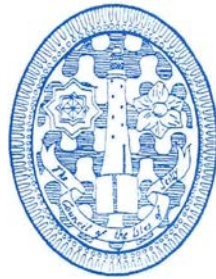


THE ISLES OF SCILLY LOCAL DEVELOPMENT FRAMEWORK

ANNUAL MONITORING REPORT (AMR5)

(APRIL 2010 – MARCH 2011)

DECEMBER 2011



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SUMMARY

The Planning and Compulsory Act 2004 requires every Local Planning Authority to prepare an Annual Monitoring Report. This Annual Monitoring Report is the third to be prepared for the Isles of Scilly and covers the period from 1st April 2010 to 31st March 2011.

In summary this report;

- Includes a series of indicators that highlight the key social, environmental and economic characteristics of the islands. These indicators have helped identify the key issues, challenges and opportunities that the planning system needs to address on Scilly;
- Assesses the progress towards the implementation of the proposed timetable for Local Development Documents identified in the Local Development Scheme;
- Contains Core Output Indicators to assess performance against national planning policy objectives. However, the size and unique characteristics of the islands means that some of the information in relation to these indicators is either unavailable or inappropriate;
- Contains Local Output Indicators that monitor the extent to which the policies and proposals in the Local Plan are achieving their purpose; and
- Sets out the timetable for preparing the AMR for 2011/12.

I. INTRODUCTION

I.1 The Planning and Compulsory Purchase Act 2004, which came into force in September 2004, introduced fundamental changes to the planning system. In accordance with the provisions of this Act, the Isles of Scilly Local Plan - A 2020 Vision Isles of Scilly, which was adopted in November 2005, will gradually be replaced with a series of Local Development Documents (LDD's). Collectively, each Local Development Document will make up the Local Development Framework (LDF) for the Isles of Scilly. The Local Development Scheme (LDS) sets out the timetable for the preparation of LDD's.

I.2 The 2004 Act provides for existing planning policy documents to be 'saved' for a period of three years from the date of adoption while the new system is introduced. Most of the policies contained in the Local Plan have been saved beyond the 3 year period since it was adopted by the Government through the powers of the Secretary of State. The Local Plan remains an up to date and relevant document and reflects the principles of the local development framework and current priorities on the islands. In this respect, it is considered that the Local Plan provides a clear spatial planning strategy for the islands in a concise and precise manner, reflecting its relatively small population and geographic area. The Local Plan has regard to the Sustainable Community Strategy for the islands and is in general conformity with the draft Regional Spatial Strategy for the South West.

I.3 Section 35 of the Act requires that every Local Planning Authority submit an annual monitoring report to the Secretary of State by the 31st December. Monitoring is central to sound spatial planning and the achievement of sustainable development. Monitoring is required to identify the impact of planning policies and proposals and assess whether or not they need adjusting or replacing to ensure they meet their purpose.

I.4 The Annual Monitoring Report (AMR) assesses the implementation of the LDS and the extent to which policies in the Local Plan and subsequent LDD's are achieving their purpose. This AMR covers the period from 1st April 2010 to 31st March 2011.

The Key Characteristics of the Isles of Scilly

Context

I.5 The Isles of Scilly, situated 28 miles south west of Lands End, are a group of approximately 200 low-lying granite islands and rocks. The majority of the Isles of Scilly is owned by the Duchy of Cornwall with some freehold land on St Mary's, concentrated primarily in Hugh Town. The whole of the island of Tresco is let on a long- term basis to the Tresco Estate.

1.6 The islands are home to 2153 people spread across the inhabited islands of St Agnes, St Martins, Tresco, Bryher and St Mary's. Around 1600 people live on St Mary's, which acts as the administrative centre, major employment area and town of the islands, with each of the "Off Islands" accommodating between 78 and 160 individuals. The population remains stable but is aging rapidly as the young leave for the mainland in pursuit of further education, jobs and homes and the elderly retire to the islands.

1.7 The distinctive character of the Isles of Scilly is recognised in the designation of the entire islands as a Conservation Area, Area of Outstanding Natural Beauty and a Heritage Coast. The islands also contain 27 Sites of Special Scientific Interest, 238 Scheduled Ancient Monuments as well as 130 Listed Buildings (4 Grade I and 8 Grade 2*). The islands are also designated a Special Area of Conservation (EU Habitats Directive), a Special Protection Area (EU Birds Directive) and a Ramsar wetland site.

1.8 The landscape is a patchwork of small fields and hedges, open heaths and sandy beaches, rocky headlands and bays. The scale and style of the islands' field systems is the artefact of their earliest residents as well as their current agricultural roles. Scilly has a strong maritime history, including a catalogue of maritime archaeological finds and "pilot gig" boats; which formerly acted as guides to larger vessels during poor weather but more recently are raced for sport. A small yet significant number of fishermen still operate from the islands. The islands' sea and landscape are integral to their social, economic and environmental fabric and are also responsible for the large numbers of visitors coming to the islands each year.

1.9 The islands' natural environment and relaxed lifestyle provide a draw for around 100,000 visitors per season. These visitors are the driving force of the economy. However, the agricultural sector, which is dominated by the flower growing, remains important on the islands; providing employment for a relatively large number of people but also allowing for migration of the workforce from tourism activities into agriculture given the polar opposite seasons of these two sectors.

1.10 The Isles of Scilly are connected to the mainland UK, and the wider economy, through air links with Lands End, Penzance, Newquay, Exeter, Southampton and Bristol and sea links with Penzance. These links are vital for the economy of the islands and for the long term sustainability of the islands' community. The air links are responsible for around 65% of passenger transport whilst the majority of the 14,000 metric tonnes of freight per annum required to sustain businesses and the community are delivered by sea.



Fig 1 – Map of the Isles of Scilly

Development Context

1.11 Development on the Isles of Scilly is restricted primarily due to the finite amounts of land (around 1600 hectares) and a lack of suitable sites for new development. The dominance of the Duchy of Cornwall as the principle landowner, restrictive planning policies, the high cost of building and the islands' peripheral location all act as a deterrent to development. The majority of development takes place on St Mary's, and this reflects its comparatively large population, concentration of services and employment and because of the added difficulties and costs associated with developing on the Off Islands.

I.12 Another significant constraint to development on the Isles of Scilly is the islands' ageing infrastructure. The management of waste is particularly difficult, especially as the incinerator operates at capacity in the summer months. The sewerage system on St Mary's, and especially in Hugh Town, is also at capacity during the peak visitor periods. The islands' desalination plant provides for water on St Mary's and Bryher. However, at times of peak use the capacity of the plant is exceeded and the reservoir drains. On the rest of the islands, where wells are used to provide water, there are concerns surrounding the salinity of the water table and the ability of the aquifer to recuperate. These constraints mean that careful consideration needs to be given to the consequences of new development and that innovative approaches are often a prerequisite of any project, development or plan in terms of waste and water management. The infrastructure requirements are not show stoppers in terms of new housing as we are only talking about housing an existing population, but they are significant when looking at economic growth.

I.13 Cost of development is also a significant factor with build costs estimated to be in the region of 50% greater than those in West Cornwall, although a recent study identified the cost of building materials on St Mary's was 144% greater than from suppliers on the mainland; most of which can be attributed to freight costs. When coupled with the fact that most of the land is let on a leasehold basis from the Duchy of Cornwall it is difficult to justify significant investment.

I.14 All of the above provide significant barriers to the fulfilment of the Isles of Scilly social and economic potentials.

Housing Demand and Supply

Key issues

- **Population growth:** the Isles of Scilly have experienced little if any growth in the permanent resident population in recent decades. This could lead to a lack of local people to fill key jobs, or an increase in job plurality¹.
- **Ageing population:** as is the case throughout the UK, the population of the Isles of Scilly is ageing. However, this trend is greater on the Isles of Scilly, as retirees migrate in and young people migrate away to seek further and higher education. The ageing population has significant implications for local services, especially those provided by the Council of the Isles of Scilly.

¹ Instances of residents holding more than one job

- **Housing tenure:** due to the very high house prices and prominence of the Duchy of Cornwall in local home ownership, a large proportion of the resident population live in rented accommodation. This is likely to result in a lack of capital to invest in local businesses, and leakage in housing investment to the mainland.
- **Housing affordability:** the Isles of Scilly have far higher house prices than Cornwall, the South West and the country as a whole. Coupled with low wages and the low availability of owner-occupied properties, poor housing affordability could force some local people to leave the Islands, or to invest in housing on the mainland instead.

Demography and housing demand and need

1.15 In 2001, when the most recent Census was conducted, the Isles of Scilly had a population of 2,153² people with approximately three quarters living on St Mary's. The remainder of the population was dispersed among four other Islands; 83 residents on St Agnes, 78 on Bryher, 167 on Tresco and 113 on St Martin's. The latest mid-year population estimate indicates no significant change, with a figure of 2,100 for 2007.

1.16 On the Isles of Scilly, 47%³ of the population were over the age of 45 at the time of the Census, compared to just 40% in England, whilst 25% of the population were under 25 years old, compared to 31% in England as a whole. Although an ageing population is consistent with the national trend, it seems to be more pronounced for the Isles of Scilly. An ageing population coupled with a small absolute population base has significant implications for the local economy regarding the demand for public services such as healthcare and social services. The Isles of Scilly has no sheltered accommodation and only one local authority run care home, and providing for an elderly population may become increasingly challenging for the local community. In the 2001 Census 97.3% of the population of the Isles of Scilly is white British, 0.3% record their ethnicity as mixed race, 0.3% as Irish and 2.1% as from another white ethnic group. The age range of the ethnic minority population is generally younger than the total population especially for the mixed ethnic group.

1.17 The population of the Isles of Scilly exhibited less growth than the national trend over at least the last two and a half decades, and has grown at a much slower rate than neighbouring areas such as the Penwith area and the rest of Cornwall - see Figure 1.1. The combination of both a stable and an ageing population reflects the out-migration of the islands' young, usually following

² Census, ONS: Crown Copyright Reserved 2001

³ ibid

secondary education to access further education, jobs and homes, and in-migration of an older generation who perceive Scilly as an attractive place to retire.

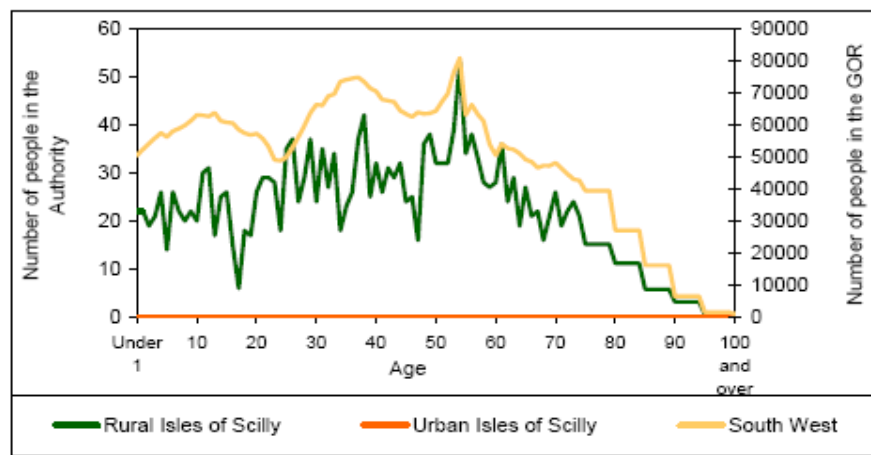
Figure I.1: Population has remained stable in the Isles of Scilly

Area	Total Population (2007)	% population change 1981 – 2007
Isles of Scilly	2100	5
Penwith	65000	20
Cornwall and Isles of Scilly	531700	25
South West	5178000	18
England	51092000	9

Source: Census, ONS: Crown Copyright Reserved 2001. Mid-year population estimates, ONS: Crown Copyright Reserved 2007

There is a need to bring back younger people to create a sustainable community. Failure to do so will place pressure on service provision including social services and healthcare provision as well as leading to a decrease in the proportion of residents who are economically active, in a context where a small decrease in the number of economically active or the loss of key businesses or social infrastructure can have considerable consequences.

Age of the population in urban/rural parts of the Authority and totals for the Government Of Region.



Source table from the Census: UV04 Age

Affordability

I.18 The cost and availability of adequate housing is a significant factor in retaining both the islands' young and providing dwellings for the islands employment base. Housing affordability is a critical issue on the Isles of Scilly. House prices for the Isles of Scilly are considerably higher than anywhere else in the South West (average price £405,429). Reasons include the restrictive planning policies reflecting the protected status of land on the Islands and the desire not to spoil the landscape; the dominance of the Duchy of Cornwall as the principle land owner; the lack of leasehold land which all but precludes the use of Section 106 agreements to ensure the presence of affordable housing in new developments; the very high second home rate of 23% and the prominence of holiday lets. The Isles of Scilly suffer the double impact of significantly higher than average house prices and rents and lower than average incomes, with commuting from cheaper areas of housing on the mainland not a realistic or viable option. A recent survey suggested that 70% of residents cannot afford to buy on the open market. This lack of affordability is a problem for local businesses, with 44% of employers attributing recruitment problems to lack of residential accommodation. This is significantly higher than those attributing recruitment problems to skills, attitudes (both 17%) or qualifications (7%).

I.19 Those privately owned houses that become available for sale on the open market are rarely bought by local residents as they are well beyond the means of those living on the islands. Those houses that are more “affordable” are restricted by planning obligations with qualifying conditions that must be met in order to allow residents to consider buying/occupying these homes. Whilst this allows for residents that are adjudged to be “Key Workers” or to meet a “Specific Local Need” they do not constitute general affordable housing or provide dwellings for those moving to the islands for work purposes. People unable to buy privately, or that do not meet the requirements of the “Key Worker” or “Specific Local Need” housing, enter the rented sector. The social rented sector is massively oversubscribed as reflected by the Council’s housing register and the Housing Needs Assessment (2005). Aside from the issue of demand there is also a lack in variety to cope with the differing family dynamics. Furthermore, the private rented sector is seen to be out of kilter with local earnings and therefore economically hamstrings residents.

I.20 The seasonality of the islands economy has an impact on the supply of housing availability - with many houses being let during winter months to islanders on short term leases so that they can be let as holiday accommodation, or lived in by their owners, during the summer. The high rate (23%) of second home ownership also leaves buildings unoccupied during the winter if the owner decides not to let their house to islands residents.

Housing Tenure

I.21 The Isles of Scilly has a very low proportion of owner occupied housing stock as indicated in Figure I.2. Within the small number of houses that are owner-occupied, very few are freehold, with the majority of those that are concentrated in Hugh Town on St. Mary’s. Owner occupied housing on the off islands is not subject to the Commonhold and Leasehold Reform Act, meaning that leaseholders do not benefit from the enhanced rights offered through commonhold ownership.

Figure I.2: Very low proportion of owner-occupied housing on the Isles of Scilly

%	%	%	%	%	%	%
owns outright	owns with a mortgage	shared ownership	rented from council	other social rented	private rented	other

		or loan					
Isles of Scilly	21	17	2	13	4	30	14
Penwith	32	36	1	1	13	13	4
Cornwall and Isles of Scilly	32	40	1	6	6	12	4
South West	27	45	1	7	5	10	4
England	24	45	1	12	5	9	4

Source: Census, ONS: Crown Copyright Reserved 2001

1.22 Private renting plays a very prominent role in the Isles of Scilly, accounting for 30% of the total housing stock in 2001, compared with just 9% in England. The Duchy of Cornwall is the dominant landlord (183 dwellings). Council housing (108 dwellings) and housing association properties (54 dwellings) are also important, with a high proportion of the population living in 'other' forms of accommodation, such as communal living provided for staff in the hospitality sector. 99 homes owned by the authority meet the Decent Homes Standard (92%) with plans for all to meet it by the end of 2010/11.

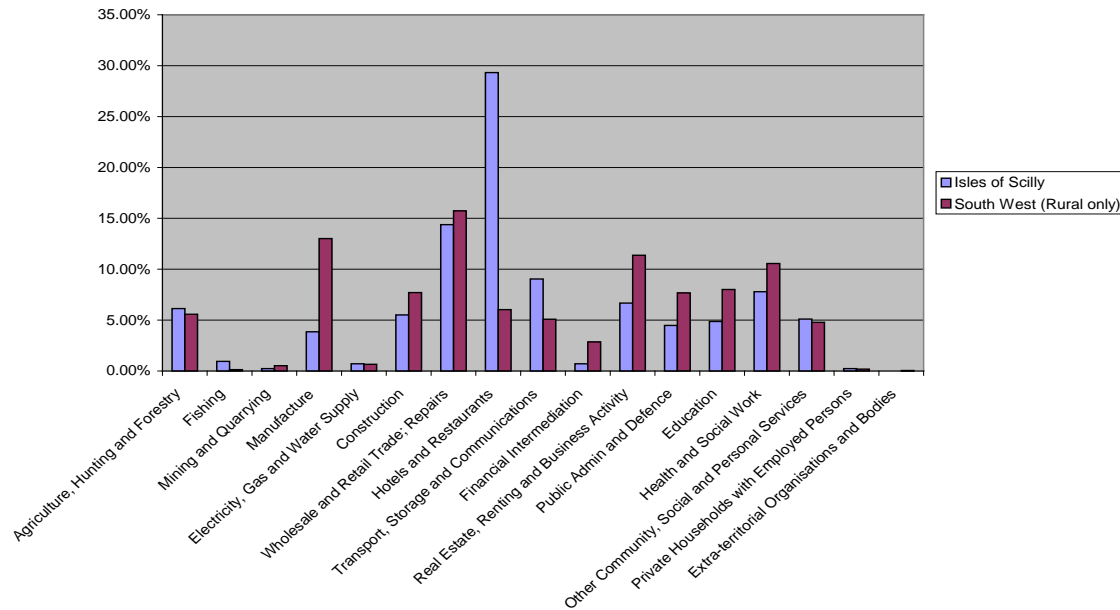
Housing need

1.23 In addition to the housing register, the Housing Needs Survey undertaken in 2005 revealed a total of 30 households in need of an affordable dwelling of some description (11 households could afford shared-ownership; the remaining 19 would need social-rented). The survey also revealed a large number of concealed households (18 out of the total 30). The Housing Needs Survey concluded that the anticipated provision of new homes set out in the Local Plan appears to reflect the requirement suggested by the survey results, with an emphasis on social housing for rent or shared ownership with some opportunities made available for self-build schemes. The survey also indicated that much of the housing need identified could be addressed by moves within the existing housing stock, which is an issue that will be addressed in the forthcoming Housing Strategy and very much connected to the provision of elder care housing.

Employment

Key issues

- Visitor economy:** an unusually large proportion of workers are employed in hotels and restaurants and a large number of residents are employed in businesses that support the sector. Whilst employment has also grown in the public sector and real estate, the local workforce remains highly dependent on tourism.



- Low wages:** earnings on the Islands are amongst the lowest in the country, reflecting the level of employment within low value sectors such as tourism and agriculture. The low wages available, coupled with the high cost of living, often lead to residents taking on more than one job.

I.24 There is considerable under-employment, reflecting the limited career opportunities available and the seasonal nature of some employment. Furthermore, employment on the islands is more likely to be 'lower ranking' than the South West average and as a

result there is often a need for many individuals to hold down more than one job. This is not necessarily a disadvantage in an island economy. However, of greater concern is the absence of higher paying part time employment: that is, even where people have more than one job, these tend to be low paid. The median workplace on earning is £13,660 , well below the national average and the 4th lowest paid area in the UK.

- **Commuting:** given the unique physical characteristics of the Isles of Scilly, there is virtually no commuting to or from the Isles. This has particular implications for the off-islands, where residents are highly dependent on a very small number of businesses for employment.

Competitiveness

Key issues

- **Low business confidence:** businesses on the Isles of Scilly do not perceive the local economy to be in a strong position. This is commonly attributed to significant travel costs and the small customer base.
- **Dependence on tourism:** as the vast majority of output from the Isles of Scilly is tourism-related, the competitiveness of the Isles is highly dependent on a sector that is seasonal and vulnerable to yearly fluctuations. If the tourism offer on the Isles does not keep pace with demand from visitors, there is a danger that the economic competitiveness of the Isles of Scilly could suffer.
- **Horticulture industry:** though small in absolute terms, the horticultural industry on the Isles of Scilly is a key asset for the local economy and competes against suppliers from across the globe. It is seeking to develop a distinctive brand, but success depends both on being competitive on price and on being able to offer reliable delivery, which is sometimes difficult because of complicated logistics and vulnerability to bad weather.

Employment Premises

Key issues

- **Restrictions and constraints:** the Isles of Scilly are bound by a series of environmental legislation and practical constraints. This ensures the attractiveness of the natural environment, but significantly restricts the development of business premises.

- **Commercial and industrial floorspace:** commercial property on the Isles of Scilly is dominated by retail and rateable values are very low, providing many businesses with Small Business Rate Relief. Whilst low annual rents on the Isles of Scilly can incentivise business start-ups, the lack of available property, especially commercial office space, is a serious issue for new enterprises.

Challenges and Opportunities

1.24 The negative factors, as summarised above, act as a drag on economic and social development. Indeed, some may be intractable and will continue to compound other disadvantages, such as high transport costs. These issues have implications for the range and location of development activities that should be pursued and it is particularly important that projects for the off-islands are developed as part of the overarching spatial planning strategy for the Isles of Scilly. Protecting the islands' unique and precious environment, whilst ensuring a strong, sustainable and dynamic community, is a continual challenge for the Local Planning Authority. In the face of these unique challenges, the policies and proposals set out in the Local Plan and the emerging Local Development Framework seek to provide a strategic and sustainable solution to meeting the development needs of the islands.

2. IMPLEMENTING THE LOCAL DEVELOPMENT SCHEME

2.1 The first Isles of Scilly Local Development Scheme (LDS) was approved in August 2005, having been submitted formally to the Government Office for the South West during March 2005. The LDS has subsequently been updated in July 2006, March 2007, June 2008 and December 2009. This report monitors the progress of the fourth version of the LDS (December 2010) as it covers the period up to March 2011.

2.2 The first key document to be prepared as part of the Local Development Framework was the Statement of Community Involvement (SCI). The first SCI was adopted in January 2006. Due to changes in the regulations, which have removed the Preferred Option stage from the process of preparing development plan documents and revised the list of bodies that should be consulted on any LDF document, the SCI has been reviewed and revised. The revised SCI was adopted in April 2010.

2.3 The programme for preparing planning documents within the LDS approved in November 2009 indicates the Commencement of the preparation of the Core Strategy with the Scoping Report for the Sustainability Appraisal prepared between December 2009 and March 2010 in parallel with the review of the SCI. However, as indicated in the table below, the scoping report was actually

completed and adopted in February 2010. Unfortunately due to limited resources no further progress has been made in relation to the preparation of the Core Strategy.

Progress of Documents in the Local Development Scheme Programme from April 2010 to March 2011.

Development Plan Document and Key Stages Core Strategy	Target Date	Date Achieved
Scoping Report for the Sustainability Appraisal	March 2010	February 2010

3. OUTPUT INDICATORS AND POLICY PERFORMANCE

3.1 The purpose of the Output Indicators is to assess the performance of the planning policies and proposals in the context of both national and local objectives and priorities.

3.2 **Core Output Indicators** are set by Central Government and will be monitored by Local Planning Authorities across the Country. The results of these indicators should provide a consistent and comparable data source to assess the impact of planning policies and proposals at the regional and national level.

3.3 **Local Output Indicators** are identified by the Council, to monitor the impact and effectiveness of particular planning policies and proposals set out in the Local Plan at a more local level. The selection of local indicators focuses on issues and impacts that are considered to be important locally, without duplicating the core output indicators. However, given that most new development is generally small scale, coupled with the relatively low number of planning applications received and ultimately implemented each year (on average around 120 applications are received per annum with about 70% approved), it has been difficult to select meaningful local indicators in addition to the national indicators.

CORE OUTPUT INDICATORS

3.4 The Government has identified a series of Core Output Indicators and can generally be linked to specific plan policies. The national indicators set out in this report are considered to be the most relevant to the islands’.

Business Development

	Core Output Indicator	Measure for 2010/11	Related Policies
Ia	Amount of floor space developed for employment by type. ¹	B1 & B8 - None	Policy 4 and allocated sites in the Local Plan (November 2005) (Proposal B)
Ib	Amount of floor space developed for employment by type, in employment or regeneration areas. ¹⁺²	None	
Ic	Amount of floor space by employment type, which is on previously developed land. ¹	B1 & B8 - None	Policies 2 and 4 and allocated sites in the Local Plan (Proposal B)
Id	Employment land available by type. ¹	Total Employment Areas: ² 15985m ²	
Ie	Losses of employment land in (i) employment ² / regeneration areas and (ii) local authority area	None	
If	Amount of employment land lost to residential development.	None	

1 Use Classes from the 2005 Use Classes Order: B1 (business); B2 (general industrial); B8 (storage or distribution)

2 Employment areas include the industrial areas identified in the Local Plan at Porthmellon, St Mary’s and Abbey Farm, Tresco. There is no regeneration area specifically identified in the Local Plan, although the Council are working in partnership with the Regional Development Agency to implement a Master Plan for the regeneration of the Porthcressa area in Hugh Town, St Mary’s.

3.5 The Local Plan specifically identifies land for employment purposes at Porthmellon (See Proposal B of the Local Plan), which is the main industrial estate on the islands, and Abbey Farm on Tresco as part of a large mixed use redevelopment scheme (see Proposal E of the Local Plan). There was no recorded additional employment floor space created neither was there any recorded net loss of business premises resulting from their redevelopment or change of use. The conversion of unit 6 at Porthmellon Industrial Estate from A1 retail to B1 business did commence during this period.

Housing

	Core Output Indicator	Measure	Related Policies
2a	Housing trajectory showing:		
(i)	Net additional dwellings over the previous five year period or since the start of the relevant development plan document period, ¹ whichever is the longer;	(April 2005 to March 2010) 69 ³	Policy 3 and allocated sites in the Local Plan (Proposals A and E)
(ii)	Net additional dwellings for the year 2010/11;	3	Policy 3 and allocated sites in the Local Plan (Proposals A and E)
(iii)	Projected net additional dwellings up to the end of the relevant development plan document period or a ten year period from its adoption, whichever is the longer; ²	31	Policy 3 and allocated sites in the Local Plan (Proposals A and E)
(iv)	The annual net additional dwelling requirement;	5	Policy HMA9a of the draft RSS for the SW Policy 3 and allocated sites in the Local Plan (Proposals A and E)
(v)	The annual average number of net additional dwellings needed to meet overall housing requirements, having regard to previous years' performances.	3	Policy 3 and allocated sites in the Local Plan (Proposals A and E)

2b	Percentage of new and converted dwellings on previously developed land.	83%	Policies 2 and 3 and allocated sites in the replacement Local Plan (November 2005) (Proposals A and E)
2c	Percentage of new dwellings completed at:		
(i)	less than 30 dwellings per hectare;	5%	Policy 2 of the Local Plan
(ii)	between 30 and 50 dwellings per hectare; and	85%	Policy 2 of the Local Plan
(iii)	above 50 dwellings per hectare.	10%	Policy 2 of the Local Plan
2d	Affordable housing completions.	72	Policy 3 of the Local Plan

1 The replacement Local Plan – A 2020 Vision - was adopted in November 2005 and saved until 2010 although it covers the period to 2020.

2 The figure is an estimate based on the anticipated provision as set out in the Local Plan from 2004 to 2020 (i.e. approximately 100 dwellings) and not based on the strategic level of provision set out in the draft RSS.

3 The figure does not include staff or visitor accommodation subject to occupancy restrictions.

3.6 No strategic housing requirements have been identified for the Isles of Scilly in the Regional Planning Guidance for the South West (RPG10). Instead RPG10, through Policy H04, requires that any new housing on the islands should only be permitted where it meets the needs of the community. However, Policy HMA9a of the Draft Regional Spatial Strategy for the South West 2006 – 2026 (RSS) (Proposed Changes July 2008), relates specifically to the Isles of Scilly. As indicated below, it set out a strategic level of provision as set out below:

In the Isles of Scilly, viable and balanced communities will be supported and the high quality environment protected by providing:

- **housing that meets local needs only**
- **diversification of the local economy**
- **improvement to air and sea links**

Provision for sustainable housing growth will comprise about 100 new homes to meet local needs only.

3.7 In total, it is estimated that the policies and proposals contained in the Local Plan provides for around 100 new dwellings on the islands between the years 2004 to 2020, which would on average equate to around 6 new dwellings per year . However as illustrated in the housing trajectory, it is evident from the completions since 2004 that the number of new dwellings that have been provided is significantly higher than the indicative rates established in both the Local Plan and the draft RSS. On average, around 11

dwelling completions have been provided per annum between April 2004 and March 2011, with a peak of 21 completions in the year 2004/05. It should be noted that the total completions have been in response to the acute need for affordable housing on the islands and include conversions, changes of use and the sub division of existing properties in addition to new builds. Based on the past rate of completions, which, it is difficult to envisage how the supply of new dwellings can be adequately managed in the future to ensure compliance with the anticipated level of provision and strategic requirement established in the draft RSS without compromising the Council's priority of endeavouring to meet the housing needs of the islands' communities.

The Isles of Scilly Trajectory 2010/11 - Housing figures as at 31 March 2011

	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Past completions - Allocated Sites	0	0	0	8	6	0	0									
Past completions - Windfall Sites	21	13	5	9	5	2	6									
Projections - Allocated Sites								2	2	2	2	2	2	2	2	2
Projections - Windfall Sites								1	1	1	1	1	1	1	1	1
Total Past Completions	21	13	5	17	11	2	3									
Total Projected Completions								3	3	3	3	3	3	3	3	3
Cumulative Completions	21	34	39	56	67	69	72	75	78	81	84	87	90	93	96	99
PLAN - Strategic Allocation (annualised)	6	6	6	6	5	5	5	5	5	5	5	5	5	5	5	5
MONITOR - No. dwellings above or below cumulative allocation	15	33	31	32	48	46	44	42	40	38	36	34	32	30	28	26
MANAGE - Annual requirement taking account of past/projected completions								3	3	3	3	3	3	3	3	3

3.8 All of the new dwellings completed between the period April 2004 to March 2011 were in response to some form of need (i.e. specific local needs, key workers and staff). However, only those dwellings in relation to specific local needs or for key workers and subject to Planning Obligations through Section 106 of the Town and Country Planning Act have been classified as 'affordable'. The high proportion of affordable dwellings reflects the restrictive approach of Policy 3 of the Local Plan, which does not permit any new general open market housing.

3.9 The proportion of new dwellings built on previously developed land (83%) is higher than the regional target of 50% set out in RPG10 and reflects the limited availability of previously developed sites on the islands. Indeed, the housing sites identified in the Local Plan are on green-field land (with the exception of Abbey Farm, Tresco). However, the majority of dwellings built since 2004 (95%) have made efficient use of land and reflects the relatively high density of existing development, especially in Hugh Town. Those dwellings that have been built at relatively low densities have mainly involved the conversion of rural buildings and where the residential curtilage is not always strictly defined.

3.10 A more detailed breakdown of new dwellings completed for the period 2010/11 is set out in the Local Indicators.

Strategic Housing Land Availability Assessments

3.11 Strategic Housing Land Availability Assessments are viewed by the Government as a key component of the evidence base to support the delivery of sufficient land for housing to meet the community's need for more homes. These assessments are required by national planning policy as set out in Planning Policy Statement 3: *Housing* (PPS3). The primary role of the Strategic Housing Land Availability Assessment (hereafter referred to as the Assessment) is to:

- identify sites with potential for housing;
- assess their housing potential; and
- assess when they are likely to be developed.

3.12 Guidance published by the Government indicates that as a minimum, the assessment should aim to identify sufficient specific sites for at least the first 10 years of a plan, from the anticipated date of its adoption, and ideally for longer than the whole 15 year plan period. Where it is not possible to identify sufficient sites, Government guidance advises that the assessment should provide the evidence base to support judgments around whether broad locations should be identified and/or whether there are genuine local circumstances that mean a windfall allowance may be justified in the first 10 years of the plan. Government guidance advises that the assessment is not a one-off study, and updating it should be an integral part of the Annual Monitoring Report process.

3.13 As indicated in the housing trajectory, past completions on the islands are significantly above the anticipated level of provision and strategic requirement established in the draft RSS. Furthermore, compared to any other area in the UK, very few new dwellings are provided on the Isles of Scilly reflecting the small geographic area of the islands, its relatively small population base and significant environmental and physical infrastructural constraints. In addition, no new open market houses are permitted on the islands, with all new dwellings that are provided through the planning system in response to the local housing needs of the islands communities. Although most new dwellings come forward on windfall sites, which reflects the scale and type of development on the islands, two green-field sites that are allocated in the Local Plan are currently available and could potentially deliver around 25 new dwellings, which alone amounts to a 5 year supply of land. In addition the proposal for a new school on St Mary's has opened up the opportunity to potentially redevelop the former secondary school for some form housing scheme.

3.14 Due to the exceptional circumstances of the islands and based on these reasons set out above, it is considered that a Strategic Housing Land Availability Assessment is not appropriate, relevant or necessary for the Isles of Scilly.

Transport

	Core Output Indicator	Measure for 2010/11	Related Policies
3a	Percentage of completed non-residential development complying with car parking standards set out in the local development framework.	No standards set out in the Local Plan	Policy 5 of the Local Plan
3b	Percentage of new residential development within 30 minutes public transport time of a GP, hospital, primary and secondary school, employment and a major health centre.	No public transport exists on the islands	

3.11 The Council does not collect the data to report on these Core Output Indicators for the reasons explained.

Local Services

	Core Output Indicator	Measure for 2010/11	Related Policies
4a	Amount of completed retail, office and leisure development.	Retail: 2 Leisure: 2	Policy 6 of the Local Plan and Proposal E
4b	Percentage of completed retail, office and leisure development in town centres.	Retail: 0 Leisure: 0	Policies 4 and 6 of the Local Plan
4c	Percentage of eligible open spaces managed to green flag award standard.	None have been entered.	

3.12 A new restaurant was created at Pool Green, St. Martin's (use class A3) and a change of use from A1 to A5 occurred for the former Health Food Store to a hot food take-away. The construction of the enclosure and associated works was also completed at Normandy Pool. A multi use games area was also completed on the island of St Agnes. No other leisure, retail or office developments were completed during 2010/11. However, it should be noted phase 1 of the works to the Island Hotel on Treseo were completed and that the new school build at Carn Gwaval was also under construction, including a new 4 court sports hall and multi use games areas. No parks or open spaces on the Isles of Scilly have been awarded a green flag.

Flood Protection and Water Quality

	Core Output Indicator	Measure for 2010/11	Related Policies
7	Number of planning permissions granted contrary to the advice of the Environment Agency on either flood defence grounds or water quality.	None	Policy 6 of the Local Plan

3.13 The Environment Agency is not consulted on planning applications as it does not have statutory responsibility in relation to flooding or water quality on the islands. Indeed, the Council is the only remaining public water authority in the U.K. A Shoreline Management Plan for the South West has recently been prepared and will be used to inform planning decisions on those applications close too or affecting the coast. The advice of the Councils' Chief Technical Officer and the Environment and Climate Change Officer is sought in relation to the supply and quality of water and flooding issues.

Biodiversity

	Core Output Indicator	Measure for 2010/11	Related Policies
8	Changes in areas and populations of biodiversity importance, including:		
(i)	change in priority habitats and species (by type);	None identified from available data.	Policy I of the Local Plan
(ii)	change in areas designated for their intrinsic environmental value including sites of international, national or sub-regional significance.	None identified from available data.	Policy I of the Local Plan

Renewable Energy

Core Output Indicator	Measure for 2010/11	Related Policies
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9	Renewable energy capacity installed by type.	<p>Installation of 16 pv panels on one residential property and 8 solar thermal panels on two residential properties were permitted during this period.</p> <p>A ground source heat pump was installed on one property.</p> <p>Installation of drainage and sewerage treatment system</p>	Policies 2 and 6 of the Local Plan and the Isles of Scilly Design Guide
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3.14 During the period 2010/11, planning permission was granted for the installation of photo-voltaic panels (pv) on a residential property as well as 8 solar thermal panels on two other residential properties. A ground source heat pump was installed in one property whilst a drainage and sewerage treatment system was used for a council property. However, this measure only relates to those domestic properties that required planning permission. It is likely that other installations were carried out on other residential properties that did not require planning permission following changes to the permitted development rights for the installation of domestic microgeneration equipment that came into force in April 2008.

3.15 Policy 2 of the Local Plan requires the incorporation of micro renewable energy generation in new developments where appropriate. As indicated above, all of the new dwellings completed during this period included some form of micro renewable energy. Policy 6 of the Local Plan promotes renewable energy projects that are in keeping with the scale and character of the islands. To supplement Policies 2 and 6, the Council has prepared a Design Guide, which incorporates the principles of sustainability. The Council has also adopted a Sustainable Energy Strategy, which sets out an action plan for delivering both macro and micro renewable energy schemes on the islands. Although no large scale renewable energy projects were approved or installed during this period, there is some interest in developing wave power off the islands and for solar farms/gardens on the islands.

LOCAL INDICATORS

3.16 The Local Plan does not identify specific indicators or targets to monitor the impact and effectiveness of its policies and proposals. However, some Local Indicators have been included to ensure that the core policies in the Local Plan can be effectively monitored and influence the development and direction of spatial plan policies and their implementation.

Policy 1 Environmental Protection

3.17 Policy 1 of the Local Plan reflects the various statutory duties that apply to the islands which are designated an AONB, Heritage Coast and Conservation Area in addition to sites of international and national nature conservation interest and the relatively high proportion of listed buildings and Scheduled Ancient Monuments. It is recognised that additional indicators are required to monitor the effectiveness of Policy 1. Modifications to descriptions of 3 listed buildings were made in the period of 2010/2011: Buzza Tower, Coastguard's Lookout Tower and Garrison Tower.

Local Output Indicator	2010/11
Changes to the listed building register	No buildings were de-listed or downgraded. Modifications to 3 listed buildings were made.
Number of Listed Building Consent applications approved	8
Number of Listed Building Consent applications refused	0

Policy 2 Sustainable Development

3.18 Policy 2 of the Local Plan complements Policy 1 by encouraging a high standard of design and the incorporation of sustainable measures so that natural resources are used more efficiently in the construction and use of a building. Policy 2 therefore encourages energy efficiency and renewable generation, the conservation and harvesting of water and the reuse of materials, land and buildings. To supplement Policy 2, a Design Guide has been produced to improve the quality and sustainability of development. It is recognised that an additional indicator is required to measure the quality of design.

Local Output Indicator	2010/11
% commercial development incorporating sustainable design measures (e.g. renewable energy, water conservation, waste minimisation)	None, as only a very limited number of small scale commercial developments were completed this year.
% residential development incorporating sustainable design measures (e.g. renewable energy, water conservation, waste minimisation)	100%

Policy 3 Housing

3.19 To reflect RPG10, the draft RSS and the aim of promoting sustainable communities in the context of the significant housing difficulties (as indicated in the housing need assessment undertaken in 2005 and the Housing Register) and the environmental and physical infrastructure constraints on the islands, Policy 3 of the Local Plan does not permit any new general open market housing on Scilly. All new dwellings should therefore meet the specific needs of the community including key workers. In addition, some provision is permitted for staff accommodation and where it is required for the future viability of a business, no alternative provision is available and where it is not possible to recruit from those already housed on the islands.

3.20 The Local Plan allocates 3 housing sites on St Mary's (Telegraph (Proposal A1), McFarland's Down (Proposal A2) and Normandy Farm (Proposal A3), in addition to a site on Tresco as part of a mixed use redevelopment scheme at Abbey Farm (Proposal E), which has been implemented and provided 12 dwellings. During this period no new housing was completed on any of the allocated sites. It is anticipated that the remaining housing allocations on St Mary's are capable of accommodating around 22 new dwellings.

3.21 In addition to the specific allocations, Policy 3 permits limited housing opportunities to meet the needs of the community through the conversion or change of use of buildings and on sites within existing settlements. Specifically in relation to the off islands, the Local Plan indicates that 5 homes could be provided on Bryher, 3 homes on St Agnes, 5 homes on St Martin's and 7 homes on Tresco.

3.22 During the period 2010/11, 3 new dwellings to meet a specific local need were completed: new properties at Porthloo, Bay View Terrace and Pilot's Retreat. Staff accommodation at Church Town Farm, St Martin's was also completed during this period for 6 units as well as an extension of an existing shed to provide 1 unit of staff accommodation at Green Bay, Bryher. In addition, 2 affordable homes on each of the off islands of Bryher, St Agnes (permission granted for an additional dwelling on St. Agnes) and St Martin's were under construction and near completion.

Local Output Indicator	Measure for 2010/11
Number of dwellings built for specific local needs	3
Number of dwellings built for Key Workers	0
Number of units built for staff accommodation	9
Percentage of new and converted dwellings on previously developed land.	100%
Percentage of dwellings built on allocated sites	0
Percentage of dwellings built on windfall sites	100%
Percentage of dwellings completed by bed size	1 bed – 50% 2 bed – 37% 3 bed – 13% 4 bed – 0%
Percentage of dwellings built on St Mary's	50%
Percentage of dwellings built on Bryher	37%
Percentage of dwellings built on St Agnes	0%
Percentage of dwellings built on St Martin's	13%
Percentage of dwellings built on Tresco	0%

Policy 4 Economic Development

3.22 Policy 4 of the Local Plan provides support for new development where it is based on the existing economy including agriculture, fishing and tourism. Specifically the policy supports proposals that would contribute to the further diversification of and

essential modernisation of the islands economy The approach of Policy 4 of the Local Plan is intended to be in response to Policy HMA9a of the Draft Regional Spatial Strategy for the South West 2006 – 2026, which emphasises the need to diversify the local economy (in recognition that it is heavily dependent on tourism) and protect the environment.

3.23 A Local Enterprise Partnership has been agreed for Cornwall and the Isles of Scilly. In addition, the Council has prepared a Strategic Investment Framework (SIF) as part of the Convergence Programme that will facilitate the delivery of EU funds and formed a Local Action Group as part of the Rural Development Programme for England (RDPE). It is considered that the opportunities arising from the Convergence Programme, including the specific projects identified in the SIF, and other funding sources such as the RDPE will have an influence on future economic development on the islands.

3.24 As indicated in the Core Output Indicators for business development, no significant new employment development was completed during the period 2010/11. However, during this period a number of projects have been developed as a consequence of the pro-active role of the Council in economic development since the last Annual Monitoring Report reflecting the funding opportunities from the Local Action Group and the EU Convergence Programme and the implementation of the Strategic Investment Framework. These projects include the redevelopment and regeneration of the Porthcressa area of Hugh Town, an Enterprise and Innovation Centre at Porthmellon on St Mary’s and the provision of new work space on St Agnes. During this period, work was completed on phase 1 and work on phase 2 commenced on the refurbishment and part redevelopment of the Island Hotel on Treco. Also during this period, planning permission and listed building consent were approved for the extension and refurbishment of St Mary’s Quay as part of the Route Partnership project. A garage at Harbour gaze was converted into a single self catering unit as well as a 2 bedroom self catering unit on St. Martin’s during the period. Permission was granted to replace an extant permission for Santa Maria Guest House providing 5 self catering units although this was not implemented during the period of the AMR.

Local Output Indicator	Measure for 2010/11
Number of new self catering visitor units	7
Number of additional guest houses	0
Number of hotels/guest converted to self catering accommodation	0

Policy 5 Transport

3.25 Policy 5 of the Local Plan supports proposals that achieves and maintains an effective, affordable and accessible year round transport system on and between the islands and the mainland. During 2010/11, no specific developments were carried out in relation to travel and transport. However, during this period work continued on the preparation of a Sustainable Transport Strategy.

Policy 6 Infrastructure for Sustainable Communities

3.26 Policy 6 of the Local Plan supports proposals that contribute to the maintenance and future provision of essential infrastructure and services. During this period refurbishment took place for an existing public toilet block on St. Agnes as well as the provision of a multi use games area (MUGA). An extension to the play park at Old Grimsby, Tresco for under 5's also occurred during this period. Furthermore, a new MUGA measuring 36m x 18m and a new Post Office was granted planning permission on Bryher. A new community centre was built on St. Martin's.

3.27 During 2010/11, work continued on a new veterinary surgery on St. Mary's and also on the new through school and community sports hall at the Carn Gwaval.

Local Output Indicator	Measure for 2010/11
Additional community facilities	5 St. Agnes Public Toilets Tresco play park, Old Grimsby P/10/052 Bryher MUGA St. Martin's Community Centre Bryher Post Office and Store)
Loss of community facilities to other uses (e.g. shops, pubs, meeting halls)	0

Appeals

3.28 Appeal decisions for the period 2010/11 have been assessed as part of the monitoring of Local Plan policies and to provide an indication of the quality of planning decisions. As indicated in the table below, 100% of all planning appeals during this period were dismissed.

Appeal Decisions 2010/11

Site	Description of Development	Principle Policies and Issues in Refusing the Application	Appeal Decision
Hanjague, Bryher	Side extensions (part 2 storey) to existing dwelling and creation of a new window on the ground floor of the North West elevation of the existing dwelling.	Policy 1 ((Environmental Protection), Policy 2 (Sustainable Development) and the Design Guide	Dismissed

SUMMARY OF INDICATORS

4.1 The indicators would suggest that the policies and proposals set out in the Local Plan are achieving their intended purpose. Given the relative infancy of the Local Plan, it would be premature to conclude that its policies and proposals require adjusting or replacing to meet national, regional and local planning objectives and targets. Furthermore, the influence of the Local Plan will increase over the next few years with its effects becoming more apparent. Based on the indicators set out in this report, it is considered that the main issue will be the need to carefully monitor, manage and plan the number of new dwellings being completed by controlling the amount of planning applications granted permission.

TIMETABLE FOR THE 2010/11 ANNUAL MONITORING REPORT

5.1 Although this year's Annual Monitoring Report is the most comprehensive document produced to date, it is recognised that additional indicators could be developed to monitor the Local Plan and the emerging LDF. Indeed, national guidance indicates that it is acceptable for AMRs to develop gradually to take account of on-going discussions and the development of tools to assist in monitoring which are currently being formulated by statutory bodies and through research and best practice..

5.2 Whilst there is no opportunity for the Council to amend the Core Output Indicators, the Local Output Indicators will be amended as required subject to regular review. The intention is that in future Annual Monitoring Reports, additional targets will be

established to ensure that the policies and proposals can be readily measured. With the preparation of new LDD's identified in the LDS, new indicators will be prepared as new policies and proposals are introduced. In future Annual Monitoring Reports, it is proposed to drop the local indicators where information is unavailable and to introduce new local indicators where appropriate.