



**Council of the
ISLES OF SCILLY**

**ISLES OF SCILLY LOCAL PLAN
2015-2030 Submission
Additional Regulation 19
Consultation**

**Sustainability Appraisal (SA)
incorporating
Strategic Environmental Assessment (SEA)
Habitats Regulations Assessment (HRA)
SA Addendum Report**

July 2019

by

enfusion



Isles of Scilly Local Plan: Submission Additional Regulation 19 Consultation

Sustainability Appraisal (SA)
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Equality Impact Assessment &
Habitats Regulations Assessment (HRA)
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Context

1. The Isles of Scilly Draft Local Plan 2015-2030 Pre-Submission version was published on the Council's website¹ for Regulation 19 consultation during February to April 2019. The Draft Local Plan was accompanied by the Sustainability Appraisal (SA) Report (January 2019)² that incorporates Equality Impact Assessment (EqIA) and Strategic Environmental Assessment (SEA), together with the Habitats Regulations Assessment (HRA) Report – undertaken in parallel with a separate report (January 2019) and summary findings integrated into the SA Report.
2. In consideration of representations received and with advice from the Planning Inspectorate, the Council has made amendments to the Local Plan. Many of these are minor modifications and are concerned with corrections, addressing gaps, updating and providing further clarification. However, certain amendments are major modifications, in particular the changes to Policies LC3, LC8 & LC9 concerned with alignment to the new Technical Housing Standards³ and the addition of a further housing allocation H8 at Sandy Banks, St Mary's. Therefore, the Council has decided to publish the proposed modifications for public consultation again through an additional Regulation 19 during August to September 2019 prior to submission to the Secretary of State for independent examination.
3. It is necessary for the modifications to the Plan to be tested through SA and HRA. Therefore, this SA Addendum reports the findings of the updated assessments and it comprises a further part of the SA and HRA Reports. It has been prepared in accordance with relevant guidance and legislative requirements and seeks to be a proportionate assessment relevant to the stage of plan-making and in line with national planning (NPPF, 2018) requirements⁴.
4. Therefore, the purpose of this SA Addendum is to explain the changes since the initial Regulation 19 consultation, assess and report the implications of the modifications with regard to the previous SA findings. The SA has been undertaken using the same methods of assessment with the same SA framework of objectives and in a similar manner but with a pragmatic approach. The implications for the findings of the previous HRA are recorded here within this Addendum Report.

¹ <http://www.scilly.gov.uk/local-plan-consultation-2019>

² ibid

³ <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard>

⁴ <https://www.gov.uk/government/publications/national-planning-policy-framework--2> (paragraph 31)

Representations to the Initial Regulation 19 Consultation for the SA and HRA (February to April 2019)

5. Similar representations were received on the SA and HRA Reports (January 2019) from Natural England and the RSPB. These concerns replicate some of their earlier concerns made at Regulation 18 consultation and follow on from the meeting held with the two consultees in July 2018. The consultees believe that the open market/windfall development, new staff accommodation and new tourism accommodation with any associated infrastructure needs have to be quantified.
6. They have requested that a disturbance study should be undertaken to clarify the potential growth of recreational and transport activity and identify any infra-structure or management needs required to ensure growth is sustainable, especially as a result of the cumulative and in-combination effects with other plans. With the increase in planned development, the associated transportation of materials to and between islands, and increasing waste management requirements there is an increase in the potential threat to the islands from non-native species and they request a risk assessment. Responses on the concerns made are addressed in this Addendum Report, including the implications for the previous SA and HRA findings.
7. Another consultee was concerned that the SA is deficient since it does not assess the effects of small-scale mineral extraction (consistent with the approach in Policy OE6 Minerals) as a reasonable alternative. It is for the plan-maker to identify those options that are relevant to the objectives of the Plan and its geographical scope. The SA can also identify and should help refine reasonable alternatives; this was explained and discussed in Section 4 of the previous SA Report (January 2019).
8. The Council considers that new mineral extraction is not a reasonable alternative for the plan, taking into account the Scilly's exceptional environmental quality and because it believes that it is inappropriate to support new mineral extraction. Therefore, the SA notes and understands the comments but this has not tested through the SA process as new mineral extraction is not considered to be a reasonable alternative – and therefore, this matter is not addressed any further in this report.

Proposed Modifications to the Pre-Submission Plan

9. The Council has taken into account representations made to the initial Regulation 19 consultation and advice from the Planning Inspectorate. The proposed modifications are provided at the beginning of the Draft Plan in a Schedule of Proposed Changes, setting out the changes made with summary reasoning and categorisation into Additional Modifications (AMs) or Main Modifications (MMs). The MMs and those AMs relevant to SA and HRA are summarised in Table 1, as follows:

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Table 1: Key Changes to the Draft Plan Relevant to the SA & HRA

Key Change Ref	AM or MM	Outline of change
KC64	MM	Spatial Strategy – No 3 amended to move away from a housing target for affordable homes.
KC65 & KC66	MMs	Policy LC1 Housing Strategy (1)a - The target of 105 houses has been removed to ensure that the possible amount of homes delivered is restricted to allocated sites. Supporting text in paragraph 266 amended and now explains that this change is to provide certainty about where open-market homes will be permitted - Policy LC1 enables such homes to come forward only on sites allocated specifically for housing in this plan. Other sites for custom and self-build or other windfall developments will only be permitted as affordable housing.
KC1	MM	Policy LC1 Housing Strategy (2) – criterion amended into a, b & c to include the need to demonstrate a ratio of homes in favour of affordable in circumstances where open market is justified.
KC67	MM	Policy LC1 Housing Strategy (3) – criterion amended to ensure that the larger windfall developments of 5 or more homes could be cross-subsidised by open market.
KC3-5; KC21-22; KC24-25	MMs	Policy LC3 Balanced Housing Stock; Policy LC8 Replacement Dwellings; Policy LC9 Residential Extensions & Ancillary Accommodation – criterion amended to align with the Nationally Prescribed Space Standards. For clarity LC3(2) moved to paragraph 272.
KC55	MM	Policy LC6 Site Allocation H1 Former Secondary School, Carn Thomas, Hugh Town, St Mary's – criterion ii amended to remove reference to Listed Building and replace with "designated or undesignated heritage assets"
KC53; KC63; KC44 & KC 54	MMs	Policy LC6 Site Allocation H3 Land to the west side of Old Town Road on the north of Ennor Castel, Old Town, St Mary's – criterion iii amended to remove "where appropriate" for protecting & enhancing the setting of Ennor Castle; criterion (iv) amended to include avoidance of surface water run-off impacts on the adjacent SSSI; and additional criterion (v) requiring heritage assessment and archaeological monitoring of groundwork.
KC62 & KC63	MMs	Policy LC6 Housing Allocations – additional site allocation H8 Land at Sandy Banks, St Mary's 0.4 ha for around 12 homes of appropriate scale and design.
KC29-30	MMs	Policy SS4 Protection of Retailing, Recreation & Community Facilities – criterion (3) amended to refer to the Policies Map & to include recreation sites owned or managed by the Council. ...loss "or prejudice..." added to Policy.
KC37	MM	Policy SS6 Water & Waste Water Management - additional criterion (f) added that development needing a new connection should not impact on habitats and designated sites.
KC38	MM	Policy SS7 renamed to Flood Avoidance & Coastal Erosion to provide clarity and reflect that the policy covers coastal erosion as well.

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KC39 KC40	MMs	Policy SS8 Renewable Energy Developments – criterion (c) amended to reflect protection and enhancement of biodiversity. Duplicated sentence removed.
KC17	MM	Policy SS9 Travel & Transport and Policy SS10 rearranged – strategic transport moved to the start of this section; a reference to inter-island transport added. New allocation added to map.
KC23	MM	Policy LC2 Qualifying for Affordable Homes – footnote updated to reflect that existing Council waiting list stock is controlled by existing qualifying criteria not Policy LC2.
KC47-48	AMs	Aim 1 – amended to remove “where appropriate” and to add an additional objective for biodiversity net gains in new development.
KC58-59	AMs	Supporting text for Policy OE1 Protecting & Enhancing the Landscape & Seascape amended by deleting “non-native” and replacing with “non-native invasive species” - for clarity.
KC43; KC26	MMs	Policy OE2 Biodiversity and Geodiversity first criterion amended to remove “where possible” and use of “and/or”, and remove reference to “geodiversity”. Replace with “...and, restore and provide measurable net gain to biodiversity”. Clarification and for accuracy – and to comply with the NPPF principle for net gains; also, anticipates any mandatory biodiversity net gain that was subject to consultation ⁵ December 2018 to February 2019 – responses are still being considered by Government.
KC41	AM	Supporting text for Policy OE2 Biodiversity in paragraph 179 now provides reference to the Defra 25 year plan A Green Future and changes “no net loss” to “net gain” to reflect revised NPPF.
KC42	AM	Supporting text for Policy OE2 Biodiversity in paragraph 188 amended to reflect mitigation hierarchy in NPPF.
KC57	AM	Supporting text for Policy SS3 Re-Use of Buildings in paragraph 118 – additional sentence explaining that opportunities should be made for biodiversity net gain, including habitat restoration and recreation, and measures to reduce any impacts from current threats to biodiversity on the islands including rats.
KC6-8	AMs	Corrections to text explanation of existing constraints with regard to SSSIs, SPA, and protected species.
KC45	MM	Policy WC5 Visitor Economy & Tourism Developments – reference to building links with Cornwall deleted as this is difficult for any local businesses to demonstrate.
KC46	MM	Policy WC6 Safeguarded Serviced Accommodation – minor text change to remove reference to demonstrating need in order to make the Policy more positively worded.

Implications for the Findings of the SA and HRA

- The key changes to the Draft Plan for progress towards the Submission version and that are significant with regard to the SA and HRA are associated with biodiversity, the historic environment, the Spatial Strategy, the Housing Strategy and the additional Site Allocation H8 in Policy LC6 Housing Allocations.

⁵ <https://consult.defra.gov.uk/land-use/net-gain/>

11. **Biodiversity:** Changes to Aim 1, the supporting text and the wording for Policy OE2 Biodiversity & Geodiversity provide additional clarity and requirements for new development to deliver net gain in biodiversity. This anticipates the likely clarification in the NPPF for biodiversity net gains and as published for consultation earlier in 2019 (representations are still being analysed). The initial SA (March 2018 paragraph 5.101) had recommended that the wording in Policy OE5 should be strengthened to include explicit requirement for a 'net gain' for biodiversity; also, suggested by NE and the RSPB. The Policy OE2 had been extensively redrafted on biodiversity and the protection of designated sites for the initial Regulation 19 consultation in early 2019 - as assessed and reported in the SA (January 2019).
12. The previous SA (paragraphs 6.16-6.18) found that the comprehensive rewording and strengthening of Policy OE5 with additional explanation and setting out clear requirements for development proposals to follow the mitigation hierarchy provides stronger mitigation measures to avoid negative effects. The further revision of Aim 1 with removal of "where appropriate" and the additional objective for biodiversity net gains in new development confirms the commitment with a clear aim for the whole Plan.
13. The further additional requirements indicate that since all new development will be expected to deliver biodiversity net gain, effects are increased to overall positive effects that are likely to be synergistic and cumulative in the longer-term. The removal of "where possible" and the additional policy wording "...and provide measurable net gain to biodiversity" ensures more certainty that measures will be implemented since such gain must be measurable and, therefore, can be monitored. The positive effects may be cumulative and synergistic in the longer term as habitat networks are enhanced. The implications for the Habitats Regulations Assessment (HRA) are considered at this end of this section.
14. **The Historic Environment:** Changes to site-specific requirements for Policy LC6 Site Allocations H1 and H3 provides further guidance that will help ensure that there are no significant negative effects on the historic environment. This further confirms the findings of the previous SA (January 2019 paragraphs 5.94-96 and 6.15) that there will be no significant negative effects on the historic environment and that there could be enhancements.
15. **The Housing Strategy:** Policy LC1 now includes changes with wording added to clarify how much open market housing would be permitted through the requirement to demonstrate a ratio of homes in favour of affordable in circumstances where open market is justified. This effectively sets a limit as to how much open market would be permitted. Other sites for custom and self-build or other windfall developments will only be permitted as affordable housing. These changes provide further clarification about the nature of housing needs on the Isles and indicate a threshold since the amended criterion (2) in the Policy explains that open-market housing will only be permitted as a mechanism for the delivery of affordable homes on the sites allocated on the Policies Map and as set out in Policy LC6.

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16. The previous SAs (March 2018 paragraphs 5.17-19 and January 2019 paragraphs 5.17-19) had found major positive effects for housing since identified needs will be met – and particularly with regard to affordable housing. The SAs had considered that other IoS Local Plan Policies provide strong mitigation measures to ensure that potential negative effects from new development on environmental factors are reduced towards residual neutral effects.
17. However, NE and the RSPB remain concerned that the SEA has not addressed the environmental impacts on the AONB and the designated sites associated with open market and windfall housing – both for St Mary's and on the off-islands. NE considers that the impacts of windfall housing (Policy LC7) and new staff accommodation (Policy LC4) have not been assessed through SEA. NE considers that the numbers of open market and windfall housing should be identified and should be assessed through SEA and HRA.
18. The Housing Strategy Policy LC1 has been amended to provide clarity and further guidance. The target of 105 houses has been removed from criterion (1)a to ensure that the possible amount of homes delivered is restricted to allocated sites. The supporting text in paragraph 267 has been amended and now explains that this change is to provide certainty about where open-market homes will be permitted - Policy LC1 enables such homes to come forward only on sites allocated specifically for housing in this plan. Other sites for custom and self-build or other windfall developments will only be permitted as affordable housing. Criterion (2) has been amended into a, b & c to include the need to demonstrate a ratio of homes in favour of affordable in circumstances where open market is justified. Criterion (3) has been amended to ensure that the larger windfall developments of 5 or more homes could be cross-subsidised by open market.
19. These additions and refinements to Policy LC1 provide guidance in the absence of a percentage requirement or limit as to how much open market would be permitted. Open market housing will only be permitted on sites allocated for housing – these have all been subject to SA/SEA and reported (Appendix VI, March 2018 & January 2019). Windfall housing will only be permitted as affordable housing – confirming positive effects for housing, communities, equality and health/well-being SA objectives.
20. With regard to issues raised by NE/RSPB for Policy LC7, it is not possible to identify and assess windfall housing sites as these are potential bonus sites that are not yet identified. Similarly, for Policy LC4, it is not possible to identify and assess such potential sites, although embedded policy mitigation requires appropriate size and location of such development and this limits the potential effects on environmental factors.
21. However, it is considered that there is sufficient mitigation provided through measures in other Policies, in particular Policy OE2 Biodiversity that requires new development to provide measurable net gain to biodiversity and clearly states that any development will only be permitted if there are no adverse effects on the integrity of internationally designated sites, alone or in-combination with other development. The implications for the Habitats

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Regulations Assessment (HRA), including those associated with recreational disturbance, are considered at this end of this section.

22. **Other Policies SS3; SS6; SS7 & SS8:** Additional supporting text for biodiversity net gain in Policy SS3 Re-Use of Buildings provides further guidance. Additional criterion (f) added to Policy SS6 Water & Waste Water Management to ensure no impacts on habitats and designated sites. Policy SS7 renamed to include coastal erosion making explicit the coverage of the policy – for clarity. Criterion c) in Policy SS8 Renewable Energy Developments amended to better reflect the protection and enhancement of biodiversity. All these refinements provide additional clarity and confirmation of mitigation measures embedded into policies – confirming that there will be no significant negative effects on environmental factors.
23. **Policy LC6 Site Allocations:** An additional site allocation as H8 has been included in the Policy to address some issues for housing viability and to provide some flexibility for the Council with regard to delivery. This site – Land at Sandy Banks, St Mary's (0.4 ha for around 12 homes of appropriate size scale and design – was assessed through SA as an option (ref: A11) and this is reported in SA Appendix VI SA of Site Options. The SA of the site option found mostly likely residual neutral or positive effects; as with most options, there was some uncertainty of the significance of negative effects for the loss of agricultural land/soils.
24. Site Allocation H8 includes site-specific requirements for vehicle and pedestrian access; appropriate connections and upgrades to water and sewerage; heritage assessment and archaeological monitoring of groundwork; and investigations as to the potential tidal flood risk including appropriate mitigation measures. These requirements, together with other Local Plan Policies, provide mitigation measures to ensure that there are no significant negative effects and the positive effects from new housing development are confirmed.
25. **Habitats Regulations Assessment (HRA):** The previous HRA and appropriate assessment (AA) had concluded that there was adequate embedded policy through careful selection (size, location & site-specific requirements) of site allocations and other Policies to provide mitigation measures to ensure that there will be no loss of integrity for the designated sites – alone or in-combination with other plans or projects. The amendments and refinements to the Local Plan for a revised Regulation 19 consultation strengthen these policy mitigation measures.
26. NE and the RSPB have requested that the Council undertake visitor surveys to establish the extent of any recreational disturbance and the need for any additional mitigation with regard to the designated sites, and with particular consideration of effects for sea birds. This Local Plan is concerned with providing for the identified development needs for the resident population of the islands; it will not in itself give rise to additional visitor numbers.
27. The Plan notes that visitor numbers have declined in recent years. It also notes the vulnerability of the economy of the islands, dominated by few business

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sectors such as tourism and with a high proportion of very small businesses. Local Plan Policy WC5 acknowledges that there may be proposals for new or upgraded tourism development and makes provision for this to be sustainable; other Policies, in particular Policy OE2 will ensure that there are no adverse effects on designated sites. Therefore, with the updating and refinements to the Plan, the findings of the previous HRA are confirmed.

28. **Equality Impact Assessment (EqIA):** The amendments to the Plan confirm the previous findings of the EqIA which remains valid and relevant. The clarification regarding affordable homes and the open market in Policy LC1 contributes towards strengthening positive effects.

Summary and Conclusion

29. The proposed amendments to the Local Plan for additional Regulation 19 consultation have been analysed for their significance with regard to the findings of the SA, EqIA and the HRA. The changes and refinements to Policies were found to confirm the previous findings through providing further clarification and guidance and strengthening mitigation measures to ensure that effects are reduced towards neutral and with further certainty for the positive effects that had been indicated. Refinements to Policies, particularly Policy OE2 Biodiversity, provide mitigation measures that will ensure there is no loss of integrity for designated sites and will deliver a biodiversity net gain with positive effects that will be synergistic and cumulative in the longer term.
30. An additional Site Allocation H8 has been included. Site-specific requirements are included, and these should ensure that mitigation is implemented with neutral effects. Positive effects for housing, communities and health/wellbeing are confirmed since this allocation provides additional flexibility and certainty for delivery of needed housing. The previous findings of the SA, EqIA and HRA are valid and relevant; mitigation measures have been strengthened through the amendments to the Plan.
31. Any further comments on this SA & HRA Addendum Report will be submitted with the Local Plan and its supporting evidence to the Secretary of State for independent examination in due course.