



## **Portfolio Holder Decisions**

### **Adoption of Wyre Borough Council Policy EP9 Holiday Accommodation – Guidance for Applicants (Planning Policy and Economic Development)**

1. **Policy EP9 Holiday Accommodation – Guidance for Applicants** (Pages 3 - 26)

Report of the Corporate Director Communities.

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## Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Marianne Hesketh, Corporate Director Communities	Councillor Alice Collinson, Planning Policy and Economic Development Portfolio Holder	07 October 2021

### Adoption of Wyre Borough Council Policy EP9 Holiday Accommodation – Guidance for Applicants

#### 1. Purpose of report

- 1.1 To adopt the Policy EP9 Holiday Accommodation – Guidance for Applicants.

#### 2. Outcomes

- 2.1 An adopted Guidance for Applicants will set out how the council will understand and apply Policy EP9 from the Wyre Local Plan to 2031.

#### 3. Recommendation

- 3.1 That the Portfolio Holder for Planning Policy and Economic Development approves for immediate use the Policy EP9 Holiday Accommodation – Guidance for Applicants document.

#### 4. Background

- 4.1 The Policy EP9 Holiday Accommodation – Guidance for Applicants sets out how Wyre Council intends to apply Policy EP9 of the Wyre Local Plan to 2031.
- 4.2 The document is a guidance document and as such is not subject to any regulations. The document will provide guidance on the application of a policy within the Wyre Local Plan to 2031. The document does not replace or add to the policies of the adopted Local Plan.

**5. Key issues and proposals**

- 5.1 The council has recently had a considerable increase in the number of applications for holiday accommodation development, mostly in the rural areas. The demand for ‘staycations’ resulting from the Covid-19 restrictions has been a contributing factor to this. The long term impact and demand for this type of development is not yet known.
- 5.2 Policy EP9 Holiday Accommodation has therefore been the subject of increased use, scrutiny and challenge from applicants and their agents. This has resulted in some appeals against the refusal of planning permission by the council.
- 5.3 The Policy EP9 Holiday Accommodation – Guidance for Applicants document is intended to clarify the council’s position on many of the issues encountered so far and provide a level of consistency in approach to all future planning applications determined by the council.

**6. Delegated functions**

- 6.1 The matters referred to in this report are considered under the following executive function delegated to the Planning Policy and Economic Development Portfolio Holder as set out in Part 3.03 of the council’s constitution:  
 “To consider matters relating to the Local Development Scheme, Supplementary Planning Documents and other planning guidance.”

<b>Financial and legal implications</b>	
Finance	The cost of preparing the document will be met from the existing Local Plan revenue budget.
Legal	The document has not been subject to statutory processes under the planning legislation. If adopted, it will form non-statutory guidance and as such it will be a material consideration in determinations of planning applications.

**Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	<b>x</b>
equality and diversity	<b>x</b>
sustainability	<b>x</b>
health and safety	<b>x</b>

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>x</b>
climate change	<b>x</b>
ICT	<b>x</b>
data protection	<b>x</b>

## Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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List of background papers:		
name of document	date	where available for inspection
None		

### List of appendices

Appendix 1 - Policy EP9 Holiday Accommodation – Guidance for Applicants

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**Wyre Council**  
**Policy EP9 Holiday Accommodation**  
**Guidance for Applicants (version 1.0)**  
**September 2021**

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# 1. Introduction and Background

1.1 The Wyre Local Plan 2011 – 2031 (WLP31) was adopted on 28 February 2019.

It contains Policy EP9 Holiday Accommodation, which sets out under what circumstances development of holiday accommodation will be permitted.

1.2 The WLP31 should be read as a whole. Policies, should therefore not be read in isolation, but in the context of the Plan as a whole. Different policies in the Plan are interrelated, and decisions about a particular development will require the consideration of a number of policies. Some policies include cross references to other policies; this is to emphasise their particular relevance and should not be read to imply that other policies, not cross referenced, are not relevant.

1.3 Policy EP9 firstly sets out the need for development to meet the requirements of the Core Development Management Policies and secondly sets out four specific criteria (listed a to d) that must also be satisfied.

1.4 This document provides guidance to support the reading and understanding of Policy EP9, it will assist applicants needing to satisfy the requirements of the policy. It provides information on how the council approaches the application or implementation of Policy EP9.

1.5 Where relevant this document will also explain other key policies guiding the principle of holiday application applications, including policies SP4 (Countryside areas), SP2 (Sustainable Development) and EP8 (Rural Economy) of the WLP31.

1.6 As a guidance document the council may take the opportunity from time to time to publish updates. For clarity the document will always carry a version number and publication date.

## 2. The Purpose and the Policy Context

2.1 The supporting text at paragraph 8.9.1 to Policy EP9 in the WLP31 sets out clearly the purpose of the policy. *'Tourism is an important element of the local economy in Wyre and holiday accommodation is an important element of the tourism industry. However often new holiday accommodation within designated countryside areas becomes unviable creating pressures for conversions into residential uses at locations where residential development would not be acceptable'*.

2.2 Policy EP9 is positively prepared and sets out clearly the requirements for holiday accommodation development to be acceptable, whilst at the same time seeking to prevent the harms outlined in the supporting text.

### EP9 Holiday Accommodation

1. Holiday accommodation\* sites including new short stay touring caravan and camping sites, will be permitted where they meet the requirements of the Core Development Management Policies and provided they satisfy the following criteria:
  - a) The totality of development, including on site services, is of appropriate scale and appearance to the local landscape;
  - b) Any new building and supporting infrastructure is necessary;
  - c) New tourism accommodation sites incorporating new built accommodation will need to be supported by a sound business plan demonstrating long term viability; and
  - d) Proposals for extensions to sites which include new built accommodation outside settlement boundaries will need to be supported by a viability assessment of the existing and proposed business.

\* Holiday accommodation sites include holiday caravan sites

2.3 Planning applications for holiday accommodation may also be considered against the following two key strategic policies:-

2.4 **Policy SP4** forms the underlying basis for assessing all development, including holiday accommodation, in the countryside. The supporting text at paragraph 5.5.2 sets out the purpose of the policy. *'Policy SP4 aims to protect the countryside and manage development in a way that supports rural communities and the rural economy whilst maintaining its essential attributes'*. Sub-paragraph 1 seeks to recognise the intrinsic character and beauty of the countryside and seeks to resist development which would adversely impact on the open and rural character of the countryside. This supports the principles of criteria a) and b) of Policy EP9.

- a. Sub-paragraph 2 criterion c) allows for holiday accommodation in line with Policy EP9. Holiday accommodation may also be in the form of agricultural diversification, which is permitted by SP4 criterion a). Reading the policies as a whole and any such diversification schemes will be required to satisfy all relevant policy tests for holiday accommodation, including EP9. If part of a farm diversification project, the linkage and enhancement to the sustainability of the existing farm business should be clearly presented.
- b. Sub-paragraph 4 is concerned with the conversion/change of use of buildings in the countryside. Applications are assessed against a hierarchy of preferred uses with holiday accommodation fourth on a list of five. Holiday accommodation will only be permitted where applicants are able to demonstrate that they have made every reasonable effort to secure a use higher in the order of priority including appropriate marketing in accordance with Policy SP6 (viability).

- c. Sub-paragraph 4 clarifies that applications for holiday accommodation by way of conversion are also subject to Policy EP9.
- d. Sub-paragraph 5 clarifies that the conversion of an existing building which does not comply with the sustainability requirements of Policy SP2 will only be permitted where it is demonstrated that it will secure the long term future of a building significant for its heritage value.

**2.5 Policy SP2** sets out how the sustainable development requirement of the NPPF will be applied at the local level in Wyre. Sub-paragraph 2 requires all development to be sustainable and contribute to the continuation or creation of sustainable communities in terms of its location and accessibility. Sub-paragraph 4 states in order to deliver sustainable communities the Local Plan includes policies and proposals which amongst other things will seek to facilitate economic growth including in rural areas; and ensure accessible places and minimise the need to travel by car. Accessibility will be a matter of planning balance, looking at how a proposal minimises travel by car and maximises the use of sustainable transport modes (walking, cycling, public transport), in relation to access to/from the site, and access to local tourism attractions and facilities, such as recreation, convenience shop, food and drinking establishments. Locations in or closer to settlements, including key service and rural service centres, would be expected to create less of a need to travel and allow a greater use of sustainable transport modes.

2.6 Other relevant policies for holiday accommodation proposals include, but is not limited to, EP8 (Rural Economy), SP6 (Viability), CDMP1 (Environmental

Protection), CDMP2 (Flood Risk and Surface Water Management), CDMP3 (Design), CDMP4 (Environmental Assets), CDMP5 (Historic Environment) and CDMP6 (Accessibility and Transport).

### 3. Detailed Guidance

3.1 Policy EP9 deals with a diverse number of possible types of holiday accommodation. This guidance is not exhaustive on the types of holiday accommodation that could be within the scope of Policy EP9, owing to the many varied types of sites, uses of land, types of caravans, buildings, forms of tents, pods, chalets, cabins etc. It will therefore often be a matter of planning judgement, and engagement with the planning department is encouraged via the pre-application process ([www.wyre.gov.uk/planning/make-planning-application](http://www.wyre.gov.uk/planning/make-planning-application)).

3.2 For clarity, in most cases Policy EP9 is likely to be relevant to caravan and camping sites, or development falling within Use Class C3 (dwellinghouses), Use Class C1 (hotels) and also Sui Generis.<sup>1</sup> There may also be a need to fully understand what constitutes the planning unit particularly where sites have developed over time. It is important that applicants are familiar with the various pieces of legislation that together govern these matters. Some which may be of relevance are; The Town and County Planning Act 1990, The Town and Country Planning (General Permitted Development) (England) Order 2015 (Particularly Class A) as amended, the Caravan Sites and Control of Development Act 1960, The Caravan Site Act 1968, The Mobile Home Act 2013 and the Public Health Act 1936.

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<sup>1</sup> “in a class of its own” - Certain uses are specifically defined and excluded from classification by legislation, and therefore become 'sui generis'.

3.3 This guidance document does not provide exhaustive guidance on these matters but simply highlights relevant legislation, regulations or guidance that can have a bearing on the planning judgement about the proposed development. Again the best approach is to engage with the planning service through the pre-application advice service to ensure a full and correct understanding of the proposed development.



### **EP9 Criterion a**

3.4 Is concerned with the scale and appearance of the development in relation to the local landscape within which it is located. Obviously the local landscape will vary from application to application. In countryside locations applications for holiday accommodation should be of appropriate scale and appearance to respect the intrinsic character and beauty of the countryside (i.e. its general open, rural and un-built character) which is a requirement of sub-paragraph 1 of Policy SP4. Familiarisation with this policy is recommended.

3.5 Some matters to consider here would be the overall amount (number) of units proposed, the total site area, the layout and spacing of development, views into the development from the surrounding area, proximity to existing buildings and development etc. Whilst additional landscaping can help mitigate a proposal, a scheme which relies on this in an attempt to screen an inappropriate development from view would not be acceptable.

## **EP9 Criterion b**

3.6 Establishes an important test for both buildings and supporting infrastructure; that they/it are necessary. Its purpose is to stop overdevelopment of the built form. Due to their degree of permanence, static caravans (chalets/lodges) are included within this test. Examples of supporting infrastructure include internal access roads, caravan bases, decking, parking, footpaths, lighting, amenity blocks, waste storage and engineering works.

3.7 All development and infrastructure proposed should be clearly detailed in the application description. Applicants should explain clearly why the scheme necessarily requires any of the units/buildings or infrastructure proposed. Some matters to consider here would be the overall amount (number) of holiday accommodation units proposed, size of the proposed units/buildings, the overall amount of infrastructure and the necessity of that type of building or infrastructure. Necessity in relation to the holiday accommodation units being proposed could be in the form of economic necessity (i.e. the amount of development is proven to be viable and the minimum amount needed to break-even and/or market evidence of need specific to that development) or operational necessity. Any proposal for new buildings/supporting infrastructure which would extend the development envelope of an existing holiday accommodation site would need to explain why they cannot be accommodated within the existing site.

### **EP9 Criterion c**

3.8 In more straightforward terms, requires that all new tourism accommodation sites incorporating new accommodation (including caravan sites) will be expected to produce a sound business plan in support of the planning application.

3.9 Where the scheme proposes holiday accommodation in the form of conversion or change of use only, then criterion c) does not apply.

3.10 A business plan should clearly set out all the information a planning officer would need to reach a view on the viability of the proposed business. This should include, a business overview including applicant's background, market research of the local area including comparison of appropriate competitor sites, the capital costs of establishing the business (including financing sources), costs of daily operational requirements (cleaning, change-over/check-in management, bookings), occupancy projections, nature of occupancy (short-term rental or privately owned), sales and marketing plan, annual income and expenditure projections (gross and net factoring in the capital costs) over a relevant period (minimum of 5 years), break-even projections and risk or sensitivity testing (best case/worst case scenario analysis) to establish the likelihood of meeting those projections. Explanations and/or breakdowns should be provided as necessary to justify the figures stated.

### **EP9 Criterion d**

3.11 Put plainly seeks to ensure that only viable businesses expand or extend in a way which is itself viable. However, in some cases currently unviable businesses may become viable through expansion and/or diversification. If this is the case with your application, great care should be taken to clearly show how this will happen.

3.12 As with criterion c, this only applies to new build accommodation and so conversions or change of use proposals only do not need to satisfy this policy test.

3.13 In order for the proposal to be considered an expansion of an existing business, the key issue is whether there is any functional relationship between the proposed development and the existing business. Where clarity is needed this should be demonstrated in your application. Applicants should ensure that full details are provided for the existing business as well as projections for the proposed. It would be advantageous to submit financial information relating to the previous three years. This can include a three year statement of accounts, cash on hand at the bank, finance facilities available to the business, any directors guarantees, all outstanding liabilities and when they become due, turnover and profit in the previous 3 years. This should be straightforward for limited companies where this information will be held by Companies House and is publicly available. Should the business concerned have been trading for less than three years then information for all previous trading years should be submitted. This financial information can be audited or unaudited. For other

forms of business (i.e. not a limited company) similar financial information should be provided.

3.14 The financial information will need to be accompanied by a statement either from a company director or a person with significant control of the company. This statement should clearly outline how the existing business and the proposed business are considered viable with appropriate reference to the financial information provided.

## **Viability/Financial Matters**

- 3.15 In all cases if the applicant is clearly articulating the business case for expansion or establishment of the holiday accommodation this should help the planning officer dealing with the application to quickly understand matters relevant to Policy EP9. The viability of a proposal will be judged on a case by case basis taking into account all relevant material considerations of that site and the specific proposal submitted.
- 3.16 Where the proposal involves expansion of an existing business but with a different product offering, attention should be paid to the business plan requirements set out in paragraph 3.10 above including market research and comparison of competitor sites to justify the projections.
- 3.17 In May 2019 the NPPG (paragraph 021) outlined that viability reports should be considered public documents, stating *“Any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Even in those circumstances an executive summary should be made publicly available. Information used in viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data. In circumstances where it is deemed that specific details of an assessment are commercially sensitive, the information should be aggregated in published viability assessments and executive summaries, and included as part of total costs figures. Where an exemption from publication is sought, the planning authority must be satisfied that the information to be excluded is commercially sensitive. This might include information relating to negotiations, such as ongoing negotiations over land*

*purchase, and information relating to compensation that may be due to individuals, such as right to light compensation. The aggregated information should be clearly set out to the satisfaction of the decision maker. Any sensitive personal information should not be made public.”*

3.18 The same principles apply to Business Plans. Therefore applicants are advised that with the exception of the council redacting any sensitive personal information, viability assessments and business plans will be published as submitted. If you consider the document contains commercially sensitive information, you will need to supply an alternative version which redacts any commercially sensitive information which can be published. As an example, details of an applicant’s capital investment source could be deemed commercially sensitive, but market research including competitor rates and occupancy levels are generally information found on websites and so would likely not be deemed as commercially sensitive.

3.19 In addition to a supporting Business Plan or Viability Assessment, applicants will need to submit a supporting Planning Statement to meet the other policy tests of Policy EP9 where relevant, namely criteria a) and b), but also to meet tests within other policies which may be relevant including policy SP2 (clear justification as to why the location of the development is considered appropriate and sustainable, or where relevant in the case of a conversion in the countryside, why the building is considered to have heritage value), EP8 (justification for expansion of existing business) and SP6 (marketing).

## 4. The Use of Conditions

4.1 As planning judgements will place reliance on the information provided by applicants, it will often be the case that conditions will be attached to any planning permission ensuring the development accords with the submitted information. Therefore in submitting an application, applicants must act in good faith and ensure any statements made or documents used are accurate and that material information is not withheld.

4.2 Conditions will normally be needed to ensure the accommodation is used for holiday use only, and is not used as a person's sole or main place of residence, as the description of development alone is insufficient to protect from the harms that Policy EP9, and other relevant policies, are concerned with.

4.3 In addition to the above, further restricted occupancy conditions may be imposed to ensure matters within a submitted business plan/viability appraisal demonstrating long-term viability (which is a policy requirement of Policy EP9) are adhered to, such as business model (rental or private ownership), hours of operation, length of rental period or restrictions on sale etc. A condition may also be used to 'tie' the holiday accommodation to the operation of the existing site, where this is required to protect amenity.

4.4 In terms of other matters, due to their degree of permanence, buildings, caravans and camping pods may be subject to further conditions restricting their number, size, colour/materials and siting in order to ensure the development is of an appropriate scale and appearance to the local landscape, which is a policy requirement of Policy EP9 (and Policy SP4 for countryside



development). Permitted development rights will also be removed for development falling within Use Class C3 (dwellinghouses).

4.5 This document is a broad guidance note and cannot deal exhaustively with each type of development that may be within the scope of Policy EP9. As such it cannot set out all the circumstances under which conditions may be appropriate, nor what those conditions ought to state. Instead listed below are some example conditions to inform and guide applicants bringing forward holiday accommodation development;

- a. This permission relates to the use of the land for the siting of no more than xx caravans.
- b. The holiday accommodation (shown on Plan X) shall be used for holiday accommodation only and shall not be occupied as a person's permanent, sole or main place of residence. These units shall not be occupied (by the same occupant/s) for periods of more than 28 days in any 3 month period and shall not be sold off individually to other third parties and shall be operated as one business for holiday rental.
- c. The owner/operator shall maintain an up-to-date register of the names of all occupiers of each unit and of their main home addresses and shall make this information available at all reasonable times to the Local Planning Authority.
- d. The caravans shall be provided in accordance with the size, colour and materials as shown on the submitted plan. Where a caravan is to be replaced then any replacement caravan shall be a like for like

replacement, unless alternative details of size, colour and materials are first submitted to and agreed in writing by the Local Planning Authority.

- e. At no time shall the accommodation hereby permitted be operated, managed or sold separately from X.
- f. Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (England) Order 2015 (or any Order revoking or re-enacting that Order with or without modification), the dwelling(s) shall not be altered or extended, nor shall any building, structure or enclosure be erected within the curtilage of the dwelling(s) without planning permission.