



**Isle of Wight  
Council**

# **Hearing Statement Matter 8: Economic Growth**

**Draft Island Planning Strategy  
Examination in public**

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## Contents

Document information .....	2
Contents.....	3
Matter 8 – Economic Growth.....	4
Issue 1: Whether the proposed employment allocations are sound. ....	4
Issue 2: Whether the plan would provide a sound basis for supporting a diverse economy on the island.....	8
Issue 3: Whether the plan’s overall approach to the rural economy is sound.....	11
Issue 4: Centres and retail .....	14
Issue 5: Tourism (Policies E8 and E9) .....	17

## Matter 8 – Economic Growth

This hearing statement represents the Isle of Wight Council's response to **Matter 8** of the Draft Island Planning Strategy (IPS) examination in public. Answers have been provided to each of the *questions* asked in document [ED4 'Inspectors Matters, issues and Questions'](#) published on 19 December 2024.

Where documents in the IPS examination library are referenced as part of the answer, the document reference and title are used, and a hyperlink provided to that document.

Where the National Planning Policy Framework (NPPF) is referenced, unless stated otherwise this refers to the [December 2023 version of the NPPF](#) that the IPS is being examined under.

Where the council's response suggests proposed modifications to the plan, these are in **blue text and shaded accordingly**.

### Issue 1: Whether the proposed employment allocations are sound.

*Q8.1: Are the employment allocations identified at Policies EA1-EA6 soundly based? Has there been an appropriate approach to site selection in identifying the 6 proposed sites for allocation? Do the proposed employment allocations align with the evidence base in the Employment Land Study 2022 [Document EC1], in particular Lowtherville, Ventnor (EA5) which is recommended to be released as an employment allocation?*

#### IWC response

As set out in our answer to Question 2.25, Policy E1 allocates a total of 29.2ha of employment land across a total of six different sites. Whilst this total does appreciably exceed the total (16.4ha) that is identified as required under the labour demand scenario in document [EC1 Employment Land Study Update Jan 2022](#) (see paragraph 6.57 and Table 6.17 of EC1) the majority of the land allocated across the six sites (25.6ha or 88% of the total) either already benefits from planning permission, or is subject of live planning applications, with a further site (EA6) recently being refused (on technical grounds) which if included would take the aforementioned figures to 28.5ha or 98%.

The distribution of employment land and allocations is consistent with the spatial strategy for growth that underpins policy G2 of the IPS. The spatial strategy seeks to focus planned growth in the primary & secondary settlements and Rural Service Centres – all of the proposed employment allocations identified in Policy E1 are at these locations (specifically Newport, Ryde, Cowes, East Cowes, Ventnor and Sandown) with no concentration in one single area. In addition, Policy E1 also identifies a number of existing employment areas which are also distributed across the aforementioned settlements (specifically Freshwater, Cowes and Sandown).

The amount of employment land is considered to be justified and soundly based as it seeks to formalise as allocations the employment sites that are currently in the various stages of the planning process and are being brought forward by the market.

Appendix 1 of **EC1** considers each of these sites in detail and provides a clear rationale for retaining all but EA5 (the smallest) as allocations. The council is retaining EA5 as the certainty of an allocation may help to provide support to funding bids that could seek to intensify the site for additional small scale employment units to serve the local area, which is considered to be a justified and proportionate approach for the site and location.

*Q8.2: Some of the proposed key priority sites and housing sites (Newport Harbour, Medina Yard, Land to the East of Gunville, and Red Funnel (East Cowes)) include a requirement for employment land and/or floorspace. Should these sites be regarded as “mixed-use” sites that are as important to helping meet the Island’s employment needs as they are to helping meet the housing requirement? Or are they providing a helpful buffer or headroom of employment land in addition to the proposed core employment allocations? Should they be identified in Policy E1?*

#### IWC response

The sites identified in the question have the potential to provide some additional headroom of employment land, of a type and scale in some cases that may be more appropriate to being co-located with residential than the type and scale often delivered on wholly employment allocations. Document [EC1](#) does not consider these sites in detail as part of the analysis of employment needs and land supply.

Looking more specifically at each site, Newport Harbour (HA044), Land to the east of Gunville (HA031) and Land at Red Funnel (HA120) could all provide differing levels and types of employment space and the nature of this is likely to be closely linked to other types of development being delivered on the sites.

Planning permission on the Medina Yard site expired in the summer of 2024, and the site has now changed ownership. The latest information the council has is that the new owners are seeking to retain the site in its current site offering employment space. The updated housing trajectory (provided as Appendix 1 to the Matter 7 Hearing Statement) no longer includes this site within the proposed housing supply, and given the current status the site is not proposed for allocation. The site in its current form as an employment site would be protected by Policy E2.

Taking into account the above, the council consider that a modification to the wording of Policy E1 is necessary to ensure the policy is effective and identifies all of the potential locations for additional employment space that are proposed for allocation:

#### **Proposed modification (additional text underlined):**

#### **Policy E1 (addition at the end of the policy):**

**The council will also support employment land coming forward as part of mixed-use developments on the following housing allocations (see Appendix 3 for more details):**

**KPS2 / HA044: Newport Harbour**

*Q8.3: Is the proposed allocation at EA3, Somerton Farm, Cowes justified, and would its development raise legitimate issues (comparable to the ‘agent of change’ principle at NPPF paragraph 193) in terms of potentially impacting existing operations at the nearby BAE Cowes radar testing facility?*

IWC response

The proposed allocation of EA3 is justified – this site is subject of an outline planning application (22/01720/OUT), reserving all matters other than access, for a mixed use scheme of approximately 163 homes and around 4,200 sqm of commercial floorspace which, subject to the signing of a Section 106 agreement, is due to be granted planning permission. At the time of writing, it is anticipated that this agreement will be completed during February 2025. All constraints relevant to the level of detail and matters considered as part of the outline application will be fully considered as part of the officer report that will be available to view [here](#) once planning permission is issued.

The council does however note the content of the Regulation 19 comments on behalf of BAE Systems ([IPSR79](#)). Whilst the council is content that the primary area of concern over the principle of any new development set out in IPSR79 relates to land to the west of the BAE site, the council recognises that the potential for impact (or otherwise) on radar testing operations of HA022 needs to be fully understood (see relevant extracts from IPSR79 below).

*‘In light of the above, and as a result of the built development which surrounds BAE’s Cowes site to the north, south and east, the undeveloped land to the west (edged red on Figure 2 below) is an important transmission zone for BAE.’*

*‘It is important that BAE is fully consulted prior to the approval of any development proposals at Somerton Farm to ensure this will not result in a detrimental impact on BAE’s operations.’*

The council is in the process of liaising with BAE Systems (via their planning consultant) to ensure that the proposed development (subject of application 22/01720/OUT) has no detrimental impact on operations at BAE Systems site to the west. The outcome of this dialogue will be reflected in a Statement of Common Ground with BAE Systems to be submitted prior to the examination hearings, and /or an appropriately worded planning condition attached to any grant of outline planning permission. Depending on the outcome of that dialogue and engagement, it may also be appropriate to revise the site specific requirements for HA022 to reflect the outcome, and the council would intend to provide any update to the Inspectors on the position as soon as practical in the course of the examination.

*Q8.4: Is the proposed allocation at EA6: Land at Sandown Airport justified and effective in terms of being a sustainable location for employment floorspace and being capable of being safely and suitably accessed from the highway network?*

### IWC response

The proposed allocation at EA6 is considered to be justified and effective – from an employment space perspective Appendix 1 of [EC1](#) considers each of the proposed employment allocations in the IPS in detail and provides a clear rationale for retaining all.

As set out in our answer to Question 2.24, the council would highlight that a recent outline planning application was refused on this site, on technical grounds relating to highways, landscape and hedgerows. In the [officer report](#) for this application it was identified that no weight was given by officers to the emerging IPS, however as paragraph 7.6 of that report identifies the proposed allocation requires the measures set out in policy EA6 to be delivered to ensure sustainable employment space is provided. The scheme that was submitted did not deliver on some of these measures.

Taking highways in particular, paragraph 7.36 of the officer report highlights that further information was necessary at the request of Island Roads (the councils PFI contractor who manage the highway network on behalf of the council), however the applicant did not submit any further information, hence the highways reason for refusal on the decision notice.

Paragraphs 7.42 and 7.50 of the officer report highlight that the opportunity does exist to improve public footpath linkages to the site from the highway network, however the applicant did not include these improvements as part of the submitted scheme. Paragraph 7.44 notes that an opportunity for some betterment to the westbound bus stop also exists, but this was not included as part of the submitted scheme. The absence of any of these sustainable travel improvements weighed heavily against the scheme, however from a plan-making perspective the opportunity does exist for sustainable travel access to this site to be improved.

Paragraph 7.33 of the officer report notes that *‘Officers consider that the proposed development would not result in unacceptable impacts on neighbouring residential and commercial uses and as such this issue is given neutral weight.’*

Paragraph 8.13 of the officer report concludes *‘Although an allocated site in the draft Island Planning Strategy, this allocation required a number of essential improvements, including a suitable access and the provision of pedestrian connectivity to the east, which this application fails to adequately provide.’*

Given the stage of the planning process that policy EA6 represents, i.e. plan-making rather than decision making, the council is satisfied that the proposed allocation remains justified and effective, as a scheme delivering the requirements of Policy EA6 is capable of being proposed.

The council would propose a modification to Policy EA6 for accuracy to reflect the current status of the land.

**Proposed modification (~~removed text~~):**

### **Policy EA6**

**The site is ~~part~~ greenfield and ~~part brownfield~~ and extends to an area of 2.99 hectares.**

## Issue 2: Whether the plan would provide a sound basis for supporting a diverse economy on the island

*Q8.5: Is the overall strategy in Policy E2 for achieving sustainable economic development justified, effective and consistent with national planning policy? Would parts d) and e) of the policy apply to any site in employment use on the Island or those sites in Policy E1 as identified on the Policies Map? Are these criteria justified, including the threshold of 0.1 hectare and to apply protection to any site that provides water access for employment uses?*

### IWC response

Chapter 6 of the NPPF sets out that “*Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.*” Paragraph 2.6 requires local authorities to develop policies setting out a clear economic vision and strategy to encourage sustainable economic growth; set criteria, or identify strategic sites, for local and inward investment; address potential barriers to investment; and provide flexibility to accommodate unforeseen needs and allow for new working practices. Paragraph 2.7 seeks recognition of locational requirements of different sectors.

Planning Practice Guidance requires local authorities to prepare a “*robust evidence base to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions*” (Paragraph: 025 Reference ID: 2a-025-20190220).

Policy E2 is justified, effective and consistent with national policy setting out local policy to achieve these objectives. The approach is supported by the [IOW Employment Land Study Final report Jan 2022](#) (EC1) which provides evidence to justify the approach taken. This includes Table 7.1 which assesses each of the employment site allocations included in the Plan. By linking with policy E1, this policy will provide certainty through the allocation of employment sites that will allow new employment development to take place in sustainable locations across the Island. The policy will also protect existing employment sites, allowing the re-use of land and buildings, preventing alternative uses that erode Class E offices, B2 and B8 use.

Parts d) and e) of Policy E2 apply to existing employment land and uses of 0.1ha or more other than the allocated sites in the Plan (which are already protected for employment use under policy E1). Where employment is shown not to be a viable use in whole or part then the employment may be lost from the site.

In some limited locations, sites benefit from water access, allowing specialist marine companies to thrive. These companies often rely on access to watercourses and the sea and due to their manufacturing processes and employ skilled workers. Employment sites with viable access to water are becoming scarcer due to coastal processes, pressure for alternative forms of development and economic circumstances. It should be noted that not all employment land on the water’s edge has available water access, because the depth of water/tidal conditions may limit access, and the significant ecological designations that cover a large proportion of the Isle of Wight coastline, may limit new opportunities for dredging or the construction of piers or pontoons. Therefore, it is considered necessary to protect existing employment land with available water access.

By linking with policy E1, this policy will provide certainty through the allocation of employment sites that will allow new employment development to take place in sustainable locations across the Island. The policy will also protect existing employment sites, allowing the re-use of land and buildings, preventing alternative uses that erode Class E offices, B2 and B8 use.

The council would also highlight the differences between criterion (e) of policy E2 and Policy E5. The latter, as set out in paragraphs 8.62 and 8.68 of supporting text, provides clear policy direction to both new and existing proposals north of a tidal cut-off point on the River Medina, which are considered in detail in [EC11 Solent Waterfront sites Strategy](#), and for new proposals to the south of the cut-off line. If an existing employment site is south of the tidal access line and has available water access, it would be expected to comply with Policy E2(e) and not the tests in criterion (c) and (d) of Policy E5.

Q8.6: Is Policy E3 on upskilling development justified and viable? Would it be effective?

#### IWC response

Policy E3 is justified, viable and effective.

The [Employment Land Study \(EC1\)](#) shows that the Island has a relatively low skilled population. Paragraph 2.7 identifies skill level issues. This has resulted in lower paid, unskilled employment (such as those in hospitality, which are also seasonal). Nearly 40 per cent of the Island's employees work part-time, compared to a national average of 32 per cent. 2.5% of the Island's 16-18 year olds (as at 2010) are not in education or employment (NEET). There are children on the Isle of Wight from vulnerable groups that are at risk of falling into this category and these include young offenders, children in care and care leavers.

Given the identified low skill levels on the island, not including a policy approach to enhance the ability of Island residents to access jobs and improve their skills and requiring an employment and skills plan (ESP) was not considered to be a reasonable alternative.

It was concluded that the impact of the policy requirement on development viability was low. (see [Appendix 1 IPS Viability Assessment Update report, July 2022](#)) (GS12).

The key issue for requiring an ESP is in setting the right threshold. The policy will enable the council to require an ESP for the construction stage of developments over the size threshold, to help to address a significant skills and capacity gap on the Island. This approach will help achieve the council's wider corporate and regeneration aspirations. The factors involved were viability of development; ensuring the requirement was not too onerous; and generating a meaningful number of ESPs.

A number of options for the threshold were considered. Requiring an ESP of minor development (1-9 dwellings) was ruled out due to the sensitivities of viability and impacts on the local builders, who generally bring these forward, and the impact on the wider supply chains. Further options were:

- Option 1 (10 dwellings or more) was ruled out to exclude minor levels of development.

- Option 2 (25 dwellings or more) was supported as it was considered reasonable and likely to result in a meaningful number of ESPs.
- Option 3 (50 dwellings or more) was ruled out as it is unlikely to result in a meaningful number of ESPs being introduced.

Policy E3 is considered to be deliverable over the Plan period. It is linked to Policy E2 which allocates a range of employment land providing a potential pipeline to meet future employment needs (EA1-6). All of these sites (excepting Lowtherville) are identified as high or medium in terms of market attractiveness suggesting that they are deliverable. The type of development on each of the sites will support the type of development that will improve workforce skills.

*Q8.7: Is Policy E6 on future-proofing digital infrastructure justified and consistent with national planning policy? Is it feasible and are there any viability implications in exceeding Building Regulations on digital connectivity?*

IWC response

Policy E6 is justified, consistent with national planning policy, feasible and viable.

NPPF paragraph 118 recognises “advanced, high quality and reliable communications infrastructure is essential for economic growth and social well-being. Planning policies and decisions should support the expansion of electronic communications networks, including next generation mobile technology (such as 5G) and full fibre broadband connections. Policies should set out how high quality digital infrastructure, providing access to services from a range of providers, is expected to be delivered and upgraded over time.” Policy E6 is considered to be consistent with these objectives.

The Island’s existing communications networks are improving and meet the government’s basic requirement of 2Mbps but there is significant scope for improvement. Digital exclusion disproportionately affects vulnerable people, low-income groups, the elderly and the more marginalised communities. The economic impact of digital exclusion is equally challenging at a time when it is forecast that 90% of all jobs will soon require some form of digital capability and the UK faces a major shortage of digital skills at all levels.

There is a concern that poor digital infrastructure is significantly and widely inhibiting innovation, economic and social growth across the Island. Therefore, improving digital infrastructure and the increasing number of higher value, technology and creative industries companies attracted by our digital connectivity and quality of life is a vital component for the Island’s economy and skills base and a reasonable strategy.

17.9% of residents on the island live offline (2021), the largest digital divide in the South East. Around 21,000 people on the island are thought not to have access to the internet. This compares to 8.2% Of adults in Hampshire without internet access.

The Wight We Want Survey responses highlighted a range of issues such as support for better paid jobs, more employment opportunities and better services, which can all be related to digital infrastructure.

By future proofing digital infrastructure and requiring new development to install greater digital connectivity than expected through Building Control requirements, the draft policy ensures the best possible digital connectivity which reduces the possibility of digital exclusion.

It was concluded that the impact of the policy requirement on development viability was low. (see Appendix 1, IPS Viability Assessment Update report, July 2022) (GS12). The Viability Assessment does not consider the requirement to be onerous and assumes that the allowance for external works in our appraisals will be sufficient to meet these requirements.

*Q8.8: Would it be necessary for soundness to insert additional content into Policies E4, E7 and E11 regarding heritage as set out in Core Document 7, following the Statement of Common Ground with Historic England?*

IWC response

The council consider that the proposed additions into policies E4, E7 and E11 are necessary for soundness on the following basis – for E4 to ensure consistency with national policy (paragraph 196 criterion (a) relating to sustaining and enhancing the significance of heritage assets) and for policies E7 and E11 to be justified and effective by making reference to the adopted SPD rather than the HAZ projects that are now completed (the SPD being an output of those projects).

### Issue 3: Whether the plan's overall approach to the rural economy is sound.

*Q8.9: Is Policy E4 justified and consistent with national planning policy (including NPPF paragraphs 88 and 89) in supporting a prosperous rural economy on the Island?*

IWC response

Policy E4 promotes the rural economy by supporting proposals for farm growth and food production, farm diversification, intensification and/or expansion of rural industrial estates and employment sites, conversion of redundant buildings to employment uses, small scale building or expansion and sustainable rural tourism and leisure in the countryside. In doing so the policy will help to deliver points a – c of NPPF paragraph 88.

Policy E4 recognises the possibility for rural development to be located in less sustainable locations in terms of public transport. It does this by requiring proposals to consider the impact on local roads and how the development can contribute to sustainable transport such as connecting to existing public rights of way and increasing access to the countryside. This aligns the policy with NPPF paragraph 89 in both the considerations and potential mitigations of rural development outside of existing settlements.

The Sustainability Appraisal Report published for public consultation in November 2018, was produced to accompany the draft Island Planning Strategy through the first Regulation 18 consultation. Section 7 of the SA, Options Appraisal, sets out the appraisal of options considered in preparing the Island Planning Strategy. This includes how options were identified, a comparison of their effects, any proposed mitigation and how environmental, social and economic issues were used to inform the choice of preferred options.

In terms of the development of policy E4 the SA includes Appendix 5: Options Generation and Initial Screening and Appendix 7: Island Planning Strategy Policy Options Sustainability Appraisal Assessment Matrix. The potential policy options considered through this process were '*Allow for more development that supports economic activity in rural areas*' and '*Be more restrictive on development that supports economic activity in rural areas*' with the latter being screened out due to lack of conformity with the NPPF and not aligning with the IPS objectives.

[EA2 IPS Integrated Sustainability Appraisal ISA July 2024](#), Section 2 Island Planning Strategy Background and Overview, summarises this assessment work as part of the local plan preparation process.

*Q8.10: Is criterion c) of Policy E4 justified in supporting the 'intensification/ expansion of existing rural industrial estates or employment sites'? Criteria d)-f) in the policy have a qualification regarding impact/harm to the rural character, would similar be necessary for criterion c) for soundness?*

#### IWC response

The 'intensification/expansion of existing rural industrial estates or employment sites' is an appropriate strategy as it provides for the implementation of national policy (NPPF paragraph 88 criteria a) and b) at a local level and at the same time minimises potential impacts associated with new development in rural areas as identified in the ISA, paragraph 8.4.24, "*The negative impacts identified with policy E4 were with respect to development outside of development boundaries and specifically in rural and agricultural areas...*"

Supporting and Growing Our Economy, Policies background paper, published for public consultation November 2018, was produced to accompany the first Regulation 18 draft Island Planning Strategy to summarise the relevant national planning policy framework and practice guidance, explain the issues faced within each policy family, to summarise the evidence and how the proposed policy (either by itself or in conjunction with other policies) will contribute to addressing the issue.

The evidence used to develop the policy included the revised NPPF (July 2018), the Isle of Wight Area of Outstanding Natural Beauty Management Plan 2019-2024, the council's Employment Land Study by GL Hearn (March 2015), the Isle of Wight Regeneration Strategy (June 2018) and the output from the Economy working, which was summarised as "*...clear indications that the rural economy was vital to the Island economy and that smaller more rural sites can in instances be more sustainable with less impact on infrastructure. It is also about encouraging existing businesses to grow and be supported in their growth.*" The policies background paper goes on to describe how the policy will support the sustainability of rural areas and promote economic development, including diversification and intensification of existing businesses and enable conversion of suitable buildings to rural businesses.

The difference between criterion c) of policy E4 and criteria d)-f) is that impacts associated with development under c) in terms of rural location and character will likely already be known, albeit there may be a change in extent. Development coming under criteria d)-f) will result in new uses and therefore potential new impacts that will need to be taken into consideration. However the council consider for clarity that a similar qualification could be added to criteria c) to ensure effectiveness (and soundness).

**Proposed modification (additional text underlined):**

**Policy E4**

**c) the intensification / expansion of existing rural industrial estates or employment sites where there is no adverse impact on the rural character of the area**

*Q8.11: Is the final part of the Policy E4 resisting the use of best quality agricultural land justified and consistent with national planning policy (NPPF paragraph 180a)? Would 'best quality' be synonymous with 'best and most versatile agricultural land' as per the definition at Annex 2 of the NPPF?*

**IWC response**

Where reference is made to 'best quality' in E4 this is in relation to the definition provided in policy EV8: Protecting high grade agricultural land, where it states "*Development which is likely to affect the best and most versatile agricultural land, should produce an agricultural land classification survey to determine the quality, quantity and accurate location of agricultural land in grades 1, 2 and 3a.*". Therefore, the council can confirm that the reference to 'best quality' in E4 is synonymous with 'best and most versatile agricultural land' as per the definition at Annex 2 of the NPPF.

Further detail is provided in EV8 on the sequential approach to be taken where different grades exist, with a preference to develop the lowest grades first. This aligns with NPPF paragraph 180 a) and footnote 62 i.e. "*Where significant development of agricultural land is demonstrated to be necessary, areas of poorer quality land should be preferred to those of a higher quality. The availability of agricultural land used for food production should be considered, alongside the other policies in this Framework, when deciding what sites are most appropriate for development.*"

Paragraph 4.75 of the supporting text to EV8 provides both the context and justification for approach to protecting the highest quality agricultural land on the Island.

## Issue 4: Centres and retail

Q8.12: Table 8.2 of the IPS sets out a hierarchy of centres. Is the hierarchy justified? Would it be necessary for soundness to include the hierarchy within plan policy<sup>1</sup>?

### IWC response

NPPF paragraph 90 seeks planning policies and decisions that support the role that town centres play at the heart of local communities, by taking “a positive approach to their growth, management and adaptation. Planning policies should:

*(a) define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters...”*

As a result of the findings of the [Retail Study Update Combined Report and Appendices \(EC2\)](#), the general approach to retail is considered appropriate, and broadly in line with the NPPF. However, the retail hierarchy is currently set out in paragraph 8.81 rather than in Policy E7. Whilst this clearly identifies the centres on the island and the role they will play in meeting the need for town centre uses, it is considered this could be strengthened by adding the hierarchy of centres to the policy to better align with NPPF paragraph 90. The council consider that a revision to policy wording removes the apparent inconsistency highlighted in the question. The hierarchy of centres is supported by IOW Retail Study Update Combined Report and Appendices (EC2) paragraph 7.4.11.

### **Proposed modification (revised text underlined):**

#### **Policy E7 (addition following the first policy paragraph):**

The council has defined a network and hierarchy of centres across the Island, as shown below:

#### Main town centres

Newport

Ryde

Cowes

#### Local centres

Sandown

Shanklin

Freshwater

Ventnor

East Cowes

#### Village centres

Arreton

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<sup>1</sup> NPPF Paragraph 90a)

[Bembridge](#)  
[Brading](#)  
[Brighstone](#)  
[Godshill](#)  
[Niton](#)  
[Rookley](#)  
[St Helens](#)  
[Wootton](#)  
[Wroxall](#)  
[Yarmouth](#)

## Deletion of paragraph 8.81

### Paragraph 8.82: [The centres identified in the policy play differing roles.....](#)

*Q8.13: Are the impact thresholds in Policy E7 locally justified, having regard to the NPPF's (paragraph 94) default threshold of 2,500 square metres?*

#### IWC response

Yes, the impact thresholds have been locally justified. Section 7.4 of the [IOW Retail Study Update Combined Report and Appendices \(EC2\)](#) sets out continuing support for the recommendations for impact thresholds set out in the 2018 Retail Study and 2021 update and their inclusion in Policy E7.

EC2 paragraph 7.4.3 states 'We note that a locally set tiered retail impact assessment threshold is proposed for development resulting in new retail floorspace outside of town centre boundaries as follows, mirroring our recommendations made within our 2018 retail study: • 750sq m gross for Newport; • 500sq m gross for Ryde and Cowes; and • 350sq m gross for Sandown, Shanklin, Ventnor, Freshwater and East Cowes.'

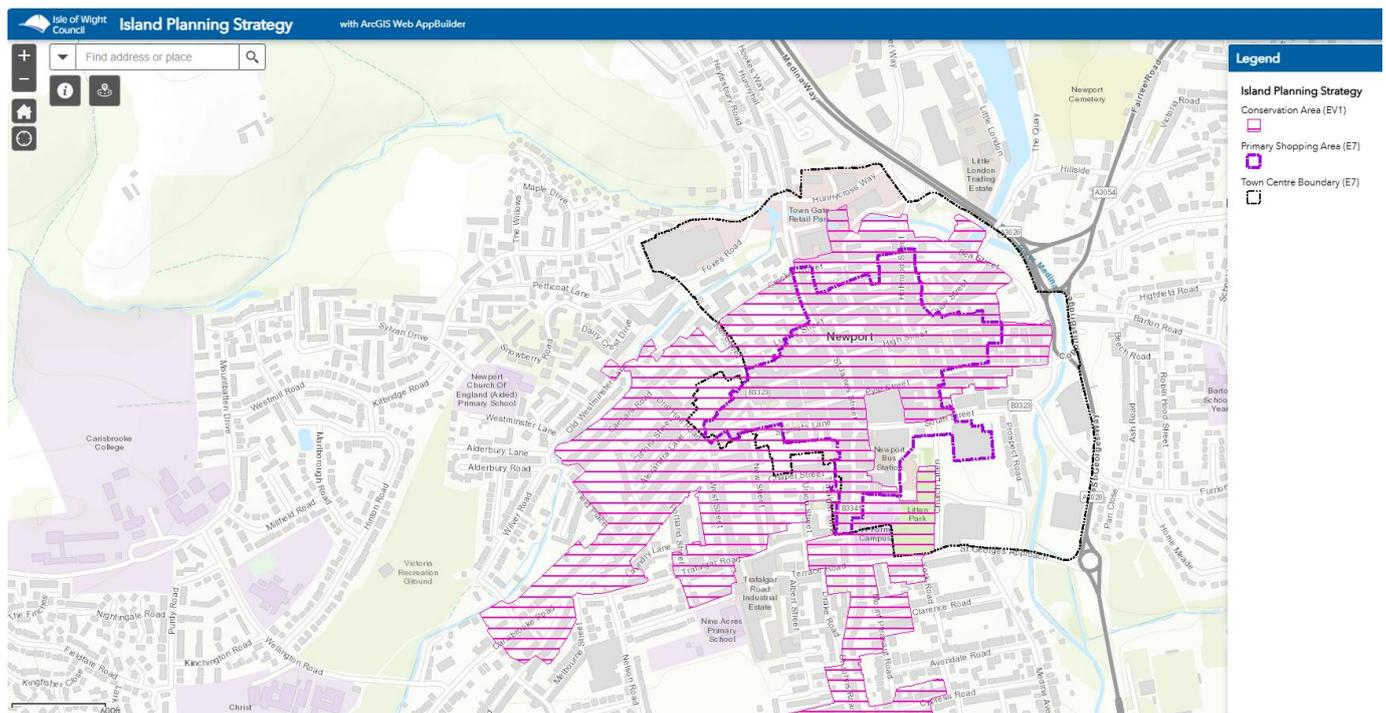
EC2 paragraph 7.4.4 states 'Following the assessments undertaken within this study update, and having regard to the current health, performance and composition of each of the centres across the Isle of Wight, we consider that the impact assessment thresholds as proposed remain appropriate.'

*Q8.14: Are the extent of the town centre boundaries, and the primary shopping area in Newport, as defined on the Policies Map, justified and consistent with national planning policy, as part of a positive strategy for the future of town centres in line with NPPF Paragraph 90(b)?*

#### IWC response

The town centre boundaries, and the primary shopping area in Newport, are justified as they are based on proportionate evidence. They have been continually reviewed as part of the plan-making process and been assessed in detail through two separate Retail Studies, including the most recent document [Retail Study Update Combined Report and Appendices \(EC2\)](#), which reviewed the empirical research undertaken to support the 2018 study and concluded in paragraph 7.4.2 that 'the boundaries of the other retail centres remains in conformance with the NPPF.'

Paragraph 90 (b) of the NPPF requires planning policy to define the extent of town centres (which the Policies Map does as the extract below shows), make clear the range of uses permitted in such locations (which Policy E7 does) and that these reflect a positive strategy for the area. Policy E7 is worded positively by actively encouraging and supporting proposals that contribute to the diversity, choice, vitality and viability of town centres on the island. E7 also requires any retail development coming forward outside of the identified town centres to meet the sequential test outlined in national policy and demonstrate how they would contribute to enhancing links to existing centres and not diverting trade away from those areas.



The council would however also note that relatively recent changes to the General Permitted Development Order, through the introduction of Class MA permitted development rights, have dramatically reduced the amount of spatial land use control the local planning authority may have in town centres and primary shopping areas. Planning policy is only applicable to development that requires the submission of a planning application and cannot be applied to development that benefits from permitted development rights or is secured through the Prior Approval route.

As such, the council have a very low level of control over development coming forward under Class MA of the GDPO, which could see significant proportions of town centre uses, currently within Class E [or previously within classes A1, A2, A3, B1, D1(a), D1(b) and D2(e)] which Policy E7 supports and encourages, changing to residential use. As the Policies Map extract above shows, the majority of the Newport Primary Shopping Area lies within a conservation area, so under Class MA.2 (e) the council at least retains an element of assessment of any proposals to change the ground floor use away from Class E, albeit this assessment is limited to the impact on the character and sustainability of the Conservation Area.

Policy E7 and the town centre boundaries represent an appropriate strategy for the island, have been continually reviewed through the plan-making process that has also incorporated significant changes to legislation, and are considered to be justified and consistent with national policy.

## Issue 5: Tourism (Policies E8 and E9)

*Q8.15: Tourism is clearly an integral part of the Island's economy. Does Policy E8 strike an appropriate balance between supporting sustainable growth in the sector and (in combination with other policies in the Plan) protecting the specific qualities that attract visitors to the Island?*

### IWC response

Yes it is considered that Policy E8 does strike an appropriate balance between supporting sustainable growth in the sector and (in combination with other policies in the Plan) protecting the specific qualities that attract visitors to the Island.

The council wishes to see the Island be a leading UK visitor destination, and to achieve this it will be important to have the right planning policies in place. By doing so the Island will benefit from improved economic prosperity by increasing the proportion of high end or high value visitors to the Island over the whole year. This will require an increase in the overall quality of the tourism offer in terms of accommodation, eating out opportunities, events, attractions and related leisure activities.

In Policy E8 Supporting high quality tourism, criteria are set out for proposals for high quality tourism and to protect against the loss of tourist accommodation in core areas. The policy seeks to help the Island's tourism offer by supporting sustainable growth through niche tourism products, and by increasing the quality of existing tourism destinations and resisting the loss of accommodation in core tourism areas.

At the same time the policy where appropriate seeks to "utilise the unique characteristics of the historic and natural environments, without compromising their integrity" and contribute to creating an all year round tourism offer, "which takes full account of seasonal significant impacts on European protected sites and species".

The importance of the tourism sector is recognised in supporting evidence contained in [IOW Employment Land Study Final report Jan 2022](#) (EC1), [IPS Explainer Document Economy Policies](#) (EC4), [Island Investment Plan](#) (EC5), [IOW Corporate Plan 2021-25](#) (GS2), [IOW Regeneration Strategy](#) (GS3), [IPS Explainer document Corporate Policy context](#) (GS5) and [IPS Infrastructure Delivery Plan IDP 2018](#).

In particular EC5 talks about the importance of ensuring the Island remains an attractive place for residents and tourists to visit and particularly in paragraph 2.2.3, that the "environment and heritage assets drive a significant amount of tourism to the Island, which in turn benefits the local economy".

As explained in section 2 of the plan, the Island features a wide variety of natural, rural and urban landscapes. Over 50 per cent of the Island is covered by Isle of Wight National Landscape

(formerly AONB) and 28 miles of coastline is designated as Heritage Coast. In addition, the Island also includes three estuaries, the Western Yar, the Medina and the Eastern Yar and a high number of internationally, nationally and locally important nature conservation sites.

The Island is also home to a rich variety of important habitats and species, some of which are unique to the Island or are thriving due to the protection given to them by the Solent. The Island's biodiversity is very special, with key species, such as red squirrel, dormouse, bats, Glanville Fritillary butterfly, Field Cow Wheat, Early Gentian and Wood Calamint flourishing. All of the above landscape features and species contribute to the designation of the Island as a UNESCO Biosphere Reserve which recognises the sustainable way that people interact with the natural environment.

It is considered that Policy EV8 in combination with other policies in the Plan that are aimed at protecting the specific qualities that attract visitors to the Island, do in combination strike the right balance. Other policies in the plan include EV1: Conserving and enhancing our historic environment, EV2: Ecological Assets and Opportunities for Enhancement, EV5: Trees, woodland and hedgerows, EV6: Protecting and providing green and open spaces, EV9: Protecting our landscapes and seascapes, EV11: Isle of Wight National Landscape (formerly AONB).

*Q8.16: Are the core tourist accommodation areas in Policy E8 justified as prime locations to support this sector of the Island's economy? Is the Policy approach to resisting the loss of tourist accommodation in core areas justified and consistent with national planning policy?*

#### IWC response

Yes it is considered that the core tourist accommodation areas in Policy E8 are justified as prime locations to support this sector of the Island's economy.

The core tourist accommodation areas are existing tourism destinations in sustainable locations with a high proportion of tourism accommodation and businesses offering eating out opportunities as well as tourism attractions and related leisure activities.

The Island caters for a wide range of different visitor markets and therefore it is important that a diverse range of types and quality of accommodation, attractions and facilities can be provided to satisfy the range of market demands and maintain its place as a popular UK visitor destination. The council has defined a network and hierarchy of centres across the Island. Table 8.2 sets out the network and hierarchy of centres and paragraphs 8.82 and 8.83 set out that Sandown and Shanklin reflect the tourism market. By acknowledging the differences between the centres, they do not compete with each other and can therefore be successful in their own offer. Whilst Ventnor is also referenced in paragraph 8.82, the smaller size of Ventnor (population of approximately 6,000 compared to over 20,000 in Sandown & Shanklin), the dispersed nature of accommodation across the urban area and the fact that the town is located on the largest urbanised landslide complex in northern Europe combine to mean the council do not consider it appropriate to include a core tourist accommodation area.

Policy E8 Supporting high quality tourism seeks to help the Island's tourism offer by increasing the quality of existing tourism destinations and accommodation, contributing to a mix of tourism accommodation that offers a range of styles and creating an all year round tourism offer.

In addition, Policy E10 The Bay Area Place Plan and Sandown Bay Tourism Opportunity Area supports the principle of development that aligns with the principles, values and objectives of The Bay Area Place Plan.

The town and parish councils of Sandown, Shanklin and Lake, in partnership with the Isle of Wight Council, formally launched The Bay Area Place Plan in early 2024. The plan will successfully coordinate different projects and initiatives across the area and help guide investment and regeneration projects. The plan sets a strategic direction for The Bay Area and has been prepared following extensive consultation and engagement with the local community and businesses that operate across The Bay.

While the council does not intend to be prescriptive over the exact type of development that could improve the tourism offer; it is essential that a comprehensive approach is taken. New or improved uses could exclusively relate to tourism accommodation and/or destinations and could include enabling development where this can be appropriately justified.

Supporting evidence includes: [Island Planning Strategy Policies Map](#) (CD2) [IOW Corporate Plan 2021-25](#) (GS2), [IOW Regeneration Strategy](#) (GS3), [IPS Explainer document Corporate Policy context](#) (GS5), [IPS Infrastructure Delivery Plan IDP 2018](#) (GS6), [Island Investment Plan](#) (EC5), [IPS Viability Assessment Update report July 2022](#) (GS12).

In particular, GS2 Aspiration 33 suggests the need to “increase year-round tourism and increase the quality of visitor attractions and accommodation, particularly sustainable and accessible tourism”.

Yes the council does consider that the policy approach to resisting the loss of tourist accommodation in core areas is justified and consistent with national planning policy. The National Planning Policy Framework, December 2023 has a key objective to *... help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and co-ordinating the provision of infrastructure* (paragraph 8). Paragraphs 85 and 86 sets out that planning policies should set out a clear economic vision, set criteria or identify strategic sites and meeting economic needs and potential barriers to investment, create conditions for investment, expansion and adaptation and be flexible to address unidentified needs.

In Policy E8 Supporting high quality tourism, criteria are set out for proposals for high quality tourism and to protect against the loss of tourist accommodation in core areas. The policy seeks to help the Island’s tourism offer by supporting sustainable growth through niche tourism products, and by increasing the quality of existing tourism destinations and accommodation and resisting the loss of accommodation in core tourism areas.

Paragraph 8.99 explains that “Within the core tourist accommodation areas, the council will seek to resist the loss of tourist accommodation as the areas are in prime locations. However, it is accepted that in some circumstances, sites previously used for tourist accommodation may no longer be viable. In these circumstances, the council will require evidence that the site is no longer suitable or viable for tourist accommodation before supporting a change to alternative uses”.

Supporting evidence includes: [IOW Corporate Plan 2021-25](#) (GS2), [IOW Regeneration Strategy](#) (GS3), [IPS Explainer document Corporate Policy context](#) (GS5), [IPS Infrastructure Delivery Plan IDP 2018](#) (GS6), [Island Investment Plan](#) (EC5), [IPS Viability Assessment Update report July 2022](#) (GS12).

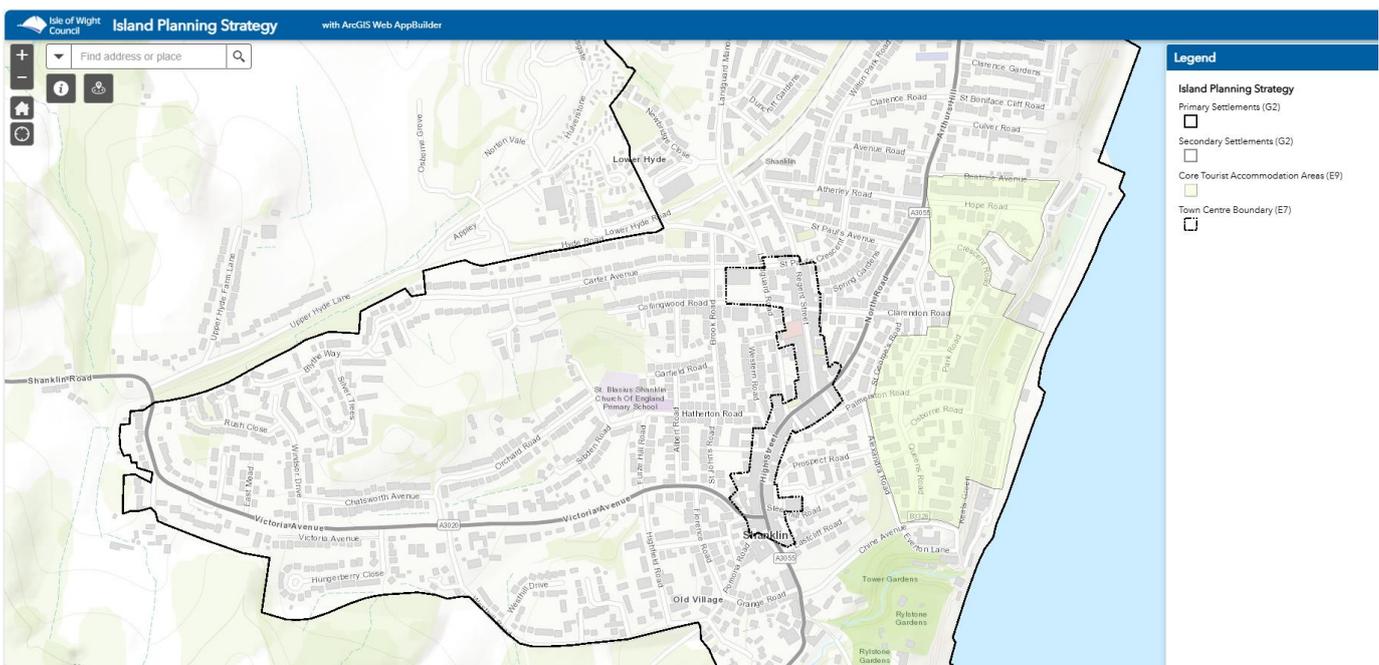
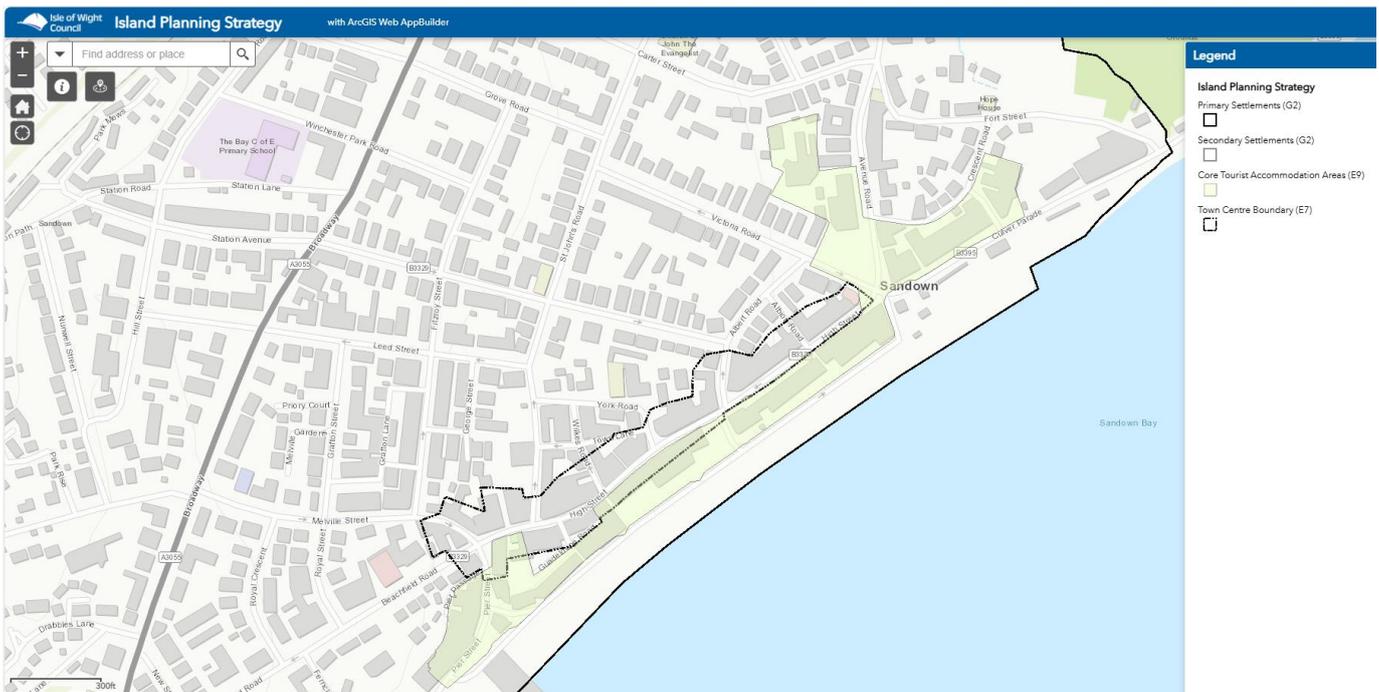
In particular GS3 explains that the “council is committed to attracting five star hotel accommodation and supporting local tourism businesses to grow their business. Extending the ‘season’ and working towards an all year round tourist economy is a key aim of the Isle of Wight economic strategy”.

*Q8.17: Is the approach to short term let holiday accommodation in Policy E9 justified and consistent with national planning policy, including the proposed focus on the core tourist accommodation areas? Having regard to the Council’s Evidence Paper [Document EC3] what is the intended outcome or objective of the Policy, and will it be effective in achieving this?*

#### IWC response

Yes the approach in Policy E9 is justified and consistent with national planning policy, albeit the NPPF is primarily silent on the issue of tourism related development. The policy positively directs a tourism related land use (short term holiday let accommodation where it requires planning permission) to identified tourist accommodation areas, which are identified on the Policies Map as being within the settlements of Sandown and Shanklin, directly adjacent to identified town centre boundaries. Tourism development is listed within the NPPF glossary as being a ‘main town centre use’ and paragraph 90 states that policies should support the role that town centres play at the heart of local communities.

As the Policies Map extracts below show, the core tourist accommodation areas in Sandown and Shanklin lie adjacent to the town centre and primarily cover areas in close proximity to the sea, which as island destinations, performs a vital function in the attractiveness of tourism accommodation in these areas.



Supporting text to the policy, particularly paragraphs 8.101 and 8.103, identify some of the negative issues that short term holiday let accommodation can have on local communities on the island (further expanded on in section 2 of document [EC3](#)), which supports the necessity for the policy to steer this development into the appropriate areas.

Turning to document EC3 in more detail and whether the policy will be effective in achieving the intended outcome, section 3 reflects the current planning position in relation to the use classes order, recognising that any 'material change' is a matter for planning judgement. By providing a policy that offers definitive clarity where such planning judgement is made will assist in removing some ambiguity from the current situation.

As identified in paragraphs 4.2 and 4.3 of EC3, the (previous) Government undertook various consultations on this issue that provided a direction of travel at the time, however, to date no changes to the Use Classes Order relating to short term holiday let accommodation have been made. Policy E9 therefore provides a basis for any subsequent changes in legislation that may impact this sector (for example where a new, separate use class to be introduced) to be covered in adopted policy.