

Report to:	EXECUTIVE
Relevant Officer:	Alan Cavill, Director of Place
Relevant Cabinet Member	Councillor Mark Smith, Cabinet Member for Regeneration, Enterprise and Economic Development
Date of Meeting :	24 April 2017

REVIEW OF THE HOLIDAY ACCOMMODATION SUPPLEMENTARY PLANNING DOCUMENT (SPD)

1.0 Purpose of the report:

1.1 The Holiday Accommodation Supplementary Planning Document was originally adopted in March 2011 and provides detailed guidance on the Council's Core Strategy policy CS23 'Managing Holiday Bedspaces'. The Supplementary Planning Document includes the identification of Holiday Accommodation Areas (HAAs) where changes of use from holiday accommodation to residential use are generally resisted unless exceptional circumstances are demonstrated.

During 2016/17 a review was undertaken to assess the effectiveness of the Supplementary Planning Document after five years of operation and the continued appropriateness of the Holiday Accommodation Area boundaries having regard to any changes which have occurred since 2011.

This report presents to members the Blackpool Holiday Accommodation Supplementary Planning Document Review 2016/17 - Stage 1 Report which provides the full technical detail and evidence that has informed the review process and the Revised Holiday Accommodation Supplementary Planning Document – Consultation Draft which responds to the outcomes of the review.

2.0 Recommendation(s):

2.1 To agree publication of the Blackpool Holiday Accommodation Supplementary Planning Document Review 2016/17 - Stage 1 Report on the Council's website (refer Appendix 3a).

2.2 To approve the Revised Holiday Accommodation Supplementary Planning Document – Consultation Draft for public consultation for a period of 6 weeks (refer Appendix 3b).

2.3 To delegate any minor drafting and textual changes to the Revised Holiday Accommodation Supplementary Planning Document to the Director of Place.

3.0 Reasons for recommendation(s):

3.1 To provide further detailed guidance to policy in the Blackpool Local Plan Part 1: Core Strategy to support Blackpool’s future regeneration and growth.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

As part of the review of the Holiday Accommodation Supplementary Planning Document alternative options have been considered as set out in the Blackpool Holiday Accommodation Supplementary Planning Document Review 2016/17 - Stage 1 Report (Appendix 3a to this report).

4.0 Council Priority:

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”

5.0 Background

5.1 Holiday accommodation continues to be an important part of Blackpool’s tourism offer and is vital to the resort’s visitor economy.

5.2 The Holiday Accommodation Supplementary Planning Document was originally adopted in March 2011 and provides further detailed guidance on the Council’s Core Strategy policy CS23 ‘Managing Holiday Bedspaces’. This policy allows more hotels and guest houses to change to residential use than before, encouraging a better balance of quality homes and guest houses.

5.3 In order to successfully manage this reduction, and retain a suitable level of holiday accommodation in sustainable locations with easy access to the resort facilities and key transport routes, restrictions on change of use apply to properties located within the main holiday accommodation areas.

5.4 Supplementary Planning Document Review 2016/2017

During 2016/17 a review has been undertaken to assess the effectiveness of the Supplementary Planning Document after five years of operation and the continued appropriateness of the boundaries having regard to changes which have occurred within the Holiday Accommodation Areas since 2011.

The Planning Strategy Team, supported by Envision consultants, has conducted the review so far. Full details of the review are set out in the Blackpool Holiday Accommodation Supplementary Planning Document Review 2016/17 - Stage 1 Report (Appendix 3a to this report) (hereby referred to as the Stage 1 Report).

To inform the review, a considerable amount of data was collected and analysed including land use, vacancies, planning applications/enquiries, enforcement cases, properties on the market and accreditation.

The analysis informs the Council that the number of holiday accommodation premises and bed spaces has decreased between 2008 and 2016. The total number of holiday accommodation bed spaces has reduced by 11,315 which is approximately 75% of the required reduction under Scenario 1 of the Humbert study (circa 15,024). In terms of Scenario 1, there is still a need to reduce the number of bed spaces by around 3700. It is estimated that there are 703 holiday accommodation premises outside of the current Holiday Accommodation Areas that can contribute to the reduction in holiday bed spaces.

The analysis also indicates that some of the holiday accommodation areas identified in the 2011 Supplementary Planning Document are experiencing pressure for change. Although the number of permissions granted since 2011 is small, a number of existing permissions were in place which have now been implemented together with a series of lawful development certificates. Furthermore a number of premises used as holiday flats have changed to residential without the requirement for planning permission. In some streets the greatest change is in the number of hotels and guest houses which have ceased trading.

- 5.5 The Stage 1 Report presents three options for consideration in taking the review of the Supplementary Planning Document forward, highlighting the benefits and risks of each option:

Option 1: Minimal Change

This option continues with the Supplementary Planning Document with updated amendments to the written text. The exceptional circumstances in relation to character and viability would remain. The current boundaries would be retained as set out in the adopted 2011 Supplementary Planning Document.

In addition to the general amendments required to the document wording to bring it up to date, further guidance will be provided on the viability assessment. Reference to a viability assessment template will be included which will set out the typical contents for such an assessment and the method by which it will be assessed.

In terms of benefits to this option, the Supplementary Planning Document text would be rewritten to better explain the purpose of the Holiday Accommodation Supplementary Planning Document and remove current misunderstandings. Retaining existing areas will maximise the Council's control of uses within them and continues to protect the most sustainable locations for holiday accommodation. Adverse business reaction would be minimised as some hoteliers consider the Holiday Accommodation Areas can help to galvanise the holiday accommodation community. The inclusion of viability test guidance will provide clearer direction to applicants.

However, this option does not address the issues of vacant and abandoned holiday accommodation in the Holiday Accommodation Areas because the exception test remains unchanged. It could lead to an increase in the number of vacant and abandoned properties as the strict character element of the exceptional circumstances criteria may still prevent unviable businesses from changing use with consequent impact on quality and character within all areas both on and off the Promenade. This option may also lead to adverse business reaction from businesses wanting their street to be removed wholesale from a Holiday Accommodation Area.

Option 2: Selective Change

The second option proposes to undertake the minor amendments to the text, as set out in Option 1, together with the introduction of the revised viability assessment. In addition, under this option a number of further changes are made:

- the requirement for redevelopment schemes on the Promenade to retain the quantum of holiday accommodation will be amended to allow flexibility;
- new exceptional circumstances criteria would be introduced which gives the Council a greater priority to allowing proven non-viable businesses to change use subject to a robust and transparent viability assessment.
- where justified amend the boundaries to the Promenade frontage where necessary to consolidate the existing holiday accommodation uses;

- amend the off the Promenade Holiday Accommodation Area boundaries based on the updated criteria assessment - removing those streets where significant change has been identified.

Amendments to the Holiday Accommodation Area boundaries could strengthen the remaining areas and assist in maintaining their long term integrity. The revised exceptional circumstances criteria would give greater emphasis to allowing proven non-viable businesses to change use with a redefined approach to alternative compatible use.

The proposed revision to boundaries maintains some control of use in reduced areas and should minimise the risk of successful applications or appeals for change of use. It will give individual business owners more flexibility in those streets that are removed from the Holiday Accommodation Areas.

However, there is an element of uncertainty to this option as the revised exceptional circumstances criteria could lead to an increase in planning applications demonstrating holiday accommodation use of a property is no longer viable. Further monitoring would therefore be required. There may be some adverse reaction from those holiday accommodation businesses removed from the Holiday Accommodation Areas.

Option 3 – Radical Change

This option would go further than Option 2 above and would involve the removal of all of the six off Promenade Holiday Accommodation Areas, with a concentration only on the Promenade properties within the designated Promenade areas. This option would therefore allow changes of use away from holiday accommodation in all of the Holiday Accommodation Areas off the Promenade.

In terms of benefits to this option, it would remove the confusion between those holiday accommodation businesses that are inside and outside the Holiday Accommodation Area boundaries and allow the market to take its course across the whole sector. It would allow any holiday accommodation business in the resort to change use to residential giving flexibility in business and personal life choices.

There are however a number of risks to option 3 including uncertainty regarding the precise impacts on Blackpool's housing market. It could lead to a rapid change in the holiday accommodation sector with a significant loss of holiday bed spaces beyond what is required undermining, the resorts visitor economy and wider neighbourhoods. There may also be adverse business reaction as some hoteliers value being included in a Holiday Accommodation Area. There may also be significant pressure on the resources of the Council's Planning and Enforcement teams. Further detail regarding the consideration of the options can be found in Section 8 of the Stage 1 Report.

5.6 The Way Forward

There are some important messages that are highlighted in the key conclusions of the Stage 1 Report. However the following points are considered to be of particular importance:

- In the first instance, as set out in the Humbert Study (Scenario 1) and referenced in the Core Strategy under CS23, there was a need to reduce the number of bed spaces in the Resort by around 15,024. Approximately 75% of the required reduction has already been met with the loss of around 11,315 bed spaces between 2008 and 2016, leaving around 3700 outstanding. It is important to note that the Stage 1 Report estimates outside the current Holiday Accommodation Areas, there are still 703 holiday accommodation premises which have the potential to convert to residential, assisting in meeting the need to further reduce holiday bed spaces.
- The Stage 1 Report also highlights a key issue around viability of holiday accommodation businesses and emerging signs of business stress in the Holiday Accommodation Areas. This is evidenced by the number of vacant/abandoned properties and a reflection of the strictness of the current exceptions test in the Supplementary Planning Document. The Report highlights that to continue with this approach is untenable and inequitable.
- Related to viability, is the quantum of holiday accommodation to be retained on the Promenade Frontages and that this has limited the opportunities for redevelopment on the Promenade and has been too restrictive.

Whilst the consultants in the Stage 1 Report on balance recommended option 2, they did note at paragraph 8.29 that in developing the options and considering the different elements of each option, the Council should be made aware that each option is not mutually exclusive and the Council may wish to adopt one option with elements from another.

In taking this into account it is considered that there is a hybrid option which responds to the key points highlighted above and combines elements of option 1 and 2 as set out below:

5.7 Hybrid Option

This hybrid option comprises:

- Proposed amendments to guidance relating to the Main Holiday Accommodation Promenade Frontages including removal of reference to retaining a fixed quantum of holiday accommodation
- Proposed amendments to the exceptional circumstances test allowing change

- of use within Holiday Accommodation Areas in certain circumstances including new guidance on the requirements of the viability assessment
- Proposed amendments to reflect the updated adopted Local Plan policy framework
 - Proposed amendments to text to improve the clarity of the Supplementary Planning Document
 - The current Holiday Accommodation Area boundaries would be retained as set out in the adopted 2011 Supplementary Planning Document

5.8 Justification for the Hybrid Option

The hybrid option would maintain maximum control over change of use to residential within the Holiday Accommodation Areas as it does not propose to amend any boundaries. It is considered, as highlighted in the Stage 1 Report, that those holiday accommodation properties located outside the Holiday Accommodation Areas would make a major contribution to the outstanding bed space reduction, where planning policy places no restriction on change of use to residential in principle to such properties.

The hybrid option would also maintain those locations which have been identified as the most sustainable spatially for businesses that form an important part of Blackpool's holiday accommodation offer.

This option recognises the issue of vacant and abandoned properties within the Holiday Accommodation Areas and proposes amendments to the exceptional circumstances test to allow proven non-viable businesses to change use to residential. The quality standard of these conversions will be controlled by the requirements set out in the New Homes from Old Places Supplementary Planning Document. To provide clarity for applicants, viability assessment guidance will be provided (which is not currently available), setting out the required information for such an assessment. This guidance (Appendix 4 of the Stage 1 Report) will be made available separate to the Supplementary Planning Document to ensure that it can be readily updated to reflect experience and changing circumstances.

Removing the requirement for redevelopment schemes to retain the quantum of holiday accommodation will allow flexibility for redevelopment and investment on the Promenade – the shop window to the resort.

In addition, it is important to consider the significant level of investment in regeneration projects, in the short to medium term of around £90 million. There is uncertainty around the impact of these regeneration projects on increasing visitor numbers and demand for overnight stays and hence the need to maintain the most sustainable spatial locations for holiday accommodation.

5.9 In summary the benefits and risks to the hybrid option are:

Potential benefits

- The amended text would better explain the purpose of the Holiday Accommodation Supplementary Planning Guidance and remove any current misunderstandings.
- Adverse business reaction would be minimised.
- Retaining existing areas will maximise the Council's control of uses within them.
- Will provide clearer direction on the requirements of the viability assessment.
- Continues to protect the most sustainable locations for holiday accommodation.
- The revised exceptional circumstances criteria would give greater emphasis to allowing proven non-viable businesses to change use which could assist in reducing the number of vacant/abandoned premises in the Holiday Accommodation Areas
- Allows greater flexibility for redevelopment on the Promenade with the removal of the quantum holiday accommodation requirement.
- The text could be rewritten to better explain the purpose of the Holiday Accommodation and remove current misunderstandings.

Potential risks

- May lead to adverse business reaction from businesses wanting their street to be removed wholesale from a Holiday Accommodation Area.
- Uncertainty of the impact of the new exceptional circumstances criteria on the number of businesses lost in the Holiday Accommodation Areas due to non-viability.

Taking into account the above, it is recommended to take forward the hybrid option and the Supplementary Planning Document consultation draft has been amended accordingly to reflect this approach. However, in recognition of the analysis set out in the Stage 1 report, it is recommended that there is a need for continued careful monitoring of the Holiday Accommodation Areas undertaken on an annual basis to record any further changes that may occur which may influence a future review of the Supplementary Planning Document

The Revised Holiday Accommodation Supplementary Planning Document – Consultation Draft is set out in Appendix B based on the Hybrid Option. The document will be subject to public consultation for a period of six weeks commencing the beginning of May in accordance with the Local Plan Regulations and the Council's Statement of

Community Involvement.

In the Stage 1 Report the Consultants suggested a number of complementary actions. Whilst they recognise the Council has a multi-faceted approach to addressing the challenging issues in the inner areas and that the Council is under severe financial constraints, they advise the following for consideration:

- Commissioning further evidence, including:
 - business and property surveys to establish business health and property conditions; and
 - environmental audit of the inner resort area to develop a baseline understanding of the nature of environmental conditions as a basis for developing intervention actions.
- To develop intervention programmes/actions, including:
 - public realm improvements to the Holiday Accommodation Areas; and
 - business licensing scheme.
- A comprehensive approach to planning and housing enforcement.
- Continued monitoring of the New Homes from Old Places Supplementary Planning Document to understand its effectiveness in delivering high quality residential conversions
- Develop funding strategies, including lobbying Government and appropriate agencies.
- Develop a joined up approach across the Council and external agencies to coordinate investment and other actions to maximise benefits and avoid mistakes, e.g. locating sensitive uses within or adjoining the Holiday Accommodation Areas.
- Consider how other planning actions may assist including:
 - Article 4 direction dealing with change of use to House in Multiple Occupation;
 - Local Development Orders (LDO's), e.g. to allow certain development within the Holiday Accommodation Areas

5.10 Does the information submitted include any exempt information? No

5.11 **List of Appendices:**

Appendix 3a – Blackpool Holiday Accommodation Supplementary Planning Document Review 2016/17 - Stage 1 Report

Appendix 3b – Revised Holiday Accommodation Supplementary Planning Document – Consultation Draft

6.0 Legal considerations:

6.1 The Revised Holiday Accommodation Supplementary Planning Document provides additional information to assist with the interpretation and implementation of Policy CS23 'Managing Holiday Bedspaces' of the Blackpool Local Plan Part 1: Core Strategy which forms part of the Council's statutory Development Plan.

7.0 Human Resources considerations:

7.1 The Supplementary Planning Document is being resourced by existing staff within the Planning Strategy Team.

8.0 Equalities considerations:

8.1 No adverse equalities considerations. The Holiday Accommodation Supplementary Planning Document will contribute to the Council priorities set out in the Council Plan.

9.0 Financial considerations:

9.1 The work is being undertaken within existing budgetary provisions.

10.0 Risk management considerations:

10.1 The Revised Holiday Accommodation Supplementary Planning Document provides further detail to the Local Plan Part 1: Core Strategy (adopted January 2016) which provide the statutory planning framework to enable and assist the delivery of Blackpool's future development requirements. The Council needs to ensure that it has a planning framework that is managing the reduction of holiday bed spaces within the borough which reflects the community and elected members priorities and needs. The latter could lead to an increase in appeals if applications are received proposing development which is not in line with the priorities and needs of Blackpool.

11.0 Ethical considerations:

11.1 No adverse ethical considerations. The Revised Holiday Accommodation Supplementary Planning Document will contribute to the Council priorities set out in the Council Plan.

12.0 Internal/ External Consultation undertaken:

12.1 Consultation will be undertaken in accordance with the Council's Statement of Community Involvement and in accordance with the statutory requirements and regulations for Supplementary Planning Document preparation.

13.0 Background papers:

- 13.1 Holiday Accommodation Supplementary Planning Document (adopted March 2011)
Blackpool Local Plan Part 2: Core Strategy (adopted January 2016)

14.0 Key decision information:

- 14.1 Is this a key decision? Yes
- 14.2 If so, Forward Plan reference number: 5/2017
- 14.3 If a key decision, is the decision required in less than five days? No
- 14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

- 15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No
- 15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 12 April 2017 Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1