

- 15 This Plan's policies and proposals aim to deliver the land use component of the Council's wider vision for the Isles of Scilly. Whilst making detailed provision for the next 10 years, the Plan aims to provide a framework beyond that period; hence the title "A 2020 Vision". It supports and underpins many of the objectives of the Council's other core documents such as the Economic Development and Transport Strategies and the AONB Management Plan. Importantly, it draws on the community's involvement in these documents.
- 16 The success of the Plan is not only dependent on its compatibility with other strategies. It is important that the community as well as groups and organisations are involved throughout the planning process, in accordance with the Statement of Community Involvement.
- 17 Many of the policies aim to restrict the use and occupancy of developments for the benefit of the islands' community. When applying these policies the Council will require developers to enter into legal agreements or ensure proposals are subject to planning conditions to secure such benefits in perpetuity⁵.
- 18 Other important policies for the protection of the environment and determining who is entitled to occupy new homes require a level of detail that is not appropriate in planning policy. The consideration of these policies will be informed by supplementary guidance. This guidance will also be subject to public consultation and will cover:
- The character and quality of the environment.
 - The means of defining and assessing local housing need.



three

⁵Sections 106 and 299A of the Town and Country Planning Act 1990 allow local authorities to enter agreements with developers that, inter alia, restrict the development and use of land or require land to be used in a specified way.

- 19 The Government promotes a “Plan, Monitor and Manage” approach for housing provision. Information is important. Making policy and decisions based on the latest and most relevant information is also appropriate for other policy areas. We will therefore monitor the Plan’s policies and proposals and keep them under review.



Section One - Core Policies

- 20 These policies provide the backbone for the Plan. They will be applied to all proposals, large or small, planned or ad hoc.

POLICY 1 - ENVIRONMENTAL PROTECTION

To ensure that all relevant future development proposals respect and protect the recognised quality of the islands' natural, archaeological, historic and built environment, they will be permitted only where, as applicable, they:

- (a) Conserve or enhance the natural beauty, wildlife and cultural heritage of the Area of Outstanding Natural Beauty and protect the unspoilt character and good appearance of the Heritage Coast;
- (b) Preserve nationally important archaeological remains and their settings;
- (c) Preserve or enhance the character or appearance of the Conservation Area and preserve the architectural or historic interest of all listed buildings, including their features and settings;
- (d) Safeguard the integrity and nature conservation objectives of Special Protection Areas (SPAs), Ramsar Sites and Special Areas of Conservation (SACs);



- (e) **Protect a statutorily-protected plant or animal species and the wildlife, geological and geomorphological interest and features of designated Sites of Special Scientific Interest; and locally important biodiversity habitats, species and landscape features; and**
 - (f) **Secure the future character, appearance and setting of any Parks and Gardens of Special Historic Interest included in the English Heritage Register.**
- 21 The environment of the Isles of Scilly underpins all life on the islands. The presumption is to protect it and keep development to the minimum required for sustaining viable communities.
- 22 Our environment embraces the built and historic environment, archaeology, landscape, air and sea and everything that lives in it i.e. its biodiversity, including the human community. The character and quality of the environment is defined in a suite of documents that collectively form supplementary guidance for Hugh Town⁶ and the islands⁷.
- 23 Planning decisions must ensure that proposals are in character with the islands. The environment is central to the quality of life experienced by both the islands' communities and visitors alike and forms the basis for our economy. The exceptional quality of the environment means that new development should be generally restricted to that which makes a positive contribution to the sustainable future of the islands.

POLICY 2 - SUSTAINABLE DEVELOPMENT

Development will be permitted in situations where a proposal would, where practicable and appropriate, contribute to the sustainability of the islands⁷ environment, economy or local communities through:

- (a) **Conserving or enhancing the landscape, coastline, seascape and existing buildings of the islands through appropriate design including siting, layout, density, scale, external appearance (i.e. details and materials) and landscaping;**
- (b) **Ensuring or facilitating the re-use of previously developed land and existing buildings for the economic, social and environmental benefit of the islands and local communities taking into account any environmental designations set out in Policy 1; and**



five

⁶The Cornwall & Scilly Urban Survey, CAU 2003
⁷The Isles of Scilly Landscape Assessment of the AONB, Countryside Agency, 2002; Historic Landscape Assessment & Management Strategy; Land Use Consultants 1996; Traditional Farm Buildings on the Isles of Scilly CIOs 1998; English Nature Natural Area Profile 1998.

- (c) **Utilising natural resources efficiently in the design, construction and future use of land and buildings, including where appropriate, energy conservation and the use of renewable sources of energy generation, minimising the consumption and discharge of water and waste and by securing the recovery and re-use of suitable building materials.**

- 24 Planning decisions must ensure that new development is in character with the islands. New development should therefore positively reinforce the special and distinct qualities of the islands' environment, in accordance with the Isles of Scilly Design Guide. In order to achieve this objective and reflect the contents of the Design Guide, the design of a proposal should be based on a thorough and caring understanding of its place and context. This approach allows for some innovation and it is not just about preserving things as they are. A design statement accompanying a planning application should illustrate how a proposal relates to the site and its wider context. In certain cases an environmental impact assessment may be required to inform the decision-making process.
- 25 As well as granting planning permissions, we will continue to encourage environmentally friendly farming practice and land management, such as Countryside Stewardship Schemes. This will be driven by the AONB Management Plan and our Heritage & Cultural Strategy and the Isles of Scilly Habitat Management Plan, prepared by the Wildlife Trust.
- 26 In order to promote sustainable development on the islands, new proposals should utilise natural resources more efficiently in their design, construction and future use. As such, new development should incorporate, wherever appropriate, the following principles of sustainability by:
- Promoting energy efficiency through siting and design and the use of renewable energy, heating or power systems such as heat pumps, photovoltaic or solar panels;
 - Minimising the consumption and discharge of water and sewage by promoting the conservation, harvesting and recycling of water and the use of sustainable drainage systems;
 - Maximising the efficient use of buildings and land, particularly where it has been previously developed;
 - Minimising the generation of waste through the re-use and recycling of materials during demolition and construction and to ensure that no building waste is disposed of or deposited on the land;
 - Providing appropriate facilities to encourage the re-use and recycling of materials, including composting; and
 - Using locally-sourced, renewable or recycled materials from sustainable sources and low embodied energy products, wherever possible.



POLICY 3 - HOUSING

- (1) To endeavour to ensure that housing is available to meet the needs of the community in perpetuity and to promote sustainable communities on the inhabited islands, no general open market housing will be permitted.**
 - (2) To ensure that suitable housing is available to meet the long term needs of the community, residential development will only be permitted where it is required to meet:**
 - (a) an identified and recognised local need or to accommodate a key worker whose needs cannot be met by the existing housing stock; or**
 - (b) the provision of staff accommodation for businesses on or near the premises where possible and where it can be demonstrated that there is no other accommodation available and it is not possible to recruit staff already housed on the islands.**
 - (3) All new residential development will be subject to secure arrangements to ensure that it remains permanently available to meet the specific identified need that justified its original permission.**
 - (4) In the case of any new dwelling, it must be sited adjacent to or integrated within an existing settlement or established group of dwellings.**
 - (5) Development proposals that result in an inappropriate mix of dwelling sizes or net loss to the residential housing stock will not be permitted.**
 - (6) Development proposals to change the use of a residential dwelling to a small guesthouse (up to 6 bed spaces) will be permitted only where a permanently occupied residential unit is retained. The subsequent change of use from a small guesthouse to the original dwelling will be permitted.**
- 27 In seeking to provide for the housing needs of the islands, the presumption will be to keep new housing development to that required to meet specific local need generated from within the islands which cannot be met by the existing housing stock. In order to justify any new housing, including the size (or range of sizes) of the dwelling being proposed, it must effectively meet the long term needs of the community. Consequently, all new homes will only be available to accommodate those in local need or key workers as defined by the Council in the documents supplementing the Plan. Additionally, new accommodation for staff in association with a business may be permitted if justified and where it is, if possible, integral with or sited close to the relevant business or commercial premises.





eight

- 28 The housing needs of Scilly have to be met within the islands and the opportunities for development are restricted by a finite supply of land (only 1600 hectares) and the overarching need to safeguard the environment. For inhabitants who need a home, and are reliant on local incomes, access to the limited housing stock can be prohibitively expensive. Our social housing stock has been decimated by the right to buy, and the cost of new build, along with availability of funding, constrains the supply from housing associations. The Duchy of Cornwall, which is the largest provider of rented housing, rents most of its stock locally by tender, with the remainder being advertised nationally.
- 29 This very restricted housing market limits the available workforce on the islands and is one reason why the community finds it difficult to retain younger families, with the consequent impact on the viability of the school and other services. The suitability of the mix and type of houses in the stock for the community is important.
- 30 Restrictions on occupancy will be applied to new homes and we will seek to maximise the use of the existing dwelling stock to meet the housing needs of the community.
- 31 Many households supplement incomes by providing bed and breakfast. This can become a commercial venture where the primary function of a house is no longer as a home. The Council considers that the letting of more than two rooms (more than one room in a property with three or less bedrooms) is a change of use (from Class C3 to C1) and requires planning permission.
- 32 This Policy allows flexibility for households in smaller properties to obtain planning permission to let up to six bed spaces to provide this type of accommodation and subsequently revert back to residential use. The emphasis remains on the permanent occupancy of the residence.
- 33 The islands' affordable housing problem is exacerbated by the limited existing stock (over 23% are second homes) and generally low incomes. The 2005 Housing Needs Survey identified significant demand for affordable housing. This is reflected in the Plan's Policies and Proposals.

SECOND HOME LEGISLATION

The Council will continue to seek the introduction by the Secretary of State of a Statutory Instrument, under Section 319 of the Town and Country Planning Act 1990, to the effect that the use of a residential property other than as a principal residence would be a change of use requiring planning permission on the Isles of Scilly.

APPENDIX 3

Model S106 Agreement - SLN

DATED *[insert date]*

201x

THE COUNCIL OF THE ISLES OF SCILLY

(1)

and

[INSERT NAME OF LANDOWNER]

(2)

and

[INSERT NAME OF BANK]

(3)

**PLANNING OBLIGATION BY
AGREEMENT under
Section 106 of the Town and
Country Planning Act 1990**

Relating to land at
[insert application site address]

**Isles of Scilly
Town Hall
St Mary's
Isles of Scilly**

SAMPLE

BETWEEN

- (1) **THE COUNCIL OF THE ISLES OF SCILLY** of Town Hall, St Mary's, Isles of Scilly TR21 0LW (**"the Council"**)
- (2) **[OWNER]** [(Company Registration No:)] of [ADDRESS] (**"the Owner"**)
- (3) **[BANK]** [(Company Registration No:)] of [ADDRESS] (**"the Bank"**)¹

WHEREAS

1. The Council is the Local Planning Authority for the purposes of this Deed for the area within which the land described in the First Schedule (**"the Land"**) is situated and by whom the obligations contained in this Deed are enforceable
2. The Owner is interested as freehold owner in the Land [which is registered at the Land Registry with title absolute under title number CL []² subject to the charge made between [the Owner and the Bank] and dated []³
3. The Owner has applied to the Council for planning permission for the Development on the Land and the Council is minded to grant approval of the Development under reference number [] (**"the Planning Permission"**)⁴ subject to the Owner first entering into this Deed
4. *[By a notice of refusal datedthe Council refused planning permission for the reasons set out therein ("the Refusal") and the Owner onappealed to the Secretary of State against the Refusal and enters into this obligation to the intent that any objections of the Council to the grant of planning permission are overcome.]⁵*

² Insert land registration details and provide up to date office copy entries and file plan to the Council

³ Insert details

⁴ Insert details of planning application

⁵ Para to be used only where application is at appeal

NOW THIS DEED is made in pursuance of Section 106 of the Act and contains planning obligations and is a planning obligation for the purposes of that Section and **WITNESSES** as follows:

1 DEFINITIONS

For the purposes of this Deed the following expressions shall have the following meanings:

- “Act” the Town and Country Planning Act 1990.
- “Application” the application for [*outline / full*] planning permission dated [] submitted to the Council for the Development and allocated reference number [].
- “Commencement of Development” the date on which any change of use or material operation (as defined in Section 56(4) of the Act) forming part of the Development begins to be carried out other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations, investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying of services, erection of any temporary means of enclosure, the temporary display of site notices or advertisements and “Commence Development” shall be construed accordingly.
- “Development” the development of the Land [...*insert description of the development...*] as set out in the Application.
- “Dwelling” any dwelling/s (including a house flat or maisonette) comprised in the Development [*or the dwelling/s shown edged (red / green) on the Layout Plan annexed hereto*]

"the Expert"	means a person having appropriate qualifications and local knowledge and experience in the matters in dispute as agreed by the Relevant Parties or failing agreement such person as is nominated by the President for the time being of the Royal Institution of Chartered Surveyors on the application of the Relevant Parties
"Household"	means any person who may reasonably be expected to reside with the Qualifying Person(s)
"Key Worker"	means a person confirmed in writing by the Council to be a key worker in accordance with the Key Worker Policy and Procedure Document
"Key Worker Policy and Procedure Document"	means the document so titled and annexed at the Fourth Schedule which shall include any subsequent modifications or revisions to the Key Worker Policy and Procedure Document approved by the Council from time to time
"Land"	means the Land referred to in the First Schedule and Recitals 1 and 2 hereof
"Layout Plan"	means the plan titled layout plan and annexed hereto
"Letting Notice"	means a written notice setting out the name and address of the nominated occupant/s and the first date on which the Council intends to permit the Occupation of the Dwelling by the nominated occupant/s
"Mortgagee"	means the mortgagee of a/the Dwelling where the mortgagor has defaulted on the particular mortgage
"Occupation" and "Occupied"	occupation for the purposes permitted by the Planning Permission but not including occupation by personnel engaged in construction, fitting out or decoration or occupation for marketing or display or occupation in relation to security operations.

“Occupation Notice”	means a written notice containing the name and address of the proposed occupant and details of his Household together with confirmation that the proposed occupant has been assessed by the Council in accordance with the Key Worker Policy and Procedure Document or the Specific Local Need criteria as set out in the Third Schedule and approved by the Council as a Qualifying Person
“Plan”	the plan attached to this Deed.
“Planning Permission”	the [outline / full] planning permission subject to conditions to be granted by the Council pursuant to the Application
“Qualifying Person”	means a Key Worker or a person who is confirmed in writing by the Council to be a person with a Specific Local Need in accordance with the Third Schedule
“Relevant Parties”	means the parties to this deed or their successors in title or assigns and in the case of the Council includes any statutory successors as local planning authority
“Specific Local Need”	means those requirements set out at the Third Schedule and any subsequent modifications or revisions to the definition of Specific Local Need approved by Council
“Vacancy Notice”	means written notice of the Vacation Date
“Vacation Date”	means the first date on which the Owner reasonably considers that the Dwelling will be vacant and ready for Occupation.

2 CONSTRUCTION OF THIS DEED

- 2.1 Where in this Deed reference is made to any clause, paragraph or schedule or recital such reference (unless the context otherwise requires) is a reference to a clause, paragraph or schedule or recital in this Deed.

- 2.2 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.
- 2.3 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner.
- 2.4 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and severally unless there is an express provision otherwise.
- 2.5 Any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it.
- 2.6 References to any party to this Deed shall include the successors in title to that party and to any person deriving title through or under that party and in the case of the Council the successors to their respective statutory functions.
- 2.7 The headings are for reference only and shall not affect construction.

3 LEGAL BASIS

- 3.1 This Deed is made pursuant to Section 106 of the Act and all other enabling powers and enactments which may be relevant for the purpose of giving validity hereto or facilitating the enforcement of the obligations herein contained with the intent to bind the Owner's interest in the Land and to the intent that the obligations on the part of the Owner herein contained falling within the provisions of Section 106 of the Act shall be planning obligations for the purposes of Section 106 of the Act and are enforceable by the Council as local planning authority in accordance therewith but subject as hereinafter provided

4 CONDITIONALITY

- 4.1 This Deed shall take effect from the date hereof PROVIDED THAT if the Planning Permission is revoked or expires by the effluxion of time then this Deed shall cease to have effect provided always that at the time of the said revocation no development has begun within the meaning of Section 56 of the 1990 Act;

5 THE OWNER'S COVENANTS

- 5.1 The Owner covenants with the Council to fulfil the obligations and restrictions specified in the Second Schedule of this Deed.

6 MISCELLANEOUS

- 6.1 The Owner shall pay to the Council on completion of this Deed the reasonable legal costs of the Council incurred in the negotiation, preparation and execution of this Deed.
- 6.2 No provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999
- 6.3 This Deed shall be registered:
- (a) as a Local Land Charge by the Council
 - (b) on the Charges Register of Title Number [] at the Land Registry by the Owner on each disposal and Office Copies from Land Registry provided to the Council as evidence of registration
- 6.4 Where the agreement, approval, consent or expression of satisfaction is required by the Owner from the Council under the terms of this Deed such agreement, approval or consent or expression of satisfaction shall not be unreasonably withheld or delayed and any such agreement, consent, approval or expression of satisfaction shall be given on behalf of the Council by the Chief Planning & Development Officer and any notices shall be deemed to have been properly served if sent by recorded delivery to the principal address or registered office (as appropriate) of the relevant party.
- 6.5 Insofar as any clause or clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.
- 6.7 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or (without the consent of the Owner) it is modified by any statutory procedure or expires prior to the Commencement of Development.
- 6.8 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its entire interest in the Land but without prejudice to liability for any subsisting breach arising prior to parting with such interest.
- 6.10 Nothing in this Deed shall prohibit or limit the right to develop any part of the Land in accordance with a planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Deed.

- 6.11 Nothing contained or implied in this Deed shall prejudice or affect the rights discretions powers duties and obligations of the Council under all statutes by-laws statutory instruments orders and regulations in the exercise of their functions as a local authority.

7 BANK CONSENT

- 7.1 The Bank acknowledges and declares that this Deed has been entered into by the Owner with its consent and that the Land shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Land shall take effect subject to this Deed PROVIDED THAT the Bank shall otherwise have no liability under this Deed unless it takes possession of the Bank in which case it too will be bound by the obligations as if it were a person deriving title from the Owner.

8. SETTLEMENT OF DISPUTES

- 8.1 Any dispute arising out of the provisions of this Deed shall be referred to the Expert for the determination of that dispute PROVIDED THAT the provisions of this clause shall be without prejudice to the right of any party to seek the resolution of any matter relating to the Deed by the courts and / or in accordance with Section 106(6) of the 1990 Act
- 8.2 The Expert shall be appointed jointly by the Relevant Parties who are in dispute
- 8.3 The decision of the Expert shall be final and binding upon the Relevant Parties and subject to the following provisions:-
- (a) the charges and expenses of the Expert shall be borne equally between the Relevant Parties who are in dispute unless the Expert shall otherwise direct;
 - (b) the Expert shall give the Relevant Parties who are in dispute an opportunity to make representations and counter representations to him before making his decision;
 - (c) the Expert shall make his decision within the range of any representations made by the Relevant Parties who are in dispute themselves;

9 WAIVER

No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

10 JURISDICTION

This Deed is governed by and interpreted in accordance with the law of England and Wales and the parties submit to the non-exclusive jurisdiction of the courts of England and Wales.

11 DELIVERY

The provisions of this Deed (other than this clause which shall be of immediate effect) shall be of no effect until this Deed has been dated.

IN WITNESS whereof the parties hereto have executed this Deed on the day and year first before written.

SAMPLE

FIRST SCHEDULE

ALL THAT piece or parcel of land known as [] **ALL OF WHICH** said land is shown for identification purposes only edged with a red line on the Plan

SAMPLE

SECOND SCHEDULE

("the Obligations and Restrictions")

- 1.1 *[Insert name of proposed occupant]* with or without their Household shall be the first occupant of the Dwelling and thereafter the Dwelling shall not be Occupied otherwise than:
 - 1.1.1 as the sole private residence of the Occupier ; and
 - 1.1.2 by a Qualifying Person with or without their Household PROVIDED THAT the Dwelling shall not be Occupied by any person other than *[insert name from 1.1 above]* until the Council has given its written approval that the prospective occupier is a Qualifying Person in accordance with paragraph 4; or
 - 1.1.3 in accordance with the provisions of paragraphs 5 or 6 of this Schedule.
2. Nothing in paragraph 1 shall prevent any former joint spouse civil partner or other member of the Qualifying Person's Household from continuing to reside at the Dwelling after the Qualifying Person ceases to reside there
3. The Owner shall serve a Vacancy Notice on the Council each time the Dwelling becomes available for Occupation but in any event the Vacancy Notice shall not be served more than 28 days before the expected Vacation Date.
4. Prior to the Occupation of the Dwelling by any person other than *[Insert name specified in paragraph 1 above]* the Owner shall serve on the Council an Occupation Notice and shall obtain the Council's written confirmation that the proposed occupant is a Qualifying Person PROVIDED THAT if the Council fails to respond to the Occupation Notice within 14 days of receipt of the Occupation Notice the proposed occupant shall be deemed to be a Qualifying Person for the purposes of this deed.
5. In the event that the Owner after using reasonable endeavours is unable to identify a Qualifying Person who wishes to Occupy the Dwelling within a period of 6 months from the date of service of the Vacancy Notice the Dwelling may be Occupied by a person who need not be a Qualifying Person PROVIDED THAT the Owner has sent written notification to Council confirming what best endeavours have been made and obtained written authorisation from the Council permitting such Occupation ALSO PROVIDED THAT the proposed occupier is only permitted to Occupy the Dwelling on terms that do not confer security of tenure for a period of more than 8 months upon the expiry of which the provisions of this deed as to the Occupation of the Dwelling will again apply unless the Owner has obtained the Council's written approval to any renewal of those terms

6. The provisions of paragraphs 3 to 5 of this Second Schedule shall not be binding on a Mortgagee
7. Any purchaser from a Mortgagee shall be deemed to be a Qualifying Person for the purposes of this deed PROVIDED THAT on all subsequent occupations the restrictions in this deed as to the Occupation of the Dwelling will apply

THE THIRD SCHEDULE

(Specific Local Need)

A person shall not be considered to be a person with a Specific Local Need unless both Condition A and Condition B is satisfied.

Condition A

He/she must be un-housed or living in inadequate accommodation and unable to rent a home appropriate to their circumstances on the local housing market

Condition B

He/she is the child of parents who, along with the child, have for the preceding 10 years been, and still are, in continuous residence on the Isles of Scilly in permanent residential accommodation, such accommodation not being commercial, and he/she has attained the age of 25 years

In assessing Condition B, those individuals who have left the Islands for the sole purpose of higher education, will be accepted as having a continuous main residence on the Islands

FOURTH SCHEDULE

(Key Worker Policy and Procedure Document)

EXECUTED as a **DEED** by)

THE COUNCIL OF THE ISLES OF SCILLY)

whose Common Seal was hereinto)

affixed in the presence of:)

Authorised Officer

[Print Name]

SIGNED as a **DEED** by **[OWNER]**)

In the presence of:)

Witness name

Address

Occupation

SIGNED as a **DEED** by)

[BANK'S/MORTGAGEE SIGNATORY])

as attorney for and on behalf of)

[BANK/MORTGAGEE])

Authorised Officer

SAMPLE

APPENDIX 4

Key Worker Policy and Procedure Document

Key Worker Policy and Procedure Document

1. Introduction

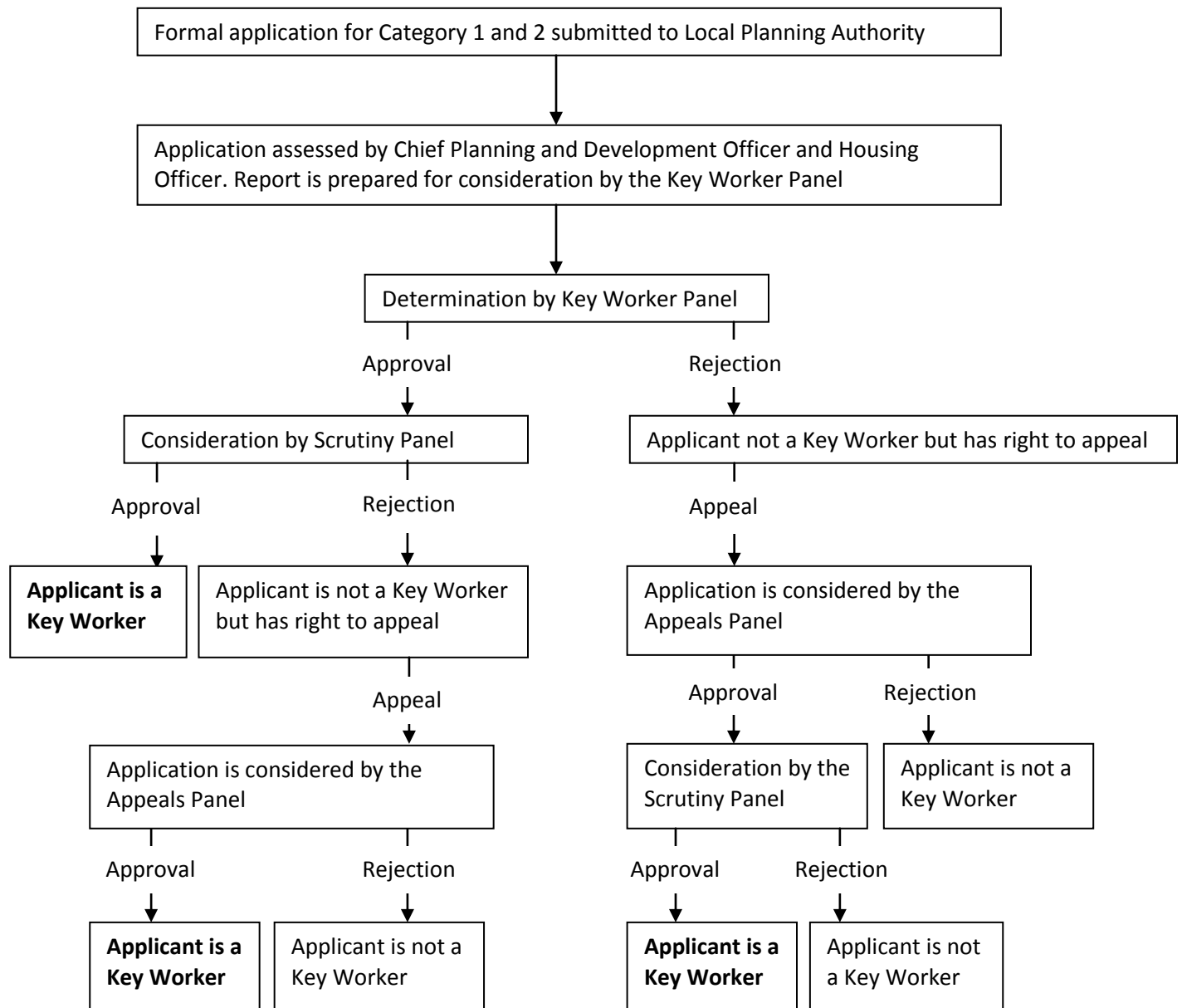
This Supplementary Planning Document (SPD) sets out the policy and procedures for determining Key Workers in the context of Policy 3 of the Local Plan to ensure decisions are consistent and thoroughly scrutinised. This SPD has been prepared by the Key Worker Review Panel and has been subject to public consultation.

2. The process for assessing key workers

The process for assessing key workers is summarised below. The intention of the above procedures is to provide consistency and scrutiny into the process of determining key workers.

1. A formal application for both Category 1 and Category 2 Key Workers must be submitted to the local planning authority for determination (see Appendix A).
2. Following its validation to ensure all the necessary information has been submitted and the appropriate questionnaire has been completed, the application is assessed jointly by the Chief Planning & Development Officer and Housing Officer with a report and recommendation prepared for consideration by the Key Worker Panel (that comprises Members drawn from the Planning & Development Committee).
3. The Key Worker Panel determines the application. If the Key Worker Panel approves the applicant, the decision is referred to the Scrutiny Panel for its consideration. The Scrutiny Panel comprises the Chairman of Council and the Chairmen of the Community Services and the Planning & Development Committees. In the event that the Scrutiny Panel agrees and endorses the decision of the Key Worker Panel, then the applicant is determined to be a Key Worker.
4. If the Scrutiny Panel rejects the initial decision of the Key Worker Panel and considers that the applicant is not a Key Worker, the applicant has a right to appeal*. All appeals will be considered by the Appeals Panel (that comprises Members drawn from the Planning & Development Committee).
5. Where a decision is overturned by the Scrutiny Panel (i.e. rejected) following the initial assessment of key worker, the Appeals Panel make the final decision. Similarly, if the Key Worker Panel refuses the application, the applicant also has a right to appeal*.
6. In the event that the Appeals Panel allows the appeal contrary to the initial decision of the Key Worker Panel, the Key Worker application is referred to the Scrutiny Panel who will make the final decision.

*NOTE: An appeal against the decision of the Key Worker Panel or the Scrutiny Panel as indicated in the procedures set out above, must be made in writing to the Chief Planning & Development Officer within 2 months from the date of the decision letter.



A copy of the questionnaire that an applicant must complete to be assessed as a key worker is attached at Appendix A of this report. Also attached at Appendix B are guidance notes to assist in the objective assessment of completed questionnaires.

Key Worker Criteria

1 Eligibility

To be considered a Key Worker in either Category 1 or Category 2 all of the following must be applicable:

- Work for an organisation or business whose primary purpose is delivering services that directly benefit the community;
- Work from a base within the islands ;
- Employed for a minimum of 21 hours per week on a permanent contract or fixed term contract of at least one year (un-expired at time of application by at least 6 months);
- Employed as a Key Worker as their main employment;
- Hold a recognised technical or professional qualification if this is normally required for the job;
- Unable to find accommodation suitable for their household needs on the islands or living on the islands in accommodation that is unsuitable to their household needs.

The following are excluded from the definition of a Key Worker:

- Agency or temporary staff and those on fixed term contracts of less than one year;
- Employees of private companies who do not provide a service that directly benefits the community including, for example, those commercial businesses solely or mainly engaged in agriculture, fishing, retailing and tourism as such businesses would be expected to find appropriate accommodation for their staff or employ those already resident on the islands;
- Households that can afford to purchase or rent suitable accommodation suitable for their household needs on the islands based on their income, savings and equity in property on the mainland where it can be realised (verifiable evidence will be required to demonstrate where the equity in mainland property cannot be realised).

2 Priorities

Priority will be given to the following categories of Key Workers:

Category 1

Education	Teachers
Health	Doctors, Dentist, Nurses, Midwives, Paramedics and Pharmacist
Police	Police Officers
Public Services	Posts that are required to fulfil the Statutory Duties of the Council of the Isles of Scilly
Animal Welfare	Veterinary surgeon
Public Utilities	Posts required to maintain public utilities on the islands

Category 2 (Subject to individual assessment based on the criteria for C2 Key Workers)

Tradesmen	Tradesmen who provide a service that directly benefits and supports the continued functioning of organisations and island residents
------------------	---

Other public service workers (not included in Category 1) who provide support services to the public sector occupations in Category 1 and where there has been a proven difficulty in recruiting and retaining a suitable person already living on the islands;

Officers and technical support staff required to fulfil a statutory Public Service function; and

Technical support staff within the education, health and police services.

Criteria for assessing Category 2 Key Workers

Category 2 Key Workers will be assessed by the key worker panel on the basis of the type of service provided by the job of the applicant and whether it provides an absolutely necessary service to the community. Category 2 Key Workers will also be assessed on the basis of the identified need for a particular job and its impact on the delivery of the provision of a particular service to the local community. In assessing this impact, account will be taken of the socio-economic needs of the community and the

range of statutory services/duties and alternative sources of service provision prevailing at the time of application.

Notes:

1. Category 1 Key Workers will be reviewed periodically to reflect identified short-falls in the recruitment and retention of particular jobs where the provision of a service has become a problem.
2. Category 2 Key Workers will be assessed on the information contained in a completed questionnaire and any supporting documentation.

Appendix A

COUNCIL OF THE ISLES OF SCILLY ASSESSMENT OF KEY WORKER

Please complete this form in order to be considered a Key Worker as defined in the Council's Supplementary Planning Document. The information requested will greatly assist the Key Worker Panel in assessing your case and will be treated as confidential. It is important that the information you provide is correct and complete. You **must** provide firm evidence to substantiate your application, including any supporting statements from your employer. Please use extra paper if necessary.

1. PERSONAL DETAILS

Name:

Address:

Date of Birth:

Telephone No.:

Job Title:

Employer:

Please provide details of everyone who will be living with you, including their age and relationship to you (E.g. wife, partner, child and other dependents)

Are they all currently living with you?

YES / NO

Are you registered on the Council's Housing Register?

YES / NO

2. ADDRESS OF KEY WORKER HOUSING UNIT IF YOU ARE PROPOSING TO OCCUPY A PARTICULAR PROPERTY AND THE NAME AND ADDRESS OF LANDLORD:

ADDRESS OF KEY WORKER HOUSING

ADDRESS OF LANDLORD

If you have not identified a specific property to occupy, it would be helpful to provide the Council with the address of any key worker property you intend to occupy as well as the name and address of the landlord.

3. YOU AND YOUR PARTNER'S/SPOUSE'S HOUSING CIRCUMSTANCES

You must demonstrate that you are [or, if arriving on the islands to take up a post, will be] un-housed or inadequately housed on the Isles of Scilly.

Do you or your partner/spouse currently live on the Isles of Scilly?

YES / NO

If **no**, have you or your partner/spouse been offered any accommodation on the islands?

YES / NO

If **yes** to either of the above questions, please describe in as much detail as possible why you consider this accommodation is not appropriate and inadequate for your circumstances. It would be helpful to describe the tenure, type and size of the accommodation, including its physical condition and available facilities, and (if applicable) the number of people you share with. If you have been given notice to vacate the premises, firm evidence must be provided.

Does your employment require you to live permanently on the islands?

YES / NO

If yes, please justify your answer below.

4. FINANCIAL CIRCUMSTANCES

Please state you and your partner's/spouse's gross annual household income before tax. Please include all sources of income including any benefits you may receive.

£

Please provide evidence of the gross annual income such as, for example, the last annual P60 Return or Working Tax Credit Notification.

Do you or your partner/spouse have any savings in excess of £ 10,000?

YES / NO

If yes, please specify how much.

£

Do you or your partner/spouse own any property either on the Isles of Scilly, on the mainland or elsewhere?

YES / NO

If yes, please specify the location, value and any rental income.

5. YOUR JOB

You must be able to demonstrate that you are a Key Worker with written confirmation of employment from your employer, performing an essential job and providing an absolutely necessary service to ensure the maintenance of a viable community on the Isles of Scilly.

Please state your employer / proposed employer and their address:

Name:

Address:

If you are self-employed, please state your job, give your current employment address and specify the scope and size of the business (for example, average turnover, number of employees etc.)

Please describe your (future) job on the islands, including firm evidence of this employment, together with all the specific qualifications and relevant experience. Please include a complete, up-to-date CV with copies of certificates.

Please explain in detail why you consider that your job is essential and provides an absolutely necessary service to ensure the maintenance of a viable community on the Isles of Scilly. Please attach a recent letter of confirmation from your employer or line manager.

Please explain why you consider that this absolutely necessary service would otherwise not be available to the community if you were unable to live on the islands. Please provide firm evidence to substantiate your explanation including, if appropriate, any difficulties in recruiting for the post you (intend to) occupy.

Please sign and date the following declaration. The information provided will be treated confidentially and used solely for the purpose of assessing the applicant as a Key Worker.

I declare that all the information in this statement is accurate and complete. I accept that if false information has been provided this application will be invalidated. You must immediately notify the Chief Planning and Development Officer of the Council of the Isles of Scilly of any change in your circumstances as this could materially affect your right to occupy Key Worker accommodation.

I understand and agree that the Council of the Isles of Scilly may make its own enquiries regarding the contents of this statement, if required to assess this application. I understand and agree that I will inform the Chief Planning and Development Officer of the Council of the Isles of Scilly of any change in my circumstances in relation to both employment and housing situation immediately.

NAME:.....

SIGNATURE:

DATE:

Please complete and send this form to the Chief Planning and Development Officer at the following address:

**Planning and Development Department
Old Wesleyan Chapel
Garrison Lane
St Mary's
Isles of Scilly
TR21 0JD**

Appendix B

GUIDANCE ON ASSESSING KEY WORKERS

1. DETERMINING IF SOMEONE IS INADEQUATELY HOUSED

Any prospective key worker (both category 1 and 2) must be able to demonstrate that they are [or, if arriving on the islands to take up a post, they will be] un-housed or inadequately housed on the Isles of Scilly.

Possible issues to consider include the following:

1. Physical condition of accommodation (i. e. structural issues, damp problems, leaking roof, lack of insulation etc).
2. Lack of basic amenities (i.e. no mains water or heating with inadequate kitchen and bathroom/toilet facilities etc).
3. Overcrowding (i.e. sharing amenities or sleeping rooms).
4. Living at home (if over the age of 25).
5. Living in temporary accommodation (i.e. holiday accommodation rather than simply in rented accommodation with a short-term tenancy agreement).

DETERMINING A CATEGORY 2 KEY WORKER

Category 2 Key Workers will be determined by the Local Planning Authority at the time of application based on the completed questionnaire and all supporting documentation and taking account of the following:

A Key Worker is an individual who performs a job that is essential to the maintenance of a viable community on the Isles of Scilly. Essential means a job that provides the community with an absolutely necessary service, taking into account the socio-economic needs of the community and the range of statutory services/duties prevailing at the time of any individual application.

Issues that need to be considered include the following:

1. What type of job is essential to our community?
2. What is an absolutely necessary service for the community? (Need to distinguish between an essential service and a desirable service).

3. What factors need to be taken into account in determining the above? (i.e. skill shortages, number of people doing same/similar job, quality of life issues for the community, access to services)

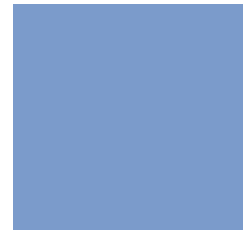
It has to be demonstrated to the satisfaction of the Local Planning Authority that the absolutely necessary service would fail to be provided to the community if the position in question goes unfilled by the prospective occupant of the Key Worker dwelling. Possible issues to consider include the evidence required to demonstrate that failure to fill the post would impact on an essential service? (i. e. evidence of recruitment and any difficulties in filling the post and how to assess/audit skill shortages and number of people doing or qualified to do same/similar job).

APPENDIX 5

Housing Growth Plan 2014

Housing Growth Plan

Part of the strategic plan for the
Isles of Scilly
May 2014



CONTENTS

	Page
Summary	2
The population	3
The current housing stock	5
Supply of housing	6
How affordable is housing on the Islands?	7
Future housing demand and the supply to meet this	9
Planning policy as a context for housing provision	11
Funding for housing	13
Towards an Action Plan	15

This report has been prepared by:



In association with:



THE HOUSING GROWTH PLAN

The Housing Growth Plan sets out a vision for housing development in the Isles of Scilly over the next 10 years. The Growth Plan concludes that more new homes are required on the Islands to meet the needs of the local community and to support sustainable economic growth. It makes an early estimate of the potential scale and type of the new housing to be planned for - but more detailed analysis and debate is required to refine these. The estimates shown in the Plan are based on the best available information, but they should not be treated as a fully-worked-up housing plan. They are the start of a process.

SUMMARY

Housing supply on the Isles of Scilly is very limited and new construction is very restricted. The lack of supply and the local housing policies are designed partly to prevent overdevelopment in an area of special environmental quality, and partly to ensure that people who live and work on the islands are able to find places to live.

As a consequence, there are serious issues with affordability and availability. This affects both the local community and the wider economy, as it is difficult to attract staff and potential entrepreneurs. At the same time, the population has been increasing and getting older which puts more pressure on the available housing stock.

We believe that there are a number of reasons why the existing planning and housing policies should be relaxed.

1. It is unlikely that the same level of grants for social housing will be available in the future. Therefore, securing more social housing for local people will require an element of cross-subsidy from more open market housing.
2. The new National Planning Policy Framework requires local planning policies to consider the need for all types of housing - of different sizes, types and tenures.
3. There remains considerable local demand for social housing and an increased choice of homes for private rent and sale.
4. The economy of Scilly needs to grow in order to sustain the viability of local services and, ultimately, of the local communities. It would be prudent to allow for a modest level of new development to attract new entrepreneurs and staff to the islands.

We are fully aware of the need to maintain the special nature of the environment. We suggest that development should be focused, in the first instance, on sites which are already identified, and then to other brownfield sites. Only then should any new locations be identified - which, we would suggest, should support existing or new settlements and be located carefully so as not to affect any environmentally sensitive sites.

As a result, we are estimating that provision should be made for between 90 and 120 new homes on Scilly over the next 10 years - this is only slightly higher than the number of homes built during the last 10 years. We suggest that these preliminary figures be kept under review to take account of any substantial increase or decrease in population size, and any changes in government housing policy and funding arrangements.

I. THE POPULATION

Headlines

The population of the Isles of Scilly today is about 2,200 and has been growing slowly over the last 30 years.

The population is ageing and is older than the national average – most older people are owner-occupiers and 1 in 5 households on the Islands is an owner-occupier aged over 64 years.

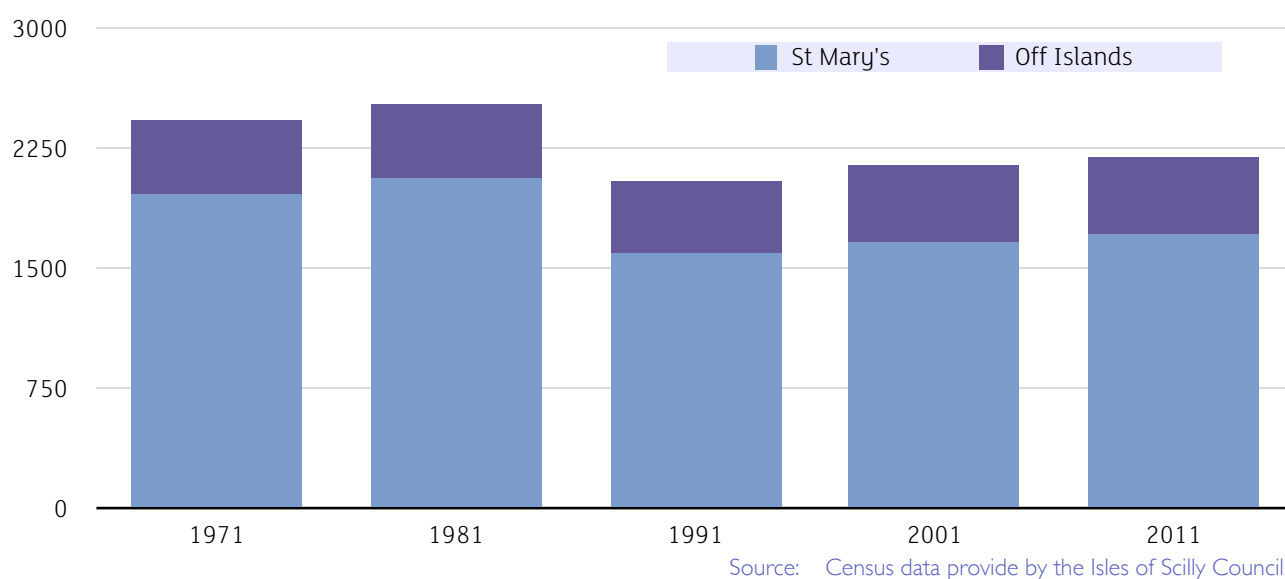
There is evidence that many young people, in their 20s, do not return from mainland education.

There are 2,200 people living on the Isles of Scilly, of which just over 1,700 live on St Mary's. The number of people living on the off-islands is estimated at:

- 175 on Treco
- 135 on St Martin's
- 170 on Bryher and St Agnes

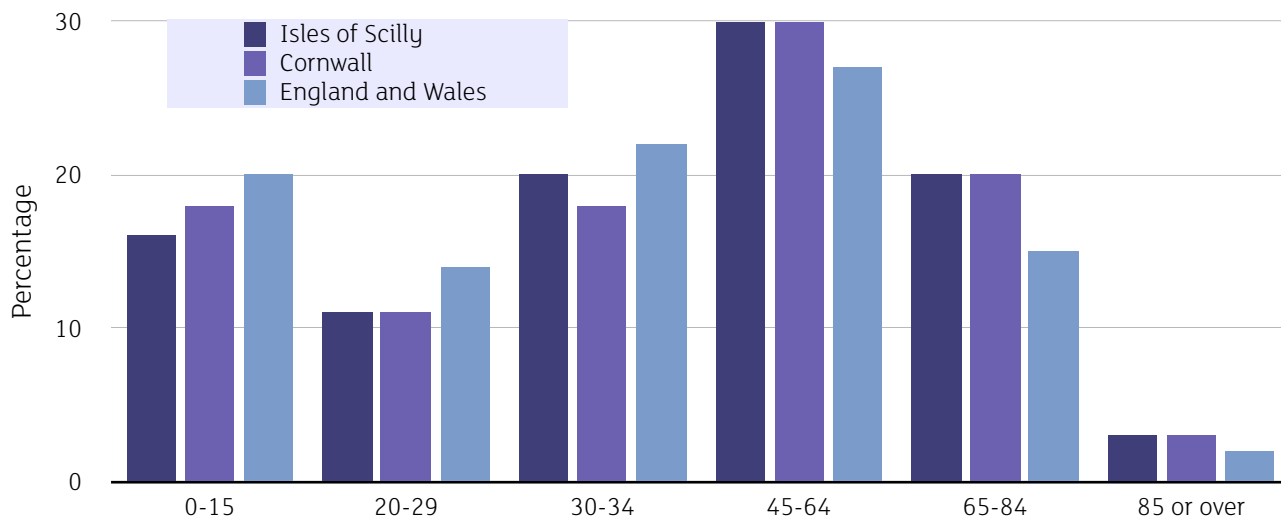
The population of the Islands declined in the 1980s but has been slowly increasing since then, with nearly all of the growth being on St Mary's.

Figure 1: Population change 1971 to 2011



In the same way as is happening nationally, the population is ageing. The chart below compares the age structure of the Islands' population with that of Cornwall and England and Wales. For this analysis, we have taken out 16 to 19 year olds because they mostly would have been in education on the mainland at the date of the Census.

Figure 2: Age Structure of the population

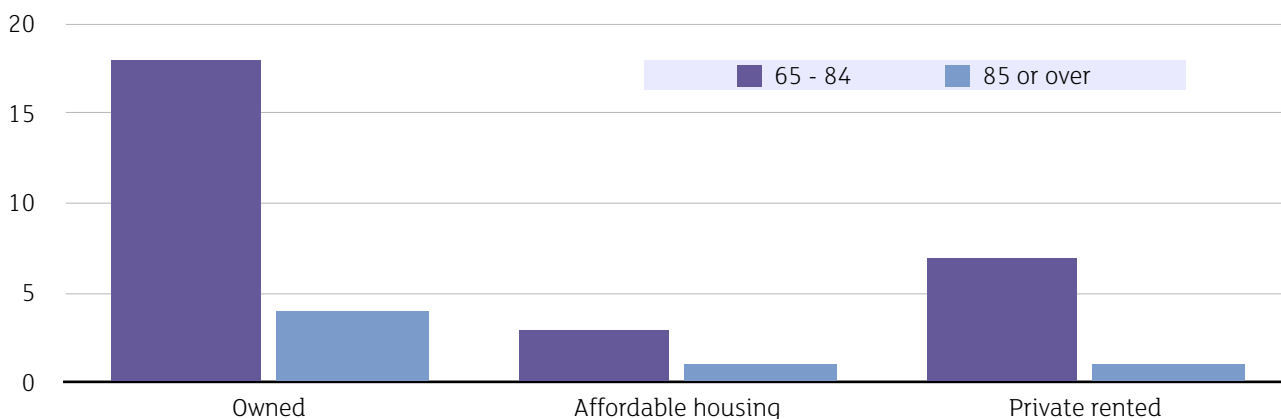


The chart shows that:

- There is evidence to suggest that many young people in their 20s stay on the mainland at the end of their education, but we do not know whether this is due to difficulties in finding affordable housing on the Islands or other reasons;
- Older people of working age (looking across the 30 to 64 age range) represent about the same percentage of the population as found nationally, suggesting a normal workforce for the size of population;
- The Isles of Scilly, like Cornwall, has a relatively high proportion of older people – both those 65-84 years and people aged 85 and over. It is this latter group where there is a higher likelihood of additional care needs.

The 2011 Census highlights that there is a concentration of older people in the owner-occupied sector: 22% of the total population are older owner-occupiers and this will have implications for the type of housing for older people that needs to be planned for in the next 10 years.

Figure 3: Older people in the population by tenure (as % of the total population)



Source: 2011 Census

2. THE CURRENT HOUSING STOCK

Headlines.

There are 1,375 dwellings on the Islands of which one third are holiday lets or second homes

The percentage of owner-occupied dwellings is lower than on the mainland, but there is a much greater reliance on private rented housing

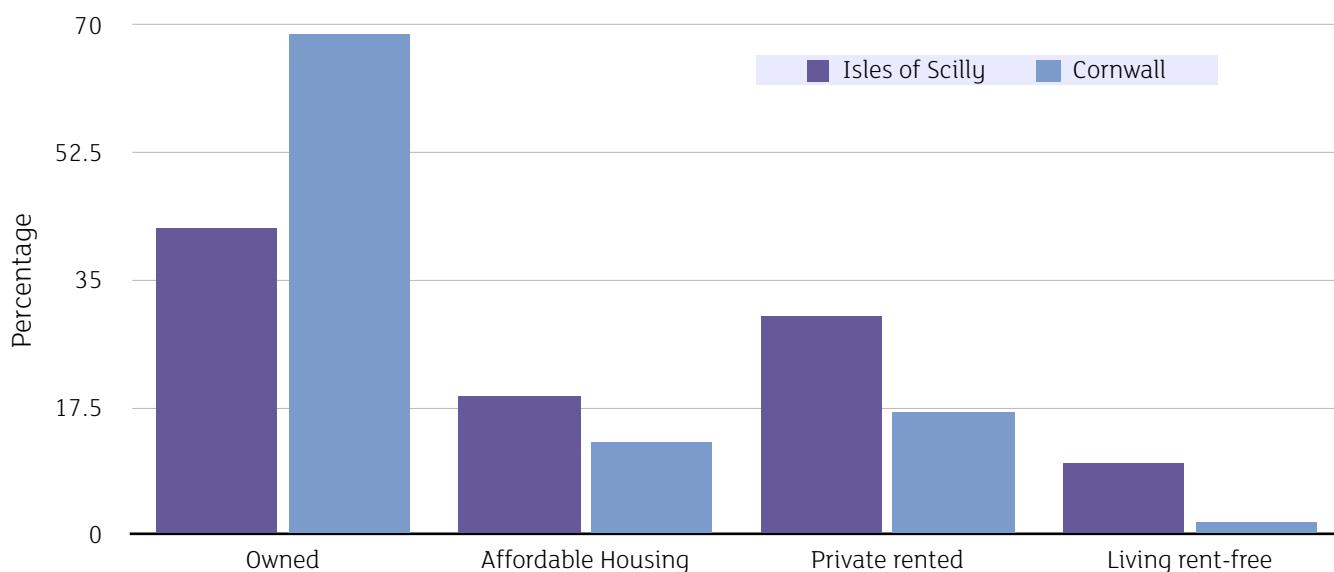
There are 1,375 dwellings on the Islands which are made up as :

990 dwellings	permanently occupied stock ¹
195 dwellings	second homes ²
190 dwellings	other properties – assumed to be holiday lets / time shares, etc.

Second homes and other holiday accommodation therefore represent about 30% of the total housing stock. In a national context this is an exceptionally high figure – only eclipsed by the City of London. Second home ownership in the Islands is about three times higher than for Cornwall as a whole, although there may be individual Cornish towns and villages, of a similar size to the Isles of Scilly, that have as many second and holiday homes.³

The tenure of the permanently occupied stock is very different in the Islands compared with Cornwall. This is illustrated in the chart below, which shows that owner occupation is relatively under-represented but there is much more private rented housing than is typical of the mainland. In this chart, affordable housing is defined as social rent and shared ownership housing provided by the Council or a housing association.

Figure 4: Tenure of permanently occupied stock



Source: 2011 Census

¹ Recorded as 989 in the 2011 Census

² Council tax records

³ Savills Research, Residential Property Focus Q2 2013. The data shown in the study gives a second home figure of 16.3% for the Isles of Scilly and 5.7% for Cornwall – based on Savills' analysis of council tax records.

3. SUPPLY OF HOUSING

Headlines

Over the last 10 years, on average, there have been 10 new homes developed each year.

There is a small supply of relets and resales each year from the existing stock – about 30-35; of these, around 14 are homes for sale.

The annual housing supply has two sources – new development and relets and resales of the existing stock.

New development

Between 2004/5 and 2011/12, 81 new homes were built on Scilly. If this rate of housebuilding were sustained over the next 10 years, that would be the equivalent of about 100 new homes.⁴

Relets and resales from the existing stock

The existing stock provides a small supply of housing available for permanent occupation each year – for resale or reletting (but resales of market housing can be taken up by second home owners or as holiday lets). Sources of supply from the existing stock are shown in the table below. The information is a best estimate drawn from a number of sources and there may be better data available to help refine these numbers.

Figure 5: Sources of housing supply from the existing stock

	Estimated annual supply
Social rented – council and housing association	8 - 10
Owner-occupied	12 to 14
Privately rented (including Duchy of Cornwall)	12

This very limited annual supply – around 30-35 dwellings – highlights the limited flexibility within the housing market.

Demand for affordable housing (Council and housing association) is very high, with about 15 households on the housing register for every relet. Allocation to affordable housing is managed by the Council, operating a strict points system. This gives priority to households in different types of housing need (e.g. unintentionally homeless, sharing with parents, in overcrowded accommodation, medical priority, separated families) but also gives points to households born on the Islands and to those not born on the Islands but resident for 20 out of the last 25 years. Using a points system ensures transparency; however, it is somewhat inflexible. The system does not allow for any access to affordable housing for those needing to move to the Islands for economic or family reasons.

There is also a stock of 30 properties available for letting to key workers, with a wide variety of owners. Access to key worker accommodation (when a relet becomes available) is on an ad hoc basis, but in line with procedures set out in 'Key Worker Policy and Procedure Document, November 2012'.

Education	Teachers
Health	Doctors, Dentists, Nurses, Midwives, Paramedics and Pharmacists
Police	Police Officers
Public Services	Posts that are required to fulfil the statutory duties of the Council of the Isles of Scilly
Animal Welfare	Veterinary Surgeons
Public Utilities	Posts required to maintain public utilities on the islands

⁴ Council of the Isles of Scilly, Annual Monitoring Report (AMR) 2011/12

4. HOW AFFORDABLE IS HOUSING ON THE ISLANDS?

Headlines

Although the market may be easing slightly, average sale prices remain very high and very few properties are sold for less than £200,000. Local households on modest incomes will struggle to get onto the housing ladder.

Council rented housing is affordable for nearly all households on the Islands. However, if future rented housing was provided by the Council or housing associations as the new **Affordable Rent** tenure, it could only be afforded by about half the Islands' households.

Market housing is very highly priced. The overall average price of sale housing across the last two years was £344,000. This is over £100,000 higher than the average for Cornwall (at £219,000).⁵ The analysis of recent sales on the Islands demonstrate how prices vary by type of dwelling.

Average values for houses are £350,000 or above, with flats at an average value of just under £250,000. Of the 41 sales recorded by Land Registry from 2011 to 2013, only three properties sold for less than £200,000.

There are some signs and local agent advice that prices may be easing, with properties on the market at reduced prices. Nevertheless, there are still only a handful of properties available at any time for less than £200,000. This highlights the difficulties for local people on middle incomes of buying locally and getting on the housing ladder.

Figure 6: Mean average market values by property type 2011 to 2013

Housing type	Average sale price (£)
Flat	243,000
Terrace	349,000
Semi-detached	359,000
Detached	403,000

Source: Land Registry - freehold & leasehold properties

Figure 7: Average rents by landlord (2012)

Ownership	Average rents per week (£)
Council	70
Housing Association	100
Duchy of Cornwall	130 approx
Privately rented	160 approx

Source: Consultation Draft Tenancy Strategy 2013

Rents vary significantly with tenure and within tenures. For the affordable stock, there are differences in rents between Council and housing association properties.

It is highly probable that any future provision of rented affordable housing (that relies on Homes and Communities Agency funding) would need to be Affordable Rent housing.⁶ Rents for this type of housing would be higher than typical for today's housing association and Council social rented housing: Affordable Rents estimated at around £105 per week for a 2 bedroom home and £120 per week for a 3 bedroom home.⁷

⁵ DCLG Live Table 581 – mean average Q2 2013. This is not a direct comparison with the more detailed analysis of values in the Islands but is a reasonable estimate to use.

⁶ This is made clear in the Homes and Communities Affordable Homes Programme 2015-18 Prospectus – January 2014 which states, “The 2015-18 Affordable Homes Programme ... assumes that the main new supply product that will be delivered will be new Affordable Rent homes, and, where appropriate, affordable home ownership (shared ownership) homes”, and later that “Social rent provision will only be supported in very limited circumstances. For example, social rent could be considered where decanting existing social tenants into new homes is necessary”.

⁷ These rents are approximately 80% of the Local Housing Allowances (LHA) for the nearest mainland area, which is a useful indicator. This is the Broad Rental Market Area of Kernow West in Cornwall with LHA rates of £129 for a 2 bed dwelling and £150 per week for a 3 bed dwelling.

Extract from the Homes and Communities website

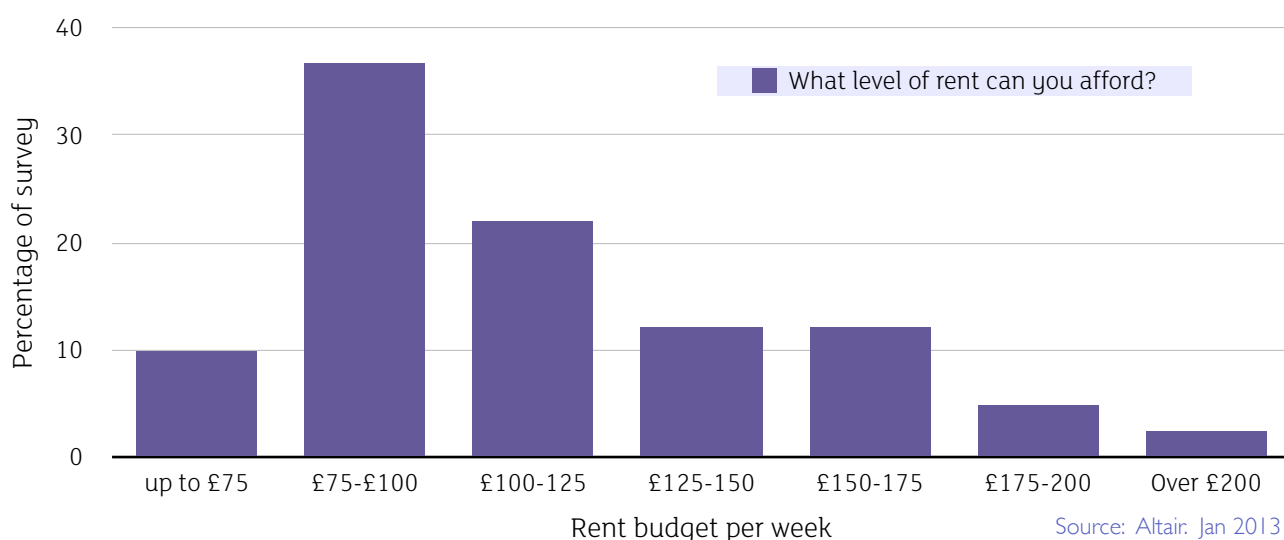
The Affordable Homes Programme signals a significant change and heralds the introduction of a new, more flexible form of social housing, **Affordable Rent**, which will be the main type of new housing supply.

Affordable rented homes will be made available to tenants at up to a maximum of 80% of market rent and allocated in the same way as social housing is at present. Landlords will have the freedom to offer Affordable Rent properties on flexible tenancies tailored to the housing needs of individual households.

Affordability. Evidence about affordability is available from the 2013 Housing Needs Survey. The survey collected information from only 70 households and so the results can only provide limited information about affordability. The survey concluded that only 5.4% of the respondents could afford to buy an average-value property (the average value being £305,000 according to the Survey report) and only around 13.5% could afford £200,000 or more.⁸

The chart below, taken from the report, indicates that social rented housing is affordable by nearly every household, but that if Affordable Rent housing was provided (at the increased rents of this tenure) it could only be afforded by about half of households.

Figure 8. Extract from Housing Needs Survey 2012



Intermediate housing. There is very little opportunity for those on modest incomes to get into the sale housing market, and anecdotal evidence suggests that this causes some, mainly young, households to leave the Islands or not to move in the first place to take up employment. Given the very high market values and minimal supply of smaller cheaper properties, this is not surprising. There is very little, if any, intermediate housing to help here to bridge the gap. On the mainland, in areas with very high house prices, one option is to include some form of equity share housing in new developments. For example, a household could buy 70% of the equity in a property and purchase the remaining 30% if and when they can afford the extra cost. If the property is sold, it can be offered again to another household on an equity share basis.

⁸ See Figure 22 in Housing Needs Survey 2013

5. FUTURE HOUSING DEMAND AND THE SUPPLY TO MEET THIS

Headlines

1. Meet local demand for new housing of about 100 to 110 new homes plus 10 to 15 new homes to prepare for the impact of changing household size
2. Support the planned economic growth with another 10 to 15 homes

We are suggesting pulling back slightly from the maximum number suggested because of environmental constraints. Therefore we are recommending that a provisional estimate of 90 to 120 new homes should be planned for over the next 10 years.

However, these figures are only indicative and require more refinement and consideration before they are made into a formal target. The Council should prepare its own demographic forecasts to help with this. The new housing will meet the needs of a range of people, including those requiring affordable housing, local young people who want to get on the housing ladder, older households requiring specialist provision, and incoming key workers and entrepreneurs.

The Housing Growth Plan has built up an estimate of demand for housing over the next 10 years. This adds together demand for housing from the local community and the need for housing to support economic growth. It does not include demand from elsewhere not linked to economic growth.

The estimates of demand are based on the best available data but the Council is urged to draw up more robust estimates (such as a Housing Market Assessment) before proceeding with any plans for more housing.

Demand for housing from the local community

Current demand for housing from the local community is measured in a number of ways. Sources include:

- Local housing register (for Council and housing association housing) - approximately 80-90⁹
- Waiting list for other rented properties, approximately 40-50¹⁰
- Market housing – market values indicate strength of demand and local agents' view that demand from local residents is becoming a higher proportion of overall demand

The above current unmet demand from the local community is therefore somewhere between 120 and 140 households plus demand for market housing. Some of this demand may be double counted and some of the demand may be met through relets and resales of the existing stock. On this basis, it might be reasonable to seek to meet demand for around 60-70 homes to 2020 (the end date of the Local Plan) and a maximum of 100-110 over the next 10 years.

There are no official population or household forecasts to indicate how many more homes will be needed in the future to accommodate changes within the existing population. For the Housing Growth Plan, a very basic estimate has been prepared simply to take account of changing household size. This is a very approximate measure but does give an indication of internally generated household growth. If household size in the Islands follows the same pattern as in Cornwall, it is projected that there will be another 10 households by 2021 and about another 15 within the next 10 years.

Demand for housing to support economic growth

The other element of demand is to support economic growth.

The current stock of about 30 key worker properties is very limited and it is reported that there can be difficulties finding suitable accommodation when it is required. Of the 46 businesses who answered the question in our Business Survey, 10 stated that 'lack of suitable housing held back recruitment'. This suggests that, across the whole business base, the demand for accommodation for staff is considerable.

⁹ Isles of Scilly Council Allocations to both council and housing association properties are made by the council.

¹⁰ Author's estimate based on expert views

It is very difficult to devise a suitable figure for new housing to support future economic growth but the Housing Growth Plan includes an allowance of 10 to 15 new homes for this purpose, as a pilot scheme. Any new housing to support economic growth will need to be kept under review and, in particular, monitor the release of holiday let properties back into the open market.

Summarising the future housing supply

Bringing together the different elements of housing need, and taking account of environmental pressures, produces an indicative figure for new housing of around 90 to 120 dwellings over the next 10 years. The table below shows how this figure is built up, but it must be stressed that the numbers are only guidelines and will need to be scrutinised in detail and revised before being adopted as a formal target.

Figure 9 **Possible 10 year housing supply**

Type of demand	6 years to 2020	For 10 years
Local demand From the local Housing Register, those estimated to be on waiting lists for other rental properties; those seeking local market housing for purchase; staff and key workers	60 to 70	100 to 110
Population increase From changes in household size	10	15
Increase to support economic growth This is made up from an estimate of potential new dwellings to meet demand from incoming entrepreneurs and their staff	5 to 10	10 to 15
Maximum total	75 to 90	125 to 140
We recommend Given the limited sites currently identified; and given the crucial need to preserve the essential environmental quality of the Islands	60 to 90	90 to 120
Compared with last 10 years (estimated - from AMR 2011/12)		101 dwellings

Types of housing

There are several different housing needs to be met in the future which have been identified by the Housing Growth Plan. These are outlined below but much more detailed analysis will be required to determine how much of the future new supply is made available for each:

- Meeting the current need for affordable housing (which is found to be mainly from single people and couples)
- Meeting the need for young local households to move to home ownership including some form of equity share of smaller properties to bridge the gap
- Meeting the needs of key workers who will often be looking for good-quality private rent opportunities as well as home ownership
- Market housing for economic growth

Housing for older people

The other group for whom new housing is likely to be needed over the next 10 years is older people. This issue has been highlighted in the research with an apparent need for enhanced provision which spans the full range from 'down-sized' mainstream housing through different levels of care provision to full nursing care (with 24-hour nursing provision).

The analysis of the population structure shows that the older people are mainly homeowners and future plans need to reflect this. But there may also be issues of under-occupancy of affordable housing which also need to be assessed and suitable alternatives provided.

There is limited information with which to plan for future provision and to deliver an integrated strategy that includes both market and affordable provision, meets the different types of care needs, and is fundable.

6. PLANNING POLICY AS CONTEXT FOR HOUSING PROVISION

Headlines

Planning for the Islands is guided by the current Local Plan which runs to 2020. The Plan does not allow the development of open market housing, and private housing is only permitted if it can be shown to meet a local need.

The Local Plan was published in 2006 and predates government guidance (the NPPF) which requires planning authorities to consider future housing provision to meet the range of needs of the whole community – across all tenures and types of household. This is an important change.

The Local Plan has already allocated sites for new housing – but some of these have not been developed.

Future development should make best use of redevelopment / brownfield sites (e.g. the Carn Thomas school site) as well as the outstanding Local Plan allocations before new sites for development are identified.

Overall policy approach

The future provision of housing will be shaped by the Local Plan. The current Isles of Scilly Local Plan (2005) covers the period to 2020. It has allocated land for residential development but only permits development of affordable housing or housing providing staff accommodation. No open market housing is permitted and any private housing that is developed will be tied through a planning condition or obligation to meeting a local need. Policy 3 sets this out:

POLICY 3 - HOUSING	
1	To endeavour to ensure that housing is available to meet the needs of the community in perpetuity and to promote sustainable communities on the inhabited islands, no general open market housing will be permitted.
2	To ensure that suitable housing is available to meet the long term needs of the community, residential development will only be permitted where it is required to meet: <ul style="list-style-type: none">a) an identified and recognised local need or to accommodate a key worker whose needs cannot be met by the existing housing stock; orb) the provision of staff accommodation for businesses on or near the premises where possible and where it can be demonstrated that there is no other accommodation available and it is not possible to recruit staff already housed on the islands.
3	All new residential development will be subject to secure arrangements to ensure that it remains permanently available to meet the specific identified need that justified its original permission.

Source: Part of policy 3 from Isles of Scilly Local Plan adopted 2006

The purpose of the policy is to meet local need only – as this extract from the supporting text illustrates:

"In seeking to provide for the housing needs of the islands, the presumption will be to keep new housing development to that required to meet specific local need generated from within the islands which cannot be met by the existing housing stock."

The very tightly constrained approach to housing provision (reflecting the very sensitive nature of the environment and infrastructure constraints) predates publication of the National Planning Policy Framework (NPPF) which requires planning authorities to take a 'whole market approach' to their assessment of housing need and future provision. See NPPF example below.

The Local Plan was drafted at a very different time and significantly predates the NPPF. There are other parts of the NPPF which ensure the protection of prized environments. But what the NPPF has introduced is a need for planning authorities to consider future housing provision to meet the range of needs of the whole community – across all tenures and types of household.

NATIONAL PLANNING POLICY FRAMEWORK – para 50

To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and ...

Development opportunities

There are three sites allocated in the Plan, totalling 30 houses and all on St Mary's. They are:

- 0.34 hectares adjoining Coastguard Bungalows, Telegraph capable of accommodating a minimum of 15 houses
- 0.36 hectares on the eastern side of McFarland's Down north of the junction with Pungies Lane capable of accommodating a minimum of eight houses
- 0.06 hectares of derelict farm buildings adjoining and to the south-east of Normandy Farmhouse capable of accommodating a terrace of six units of social housing for rent

The site at Normandy Farmhouse has been developed but the other two sites for 23 dwellings (which are geographically close) have not been brought forward.

The Local Plan does not preclude development on suitable windfall sites and, on average, there have been about five completions on windfall sites each year since the Local Plan was adopted.¹¹ These include seven affordable units across three of the off-islands (St Agnes, St Martin's and Bryher). They also include a number of self-build units which can provide a route into home ownership for islanders at a more affordable price.

Development at the Carn Thomas school site in Hugh Town would be another windfall opportunity – this time on a brownfield site. The Carn Thomas site is well located in relation to other facilities in Hugh Town, is a suitable site for a range of (smaller) housing types including flats and can meet the needs of a range of households, including older households.

Together, the outstanding Local Plan allocated sites, the Carn Thomas site and other small windfall schemes that arise total approximately 50 dwellings. This means that provision for only 40 to 70 dwellings would need to be found over the next 10 years to achieve the Housing Growth Plan's very provisional figure of 90-120 new dwellings. Priority for these dwellings can be given to other brownfield development opportunities and infill sites before any new greenfield development need be considered.

No specific initiatives are proposed for the off-Islands by the Housing Growth Plan but local communities may want to bring their own proposals forward – especially if linked to economic growth.

¹¹ Isles of Scilly Council, AMR December 2012

7. FUNDING FOR HOUSING

Headlines

There is very limited grant funding available to provide affordable housing in the future and new sources of subsidy will need to be identified. This can include cross-subsidy from open market housing.

If open market housing is provided then there will need to be strict controls (through the planning system) regarding who can purchase the housing, and this should form part of the Local Plan policy.

Open market housing can include equity share which reduces the cost of purchasing (especially for first-time buyers) and is an option that needs to be worked up locally.

There is an ongoing need for affordable housing on the Islands and it is expected that a high proportion of the new homes developed over the next 10 years will be affordable housing e.g. Affordable Rent and low-cost home ownership.

In the recent past, new affordable housing has been largely funded by public subsidy from the Homes and Communities Agency (HCA). Development costs are higher on the Islands than on the mainland and this increases the amount of grant required. Based on our knowledge of development economics, we have estimated that, at a minimum, a grant of around £110,000 would be needed to develop an Affordable Rent 2 bedroom flat or 3 bedroom house. This is without any consideration of the cost of land. £110,000 is about five times the average grant per dwelling provided by the HCA for Affordable Rent in Cornwall in recent years (about £22,000).¹²

For the current funding programme (2015-2018) the HCA has made clear that it will assess future bids for funding on a value for money basis. While the HCA may be sympathetic to the additional costs of development faced on the Islands, the difference in requirement for subsidy between the Islands and the mainland, could be difficult to justify in a competitive bidding situation.

The HCA's Prospectus for their 2015-2018 programme emphasises the importance of offering value for money when applying for a grant: *"bidders who ... are able to offer good value for money for the grant funding requested are likely to be advantaged ..."*

To secure grants and fund affordable housing in the future, it will be important to identify other sources of subsidy to add to any HCA grant. This could be money that the council itself can invest or the potential for cross-subsidy from market housing in mixed-tenure schemes. There are no other public sources of funding for housing delivery that are available at this time.

The Local Plan currently precludes development of open market housing because it is not considered to meet the main local need (for lower-cost accommodation) and because it can add too easily to the second home stock and/or letting market.

This is an issue faced by other areas where development is severely constrained but where the authority wants to allow some market housing to take place, both for economic reasons and to provide cross-subsidy for development of affordable housing. This kind of policy can be found in the Local Plans of National Parks. A typical example is set out below, from the draft Local Plan of Exmoor National Park (published November 2013). This is a shortened version.

HC-S3 Local Occupancy Criteria

1. New housing will be in accordance with Policy HC-S1 and in the case of 2 a) will be occupied in accordance with the following local occupancy definition by a person(s) (and their dependents) with a proven housing need who meets one or more of the following:

¹² Schemes confirmed by the HCA: April 2011 - December 2013. HCA website March 2014

- a) 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 is currently homeless or living in otherwise unsatisfactory accommodation;
- b) a minimum period of a total of 10 years permanent residence within parishes within the National Park and who can demonstrate a clear link with a parish or its adjoining parish who cannot afford (to rent or buy) accommodation in the locality and is forming a household for the first time or is currently homeless or living in otherwise unsatisfactory accommodation; or ...
- e) needs to live close to their place of work or meets the requirements of an Exmoor worker in the parish or an adjoining parish and who cannot afford (to rent or buy) accommodation in the locality.

And later

6. For privately owned dwellings the definition of local need shall initially be based on criteria 1 (a) to (e) above. ... The planning obligation will allow, where properties become vacant, other local persons with a minimum period of 5 years permanent and continuous residence in the parish or an adjoining parish or with strong local ties to the relevant district council area of the National Park, or the National Park as a whole to occupy the dwellings.

Another example of local occupancy criteria being applied to market housing is found in the Lake District National Park.¹³ The National Park Authority does not permit open market housing but does permit 'local needs' housing which is market housing limited to purchasers with a defined 'local connection'.

Local occupancy of market housing can be secured either through a Section 106 agreement or a planning condition.

The advantages of this type of approach are:

- Some market housing can take place to help deliver affordable housing without subsidy;
- Some market housing can take place to support defined economic objectives;
- With a restricted market for sale, market values tend to be lower than equivalent properties without local restrictions.

The disadvantages of this type of approach are:

- Once occupied, it is not feasible to enforce the local occupancy criteria if the purchaser's circumstances change;
- Local occupancy can be enforced on subsequent resales but this requires policing to enforce;
- Mortgages are more difficult to obtain with a restricted market.

Similar criteria already operate on the Isles of Scilly when new private housing is developed for local people. But the Housing Growth Plan proposes two new elements: first, that occupancy criteria are included in policy, and second, that occupancy criteria are applied to any new open market housing. The details of an occupancy policy need to be relevant to the Isles of Scilly but as illustrated above, there are various examples of policies that can be drawn on for this.

A further option open to the Council is to combine local occupancy restrictions with some form of equity share product (e.g. an open market sale home available at, say, 60% of open market value). This would provide some intermediate market housing available only to people who met the occupancy criteria. The option needs considerable further investigation and testing but does offer a way of meeting a market need that is currently unmet.

¹³ *Housing Provision Supplementary Planning Document. March 2014*

8. TOWARDS AN ACTION PLAN

The key issues highlighted by the analysis of the Islands' housing market are:

- Very limited supply of both affordable housing and market housing at prices local people can afford
- Lack of a 'middle market' and low-priced market housing for households who want to get on the housing ladder
- New housing needing to play a clear role in supporting sustainable economic growth
- Limited new development opportunities - but with a mix of redevelopment sites and outstanding Local Plan allocations
- Economic difficulties in delivering Local Plan policies (with its emphasis on affordable housing and very limited prospects for public subsidy to support this)
- Meeting the needs of an ageing population – most of whom are owner-occupiers

In responding to these issues, the Housing Growth Plan sets out a series of actions. Some actions are about defining choices and deciding on priorities, so that the best use is made of the resources (people, land and money) that are available.

1. Government guidance requires local planning authorities to take a whole-market approach in making their plans and identifying their housing targets. This will mean a rethink for the Council, whose plans were drawn up under much earlier guidance. With this in mind, a provisional figure of 90 to 120 new homes has been identified; these should be planned for over the next 10 years to meet local demand and support the planned economic growth. A range of types and tenures of housing is required, including affordable housing for local young people who want to get on the housing ladder and specialist provision for older households as well as incoming key workers and entrepreneurs. The provisional figure needs to be tested through improved evidence.
2. Priority for new development should be on brownfield sites and other windfall opportunities, e.g. Carn Thomas School redevelopment in Hugh Town. The other priorities for development are the sites already allocated in the Local Plan which have not been built out (at Telegraph).
3. Given the limited opportunities for new housing and the wide range of demands for the housing, the type and tenure of the new supply should be planned as an integrated package and not on a 'first come, first served' basis. Realism is also needed about how new housing will be funded.
4. The Council, working with its key partners (the Duchy of Cornwall and active developing housing associations) needs to review alternative approaches to delivery of market housing and explore:
 - a) The minimum level of sale housing required to maximise delivery of affordable housing;
 - b) The need for new policies to help ensure that 'local needs market housing' does actually meet local needs – both from within the community and to support new and existing business opportunities;
 - c) Whether there is a role for shared equity within the mix, e.g. at a fixed percentage of the open market value.
5. A rapid review needs to be undertaken to identify what size of dwellings should be planned for. This will reflect the growing number of smaller households (especially of older persons) but also the need for family accommodation amongst the local community. When considering what local needs market housing is to be provided, this could include the opportunity for a small number (say 4 to 6) of larger properties attractive to entrepreneurs but with controls in place to minimise the risk of these becoming second homes.
6. The approach to key worker housing should be continued but the Council and other major employers of key workers should consider developing their own key worker housing (for rent). This would be on a very modest scale (say 4 to 6 flats in a single scheme) but it would assist in maintaining a supply of this housing, so that working on the Islands remains attractive. The ideal opportunity would be a windfall site in the existing urban area.

7. The analysis of the population structure shows that there are a large number of older people who are mainly homeowners. But there is limited information with which to plan for future provision and to deliver an integrated strategy that includes both market and affordable provision, meeting the different types of care needs, and which is fundable. Further evidence gathering is needed but with the aim of developing an integrated housing and care strategy that covers all aspects of housing for the elderly.
8. With the recent developments of affordable housing, there is no identified need or argument put forward for new housing on the off-islands over the next 10 years. However, this should be kept under review, allowing for any locally driven initiatives.
9. The Council can strengthen its evidence base with additional information about the population and housing delivery. This could include:
 - a) Population and household projections – especially to identify the potential number of young households and older households in the population;
 - b) Evidence of the type of local demand for market housing (price and size of dwelling);
 - c) Information about the economics of development and the balance between affordable and local market housing needed to get the housing developed;
 - d) Developing policies to support new local market housing so it does not slip into the second homes market and which offers local people the opportunity to afford to purchase, e.g. through equity share. Regarding the latter, the Council will need to investigate which organisations could invest in the share of the equity that is not purchased (this could include the Council itself).
10. The Housing Growth Plan has indicated a new direction for some aspects of the Islands' housing and planning policies. These will get picked up in any future Local Plan review but, in the meantime, the Council needs to make clear any changes to the way it implements its Local Plan policies. Producing a Supplementary Planning Document may help with this and would be an opportunity to ensure the community could have their say. However, it must be recognised that SPD is not a substitute for a policy review.

These actions are in addition to the ones shown in **Annex I - Key Actions**, and relate to the technical requirements for creating new housing policies.

Key actions	Potential lead partners	Delivery timescale	Potential benefits	Scale of costs
Produce a strengthened evidence base	Council / Duchy / housing associations / local agents	6 months	Provides improved data to refine the policies and targets set out in the Growth Plan	Local staff resources and specialist demographer
An improved evidence base would help answer a number of detailed questions that the Growth Plan has identified and only partially answered. This includes refining the overall 10-year target, being clearer about the size, type and tenure of dwellings required and highlighting the needs of the elderly.				
Identifying what level of market housing is needed to fund future affordable housing	Council / housing associations	6 months	Provides essential information to inform future policies and ensure they can be delivered	Local staff resources
Information about the amount of market housing required to produce affordable housing will help inform future housing targets and ensure that new affordable housing does get built				
Update the Housing Growth Plan (and find a mechanism to turn into policy)	Council / Duchy / housing associations / local agents	6 months	Sets out an integrated package of housing for the next 10 years	Local staff resources
A refined Housing Growth Plan which sets out what new housing is needed, where and when will provide certainty and transparency. It will ensure that the scarce resources of land and money are used to best effect. It is essential that this brings together planning, housing and economic interests.				
Deliver the growth programme and review annually	Council / Duchy / housing associations / local agents / local builders	10 years (but annual review and full review after 3)	Implementation of the agreed Growth Plan	Local staff resources but could involve direct investment by Council and others. Cost unknown
There will be a range of actions under this heading including, for example, providing development briefs for development sites, putting together development prospectuses, employers working together to provide worker housing schemes, and marketing local market housing to potential entrepreneurs.				

APPENDIX 6

Extracts From Full SHMA Report 2016

COUNCIL OF THE ISLES OF SCILLY

**STRATEGIC HOUSING
MARKET ASSESSMENT**

FINAL REPORT



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CONTENTS

1	INTRODUCTION & METHODOLOGY	10
1.1	BACKGROUND	10
1.2	PURPOSE, AIMS AND OBJECTIVES	10
1.3	STUDY METHODOLOGY	11
1.4	THE LOCAL AREA	12
1.5	HOUSEHOLD SURVEY METHODOLOGY	13
1.6	SAMPLING	13
1.7	PROMOTION	14
1.8	SURVEY PROCESS AND RESPONSE.....	14
1.9	SURVEY WEIGHTING.....	14
1.10	DATA SOURCES	15
1.11	SURVEY HOUSEHOLD DATA	16
1.12	GLOSSARY OF TERMS	16
2	KEY FINDINGS AND FUTURE HOUSING TARGETS	17
2.1	CONTEXT	17
2.2	THE DEMOGRAPHIC CONTEXT & FUTURE PROJECTIONS	17
2.3	THE ECONOMIC CLIMATE	17
2.4	OBJECTIVELY ASSESSED NEED	18
2.5	HOUSING DEMAND AND NEED	19
2.6	PROPERTY SIZE TARGETS	19
2.7	MARKET HOUSING	19
2.7.9	TENURE MIX	20
2.8	AFFORDABLE HOUSING	20
2.9	SOCIAL RENTED PROPERTY SIZE	20
2.7	INTERMEDIATE RENTED HOUSING	21
3	DEMOGRAPHIC CONTEXT & FUTURE PROJECTIONS	22
3.1	INTRODUCTION	22
3.2	KEY MESSAGES	22
3.3	DEMOGRAPHIC CHANGES – A CHANGING POPULATION	25
3.4	HISTORIC LONGER TERM TRENDS	26
3.5	POPULATION BY AGE	27
3.6	DIFFERENCES WITHIN THE ISLES OF SCILLY	30
3.7	TRIANGULATION OF TOTAL POPULATION AND AGE STRUCTURE	34
3.8	CONCLUSIONS	36
3.9	COMPONENTS OF CHANGE	36
3.10	MIGRATION	37
3.11	MIGRATION FLOWS	38
3.12	MID-YEAR POPULATION ESTIMATES (MYE)	38
3.13	INTERNATIONAL MIGRATION AND UNATTRIBUTABLE POPULATION CHANGE (UPC)	39
3.14	CENSUS MIGRATION DATA	41
3.15	PROJECTED POPULATION CHANGE	41
3.16	KEY MESSAGE	42
3.17	COMMENT	44
3.18	ALTERNATIVE SCENARIO RESULTS	45
3.19	HOUSING STOCK	47
3.20	COMMENT	49
3.21	COMMENT	50
3.22	HOUSEHOLD PROJECTIONS	50
3.23	KEY MESSAGE	53
3.24	ALTERNATIVE SCENARIO RESULTS	53
3.25	HOUSEHOLD PROJECTIONS – RESULTS	54
4	ECONOMIC DRIVERS OF THE MARKET	55
4.2	REVIEW OF AVAILABLE ECONOMIC DATA	55

4.3	LABOUR DEMAND	55
4.4	OCCUPATIONAL STRUCTURE	56
4.5	INDUSTRY	63
4.6	INDUSTRY BY ECONOMIC ACTIVITY	66
4.7	LABOUR SUPPLY	66
4.8	ECONOMIC ACTIVITY LEVELS	67
4.9	ECONOMIC INACTIVITY	68
4.10	QUALIFICATIONS.....	71
4.11	COMMUTING DATA	72
4.12	KEY MESSAGES FROM THE SECONDARY DATA	73
4.13	ECONOMIC SURVEY DATA	73
4.14	INCOMES AND HOUSING COSTS	73
4.15	EXISTING HOUSEHOLD SAVINGS.....	74
4.16	EQUITY	74
4.17	EXISTING HOUSEHOLD INCOMES	75
4.18	CONCEALED HOUSEHOLDS	75
4.19	SAVING LEVELS OF CONCEALED HOUSEHOLDS	75
4.20	CONCEALED HOUSEHOLD INCOMES	76
4.21	RENTS AND MORTGAGE COSTS (CONCEALED HOUSEHOLDS)	76
4.22	INCOMES OF RECENTLY FORMED HOUSEHOLDS	77
5	HOUSING MARKET SIGNALS.....	78
5.1	INTRODUCTION	78
5.2	LAND PRICES	78
5.3	CONCLUSION	80
5.4	HOUSE PRICES	81
5.5	RENTS	81
5.7	RATE OF DEVELOPMENT	83
5.8	OVER-CROWDING	83
5.9	CONCLUSION	83
5.10	SUMMARY	84
5.11	INTEREST IN SELF-BUILD	84
6	OBJECTIVELY ASSESSED NEED	85
6.2	AFFORDABLE HOUSING NEED	86
7	CURRENT HOUSING ON THE ISLES OF SCILLY	88
7.1	INTRODUCTION	88
7.2	HOUSING TENURE.....	88
7.3	DWELLING TYPE	90
7.4	DWELLING SIZE	90
7.5	OVER / UNDER-OCCUPATION ON THE ISLANDS	91
7.6	SHARED HOUSING AND COMMUNAL ESTABLISHMENTS	92
7.7	HOUSEHOLD SURVEY DATA 2015	92
7.8	TYPE PROFILE	93
7.9	TENURE PROFILE	93
7.10	PROPERTY CONDITION AND FACILITIES	96
7.11	ADEQUACY OF PRESENT DWELLING / IMPROVEMENT REQUIRED	98
7.12	UNDER AND OVER-OCCUPATION	100
7.13	OVER-OCCUPATION	101
7.14	UNDER-OCCUPATION	101
7.15	HOUSEHOLD COMPOSITION	102
8	THE HOUSING MARKET	103
8.1	INTRODUCTION	103
8.2	THE LOCAL HOUSING MARKET CONTEXT	103
8.3	HISTORICAL HOUSE PRICES	104
8.4	AVERAGE HOUSE PRICES	105

8.5	ENTRY LEVEL PRICES ON THE ISLANDS	105
8.6	PURCHASE INCOME THRESHOLDS	106
8.7	PRIVATE SECTOR RENT LEVELS	106
8.8	RENTAL INCOME THRESHOLDS.....	107
8.9	SOCIAL SECTOR RENT LEVELS	107
8.10	WELFARE REFORM.....	108
8.11	BENEFIT CAP.....	108
8.12	HOUSING BENEFIT AND UNDER-OCCUPANCY	109
9	MIGRATION	110
9.1	INTRODUCTION	110
9.2	ORIGIN AND DESTINATION OF MIGRANTS	110
9.3	MIGRATION CHARACTERISTICS	110
9.4	MIGRATION (HOUSEHOLD SURVEY DATA).....	115
9.5	IN-MIGRATION TO THE ISLANDS.....	116
9.6	OUT - MIGRATION FROM THE ISLANDS.....	117
9.7	MIGRATION SUMMARY	118
10	HOUSING NEEDS OF DISABLED PEOPLE	119
10.1	INTRODUCTION	119
10.2	NEEDS OF DISABLED PEOPLE	119
10.3	SUPPORT NEEDS	121
10.4	ADAPTATION	121
11	HOUSING FOR OLDER PEOPLE	123
11.1	INTRODUCTION	123
11.2	PROFILE OF OLDER PEOPLE	123
11.3	FUTURE HOUSING NEEDS OF OLDER PEOPLE	124
11.4	DOWNSIZING	126
11.5	SAVINGS / EQUITY OF OLDER HOUSEHOLDS	127
12	HOUSEHOLDS INTENDING TO MOVE	129
12.1	KEY FINDINGS	129
12.2	INTRODUCTION	129
12.3	HOUSEHOLDS MOVING	130
12.4	HOUSEHOLDS LEAVING THE ISLANDS	130
12.5	EXISTING HOUSEHOLDS MOVING WITHIN THE ISLANDS	133
12.6	INTEREST IN SELF-BUILD	134
12.7	CONCEALED MOVING HOUSEHOLDS WITHIN THE ISLANDS	134
12.8	INTEREST IN SELF-BUILD	135
13	FUTURE MARKET HOUSING REQUIREMENTS	137
13.1	KEY FINDINGS	137
13.2	INTRODUCTION	137
13.3	DEMAND FOR MARKET HOUSING FOR EXISTING MOVING HOUSEHOLDS	137
13.4	DEMAND FOR MARKET HOUSING FOR CONCEALED HOUSEHOLDS	140
13.5	TOTAL DEMAND FOR MARKET HOUSING IN THE ISLE OF SCILLY	143
13.6	CURRENT AND FUTURE DEMAND FOR MARKET HOUSING	144
14	FUTURE AFFORDABLE HOUSING REQUIREMENTS	146
14.1	KEY FINDINGS	146
14.2	INTRODUCTION	146
14.3	AFFORDABLE HOUSING NEED OF EXISTING HOUSEHOLDS	147
14.4	NEEDS OF CONCEALED HOUSEHOLDS MOVING WITHIN THE ISLANDS	148
14.5	FUTURE SIZE OF AFFORDABLE HOUSING	149
14.6	SOCIAL STOCK NEED BY ISLAND	150
14.7	SMALL UNITS	150
14.8	FAMILY SIZED UNITS	151

15	HOUSING NEED	152
15.1	INTRODUCTION	152
15.2	AFFORDABLE HOUSING NEEDS CALCULATION	153
15.3	MODEL STRUCTURE	154
15.4	ISLES OF SCILLY CLG NEEDS ASSESSMENT MODEL.....	154
15.5	STAGE 2 – FUTURE NEED (GROSS PER YEAR)	155
15.6	STAGE 3 – AFFORDABLE HOUSING SUPPLY	157
15.7	VACANT STOCK	157
15.8	NEW SUPPLY	157
15.9	ANNUAL RE-LET SUPPLY.....	157
15.10	SHARED OWNERSHIP RE-SALES	157
15.11	AFFORDABLE HOUSING NEEDS MODEL	159
16	UPDATING THE SHMA	161
16.1	INTRODUCTION	161
16.2	UPDATING THE AFFORDABLE NEEDS ASSESSMENT MODEL	162
16.3	UPDATING OTHER SECONDARY DATA	162
16.4	CORE INDICATORS	162
16.5	MONITORING AND COMMUNICATING CHANGES TO THE SHMA	162
16.6	PLANS TO FULLY REVISE THE SHMA.....	163
16.7	MARKET TRIGGERS	163

APPENDICES

APPENDIX I	SURVEY QUESTIONNAIRE
APPENDIX II	POSTER
APPENDIX III	GLOSSARY OF TERMS
APPENDIX IV	POPULATION & HOUSEHOLD SENARIOS – EDGE ANALYTICS REPORT
APPENDIX V	TOWN & COUNTRY PLANNING ARTICLE – SIMPSON 2014
APPENDIX VI	TOWN & COUNTRY PLANNING ARTICLE – SIMPSON 2015

TABLES

Table 1-1	Sample Structure	12
Table 1-2	Response Rate by Island	14
Table 1-3	Tenure of Present Households	15
Table 3-1	Age Structure	28
Table 3-2	Population of selected benchmark areas.....	29
Table 3-3	Age Structure	33
Table 3-4	Population Projections - results	45
Table 3-5	Household Projections - results	54
Table 4-1	Jobs Density	56
Table 4-2	Level of Employment	56
Table 4-3	Occupational Structure	58
Table 4-4	Economic Activity	62
Table 4-5	Industry Sector	63
Table 4-6	Residence by Place of Work	72
Table 4-7	Island Residents by Place of Work	72
Table 4-8	Workplace of Head of Household	73
Table 4-9	Household Savings (existing households)	74
Table 4-10	Level of Equity in Present Accommodation	74
Table 4-11	Gross Annual Income of all Existing Households	75
Table 4-12	Concealed Household Savings	75
Table 4-13	Gross Annual Income of Concealed Households	76
Table 4-14	Rent / mortgage able to be paid for accommodation	76
Table 4-15	Gross Annual Income of Recently Formed Households	77
Table 5-1	Local level residential land values (July 2010)	79
Table 5-2	Estimated Residual Land values	80
Table 5-4	Change in the Private Rented Sector 2001-2011	82
Table 6-1	Household Projections - results	85
Table 7-1	Isles of Scilly Housing Tenure Profile – Census 2001 & 2011	88
Table 7-2	Comparing Housing Tenure Profile – Census 2011	89
Table 7-4	Under / Over-Occupation by Tenure	91
Table 7-5	Communal Establishments by Area	92
Table 7-6	Type of Accommodation	93
Table 7-7	Type of Tourist Accommodation	93
Table 7-8	Tenure Profile	94
Table 7-9	Property Type by Tenure (%)	94
Table 7-10	Number of Bedrooms by Tenure	95
Table 7-11	Energy Facilities by Tenure	97
Table 7-12	Main Source of Heating	97
Table 7-13	Total Annual spend on Fuel Bills	97
Table 7-14	Total Annual spend on Fuel Bills (by tenure)	98
Table 7-15	Reason For Inadequacy	99
Table 7-16	Under / Over-Occupation by Tenure	101
Table 6-17	Household Composition	102
Table 8-1	Average House Prices (£) and Sales % - All Buyers 2015	105
Table 8-2	House Prices on Isles of Scilly (£)	105

Table 8-3	Incomes Required to Purchase	106
Table 8-4	Incomes Required to Purchase 2015	106
Table 8-5	Rental Income Thresholds 2015	107
Table 8-6	Social Rent Levels, 2015 (£ per calendar month)	107
Table 9-1	Net IOS Migration Balance by Age Group - 2011	111
Table 9-2	Location of Previous Dwelling (In-migrants)	116
Table 9-3	Reason for Moving for those Moving within or to the Islands	117
Table 9-4	Reason for Moving away from the Islands	118
Table 9-5	Net Migration Patterns	118
Table 10-1	Disability by Tenure	119
Table 10-2	Age of Disabled Household Members (Question 10b)	120
Table 10-3	Nature of Disability	120
Table 10-4	Who provides the Support Needed (Question 10f)	121
Table 10-5	Adaptations by Tenure	121
Table 10-6	Types of Adaptations Provided / Needed to Current Home	122
Table 11-1	Accommodation Required by Older Relatives in Next 3 Years	125
Table 11-2	Current Size by Preferred Size	127
Table 11-3	Savings by Tenure	128
Table 11-4	Level of Equity in Present Accommodation (owner-occupiers)	128
Table 12-1	Households Moving by Current Tenure	130
Table 12-2	When are you moving away from the Islands?	130
Table 12-3	Where are you thinking of moving to?	131
Table 12-4	Reasons for Moving Away from the Islands?	131
Table 12-5	What type of housing did they require?	132
Table 12-6	How many bedrooms did they require?	132
Table 12-7	Current Tenure / Tenure Preferred (Existing Households)	133
Table 12-8	Age of Concealed Households	134
Table 12-9	Number of Children	135
Table 12-10	Time of Move - Concealed Households	135
Table 12-11	Tenure Needed / Preferred (concealed households)	136
Table 13-1	When is the Accommodation Required (existing households)	138
Table 13-2	Type of Accommodation Required (existing households)	138
Table 13-3	Number of Bedrooms Required (existing households)	138
Table 13-4	Type Required by Size Required (existing households)	139
Table 13-5	Type Required by Preferred Tenure (existing households)	139
Table 13-6	Where is Accommodation Required (existing households)	140
Table 13-7	Type of Accommodation Needed / Preferred (concealed households)	140
Table 13-8	Type Needed by Tenure Needed (concealed households)	141
Table 13-9	Reason for Preferred Location (concealed households)	141
Table 13-10	Total Reasons for Preferred Location Choice for Market Housing	142
Table 13-11	Total Demand for Market Housing in the Isle of Scilly to 2018	143
Table 13-12	Annual Market Housing Demand by Size	144
Table 14-1	When is the Accommodation required (existing households)	147
Table 14-2	Type Required by Size required (existing households)	147
Table 14-3	Type Required by Required Tenure (existing households)	148
Table 14-4	Type Needed by Tenure Needed (concealed households)	149
Table 14-5	Reason for Preferred Location (concealed households)	149
Table 14-6	Social Stock, Waiting List Need and Turnover	150
Table 14-7	Waiting List Need, Turnover & Net Need	150
Table 15-1	Households in Housing Need or in Unsuitable Housing	152
Table 15-2	Over-crowded and Concealed Households	154
Table 14-2	Over	154
Table 15-3	Current Housing Need (Gross)	155
Table 15-4	Time of Move – Concealed Households	155
Table 15-5	Double Counting Removal	156
Table 15-6	Future Need (Gross per Year)	156
Table 15-7	Affordable Housing Supply	158
Table 15-8	Annual Affordable Need and Supply.....	160

FIGURES

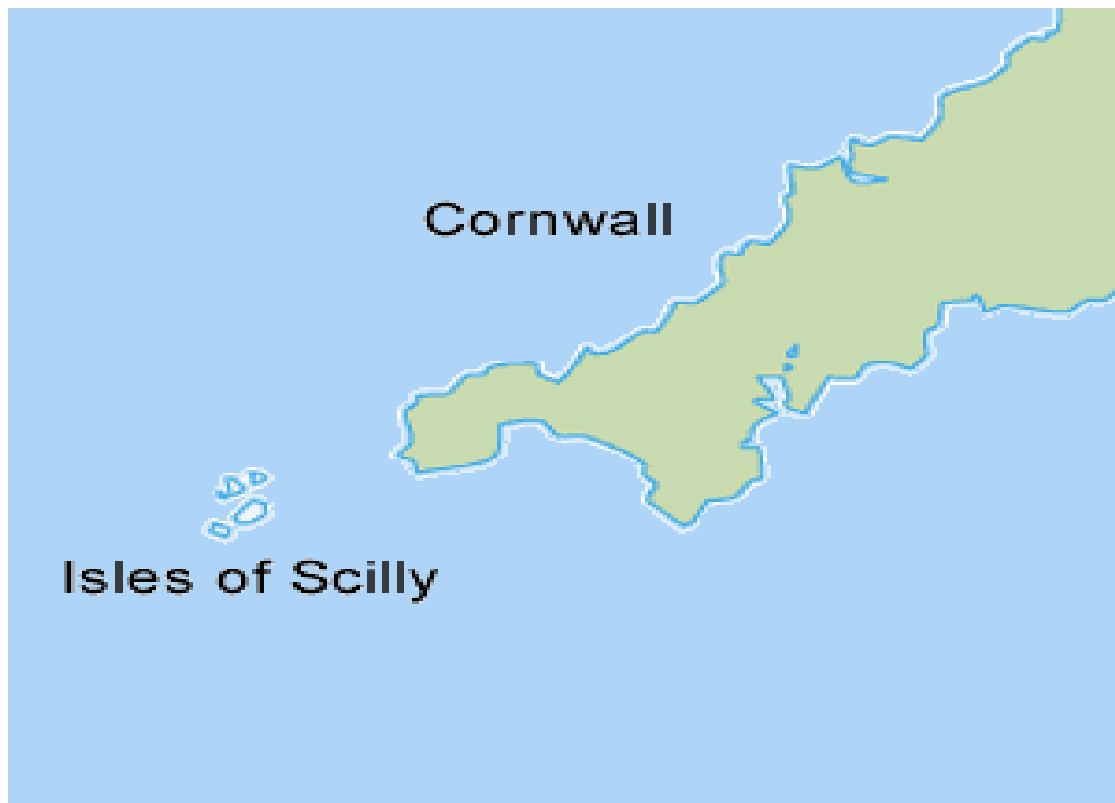
Figure 3-1	Population of the Islands	25
Figure 3-2	Population – Detailed 2001 – 2014 (ONS MY Estimates Unrounded)	26
Figure 3-3	Historical Population – Census 1981 - 2011	26
Figure 3-4	Age Structure	27
Figure 3-5	Single Year of Age Structure 2001 - 2011	28
Figure 3-6	Age Structure compared with Local Authorities	29
Figure 3-7	Age Structure compared with Villages in Cornwall	30
Figure 3-8	1981 – 2011 Population – Split by Island	31
Figure 3-9	Female Population 1981 - 2014	31
Figure 3-10	Male Population 1981 - 2011.....	32
Figure 3-11	Age Structure of Isles of Scilly – Detailed breakdown	32
Figure 3-12	Age Structure	33
Figure 3-13	Possible seasonal variation in GP Register data	35
Figure 3-14	GP Register by ONS Mid Year Estimates	35
Figure 3-15	Births, Deaths and Natural Change	36
Figure 3-16	Internal Migration Flows	37
Figure 3-17	MYE Adjustments – changes for the Isles of Scilly Population	38
Figure 3-18	Components of Change & impact of population adjustment (UPC)	40
Figure 3-19	International Migration and UPC.....	40
Figure 3-20	Population Projection – Total Change SNPP 2012 - 2037	42
Figure 3-21	SNPP Age Structure Change 2012 - 2037	43
Figure 3-22	Age Structure Change Comparison 1982 – 2014 and 2015 - 2030	44
Figure 3-23	Growth Scenario Age Structure	46
Figure 3-24	Growth Scenario Broad Age Structure	47
Figure 3-25	Housing Stock and Occupancy	47
Figure 3-26	Unoccupied Stock	48
Figure 3-27	Tenure 2001 - 2011.....	49
Figure 3-28	Tenure 2011 Benchmarked	50
Figure 3-29	Isles of Scilly Household Projections 2015 - 2030.....	53
Figure 3-30	Household Change	54
Figure 4-1	2011 Occupation in Treemap	57
Figure 4-2	2011 Occupation by radar chart	59
Figure 4-3	2011 Occupation compared to other LA's	59
Figure 4-4	Economic Activity – Economically active part-time	60
Figure 4-5	Economic Activity – Economically active full-time	60
Figure 4-6	Economic Activity – Economically active self employed full-time	61
Figure 4-7	Economic Activity – Economically active self employed full-time	61
Figure 4-8	Economic Activity – Economically active self employed full-time	64
Figure 4-9	2011 Industry	65
Figure 4-10	2011 Industry by those Economically Active.....	66
Figure 4-11	Economically Active	67
Figure 4-12	Economically Active	68
Figure 4-13	Economically in-active	68
Figure 4-14	Claimant Count	69
Figure 4-15	Seasonal Variances in JSA	69
Figure 4-16	Seasonal Variances in JSA	70
Figure 4-17	Highest Levels of Qualification	71
Figure 4-18	Seasonal Variances in JSA	72
Figure 5-1	Trend in Residential Land Value (£ per hectare) 1990-2010.....	78
Figure 5-2	Percentage change in land value (Jan 2010-Jul 2010)	79
Figure 5-3	Annual Average Prices 1995 – 2015	81
Figure 7-1	Private Rent Categories 2001/2011	89
Figure 6-2	Dwelling Type Profile on the Isles of Scilly.....	90
Figure 6-3	Size Profile on the Isles of Scilly	90
Figure 7-4	Level of Under / Over Occupation	91

Figure 7-5	Market and Social Stock by Number of Bedrooms	95
Figure 7-6	Energy Facilities by Type	96
Figure 7-7	Adequacy by Tenure	98
Figure 7-8	Adequacy by Tenure (private rented)	100
Figure 8-1	Annual Sales 1995 – 2015	104
Figure 8-2	Annual Average Prices 1995 – 2015	104
Figure 8-1	Number of Households Capped 2013-2014	108
Figure 9-1	People Movement 2011	110
Figure 9-3	Not Moved in year before the Census 2011	112
Figure 9-4	Moved within the Islands the year before the Census	112
Figure 9-5	Inflow to the Isles of Scilly	113
Figure 9-6	Outflow from the Isles of Scilly	114
Figure 9-7	Island breakdown of Census Migration Data	115
Figure 11-1	Type of General Stock Occupied by Older People (%)	123
Figure 11-2	Tenure of General Stock Occupied by Older People (%)	124
Figure 11-3	Size of Accommodation Currently Occupied by Older People	124
Figure 11-4	What Type Of Accommodation is required (65+)	125
Figure 11-5	What Tenure is Required (65+)	126
Figure 11-6	Size of Housing Required by Existing Moving Households aged 65+	126

1 INTRODUCTION & METHODOLOGY

1.1 Background

- 1.1.1 The Isles of Scilly are situated off the coast of Cornwall in the South West and comprise of 5 Islands; Bryher, St Agnes, St Martin's, St Mary's and Tresco.



- 1.1.2 The Islands are designated a Conservation Area, Area of Outstanding Natural Beauty and Heritage Coast. Around the coastline is a Special Area of Conservation (SAC) and a high number of natural environment designations are in place on the Islands including 27 areas of Special Scientific Interest and 238 Scheduled Monuments.

1.2 Purpose, Aims and Objectives

- 1.2.1 The purpose of the Strategic Housing Market Assessment (SHMA) was to undertake a comprehensive and robust assessment to obtain high quality information about current and future housing needs at a local authority level and to inform the development of policies and underpin local housing strategies.
- 1.2.2 The Study :-
- Analyses household and population projections, taking account of migration and demographic change to provide a sound evidence base to support planning policies and targets for housing in Local Plan
 - Addresses the need for all types of housing, including market and affordable housing and the needs of different groups within the community;
 - Identifies the housing demand and informs the scale of housing supply necessary to meet the demand.

1.3 Study Methodology

- 1.3.1 The methodology adopted for this assessment utilises a mix of primary and secondary data from local and national sources, which are appropriately identified where used throughout the report.
- 1.3.2 DCA were commissioned on the 12th November 2015 to conduct a Strategic Housing Market Assessment (SHMA) to identify current and future housing need across all housing tenures on the Isles of Scilly.
- 1.3.3 The SHMA provides a ‘policy-off’ assessment of future housing requirements, with the intention that this will inform future development of planning policies and housing strategies for delivery
- The Assessment has been conducted in accordance with the National Planning Policy Guidance and CLG’s SHMA Practice Guidance (the Guidance) published in August 2007. It also takes account of subsequent advice from the Planning Advisory Service.
- 1.3.4 The methodology for the SHMA comprised:-
- A detailed analysis of secondary data on current housing stock and demand utilising 2011 Census, Local Plan, and the Housing Needs Register;
 - An analysis of the ONS population projections and specifically commissioned Isles of Scilly population projections to formulate indicative future need for housing;
 - An analysis of the social sector stock, waiting list need and re-let turnover supply by property size;
 - An examination of in and out migration by property type and size;
 - An analysis in both market and social sectors to provide targets for each sector by bedrooms;
 - An internet and estate agency survey in relation to the cost and supply of entry level market and private rented housing at island sub-area level to assess affordability thresholds.
 - A household survey of 100% of those with permanent resident status and a sample of households in staff and holiday let accommodation.

1.4 The Local Area

- 1.4.1 An individual Island based survey sample structure was agreed with the Council for analysis of the data and consisted of the 5 inhabited islands.

Table 1-1 Sample Structure

Code in Data File	Island
010 / 011	Bryher
020 / 021	St Agnes
030 / 031	St Martin's
040 / 041	St Mary's
050 / 051	Tresco

Figure 1-9 Local Area Map



Source: <http://www.robswebstek.com/2013/05/the-isles-of-scilly.html>.

1.5 Household Survey Methodology

1.5.1 The household survey consisted of the following elements:-

- A postal household survey completed by 349 households (30.9% response) across 5 islands, the islands of St Agnes and Bryher were then merged to match the areas in the 2011 Census.
- Updated analysis of the local housing market to assess affordability through an internet search of local estate agents in relation to the delivery, cost and supply of market access level properties and the private rented sector.

1.5.2 The questionnaire was designed in consultation with Council officers and based upon tried and tested questionnaires used in previous comparable assessments.

1.5.3 The questionnaire was designed to gather a comprehensive range of information on existing and concealed households and was structured in three parts.

1.5.4 Part One sought information about the existing housing situation including:-

- household composition by gender, age and ethnicity;
- house type and number of bedrooms;
- adequacy of current housing to meet the households needs;
- property repair and improvement requirements;
- forms of heating and energy efficiency facilities;
- housing costs and income;
- employment and travel to work;
- support and adaptation needs.

1.5.5 Part Two of the questionnaire collected information on the existing households' future moving intentions and Part Three on the moving intentions of concealed households (*those households who have already formed and are still living within a household i.e. an established couple still living with parents*). Questions in these two sections included:-

- when people expect to move;
- who is forming new households;
- how much they can afford, the household savings and income;
- preferred tenure, type, size and location of the housing they require;
- supported housing and support service requirements.

1.5.6 The survey questionnaire is provided as **Appendix I** to this report.

1.6 Sampling

1.6.1 The postal sample was stratified into the 5 Islands as specified earlier and selected by their residential status from the Council Tax Register. The sample was 100% of those with permanent resident status and a sample of potential staff and holiday lets.

1.7 Promotion

- 1.7.1 A comprehensive promotion campaign of posters (**Appendix II**) and local press coverage was agreed with the Council to create awareness of the survey, and its importance to the Council. All councillors were contacted to inform them of the survey and enlist their assistance in publicising the survey and maximising the response rate.

1.8 Survey Process and Response

- 1.8.1 The questionnaires were posted on the 25th November 2015, allowing around three weeks for responses, with an original closing date of the 16th December 2015. However, it was decided to keep the survey open a few days longer to maximise the response rate.
- 1.8.2 30.9% of all households on the Islands took part in the survey. The response by Island and the Council area as a whole are detailed in the following below.

Table 1-2 Response Rate by Island

Island	Households (2011 Census)	Sample	Return	Response Rate %
Bryher	68	38	10	26.3%
Bryher (lets/staff)		10	1	10.0%
St Agnes		29	12	41.4%
St Agnes (lets/staff)		7	2	28.6%
St Martins	54	52	24	46.2%
St Martins (lets/staff)		14	0	0.0%
St Marys	772	700	261	37.3%
St Marys (lets/staff)		190	19	10.0%
Tresco	95	53	18	34.0%
Tresco (lets/staff)		35	2	5.7%
TOTAL	989	1,128	349	30.9%

Source: 2015 Household Survey

- 1.8.3 The confidence interval for the survey from 349 responses is $\pm 5.35\%$.

1.9 Survey Weighting

- 1.9.1 The data file is checked against the 2011 Census Tenure data for bias (as the most accurate known data) and re-weighted where necessary. The 2011 Census geography does not recognise the islands of St Agnes and Bryher separately and a lack of accurate tenure data for each island meant the data sets for these islands had to be merged so they could have the relevant tenure weighting applied.
- 1.9.2 A copy of the weighting carried out in this survey is provided with the survey data tables.

- 1.9.3 Given the nature of the sample of households within the Islands embodied in the postal survey, tenure provided the main validation that the sample is representative of the whole population.
- 1.9.4 The data set out below on household population and tenure is based on the Census 2011 number of resident households, as the most accurate known data. Private sector tenure has been re-weighted to be in line with the 2011 Census data. Social sector tenure has been re-weighted to be in line with the Social stock data provided by the Council.
- 1.9.5 The overall data set is therefore representative of the Islands population and is the basis for the calculation of all the subsequent tables i.e. all responses are given the weight appropriate to the actual tenure balance.

Table 1-3 Tenure of Present Households

Question 1

Tenure	2015 Survey %	N ^{os.} implied	Local Area Census 2011 *
Owner occupier (paying mortgage)	32.5	320	31.6
Owner occupier (no mortgage)	11.1	109	10.0
Private rented	30.1	297	29.7
Council rented	11.0	108	12.2
RP (Registered Provider) rented	4.8	47	5.9
Shared ownership	0.0	0	0.8
Tied to employment / Living rent free	10.5	103	9.7
Total	100.0	984	100.0

*© Crown Copyright (Census) 2011

Note – this table shows the survey weighting by tenure to census category only (further breakdowns of rented tenure is shown in the data analysis later in the report)

- 1.9.6 The private rented sector constitutes 30.1% of households, nearly three times higher than the national level of around 13.2%. This group includes those renting from a private landlord or from a friend or relative. 15.8% of households are social housing tenants, lower than of the national level (17.7%). Around 44% of households are owner-occupiers, compared to 63.4% nationally. These figures highlight the specialised tenure situation of the Islands.

1.10 Data Sources

- 1.10.1 Both extensive up to date secondary data and primary data collected during the 2015 household survey have been used. Throughout this report, the 2015 primary household survey data has been used unless indicated otherwise.
- 1.10.2 All local, regional and national documents mentioned in the report are the most up to date and current at the time of report writing. However these documents are subject to change and may be superseded by revised policy and strategy over time.

- 1.10.3 The sources of data used within each section of the report are referenced where appropriate.

1.11 Survey Household Data

- 1.11.1 It should be noted that the 'numbers implied' column inserted in some of the tables is DCA's assessment of the total numbers to be derived after applying the appropriate weighting factor based on location and tenure responses to that island's household numbers.
- 1.11.2 Where multiple choice is not involved, this will generally equate to the household population of the Local Authority as a whole but some individual questions may not be answered by all respondents, giving a marginally lower total.
- 1.11.3 Where multiple-choice questions are involved, two percentage columns are shown. The first percentage column relates to each heading to the total number of actual responses. Those responses are set out at sub-area level in the accompanying data tables and are the basis of the 'numbers implied' column in the report.
- 1.11.4 The second percentage column relates the same numbers to the number of choices, which in the case of a multiple choice question is likely to give a total in excess of 100% depending on the level of multiple choice made.
- 1.11.5 **All tables included in this report are extracted from the DCA housing survey data for the Islands, unless otherwise indicated.** A comparison is also provided for some results throughout this report to the average of over 250 DCA local authority Housing Assessment Surveys nationally.

1.12 Glossary of Terms

- 1.12.1 A glossary of the technical terms used throughout this report is provided as **Appendix III.**

12 HOUSEHOLDS INTENDING TO MOVE

12.1 Key Findings

- 13.7% of all households planned a move in the next 3 years.
- 56.0% planned to move within the islands and around 44.0% were planning to leave the Islands.
- 60.1% of households leaving the islands were leaving within a year and 53.0% were planning a move to Cornwall.
- The main reason for leaving the Islands was family reasons followed by unable to afford to buy a home locally.
- 34 existing households require market housing and 8 need affordable housing.
- 20 concealed households forming need market housing and 13 need affordable housing.
- The main tenure requirement for existing households was owner occupation whilst for concealed households the main requirement was private rent.

12.2 Introduction

- 12.2.1 This section examines the responses from the household survey in relation to the future moving intentions and plans of both existing and concealed households over the next three years.
- 12.2.2 The data from this section is then further analysed in **Section 13** focusing on those households specifically requiring market housing and **Section 14** looking at those households requiring affordable housing on the Islands.

12.3 Households Moving

- 12.3.1 Moving intentions were tested in the survey questionnaire with an emphasis on future plans to move within the Islands for existing households and also a more focused study on concealed households who represent pent up demand for housing.
- 12.3.2 Respondents were asked to say whether they or any members of the household were currently seeking to move or will do so in the next three years. 13.7% of all households responding (135 implied) planned a move, implying an average of 4.6% per annum.

Table 122-1 Households Moving by Current Tenure
Question 17a x Q1

	%	N ^{os} . implied
Owner occupation with mortgage	17.3	23
Owner occupation no mortgage	20.6	28
Private rent	30.7	41
Council rent	9.3	13
Registered Provider rent	4.4	6
Shared Ownership	0.0	0
Tied to employment	17.7	24
Total	100.0	135

Source: Household Survey 2015

- 12.3.3 The scale of movement is nearly all from market housing with around 38.0% of current movers moving from owner occupation and 30.7% from private rent. 17.7% of implied households were moving from accommodation that was tied to their employment and 13.7% from affordable rent.
- 12.3.4 Of those households that were planning a move, around 56.0% planned to move within the islands and around 44.0% were planning to leave the Islands.

12.4 Households Leaving the Islands

- 12.4.1 Respondents who planned a move away from the islands were asked when they plan to move away from the Islands.

Table 122-2 When are you moving away from the Islands?
Question 17c

	%	N ^{os} . implied
Within a year	60.1	31
Between 1 and 2 years	19.5	10
Between 2 and 3 years	20.4	11
Total	100.0	52

Source: Household Survey 2015

- 12.4.2 Over half of respondents were expecting to move away from the Islands within a year, (60.1%, 31 households implied).

- 12.4.3 Respondents were also asked where they were thinking of moving to and over half were planning a move to Cornwall (53.0%, 28 households implied). 41.6% of households responding planned a move to elsewhere in the UK and just 5.4% elsewhere outside the UK.

Table 122-3 **Where are you thinking of moving to?**
Question 17d

	%	N ^{os.} implied
Cornwall	53.0	28
Elsewhere in the UK	41.6	22
Elsewhere outside the UK	5.4	3
Total	100.0	53

Source: Household Survey 2015

- 12.4.4 The following table shows the results for the reasons why respondents planned a move away from the Islands. This question was multiple choice and respondents gave an average of around 2 responses each.

Table 122-4 **Reasons for Moving Away from the Islands?**
Question 17e

	% responses	% households	N ^{os.} implied
Family reasons	22.9	44.1	24
Employment / access to work	11.4	22.5	12
Retirement	15.2	30.2	16
Financial reasons	13.3	25.2	14
Unable to afford to buy a home locally	17.2	33.3	18
Lack of affordable housing to rent	14.3	28.0	15
Health reasons	5.7	10.4	6
Total	100.0		105

Source: Household Survey 2015

- 12.4.5 44.1% of respondents stated 'family reasons' for their plan to move away from the islands and 30.2% stated retirement as a reason.
- 12.4.6 33.3% of respondents stated that they were unable to afford to buy a home locally and 28.0% said there was a lack of affordable housing to rent. Financial reasons were the reason chosen by 25.2% of households.
- 12.4.7 The following tables contain data on family members who had already moved away from the Islands.
- 12.4.8 8.8% of respondents (85 households implied) said that family members had moved away from the Islands because they could not afford to buy a home locally.

- 12.4.9 The question on what type of housing family members required before they moved away produced the following results.

Table 122-5 What type of housing did they require?
Question 18b

	% responses	N ^{os} . implied
Owner Occupation	32.0	26
Private rent	12.4	10
Duchy Rent / Leasehold	18.9	15
Tresco Estate rent	9.7	8
Council rent	26.9	22
Total	99.9.0	81

Source: Household Survey 2015

- 12.4.10 The main type of housing sought by family members who have already moved away from the islands was owner occupation (32.0%), followed by Council rent (26.9%).
- 12.4.11 Respondents were also asked to state how many bedrooms family members required.

Table 122-6 How many bedrooms did they require?
Question 18c

	% responses	N ^{os} . implied
One	15.9	14
Two	56.2	48
Three	27.9	24
Total	100.0	86

Source: Household Survey 2015

- 12.4.12 The majority of family members who had already moved away required a two bedroom property and 27.9% a three bedrooms.

12.5 Existing Households Moving Within the Islands

12.5.1 The table below shows the preferred tenure for existing households moving within the Islands in the next three years by their current tenure.

Table 12-7 Current Tenure / Tenure Preferred (Existing Households)
Question 1 / 22

Preferred Tenure	Current Tenure														Total		
	Owner Occupation with mortgage		Owner Occupation no mortgage		Private rent		Duchy Rent / Leasehold		Council Rent		RP rent		Tied to Employment				
	%	N ^{os.}	%	N ^{os.}	%	N ^{os.}	%	N ^{os.}	%	N ^{os.}	%	N ^{os.}	%	N ^{os.}			
Owner occupation	100.0	3	100.0	5	33.2	3	28.8	3	0.0	0	0.0	0	0.0	0	0.0	0	14
Private rent	0.0	0	0.0	0	33.4	3	28.8	3	50.0	3	0.0	0	0.0	0	0.0	0	8
Duchy Rent / Leasehold	0.0	0	0.0	0	0.0	0	42.4	4	0.0	0	100.0	3	67.2	5			12
Council Rent	0.0	0	0.0	0	33.4	3	0.0	0	50.0	3	0.0	0	32.8	2			8
Total	100.0	3	100.0	5	100.0	9	100.0	10	100.0	6	100.0	3	100.0	7			42

Note: no preference for Tresco Estate Rented, Farm Tenancy, RP Rent, Shared Ownership, Tied to Employment/hot tied
Source: Household Survey 2015

12.5.2 In total 34 existing households require market housing, and this group is analysed in detail in Section 18. A further 8 existing households require affordable housing, analysed in detail in Section 14.

12.5.3 There is some cross tenure movement. 33.4% of movers from the private rented sector plan to move to an affordable rent property. A high level of affordable rented tenants expect to move into the private sector, all RP rented tenants into Duchy rent / leasehold and half of Council rented tenants into private rent.

12.6 Interest in Self-Build

- 12.6.1 In the National Planning Policy Framework (NPPF) it states that local authorities should address the need for all types of housing including affordable housing and the needs of the different groups in the community, such as people wishing to build their own home.
- 12.6.2 Respondents were asked various questions on their interest in building their own home. However, respondents only answered the main question in this section which was if they were interested in building their own home. 56.7% of households said they would be interested (24 households implied).
- 12.6.3 No other responses were received to the other questions in this sub-section.

12.7 Concealed Moving Households Within the Islands

- 12.7.1 This section examines in detail those people living in an existing household but who are described as a 'concealed' household. This is taken as a proxy for the extent of 'concealment' of housing need within the Islands because these households represent a pent up and unmet demand for housing.
- 12.7.2 The questionnaire allowed for up to two concealed households to be identified within each existing household, each intending to form a new home within the Islands in the next three years.
- 12.7.3 A total of 33 concealed households planning to form in the next three years were identified using the average responses from 1st and 2nd concealed households and this is the figure used as a control total in this section.
- 12.7.4 All concealed households responding consisted of people described as children of the household.
- 12.7.5 The table below shows the results for the age of each concealed household.

Table 122-8 **Age of Concealed Households**

Question 28c

Age Groups	%	N ^{os} . implied
Up to 24	68.6	23
25 – 34	23.2	8
35 – 49	8.2	3
Total	100.0	33

Source: Household Survey 2015

- 12.7.6 The main age group forming are those aged 24 and under. 23.2% are aged 25 – 34 and 8.2% are 35 - 49.
- 12.7.7 The survey found that children (under the age of 16) were present in around 9.2% of all households planning to form (3 households implied).

Table 122-9 **Number of Children**
Question 28d

Children	%	N ^{os} . implied
Child due	0.0	0
One	0.0	0
Two or more	9.2	3
None	90.8	30
Total	100.0	33

Source: Household Survey 2015

- 12.7.8 Concealed households were asked whether they were being formed as a single or couple household, 54.0% indicated formation as a single household, 46.0% as a couple.
- 12.7.9 Households indicating a couple households were also asked where their partner was currently living. In 33.9% of cases the partner was living elsewhere within the Islands resulting in a potential double count, which is addressed in the CLG Assessment Model calculation. In around 66.1% of cases the partner was already living in the existing household.

Table 12-10 **Time of Move - Concealed Households**
Question 29a

When required	%	N ^{os} . Implied
Within 1 year	16.4	5
Between 1 and 2 years	44.4	15
Between 2 and 3 years	39.2	13
Total	100.0	33

Source: Household Survey 2015

- 12.7.10 16.4% of concealed households required a move within a year, around 44.4% required a move a year later, a total of around 60.8% within two years.
- 12.7.11 The Strategic Housing Market Assessment Practice Guidance recommends that for model purposes the scale of annual new household formation is calculated as an average to provide the most reliable data in the CLG model in Section xxxxx.
- 12.7.12 Concealed households were asked to state if they would consider sharing accommodation with a friend. Around 20.0% saying they would consider sharing accommodation with a friend.

12.8 Interest in Self-Build

- 12.8.1 The survey questionnaire asked respondents to comment on whether they would be interested in self-build. 38.5% responded (11 households implied) saying 'yes' they would be interested in building their own home.
- 12.8.2 30.8% (4 implied) of households who were interested in building their own home had already tried to identify a suitable building plot on the Islands. All these households said they would be interested in being involved in the construction process.
- 12.8.3 Of the concealed households that responded 35.0% (6 households implied) said they thought self-build was affordable bearing in mind local land and material costs.
- 12.8.4 No concealed households stated they were registered on any housing register.

- 12.8.5 The table below shows the tenure most needed and preferred for concealed moving households in the next three years within the Islands.

Table 122-11 Tenure Needed / Preferred (concealed households)
Question 30

	Tenure	Needed		Preferred	
		%	N ^{os} . implied	%	N ^{os} . Implied
MARKET	Owner occupation	15.2	5	48.8	16
	Private rent	30.3	10	0.0	0
	Duchy / Leasehold rent	15.1	5	9.2	3
AFFORDABLE	Council Rent	30.3	10	29.5	10
	Registered Provider rent	9.1	3	12.5	4
Total		100.0	33	100.0	33

Source: Household Survey 2015

- 12.8.6 In terms of the tenure 'needed' by concealed households forming within the Islands in the next three years, the largest proportion needed private rent (30.3%), a significant difference to their actual preference where none of them would prefer private rent.
- 12.8.7 The most preferred tenure is owner occupation (48.8%), with more concealed households preferring this tenure than saying they actually needed it (48.8% v 15.2%).
- 12.8.8 The main need and preference in the affordable housing sector was for council rent, 24.9% and 29.5% respectively.
- 12.8.9 The market housing sector data for this group is analysed in detail in Section 18 and the affordable housing sector in Section 14.

13 FUTURE MARKET HOUSING REQUIREMENTS

13.1 Key Findings

Existing Households

- 14 existing households are planning to move into owner occupied housing and 20 are planning to move into private rented housing.
- 50.7% of potential movers to market housing sought to do so within one year.
- The main type of property required is a detached house and the majority of movers require a 3 bedrooms.
- St Mary's was the most popular location choice (73.9% households).
- The main reason for choice of location was to be nearer to family and friends, followed by 'always lived here'.

Concealed Households

- 20 households require market housing on the Islands in the next three years.
- 52.4% need a flat / maisonette and 27.2% need a detached property.
- The highest location demand was for St Mary's.
- The most popular location choice reasons were nearness to family / friends and 'always lived here'.

13.2 Introduction

- 13.2.1 This section analyses the needs of existing households and concealed households who are planning to move into 'market housing' only within the islands over the next 3 years. This section is split for analysis of existing households at 12.3 and separately for concealed households at 12.7

13.3 Demand for Market Housing for Existing Moving Households

- 13.3.1 As seen in section 12.5, 14 existing households are planning to move into owner occupied housing and 20 are planning to move into private rented housing, giving a total demand of 34 for market housing within the Islands in the next 3 years. This is the control total used in the analysis for this section.

- 13.3.2 Some tables in this section include a column showing figures for “all tenures” i.e. including those existing households needing affordable housing, as a comparison.

Table 133-1 When is the Accommodation Required (existing households)
Question 19

Time	Market Housing %	N ^{os} . implied	All Tenures %
Within 1 year	50.7	17	50.7
1 - 2 years	16.3	6	14.2
2 - 3 years	33.0	11	35.1
Total	100.0	34	100.0

Source: Household Survey 2015

- 13.3.3 The data shows that 50.7% of potential movers to market housing sought to do so within one year and 16.3% sought to do so in 1-2 years.

Table 133-2 Type of Accommodation Required (existing households)
Question 20

Type	Market Housing %	N ^{os} . implied	All Tenures %
Detached	52.2	17	48.6
Semi-detached	7.4	3	6.0
Terraced	7.9	3	6.4
Bungalow	15.8	5	19.6
Flat / maisonette	16.7	6	13.6
Chalet	0.0	0	5.8
Total	100.0	34	100.0

Source: Household Survey 2015

- 13.3.4 52.2% of respondents stated that they required a detached property, slightly higher than the proportion of all existing households moving (48.6%). Interest in flats / maisonettes and bungalows was also fairly high at 16.7% and 15.8% respectively. There was no interest in Chalets from those moving to market housing.

Table 133-3 Number of Bedrooms Required (existing households)
Question 21

Bedrooms	Market Housing %	N ^{os} . Implied	All Tenures %
One	8.4	3	13.6
Two	36.0	12	35.3
Three	47.2	16	44.3
Four	8.4	3	6.8
Five or more	0.0	0	0
Total	100.0	34	100.0

Source: Household Survey 2015

- 13.3.5 The highest demand of those moving to market housing was for 3-bedroom properties at 47.2% (all tenures 44.3%). The need for one bedroom was low at 8.4% for those moving to market housing but 13.6% for all tenures.

- 13.3.6 Analysis of property type required to size required produced the following results.

Table 133-4 Type Required by Size Required (existing households)

Question 20 by Question 21

Type	One bedroom		Two bedroom		Three bedroom		Four bedrooms		Total
	N ^{os} .	%	N ^{os} .	%	N ^{os} .	%	N ^{os} .	%	N ^{os} .
Detached	0	0.0	1	11.1	13	84.3	3	100.0	17
Semi-detached	0	0.0	0	0.0	3	15.7	0	0.0	3
Terraced	0	0.0	3	21.9	0	0.0	0	0.0	3
Bungalow	0	0.0	5	43.7	0	0.0	0	0.0	5
Flat/ maisonette	3	100.0	3	23.3	0	0.0	0	0.0	6
Total	3	100.0	12	100.0	16	100.0	3	100.0	34

Source: Household Survey 2015

- 13.3.7 All of the demand for one bedroom accommodation was for flats and maisonettes. The requirement for two bedrooms was mainly for bungalows and three bedroom properties for detached properties. All the demand for four bedrooms was for detached properties.

- 13.3.8 Analysis comparing the type of property required with tenure preferred showed the following results.

Table 133-5 Type Required by Preferred Tenure (existing households)

Question 20 by Question 22

Type	Owner occupation		Private rented		Total
	%	N ^{os} .	%	N ^{os} .	N ^{os} .
Detached	40.7	5	55.0	11	16
Semi-detached	0.0	0	15.0	3	3
Terraced	19.8	3	0.0	0	3
Bungalow	18.5	3	15.0	3	6
Flat / maisonette	21.0	3	15.0	3	6
Total	100.0	14	100.0	20	34

Source: Household Survey 2015

- 13.3.9 40.7% of demand in the owner occupied sector was for detached houses; 21.0% for flats and maisonettes and 19.8% for terraced properties. Around 55.0% of demand in the private rented sector was for detached and the balance was evenly distributed between semi-detached, bungalows and flat / maisonettes.

- 13.3.10 Existing households moving were asked where accommodation was required. Up to 2 choices were offered but on average only 1 choice per household was made.

Table 133-6 **Where is Accommodation Required (existing households)**
Question 25

Location	% Responses	% Households	Nos. implied	All tenures% (Households)
St Mary's	69.4	73.9	25	78.8
St Martins	27.8	30.5	10	24.8
Bryher	2.8	4.0	1	3.2
Total	100.0		36	

Source: Household Survey 2015

- 13.3.11 St Mary's was the most popular choice with 73.9% of households choosing this location, a similar level to the proportion of all tenures.
- 13.3.12 The final question in this section asked respondents why they preferred a particular location. To be nearer family / friends was the most common choice (67.7%; 17 households implied), followed by 'always lived here' implied by 15 households (59.3%).
- 13.3.13 The major reasons therefore are those, which are key elements of those to be considered in sustainable developments and in building sustainable communities.

13.4 Demand for Market Housing for Concealed Households

- 13.4.1 In total over the next three years, 20 concealed households need market housing on the Islands. This is the control total used in the analysis for this section.
- 13.4.2 The data for "preference" as well as need is included as a comparison, to show the gap between needs and aspirations for this group.

Table 133-7 **Type of Accommodation Needed / Preferred (concealed households)**
Question 30aa / Question 31aa

Type	Needed		Preferred	
	%	N ^{os} . implied	%	N ^{os} . implied
Detached	27.2	5	36.6	7
Semi-detached	20.4	4	18.9	4
Terraced	0.0	0	44.5	9
Flat / maisonette	52.4	11	0.0	0
Total	100.0	20	100.0	20

Source: Household Survey 2015

- 13.4.3 The results from the survey showed a different profile from existing households moving, this is to be expected for a generally younger group. 52.4% of concealed households moving to market housing 'needed' flats / maisonettes compared with 16.7% of existing households. The more aspirational view usually reflected amongst concealed households moving to market housing on preference for type (i.e. more houses; fewer flats) was evident on the Islands as is usually found in DCA surveys.

Table 13-8 Type Needed by Tenure Needed (concealed households)
Question 31 by Question 31

Type	Owner Occupation		Private rented		Total
	%	N ^{os.}	%.	N ^{os.}	N ^{os.}
Detached	100.0	5	0.0	0	5
Semi-detached	0.0	0	26.7	4	4
Flat / maisonette	0.0	0	73.3	11	11
Total	100.0	5	100.0	15	20

Source: Household Survey 2015

- 13.4.4 All the demand in the owner occupied sector was for detached properties. In the private rented sector the main choice was for flats / maisonettes (73.3%) and 26.7% for semi-detached properties.
- 13.4.5 Concealed households were asked the same questions on location as existing households moving. All concealed households needing owner occupation required accommodation in St Mary's. In the private rented sector around 80% required accommodation in St Mary's whilst the remaining 20% opted for Bryher.
- 13.4.6 The total demand for both existing and concealed households showed that the main choice of location for their move was St Mary's.
- 13.4.7 The following table shows the data for the multiple-choice question of why a preferred location was chosen. On average respondents made an average of 2 choices each.

Table 133-9 Reason for Preferred Location (concealed households)
Question 37

Reason	Concealed households moving to Market Housing		
	% responses	% households	N ^{os.} implied (all choices)
Always lived here	25.6	55.3	11
Nearer family / friends	37.2	79.6	16
New job / employment	37.2	79.6	16
Total	100.0		43

Source: Household Survey 2015

- 13.4.8 The most popular reason for concealed households moving was nearness to family / friends and new job / employment at 79.6% for each option. 55.3% of concealed households stated it was because they had 'always lived here'.
- 13.4.9 These core sustainability factors are just as significant for concealed households as were found for existing households.

Table 133-10 **Total Reasons for Preferred Location Choice for Market Housing**
 Question 27 + 37

	Concealed Households		Existing Households		Total Existing & Concealed Demand	
	% responses	N ^{os} . implied (all choices)	% responses	N ^{os} . implied (all choices)	% responses	N ^{os} . implied (all choices)
Always lived here	25.6	11	46.9	15	34.7	26
Nearer family / friends	37.2	16	53.1	17	44.0	33
New job / employment	37.2	16	0.0	0	21.3	16
Total	100.0	43	100.0	32	100.0	75

Source: Household Survey 2015

- 13.4.10 The total demand for existing and concealed households combined shows the most popular reason given for moving was nearer family / friends (44.0%), followed by always lived here (34.7%).

13.5 Total Demand for Market Housing in the Isle of Scilly

13.5.1

The table below shows total demand for market housing by property type and size. The survey data incorporates existing household demand, concealed household demand and in-migrant household demand for market housing, based on the profile of recent in-migrants to the Islands over the last three years.

Table 133-11 Total Demand for Market Housing in the Isle of Scilly to 2018

	Semi-Detached	Detached	Terraced	Flat / Maisonette	Bungalow	Total
EXISTING						
H/H						
1 BEDROOM	0	0	0	3	0	3
2 BEDROOM	0	1	3	3	5	12
3 BEDROOM	3	13	0	0	0	16
4+ EDROOM	0	3	0	0	0	3
IN-MIGRANT						
H/H						
1 BEDROOM	0	0	3	7	0	10
2 BEDROOM	5	0	0	10	3	18
3 BEDROOM 4	3	13	24	6	0	45
+ BEDROOM	3	11	0	0	2	17
TOTAL	14	41	30	29	10	124
%	11.3	33.1	24.2	23.3	8.1	100.0

Source: Household Survey 2015

13.5.2 It is assumed that future in-migrant market demand will be similar over the next three-year period to 2018. On this basis the main demand is for terraced houses, closely followed by detached properties and flats / maisonettes.

13.6 Current and Future Demand for Market Housing

13.6.1 The Isle of Scilly Local Plan was adopted in November 2005 and is currently under review (source: www.scilly.gov.uk/planning-development/planning-policies-and-guidance). The new Local Plan will set out the strategy for the spatial development of the area for at least a 15-year period from the date of its adoption.

13.6.2 The NPPG identifies the core Government objectives to provide a variety of high quality market housing including addressing any shortfalls that apply in market housing. Authorities are required to plan for a full range of market housing to meet the needs of the whole community, so that provision is made for family, single person, and multi-person households.

13.6.3 Local planning authorities should identify the size, type, tenure and range of housing required in particular locations, reflecting local demand. Policies should give indications of the type or size of dwellings to be delivered to meet household demand and create sustainable inclusive and mixed communities over the longer term.

13.6.4 The NPPG states that neither secondary nor primary data are themselves more or less robust when trying to derive a robust assessment of housing need and demand. In terms of household flow models, the data from the 2015 HNS has been utilised to assess the demand and the supply from existing stock turnover for market housing. The following table shows the data over 3 years and the future average annual demand and supply of market properties by bedrooms from: -

- Demand from local existing households moving within the Islands and from in-migrating households;
- Supply from the turnover of the existing stock created by existing households moving and out-migrants leaving the Islands.

Table 133-12 Annual Market Housing Demand by Size

Households	Bed-sit / 1-bedroom						2-bedroom		3-bedroom		4+ bedroom		All Sizes	
	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand
Existing		1		4		5		1		11		1		11
In-migration		3		6		15		6		30		6		30
Total Demand		4		10		20		7		41		7		41
Moving within	3		5		9		0		17					
Out-migration	1		5		9		2		17					
Total Supply	4		10		18		2		34					
Net Shortfall / (Surplus)		--		--		-2		-5		-7				

Source: Household Survey 2015

- 13.6.5 The major market housing demand from existing and particularly in-migrating households is for three and four bedroom properties. After taking account of turnover supply, there is a shortfall of seven 3 and 4 bedroom units over the next 3 years.
- 13.6.6 The demographic change forecasts however show significant growth in older households especially those over 75 and a fall in the number of households with children.
- 13.6.7 On balance, the demographic shift is already apparent and in view of the current stock mix with flats and terraced properties combined representing only around 15% of the market stock, future delivery has to **bias in favour of smaller units to create a more balanced housing market.**
- 13.6.8 However, although especially in the longer term there is a need to take into account the **demographic change requiring a higher proportion of small units, 1 and 2 bedroom properties, there is still a need to create sustainable and balanced developments.**
- 13.6.9 **It is therefore recommended that to create a more balanced housing stock and family housing, the Council could consider future delivery development proportions of 60% 1 and 2 bedrooms and 40% 3 and 4 or more bedrooms.**
- 13.6.10 These property sizes do not fully take account of the need to address the potential for some form of sheltered or supported housing to address the growth and needs of those aged over 75 over the Plan period.

APPENDIX 7

SHMA - Executive Summary of the Key Findings July 2016



Council of the
ISLES OF SCILLY

**STRATEGIC HOUSING
MARKET ASSESSMENT (SHMA)**

**EXECUTIVE SUMMARY OF THE KEY FINDINGS
JULY 2016**



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Contents

1	Context.....	4
2	The Demographic Context & Future Projections.....	4
3	The Economic Climate.....	5
4	Objectively Assessed Need	5
5	Housing Demand and Need	6
6	Property Size Targets	6
7	Market Housing.....	6
8	Tenure Mix	7
9	Affordable Housing	7
10	Social Rented Property Size	8



KEY FINDINGS AND FUTURE HOUSING TARGETS

Introduction

In 2015 the Local Planning Authority commenced a review of the 2005 Isles of Scilly Local Plan: A 2020 Vision. Part of this process is to understand the housing needs of the islands. A critical piece of the Local Plan evidence base therefore is understanding the population changes and housing market in order to understand the scale, distribution and type of housing required on the islands. David Couttie Associates (DCA) successfully tendered for this work and have produced a Strategic Housing Market Assessment (SHMA), which includes an objectively assessed housing need for the Isles of Scilly to help inform the Local Plan. The following is a summary of the key findings.

1 Context

- 1.1 Much of the land is under the ownership of the Duchy of Cornwall and let on a leasehold basis making it is difficult to build new housing and the cost of development is also a significant factor. Build costs estimated to be 50% higher than the UK mainland due to freight costs.
- 1.2 The Islands have therefore much higher house prices than the mainland and coupled with low wages, low availability of owner-occupied housing and limited access to affordable housing, leading to out-migration of young people who leave for further education, employment and housing on the mainland.
- 1.3 Along with a loss of the younger generation, retirees migrate to the Islands to take advantage of the beauty of the local area, with an increasing older population placing significant implications for local services provided by the Council.
- 1.4 All of these factors mean the Council require a clear indication of the scale and mix of housing and the range of tenures that meet the changing needs of the resident population over the Plan period to 2030.

2 The Demographic Context & Future Projections

- 2.1 Analysis of changes in population and household profiles are essential in enabling an understanding of the level of housing need and demand within an area.
- 2.2 Demographic change creates the need for different levels and types of housing provision and is a key factor influencing the requirements for market and affordable housing.
- 2.3 The most significant feature is the growth of the population in the over 65 age group. This group represents 25% of the total population in 2014 and is expected to increase further to 32% in 2030. This group will impact on demand for supported housing, support services and need for adaptations to remain in their own home.
- 2.4 The working age population (16-64) will decline from 65% currently to 52% by 2030 with implications for the availability of a workforce to fulfil key roles within the community and economy.



3 The Economic Climate

- 3.1 The economic development of an area can be of equal importance in driving change in housing markets, especially due to the effect of migration. It is important to highlight the relationship between economic development and the provision of housing.
- 3.2 Whilst there is an obvious and established link between economic development and the requirement for new housing, the type of housing provided within an area can also play a central role in addressing and facilitating economic development and regeneration objectives.
- 3.3 The Isles of Scilly has high levels of Managers, directors and senior officials, reflecting the nature of smaller companies and a mix of skilled trades' occupations.
- 3.4 The occupational and industry profile of the Islands represents the more self-sufficient nature of life on the Islands, the influence of tourism, and both the importance of the public sector and small companies.
- 3.5 High levels of retirement can impact on the economy of an area with lower levels of economically active households. It also indicates an elderly population who will in the future require suitable accommodation to meet their changing needs.
- 3.6 There is also a relatively high level of wealth, based on the equity held in owner occupation. Many retired people will have their own resources for housing and care.
- 3.7 Incomes amongst concealed households are lower than in the population as a whole and their housing choices are consequently more limited. 89.3% of concealed households are unable to afford to buy in the owner occupied market and 72% cannot afford to rent in the private market.

4 Objectively Assessed Need

- 4.1 A primary objective of the Strategic Housing Market Assessment is to identify the future quantity of housing needed (National Planning Practice Guidance - paragraph 002).
- 4.2 Specific demographic and dwelling projections for the Isles were developed by Edge Analytics whose full Report to compare with the published Department of Communities and Local Government (CLG) 2012 sub national household projections (SNHP).

Household Projections – 2015 - 2030

Scenario	2015	2030	Change	Change %
SNHP12	974	874	-100	-10.3
STATIC	1,023	1,040	17	1.7
GROWTH	1,027	1,105	78	7.6

Where:

SNHP 12 is the CLG sub national household projections for 2015-2030 for the isles of Scilly;

STATIC is the scenario with no overall no growth;

GROWTH is the scenario, driven predominately by modest net migration gains.

- 4.3 The nature of the use of the housing stock locally creates a high vacancy rate of 28.7% and results in a dwelling growth in the POPGROUP model from 1,442 to 1,551 units **a growth of 109 units** to meet the population growth of 78.



- 4.4 Analysis of the range of housing market signals set out in Guidance and PAS advice suggests that the very high cost of housing could justify a minimum increase of 10% additional dwellings, equivalent to 11 additional units.
- 4.5 **This would result in an OAN figure of 120 units over the Plan period to 2030.**
- 4.6 The focus on self-build as a means of delivering more affordable housing should be examined as the housing survey identified 11 households interested in this option if land could be made available.
- 4.7 In addressing new housing delivery it will be important to improve the flow of the existing stock particularly through linking small units for older people to households under-occupying their existing home, especially in the social sector.

5 Housing Demand and Need

- 5.1 The distinction between housing demand and need is fundamentally economic. If a household can satisfy its own requirement for housing in the private market it is termed 'demand' but if some form of subsidy is required it is termed to be 'need'.
- 5.2 The findings of the household survey identify that there is an overall total for market housing in the Islands of around 54 units and a need for 13 units of affordable housing over the 3 years to 2018.
- 5.3 The key feature of population change impact on the housing market is an ageing population with implied increasing care, support and accommodation needs.

6 Property Size Targets

- 6.1 In view of the current stock balance and longer term demographic and household formation change, all future development should address the imbalance of stock type and size, both by tenure and location to create a more sustainable and balanced housing market.
- 6.2 The need for different property sizes in the affordable and market sectors have been provided to support targets and give direction to the property types, and particularly size of housing to be delivered to create a better balance in the local stock.

7 Market Housing

- 7.1 Creating a more balanced stock has to address imbalances in the current stock structure.
- 7.2 Over 63% of all owner occupied properties have 3 bedrooms or more bedrooms, very high levels compared to the combined total of below 37% of 1 and 2 bedroom units.
- 7.3 There is a need for a higher proportion of two bedroom units to create a better housing offer and address the increasing need for smaller properties due to demographic and household formation change.
- 7.4 Broadly we recommend a **60% small and 40% large** unit split to assist in the achievement of a better housing offer in the Islands. This balance could be subject to greater variation at site level.
- 7.5 Although the major requirement should be to deliver fewer of the three bedroom properties which are over a third of the current stock, there is still a need to create balanced developments.



- 7.6 Overall however the need is still significantly for more one and particularly two bedroom properties uses to provide a more balanced housing offer.
- 7.7 It is not in the remit of this assessment to assess whether or not the evidence of housing demand can be delivered within the Islands. This exercise will need to consider a range of other factors and issues, including the impact of potential demographic and formation change, the ability of the Council to accommodate future housing growth and local planning constraints.
- 7.8 In view of the proportion of 3 bedroom properties in the current market stock, it is recommended that as a guide to developers, the **40% of new delivery for larger families could be split 20% three and 20% four bedrooms.**

8 Tenure Mix

- 8.1 NPPF requires the provision of tenure mix targets within affordable housing policies which may vary by location within the Islands to take account of demand, need and current affordable supply at local level.
- 8.2 The 2015 household survey found no expressed demand for shared ownership units from existing and concealed households forming. This is unusual but as there are none in the stock this result is perhaps not surprising.
- 8.3 However future delivery should provide for a better balance in the market and shared equity in some form utilising land values could provide affordable housing for sale for out-migrants leaving because of affordability and new forming households.
- 8.4 Tenure mix is normally a key factor in site viability and we recommend retention of a tenure **mix balance of 80: 20** between social rent and intermediate housing.

9 Affordable Housing

- 9.1 Local planning authorities are not expected to simply translate housing demand into actual housing targets that need to be met. They are only part of the evidence and need to be considered against other strategic factors, including cross-boundary issues.
- 9.2 Targets should be set based on what is sustainable, viable and deliverable, and importantly supports other corporate regeneration and economic growth strategies.
- 9.3 Social rented housing is 18.1% of the stock but does not provide adequate turnover to meet the scale of need identified.
- 9.4 The assessment of affordable need calculates that after re-let and re-sale supply of 9 units, there is still a shortfall of 15 affordable units a year from existing and new forming households.
- 9.5 Meeting the total need for affordable housing however also involves initiatives to free up under-occupied social units making best use of the existing stock in addition to new unit delivery through the planning system.
- 9.6 Making best use of the stock, particularly in the social sector could have a significant impact on the delivery requirements of future social rented need and the success and outcome of initiatives to improve the flow of stock require close monitoring.



10 Social Rented Property Size

- 10.1 Stock balance, turnover and waiting list demand analysis are vital to identify the gaps in the stock and the proportions by type and size required to address current and future need.
- 10.2 95.4% of the waiting list is for bedsits, one and two bedrooms. In view of the scale of need for small units it would be **reasonable to consider a property size target for 60% bedsits and one bedroom and 40% two bedroom properties.**