## 1. Background

## The Council of the Isles of Scilly is the UK’s smallest unitary authority which is located 28 miles of the south west coast of Cornwall. The Local Planning Authority operates within the UK planning system. The Isles of Scilly is an archipelago with a population spread across 5 inhabited islands. The population is around 2200 with the largest island, St Mary’s, being home to around 1600 of the population. The economy is largely based on the tourism industry and visitor numbers at the peak of the summer season can swell the population by an estimate of around 70,000 – 80,000 per year.

## The current Local Plan was adopted in 2021 with the 5-year post-adoption period running up to March 2026. The plan does not include a housing target but is underpinned by a Strategic Housing Market Assessment (SHMA) carried out in 2016, which supports the delivery of 105 local homes over the plan period (2015-2030).

## As part of the Local Plan review process, the Council of the Isles of Scilly wishes to commission a Housing and Economic Needs Assessment (HENA) to understand the current position of the housing needs of the islands. Given the various changes of emphasis from national guidance, and the recognition of a housing emergency (as highlighted at the 18 January 2022 Full Council[[1]](#footnote-2)) on the islands, a HENA needs to be:

* Aware and responsive to the circumstances and issues of the islands,
* Be compliant with current NPPF/NPPG guidance (and be aware of the impact of any potential changes arising from any changes to these following MHCLG -response to its recent planning reform consultation.)

The assessment should consider a comprehensive analysis of the area’s current and future economic development needs, with a particular focus on making strategic recommendations in light of business growth and expansion potential, existing industrial land capacity (St Mary’s) and housing and workforce alignment.

## 2. Objectives

The purpose of this commission is to undertake a Housing and Economic Needs Assessment (HENA) for the Isles of Scilly, to inform future planning policy and development strategy. While the assessment must be grounded in the Standard Method for calculating local housing need as set out in national planning guidance, it is essential that the consultant also considers the unique local circumstances that affect the robustness of this method the islands. An experienced and qualified consultant is therefore sought in order to:

* Produce a Housing and Economic Needs Assessment in line with the latest NPPF and PPG guidance[[2]](#footnote-3).
* Apply the Standard Method as a baseline requirement.
* Critically assess the limitations of the Standard Method in the context of the missing earnings data.
* Explore alternative data sources or proxy indicators (e.g. regional earnings, household income surveys, housing cost burden metrics) to provide a more accurate picture of affordability and housing need.
* Provide a justified and transparent methodology for any adjustments or supplementary analysis.
* Ensure that the final assessment is robust, defensible, and capable of withstanding scrutiny in plan-making and examination processes.
* Assess economic development needs and align them with housing provision.

A critical issue to consider, as alluded to above, is the absence of reliable local earnings data, which undermines the affordability ratio used in the Standard Method. This data gap means that the default calculation may not accurately reflect the true housing pressures or affordability challenges in the area.

In relation to understanding the economic needs, the HENA should include detailed consideration of:

a) Business Growth and Expansion Potential

* Assess the current profile of businesses operating in the area, including key sectors, employment levels, and growth trends.
* Identify the demand for business space, including any evidence of unmet demand or constraints on expansion.
* Engage with local businesses and stakeholders (where appropriate) to understand future expansion intentions, barriers to growth, and infrastructure needs.

b) Industrial Estate Capacity and Suitability

Review the existing industrial estate (St Mary’s) in terms of:

* Current occupancy and vacancy rates
* Physical condition and suitability of premises
* Infrastructure and access
* Potential for intensification, redevelopment, or expansion (bearing in mind flood risk and SSSI constraints)
* Assess whether the current supply of employment land is fit for purpose and aligned with future business needs.

c) Housing and Workforce Alignment

Explore the relationship between housing availability and economic growth, including:

* Whether there is sufficient housing to support the local workforce (for permanent year-round jobs and for seasonal jobs)
* The impact of housing affordability and availability on business recruitment and retention
* The need for specific types of housing (e.g. key worker, affordable, family housing) to support economic objectives
* How existing housing stock may be constraining economic growth on the Islands.

d) Strategic Recommendations

Provide clear, evidence-based recommendations on:

* The quantity and type of employment land required over the plan period
* Opportunities to enhance or reconfigure existing employment areas
* The interdependencies between housing and employment, and how these should be addressed in spatial planning.

The successful consultancy will need to show expertise and experience in evidence and strategic policy development as this work will form a crucial part of the Local Plan process and would form a key part of the Council’s case at a future examination.

## 3. Scope of Work

The Housing Needs Study would include:

1. Clear evidence as to the overall housing need for the islands for the plan period (2025-2040) and policy consistent affordable housing need for the same.
2. Guidance around the need of particular groups of the population would need to be set out and include:

* All tenures, including Social Rent, Affordable Rent, Shared Ownership, Discounted Market Sale Homes, Owner Occupied, Private Rented Sector.
* Mix of size and type of housing need.
* Housing for Older and Disabled Persons including the need for
  + Accessibility Standards/ Housing for people with additional needs.
  + Private Rented Sector.
* Self-Build and Custom Housebuilding: Assess the role of self-build housing in meeting local housing need. Consider statutory duties under the Self-Build and Custom Housebuilding Act and the Self-Build Register.

1. Advise and carry out shadow[[3]](#footnote-4) housing need calculation based on the proposed new method (A NEW STANDARD METHOD chapter 4) and consideration of Social Need as per Paragraph 4 of the NPPF[[4]](#footnote-5),￼taking into account the results of both a household survey and business survey of housing needs to meet current acute housing issues affecting the islands.

Recent documents setting out updates to the housing evidence base since adoption of the Plan can be found here:

* **Adopted Local Plan:** <https://www.scilly.gov.uk/planning/planning-policy/local-plan-2015-2030>
* **Annual Monitoring Reports:** <https://www.scilly.gov.uk/planning/planning-policy/local-plan-2015-2030/annual-monitoring-reports-amr>
* **Local Plan Evidence Base Documents:** <https://www.scilly.gov.uk/planning/local-plan/local-plan-evidence-base-library>

## 4. Deliverables

* Inception report
* Agreeing Survey and Survey Methods
* Draft HENA report
* Final HENA report (including GIS-compatible data outputs)
* Presentation to Council officers and elected members

## 5. Timetable

The project is expected to commence in July /August 2025 and be completed by September/October 2025. A detailed timetable should be proposed by the consultant.

* Project start: 01/09/2025
* Draft report: 15/10/2025
* Final report: 30/10/2025

## 6. Budget

£25,000 (ex VAT)

We anticipate this work being undertaken remotely without needing to visit the islands. Any quote that includes a visit should set out clearly how the project would be enhanced by visiting the islands.

## 7. Application Process/Evaluation Criteria

Interested consultants should submit a written proposal of no more than approx. 3000 words (excluding cv) and should include:

## Recommendations on the strategic approach and methodology that would be used to assess need and affordable housing need, including relevant data and responses to constructing a new standard method and understanding social rent need, outlining your approach, methodology, and understanding of the brief. Not to exceed 500 words.

## Recommendations on the proposed approach to engagement (surveys). Not to exceed 500 words.

## Evidence of work in similar area(s) with application at Local Plan Examination. Not to exceed 500 words.

## Demonstrable understanding of the context of the contract and those issues that will be critical to the implementation, development, and delivery. Not to exceed 500 words.

## A project plan with key milestones and timescales. One side A4

## CVs of key personnel. Not to exceed 500 words per person

## Examples of similar work undertaken. Not to exceed 500 words.

## A fee proposal. Not to exceed 500 words.

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| --- | --- |
| **Evaluation Criteria** | Weighting |
| Relevant experience and qualifications | 20% |
| Approach to engagement | 20% |
| Methodology and understanding of brief | 20% |
| Quality assurance | 20% |
| Value for money | 20% |

The Council of the Isles of Scilly will award a contract based on the most advantageous offer but is not bound to accept the lowest price of any proposal submitted.

In making its decision, the Council will consider the supplier’s understanding of the brief, their approach to the project, ability to meet deadlines, track record of delivering comparable work and overall competitiveness of the bid and value for money.

The following scoring criteria will apply:

5 – Excellent, meets or exceeds all the expectations

4 – Good, meets most of the expectations

3 – Acceptable, meets some of the expectations

2 – Minor reservations, meets few of the expectations

1 – Serious reservations, meets very little of the expectations

0 - Unacceptable

## 9. Timeline for appointment:

Submissions and requests for clarification should be made by email to [procurement@scilly.gov.uk](mailto:procurement@scilly.gov.uk) cc’ing [lisa.walton@scilly.gov.uk](mailto:lisa.walton@scilly.gov.uk) with **Subject: Housing and Economic Needs Assessment 2025**. It is intended that on receipt of these quotations, the following timescale will be followed.

Invite to Quote Sent on: Date: 22/07/2025

Deadline for receipt of email queries: Date: 28/07/2025

Quote to be submitted by Date: 19/08/2025

Contracted awarded Date: 01/09/2025

Work undertaken updates and drafting:

Draft: Date: 15/10/2025

Final: Date: 30/10/2025

1. <https://committees.scilly.gov.uk/documents/b50003327/SUPPLEMENT%20PACK%20B%20-%20Urgent%20item%2020th-Jan-2022%2009.30%20FULL%20COUNCIL.pdf?T=9> [↑](#footnote-ref-2)
2. <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> [↑](#footnote-ref-3)
3. Depending on progress of NPPF NPPG updates [↑](#footnote-ref-4)
4. <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system> [↑](#footnote-ref-5)