

Cornwall's Full Objectively Assessed Need

1. Following the hearing into the submission version of the Cornwall Local Plan in May 2015 the Inspector suggested that the Council consider a suspension of the examination. This suspension was to allow time for additional work to be undertaken by the Council on a range of issues including objectively assessed need.
2. The focus of this report is the Council's reassessment of the full objectively assessed need (FOAN) for housing and is developed from the original assessmentⁱ presented at the Hearings together with the further work undertaken by the authority based upon the Local Plan Inspectors preliminary findings. This assessment is set out in two stages.

Stage1 – Identifying the Full Objectively Assessed Need for Housing

- 1a) Demographic projections;
- 1b) Market signals;
- 1c) Impact of second and holiday homes;
- 1d) Housing required to meet the need for economic growth;
- 1e) Housing needs of particular groups ;
- 1f) Housing required to meet the need for affordable housing ; and an
- 1g) Allowance for 'market churn'.

Stage2 – What is the Local Plan Housing Requirement?

An assessment is undertaken as to whether there are any local restrictions or other issues that need to be taken into account and which could require the housing requirement to be adjusted from the full objectively assessed need for housing figure. The proposed housing requirement target for the Cornwall Local Plan can then be determined.

Stage 1

Stage 1a) Demographic Projections

3. The submitted Local Plan demographic projection stemmed from the Strategic Housing Market Needs Assessmentⁱⁱ (SHMNA) for Cornwall, Plymouth, South Hams, West Devon and Dartmoor National Park published in 2013. This was based upon Office of National Statistics (ONS) data from 2010/2011 in terms of population projections, re-based to the 2011 Census findings, and incorporating the household formation rates from the 2008 based household projections which were the most up to date at that time. This demographic analysis provided a figure of an additional 45,901 households in Cornwall for the 2010-2030 plan period.
4. Following the submission of the Cornwall Local Plan, the Department for Communities & Local Government (DCLG) released the 2012 household projections which were based on ONS 2012 population projections. These were the first post 2011 Census projections to include a full spectrum of household and population

data for a 20+ year period. The status of the 2012 sub national household projections is clear, and has been confirmed within the latest online version of the Planning Practice guidance (PPG) Reference ID:2a-016-20150227 : 'The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth' (Revision date: 27 02 2015). The guidance expects that these projections are then tested against local data and understanding.

5. The 2012 sub national household projections were used by Edge Analytics to provide an updated position for the Local Plan examination hearings in May 2015. The figures were lower but broadly comparable with the previous SHMNA findings. Cornwall Council considered that the 2012 household projections provided the most robust way forward as this was the latest data available and in principle did not require any 'averaging' with earlier projections as had occurred at other earlier local plan examinations. These other examinations had to use the 2008 household projections (as was the case for the Cornwall's SHMNA) due to the lack of any updated household and population projections for the full plan period. (NB although the 2011 interim projections were available they lacked the normal full data inputs associated with nationally produced household projections). With the publication of the 2012 household projections this was no longer the case.
6. The Inspector in his preliminary findings recommended the use of a 'mid-point' between the '08' and '12' projections, and to also consider the use of 10 or 12-year migration averages as opposed to the 5-year (built into the 2012 projections) or 17-year migration range presented at the examination.
7. The main debate surrounding the use of household projections to assess the need for housing has over the last few years been focused on higher and lower rates of household formation. For example, Simpson in his paper 'Wither Household Projections' (TCPA Journal, December 2014) asked whether lower household formation rates was a new trend or a temporary aberration, and concluded that the weight of evidence suggested that the lower household formation rates were a new long term trend. He made specific reference to the household formation rates of young adults, noting that the increased number of young people living with their parents began at the turn of the millennium with the introduction of student fees and the growth of part-time work, and was a situation which looked to continue into the future. Simpson and Macdonaldⁱⁱⁱ(TCPA journal April 2015) stated that 'it is no longer sensible to appeal to previous household projections including the 2008-based set as if they were evidence of an underlying trend in household formation. They were produced at a time when household formation had already changed, starting before the economic downturn of the mid-to-late 2000s, and are in themselves only evidence of the optimism of that period.'
8. The Council's view is that the 2012 sub national household projections represent the best available understanding of current and likely future rates of household formation as these are reflective of longer term trends and not just 'recessionary'.
9. Following the examination hearings in May, Edge Analytics have on behalf of the Council produced updated data^{iv}. This analysis used 2012 ONS population projections, the 2014 mid-year population estimates, average migration figures over a varying number of years and the 2008 and 2012 household formation rates. This resulted in a range of 'mid-point' demographic projections as follows (table 1):

Table 1			
Scenario	Average Annual Household Growth 2010-2030 (20 Year Total)		Mid-Point between HH-08 and HH-12 (20 Year Total)
	HH-12	HH-08	
DCLG SNPP-2012	2,217 (44,340)	2,323 (46,460)	2,270 (45,400)
Edge PG-12yr Migration	2,276 (45,520)	2,390 (47,800)	2,333 (46,660)
Edge PG-10yr Migration	2,174 (43,480)	2,283 (45,660)	2,229 (44,580)
Edge PG-5yr Migration	2,119 (42,380)	2,226 (44,520)	2,173 (43,460)

10. Using the 10 or 12-year average migration figures as proposed by the Inspector resulted in a demographic need of between 43,480 and 45,520 respectively for the 20 year plan period compared to the 2012 DCLG household projection of 44,340.
11. The 10 year migration data is slightly higher than that provided by the 5 year migration average but lower than the 12 year average. The difference with the 12 year migration average is that it contained significantly higher levels of net migration in the first three years (the 'boom' period of the early 2000s). There is a judgement to make as to a) what degree the early higher figures for net migration reflect changes from different economic cycles (i.e. 'boom to bust') or b) do the 10 year averages demonstrate a change in the structure of population growth in Cornwall which is likely to continue going forward. The evidence suggests that a return to significantly higher levels of net migration is unlikely, but the use of the 12 year migration average incorporates this possibility and provides an additional degree of robustness to the assessment.
12. The Council's position remains that the 2012 projections are the most robust source to use in developing demographic projections and this appears to have been accepted in other examinations. The difference between total demographic need identified using the different approaches is not significant. To ensure a degree of robustness in the projections given the Inspector's suggestions, the Council proposes to use the 12 year migration rate with the 2012 household projections as its baseline position on demographic need.
13. **Stage 1a) Demographic Projection Conclusion:** it is acknowledged that the Inspector's recommendation of the use of a mid-point approach using the 2008 and 2012 projections to ensure projections are not overly influenced by the impact of the recent recession was a sensible approach as new data was emerging . However, there is a strong rationale for the use of 2012 DCLG household projections as these projections are now accepted as being the most robust and up to date data available. The Council considers that when the 2012 household projections are blended with more robust migration data, this will provide an appropriate way forward. This Council therefore uses the 12 year average for net migration to ensure the projection takes account of spikes of higher net migration as well as more recent trends. The figure therefore proposed for the demographic assessment for stage 1 is proposed as 2,276 dwellings per year or **45,520 dwellings for the plan period 2010 to 2030.**

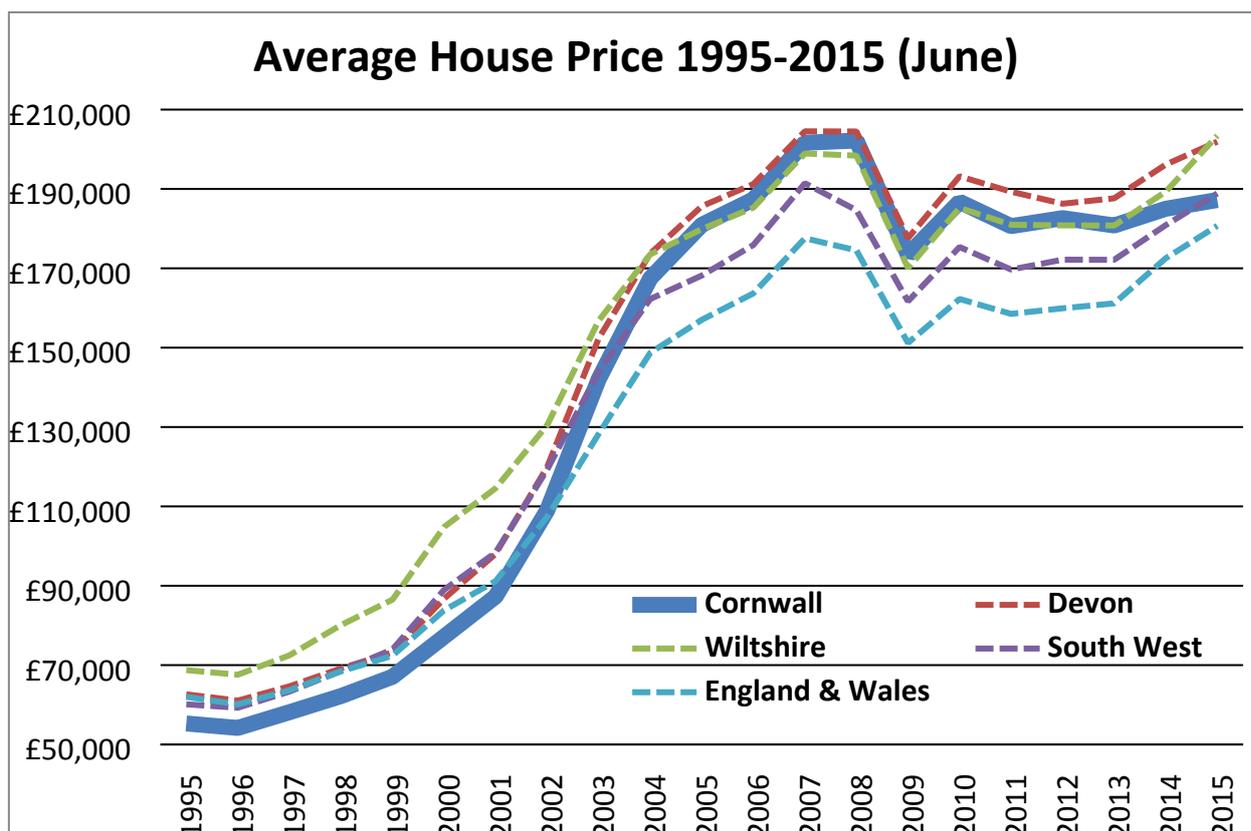
Stage 1b) Market Signals

14. Following an assessment of demographic projections the National Planning Policy Framework (NPPF) requires planning authorities to consider the impact of a range of what are known as market signals on the local housing market. To what degree do any trends in those market signals mean a further increase in housing provision is required? In terms of market signals, PPG suggests that authorities may wish to look at trends in:
- Land Prices;
 - House Prices;
 - Rents;
 - Affordability;
 - Rate of Development;
 - Overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation.
15. PPG guidance goes on to state that 'appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area, similar demographic and economic areas and nationally. In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable'. The guidance goes on to suggest that 'the list of indicators above is not exhaustive. Other indicators, including those at lower spatial levels are available and may be useful in coming to a full assessment of prevailing market conditions.'
16. The specific authorities that are used as comparators to Cornwall to identify any worsening trends in market signals are as follows. A comparison is also made to the regional and national figures wherever possible to set a wider context:
- Devon – a county authority in the South West and neighbouring authority;
 - Wiltshire – a county authority in the South West which became a unitary in 2009 at the same time as Cornwall;
 - Plymouth – as one of Cornwall's partner SHMNA authorities and neighbouring authority;
 - South Hams – as one of Cornwall's partner SHMNA authorities;
 - West Devon - as one of Cornwall's partner SHMNA authorities and neighbouring authority.
17. **Land Prices:** Cornwall Council has no access to land prices data that could be used to specifically identify how Cornwall compares to other areas in the South West to assess whether or not there are any significant differences. It is recognised that land prices would form a constituent part of the overall house price which is considered below.

Land Prices: The conclusion to the section on house prices is that Cornwall is not significantly different. As a consequence the Council considers that land prices should not be regarded as a factor that could indicate that the housing need figure

be increased.

18. **House Prices:** Briefing Note 14 (BN14) House Prices & Affordability^v provides detailed information on how Cornwall compares to other authorities and the South West of England. The graph below summarises average house prices for Cornwall, Devon, Wiltshire, the South West and England & Wales. As shown, Cornwall's average house prices have moved closer to those of Devon and Wiltshire (although generally still lower), and rose above the national and regional averages around 2002 to 2003.

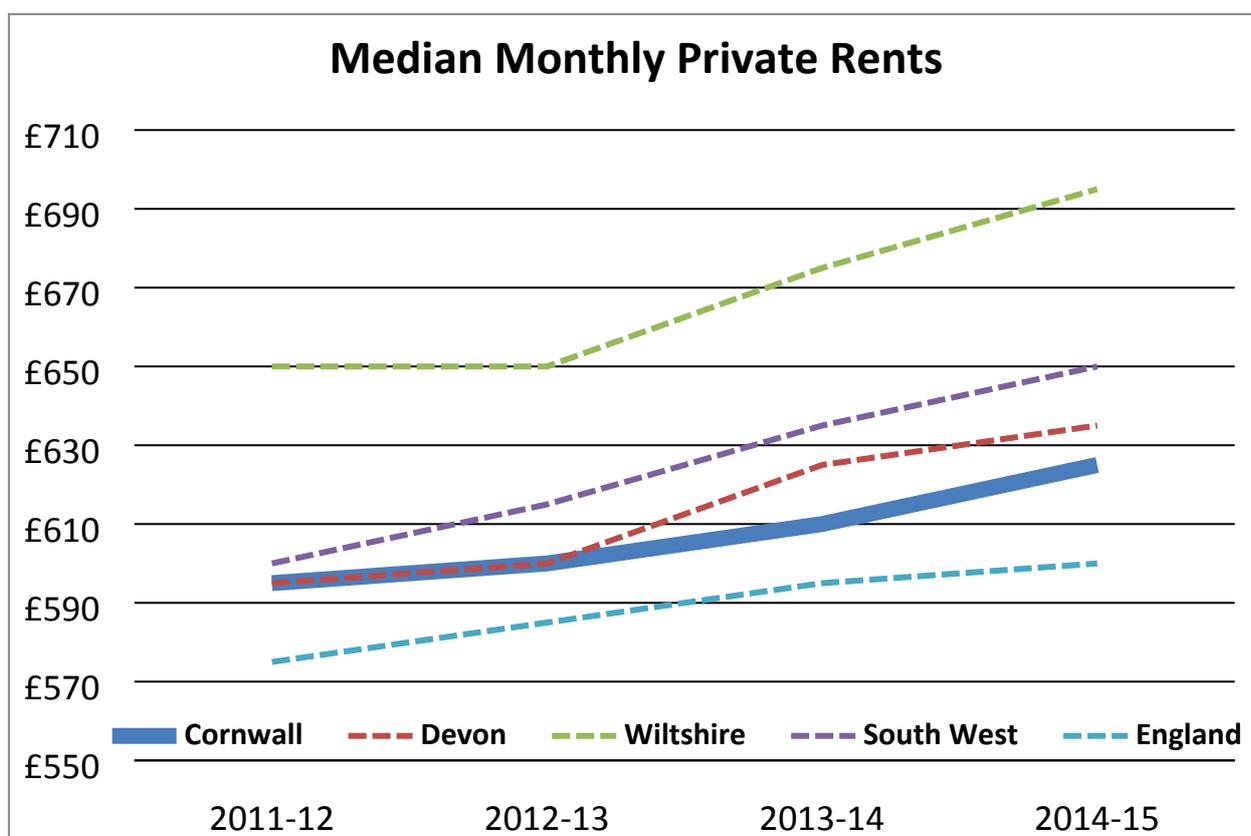


19. Since 1995, house prices in Cornwall have increased by 235% which is at a slightly higher rate than other authorities in the South West (Devon 213% and Wiltshire 175%) and the South West average (201%). However, Cornwall's house prices started from a much lower rate. Cornwall's average house price was £55,292 in 1995 compared to £62,644 in Devon and £68,737 in Wiltshire. In June 2014 the average house price in Cornwall was £185,006 compared to £196,148 in Devon and £189,311 in Wiltshire. Only data for the City of Plymouth is available in terms of the SHMNA authorities and the increase between 1995 and 2014 in house prices was 170%. Within Cornwall there is also a significant differential in house price across Cornwall.

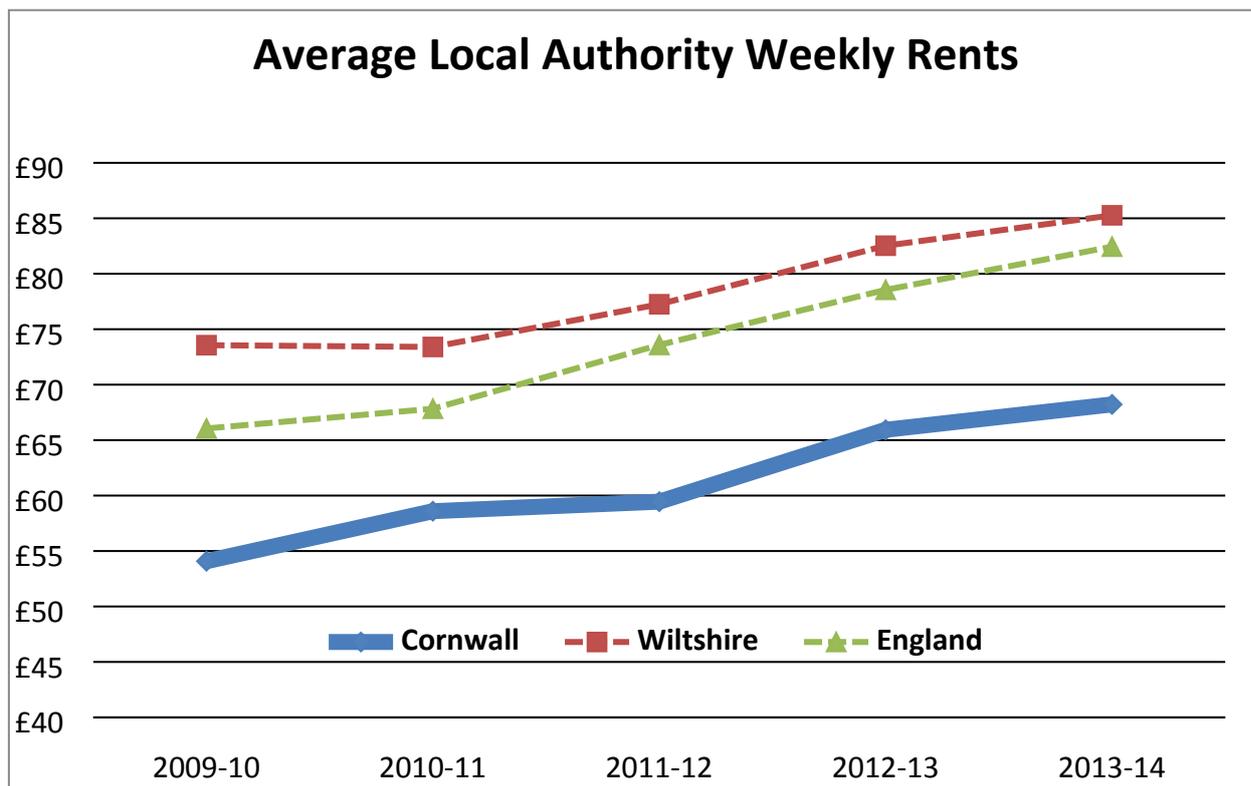
House Prices: What is clear from this assessment is that average house prices in Cornwall do not show any significant differences to the pattern demonstrated by the other areas assessed. House prices in Cornwall rose rapidly in the early and mid-2000's, but from a lower starting point. These figures also hide variation within

Cornwall between value areas as demonstrated by the Council’s viability assessments work. As such, house prices should not be considered a factor that could lead to an increase in the housing need figure as currently identified.

20. **Rents:** Long term private rental data is generally not available. Briefing Note 16 (BN16) the Private Rented Sector^{vi}, provides detailed information on how Cornwall compares to other comparator authorities and England. The graph below summarises available data on median monthly private market rents for Cornwall, Devon, Wiltshire, the South West and England. As shown, Cornwall’s median monthly rent over the last three years of data is similar to that of Devon and the South West average, quite a bit lower than that of Wiltshire and higher than the average across England.



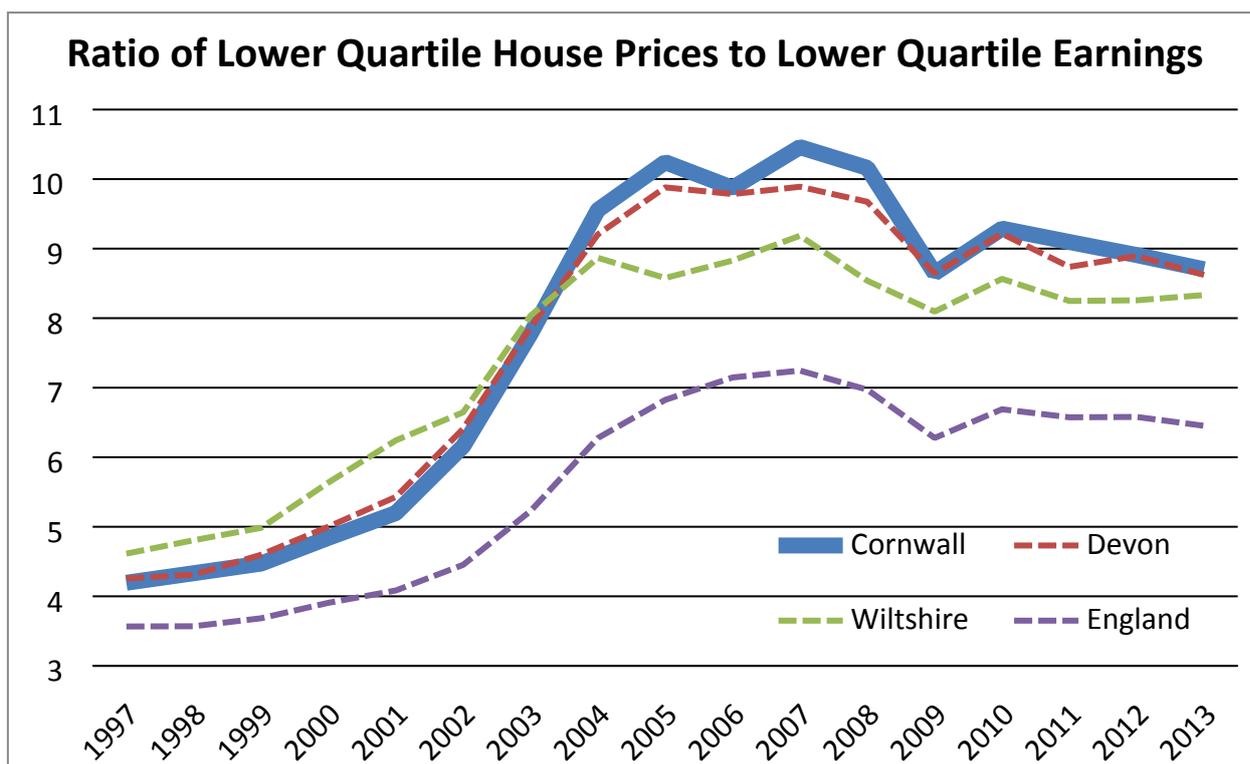
21. Since 2011/12, median private rents in Cornwall have increased by 5% which is at a slightly lower rate than other authorities in the South West (Devon 6.7% and Wiltshire 6.9%) and the South West average (5.8%). Cornwall’s median private rent in 2014/15 was £625 compared to £635 in Devon and £695 in Wiltshire. Data available on median private rent increases in terms of the SHMNA authorities shows increases of 10.8% for the City of Plymouth, 14.2% for South Hams and 8.2% for West Devon, indicating that Cornwall has seen the lowest rise in private rents of the authorities in the local housing market area.
22. The graph below summarises average weekly local authority rents for Cornwall, Wiltshire and England (data for Devon and the South West is not available). As shown, Cornwall’s average social weekly rent over the last five years of data is lower than that of Wiltshire and the England average.



23. Since 2009/10, the average local authority weekly rent in Cornwall has increased at a higher rate (26%) than for Wiltshire (16%) but started from and remains at a much lower rate – the increase on average across England is similar at 25%. In 2013/14 the average local authority rent in Cornwall was £68.22 compared to £85.27 in Wiltshire and £82.44 in England. Data on average local authority rents in the SHMNA authorities is not available.

Rents: What is clear from these two graphs is that both private and local authority rents in Cornwall do not show any significant differences to the pattern demonstrated by the other areas and are generally lower than in the comparator areas. As such rents should not be considered a factor that could lead to an increase in the housing need figure as currently identified.

24. **Affordability:** Briefing Note BN14 House Prices & Affordability^{vii} provides detailed information on how Cornwall compares to other authorities in the South West and England. The graph below summarises the affordability of housing (the ratio of lower quartile house prices to lower quartile earnings) for Cornwall, Devon, Wiltshire and England. As shown, Cornwall’s affordability ratio has always been similar to that of Devon over the long-term although it did become slightly higher between 2004 and 2008 (mainly due to the fact that house prices in Cornwall started from a lower base and wages are generally lower). Affordability in Wiltshire started off higher than that for Cornwall and Devon but has since reduced and all three areas have in recent years very similar affordability ratios.



25. Since 1997, the affordability ratio for Cornwall has increased from 4.2 to 8.7 (107%) which is a slightly higher rate of increase than other authorities in the South West (Devon 4.26 to 8.62 [102%] and Wiltshire 4.61 to 8.33 [81%]). In terms of Cornwall’s partner Strategic Housing Market Needs Assessment authorities, Plymouth’s affordability ratio increased from 3.23 to 5.95 (84%), South Hams from 4.9 to 10.46 (114%) and West Devon 5.2 to 9.52 (83%). It should be noted that the sheer scale of Cornwall hides significant variation in house price data and affordability.

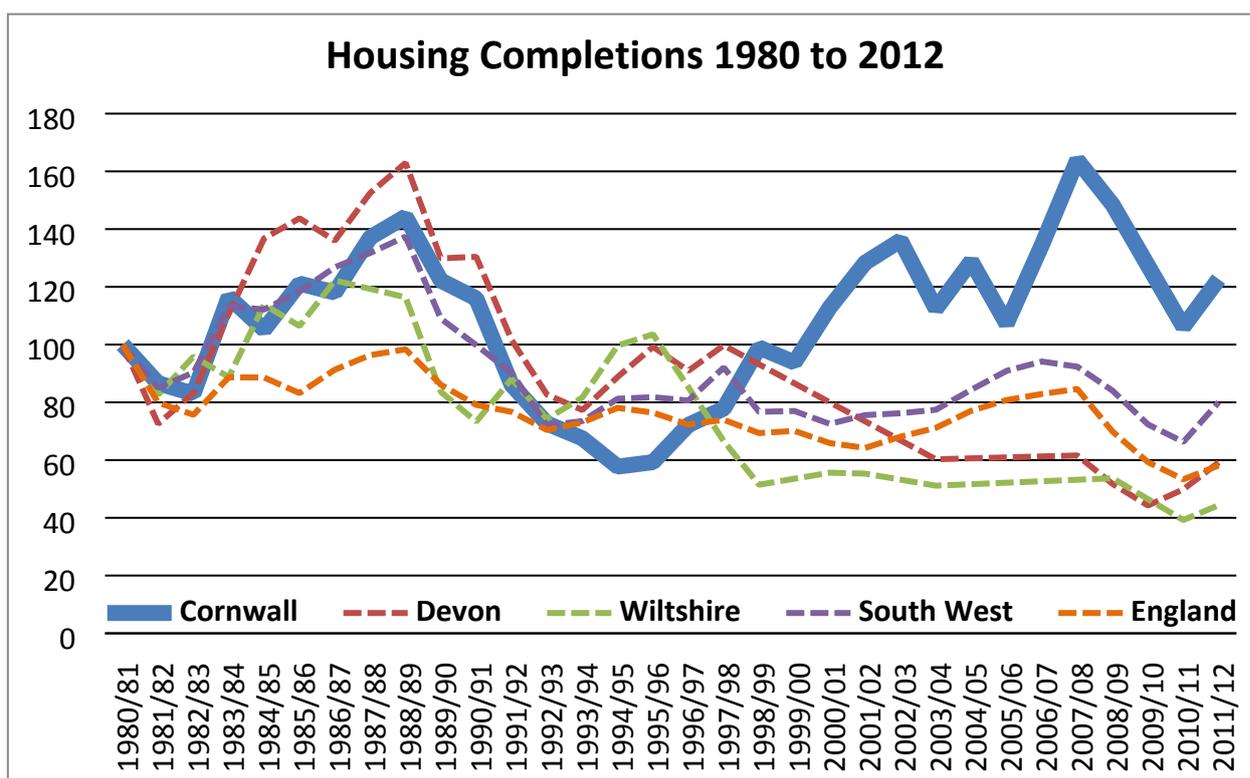
Affordability: What is clear from this graph is that while affordability in Cornwall remains a major issue it does not show any significant differences to the pattern demonstrated by the other South West areas, following the rapid increase in the mid-2000s. The Council considers that affordability should not be a factor that could lead to an increase in the housing need figure as currently identified, as the increase reflects historical change from a lower house price base and masks variation within Cornwall. A general uplift in housing levels across Cornwall would not address this issue to any significant degree.

26. **Rate of Development:** BN8 Deliverability and the Strategic Housing Land Availability Assessment^{viii} provide detailed information on how Cornwall has delivered against previous and current housing targets, and how the area is expected to perform in the future. In summary:

- In terms of historical rates of delivery, the long term average is 2,271 dwellings delivered per year since 1976. Looking at other time frames, on average 2,250 new homes have been delivered over the last twenty years, 2,470 per year over the last ten years and from the start of the current Local Plan period there has been an annual average delivery rate of 2,296 new homes.

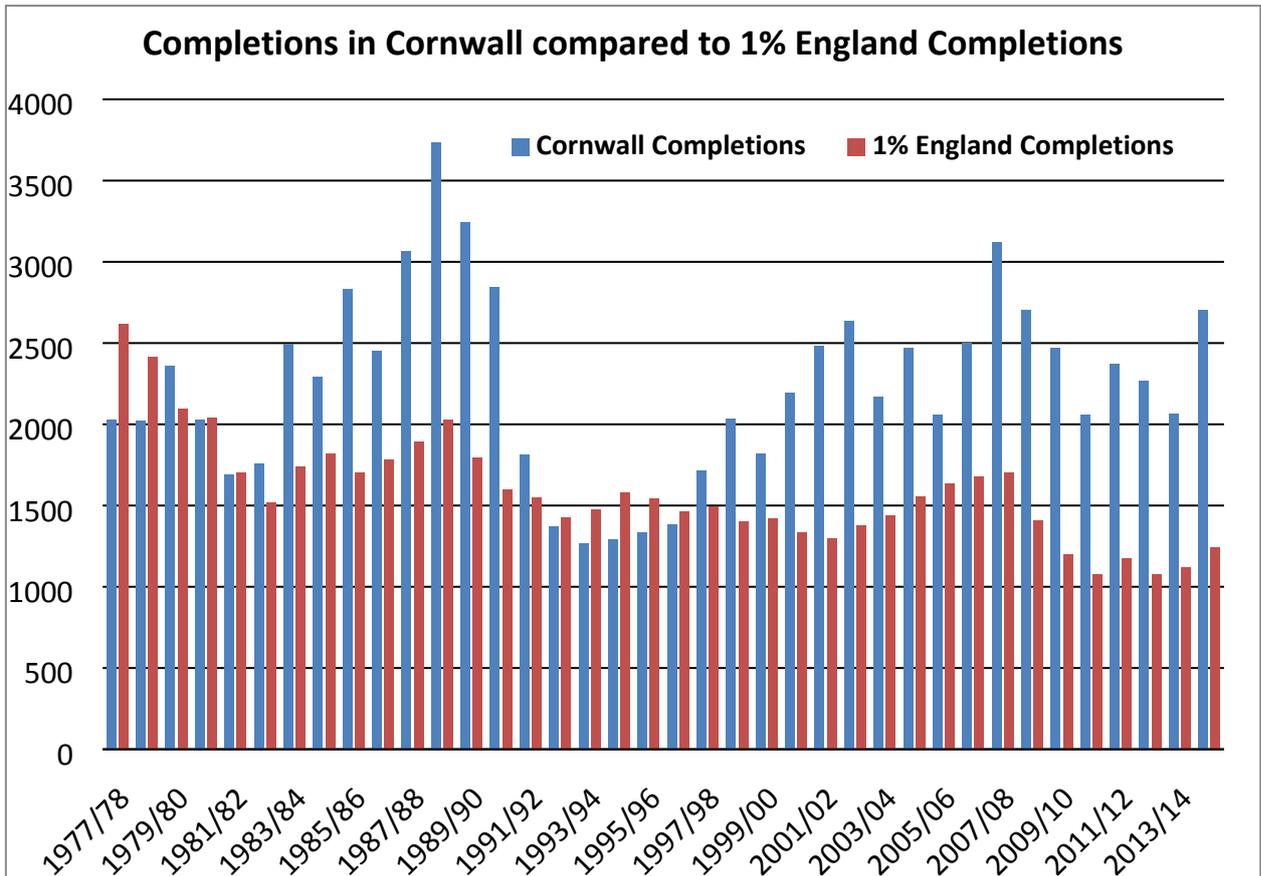
- In previous years it was 'evident that in most cases building rates have exceeded the anticipated Structure Plan rates and it is likely that the Structure Plan provision will be exceeded before the end of the plan period'.
- In terms of current delivery there is no adopted housing requirement for Cornwall but the Proposed Submission Local Plan identifies a target of 47,500 which equates to a requirement of 2,375 dwellings being delivered p.a. There is a current shortfall of some 396 dwellings after the first five years of the plan period but this under-delivery to date can be said to be as a consequence of the recent recession. The delivery rate is already showing signs of improvement and is expected to continue to improve over the plan period unless factors emerge that are outside of the control of local planning (e.g. another economic downturn).

27. Both the NPPF and the NPPG refer to the need to boost the supply of housing, and generally refer to the persistent 'under supply' of housing across England that has been a feature of the past few decades. This issue has been explored in detail in BN15 Housing Under-Supply^{ix} which concludes that in comparison to the pattern of delivery experienced by comparator authorities (some data missing), the South West and England over a long time period using 1980 figures as the index of 100, Cornwall cannot be said to have constrained the delivery of housing as shown in the graph below:



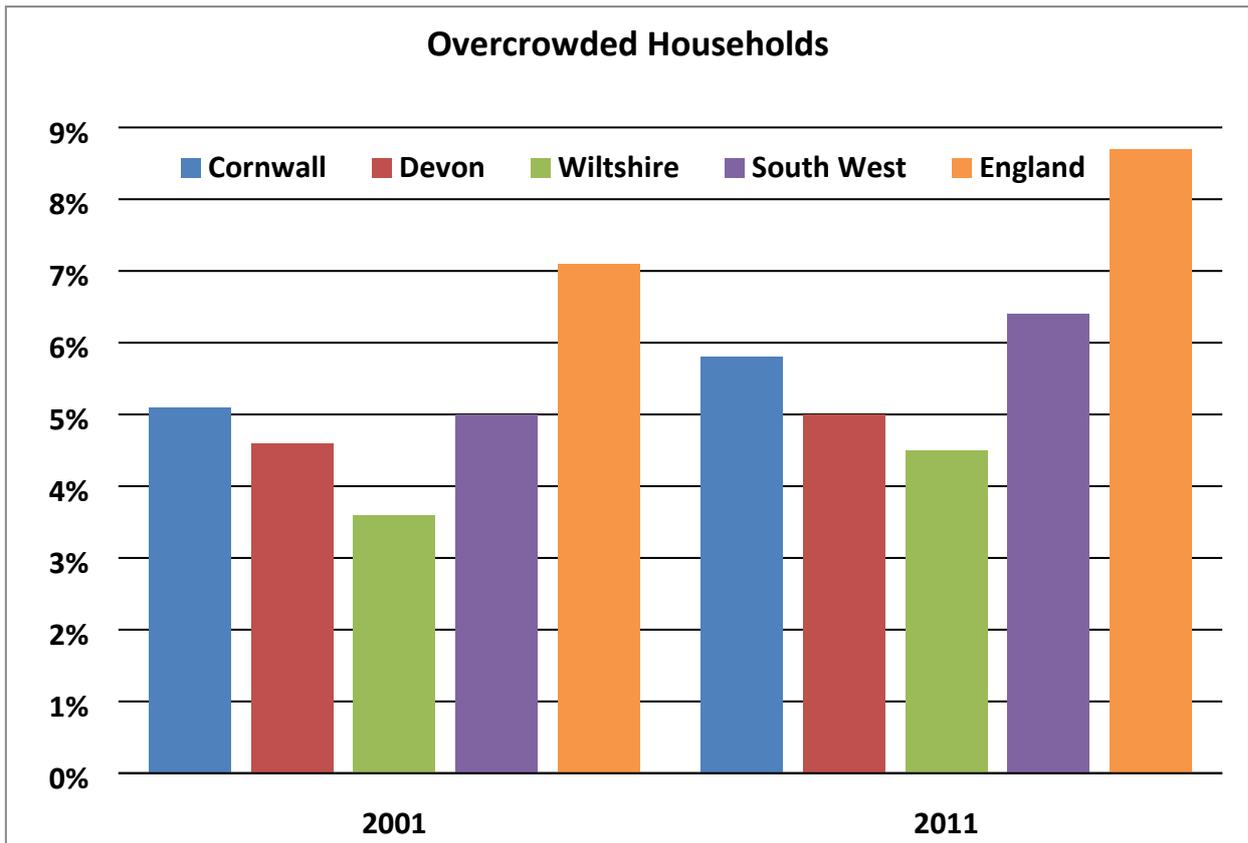
28. As shown, Cornwall's completions rate from 1980 to the late 1990's was similar to that of Devon, Wiltshire and the South West average but since this time delivery in Cornwall has been significantly higher than the rate for all the other areas assessed. What is clear from this graph is that deliverability in Cornwall has been consistently better than all the other areas assessed apart from a four year period in the early 1990's.

29. An alternative way of looking at delivery rate data is to compare completions in Cornwall to completions in England using the fact that 1% of the population of England lives in Cornwall and a similar proportion of households in England are in Cornwall. The graph below shows quite clearly that Cornwall has been delivering more than 1% of total completions in England for much of the period since 1976/77. This confirms that it is reasonable to conclude that delivery in Cornwall has not been constrained in comparison to elsewhere and that no upward adjustment of the demographic housing need target is required.



Rate of Development: Cornwall has not generally under supplied the delivery of housing and has actually seen higher rates of development than many comparator authorities. Cornwall Council therefore considers that given the evidence available rate of development should not be considered a factor that could lead to an increase in the housing need figure as currently identified

30. **Overcrowding:** BN15 Housing Backlog provides detailed evidence on how Cornwall compares to comparator authorities, the South West and England in terms of overcrowding. The graph below summarises overcrowding for Cornwall, Devon, Wiltshire, the South West and England. As shown, Cornwall’s levels of overcrowding are higher than those of Devon and Wiltshire and lower than those for the South West and England averages and have increased at a rate similar to the other areas.



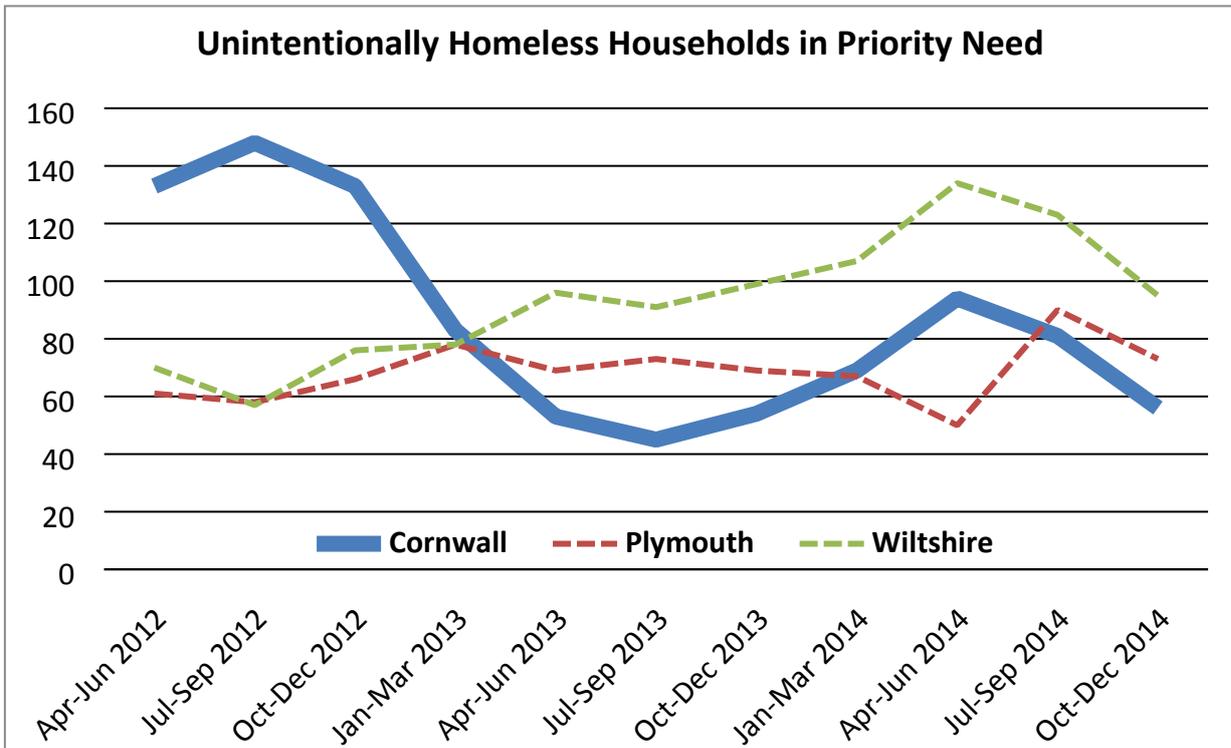
31. Between 2001 and 2011, the number of households that were overcrowded in Cornwall had increased by 23% compared to Devon (18%), Wiltshire (37%), the South West at 38% and 32% across England. In terms of Cornwall’s partner SHMNA authorities the number of households that were overcrowded had increased by 48% in Plymouth between 2001 and 2011, and by 14% in South Hams and 11% in West Devon.

Overcrowding: What is clear from this graph is that overcrowding in Cornwall is not significantly different from the other areas assessed. As such, the Council considers that overcrowding should not be considered a factor that could lead to an increase in the housing need figure as currently identified.

32. **Concealed Families:** BN15 Housing Under-Supply provides detailed information on how Cornwall compares (1.7% of all families) to the South West average of 1.4% and the England average of 1.8%. In terms of the other comparator areas the level of concealed households in Devon stands at 1.5% and for Wiltshire the figure was 1.1%. Cornwall’s partner SHMNA authorities indicate that the number of families that were concealed was 1.3% in Plymouth, 1.3% in South Hams and 1.6% in West Devon.
33. The figure for Cornwall is slightly higher than for the two other comparator authorities in the South West and the SHMNA authorities. As a consequence the Council accepts that it is reasonable to take this into account when considering if the housing target should be adjusted upwards.

Concealed Households: the proportion of concealed households in Cornwall is higher (1.7%) than that of the other local authorities (Devon 1.5% and Wiltshire 1.1%) in the South West and of the South West regional average (1.4%). It might be considered reasonable to adjust the housing need figure upwards as this could, for example, 'theoretically' reduce the proportion of families that are concealed in Cornwall down to the South West average (i.e. instead of these being 1.7% of families concealed there would be 1.4%).

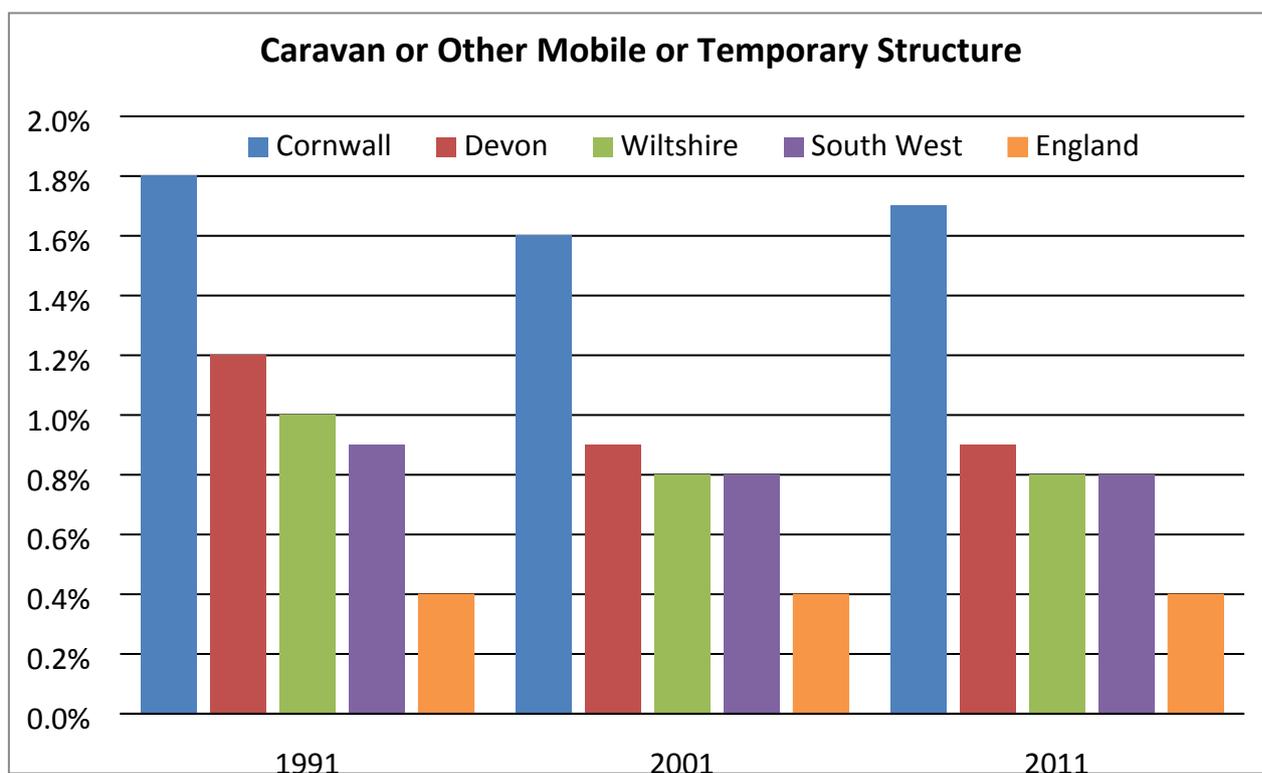
34. Homelessness: BN10 Affordable Housing Need^x gives some indication of how the housing waiting list has changed by Band over the short term and that the Bands those homeless households would be recorded within has increased over the short term. Using data on households that were unintentionally homeless and in priority need Cornwall did have a higher level of homeless households than Plymouth and Wiltshire at the start of the assessment. However, the number of unintentionally homeless households in priority need has fallen in Cornwall over the period assessed whereas the number has increased in the other areas.



Between April 2012 and December 2014, the number of unintentionally homeless households that were in priority need in Cornwall had decreased (mainly as the result of a new approach to service delivery) by 58% compared to an increase in both Plymouth (20%) and Wiltshire (36%).

Homelessness: The evidence presented here suggests that the number of homeless households in Cornwall while clearly an important issue is not significantly different from elsewhere and has in fact decreased against the trend of increases elsewhere. As such the Council considers that this should not be considered a factor that could lead to an increase in the housing need figure as currently identified.

35. **Caravans or Mobile or Other Temporary Accommodation:** BN15 Housing Backlog identifies that the proportion of households in temporary or mobile accommodation in Cornwall is twice that of the average for the South West and has been consistently so between 1991 and 2011. The graph below summarises the level of households in temporary or mobile accommodation for Cornwall, Devon, Wiltshire, the South West and England. As shown, the proportion of households in caravans, mobile homes or other temporary structures in Cornwall is significantly higher than for any other of the other areas assessed, and it has remained consistently high over the long term although it has decreased slightly.



36. Between 1991 and 2011, the number of households that were living in caravans, mobile or other temporary accommodation in Cornwall had increased by 27% compared to Devon (9%), Wiltshire (3%), the South West at 13% and 22% across England. Data in terms of the SHMNA authorities indicated that the number of households that were living in caravans, mobile or other temporary accommodation had increased by 8% in Plymouth between 1991 and 2011, by 25% in South Hams and had decreased by 6% in West Devon.
37. What is clear from this data is that the proportion of households living in temporary accommodation in Cornwall is significantly different to the pattern experienced

elsewhere. Further work to understand the nature of this difference indicates that the main component of this category is park home type developments in particular localities. While these types of sites will vary in quality they do provide permanent accommodation. As such the Council considers that the higher proportion of caravans or other mobile or temporary structures should not be considered as a factor that would lead to an adjustment in the housing need figure as currently identified.

Households in Caravans or Other Mobile or Temporary Structures: the proportion of households in 'temporary' accommodation in Cornwall is higher (1.7%) than that of the other local authorities (Devon 0.9% and Wiltshire 1%) in the South West and of the South West regional average (1%). Further assessment of the difference has identified that this reflects a higher than average number of Park Homes schemes. These schemes benefit from lawful use and or planning consent. Any increase in the housing need figure therefore would not be required.

38.Stage 1b) Market Signals Conclusion: The Cornwall Local Plan Inspector in his preliminary findings (para 3.11 onwards) on the submission version of the Local Plan sets out his assessment of the market signals and their impact. The Inspector highlights that the evidence overall for Cornwall identifies that there is no consistent picture. Cornwall's rate of housing delivery has been higher than comparative authorities yet it remains an area with significant challenges in terms of affordability driven both by high house prices and lower than average earnings. While many of these issues have in comparative terms not worsened over recent years they remain significant challenges.

39.An assessment by the Council of market signals in Cornwall has identified that there is just one indicator that suggest that the housing need figure should be adjusted upwards:

- Concealed Households – the proportion of concealed households in Cornwall is higher (1.7%) than that of the other local authorities (Devon 1.5% and Wiltshire 1.1%) in the South West, the South West regional average (1.4%) and an England average of 1.8%. It might be considered reasonable to adjust the housing need figure upwards by some 500 dwellings as this would 'theoretically' reduce the proportion of families that are concealed in Cornwall down to the South West average (i.e. instead of there being 1.7% of families concealed there would be 1.4%).

40.When added to the demographic projection of the FOAN as outlined above this provides a new total of **46,020** as follows in table 2:

Table 2	
Stage 1 Factor	Full Objectively Assessed Need
1a) Demographic Projection	45,520
1b) Market Signals – Concealed Households	+500
Total for stage 1b assessment	46,020

Stage 1c) Second and Holiday Homes

41. 11.2% of houses in Cornwall in 2011 did not have a usual resident which means they are vacant or are used as second or holiday homes - the vast majority of these spaces in Cornwall will be second and holiday homes as Council Tax records indicated that in 2011 there were about 1.3% of properties registered as long term vacant. The proportion of household spaces that did not have a usual resident compares to 7.8% in Devon, 3.9% in Wiltshire, 6% across the South West and 4.3% across England. In terms of Cornwall's partner SHMNA authorities, the figure is 3.7% in Plymouth, 14.8% in South Hams and 8% in West Devon.
42. Council tax, when data was robustly available, showed approximately 5% of homes classified as second homes - though it is likely some of the homes classified under business rates as holiday homes are not restricted as such. The impact of second and holiday homes is focused upon particular areas, usually coastal, where there can be very significant concentrations. The impact of second and holiday homes is not a new one for Cornwall having been an issue for a number of decades with the effects already absorbed by the market at a Cornwall level. However, the scale of the impact upon the availability of Cornwall's housing stock is significant. The Council continues to lobby for a range of mechanisms, both through and beyond the planning system, to address this impact.

Second and Holiday Homes: Second homes account for a significant proportion of dwellings in Cornwall and it is reasonable to assume that a proportion of future homes will be used for this purpose. It is therefore sensible that we plan for a number of new dwellings to meet this 'ongoing need' in addition to that planned to meet future household growth needs. It is considered reasonable to adjust the housing need figure upwards by a proportion –suggested as 7% in the Local Plan Examination Preliminary Findings, to accommodate the fact that a proportion of dwellings in the future will be used for this purpose and will be unavailable to local households.

43. **Stage 1c) Second and Holiday Homes Conclusion:** The addition of 7% to the overall housing target provides a figure of **49,241**. This figure reflects the evidence available on the proportion of second or holiday homes with no planning restriction in Cornwall. Table 3 below shows how the assessment of second and holiday homes has changed the FOAN:

Table 3	
Stage 1 Factor	Full Objectively Assessed Need
1a) Demographic Projection	45,520
1b) Market Signals – Concealed Households	+ 500
1c) Second and Holiday Homes (7% uplift)	+ 3,221
Total for stage 1c assessment	49,241

Stage 1d) Economic Strategy

44. The Council and the Local Enterprise Partnership (LEP) presented their respective strategies for economic growth in Cornwall at the first hearings of the Local Plan Examination. Although each organisation has their own strategy they

both stress the role of the public sector and particularly European funding, and the importance and opportunity of increased productivity from the existing labour market to drive a significant component of this economic uplift.

45. In response to the Inspector's Preliminary Findings, the Council and LEP jointly commissioned Ash Futures (economic consultants) to carry out a peer review of the assumptions outlined at the Examination and provide a sense check of the respective economic strategies. The report undertook 3 main tasks:
 - Examine job forecasts to inform a possible job target for the Plan;
 - Scrutinise the contribution public funding is likely to have on the economy; and
 - Advise on revised assumptions to feed into the demographic modelling (being undertaken by Edge Analytics).
46. The Ash Futures report assessed a number of economic scenarios - one scenario following national projections, one scenario at above trend and one scenario as a comparison with the most recent forecasts from Cambridge Econometrics and Experian.
47. The report recommends a job target within the range of 25,000 to 46,000 over the remainder of the plan period (2015-30), cautioning that a significantly lower rate of growth should be expected in the second half of the period. Advising moderation instead of an over optimistic target, Ash Futures indicate a job target of about 28,000 (2015-30) full time equivalent (FTE) would be sensible. This takes account of a range of factors as described below.
48. The Ash Futures report recommends that each scenario includes some assumptions about the 'additionality' arising from public investment and a significant further uplift to these would in effect be double counting. The report advises that of the large proportion of jobs achieved to date, i.e. the net additional jobs, equated to about 49% of jobs created or safeguarded. The analysis then anticipates that this proportion would drop off to around 38% of jobs created or safeguarded by the end of the programme (equating additional jobs to between 7,900 and 10,400). This expectation is included in the recommendation for 28,000 jobs.
49. Analysis of factors around productivity and high value employment would suggest a labour resource of some 15,500 that is currently underutilised and that could feasibly fill a proportion of the newly available jobs. Investment in the skills agenda is anticipated to directly help around 5,000 people in the labour market and an additional 20,000 workforce are estimated to be available to 'increase labour participation' largely backfilling those moving up the value chain.
50. Arising from the Ash Futures report were recommendations on the need to make adjustments to assumptions about activity rates, unemployment rates and commuting ratios in any demographic projections. These are reported in detail in the subsequent demographic update report for the Council by Edge Analytics^{xi}.
51. To be consistent with the Cornwall SHMNA range of projections, Edge Analytics have re-run the demographic model making adjustments to the economic assumptions. The economic assumptions used for this work are those

recommended by the Ash Futures report that provides a further range for consideration of between 2,300 to 2,700 dwellings per year dependent on the economic assumptions and household formation rates used. Using the same approach as that used in the stage 1a) demographic projections, i.e. the 2012 based sub national household projections including a 12 year average migration figure, together with the adjusted economic assumptions gives a requirement for the plan period of between 46,420 and 52,080 new dwellings as shown in Table 4 below.

	2012 HH (20 Year Total)	2008 HH (20 Year Total)	Mid-Point between 2008 HH and 2012 HH (20 year Total)
Baseline	2,570 (51,400)	2,678 (53,560)	2,624 (52,480)
Scenario A	2,464 (49,280)	2,569 (51,380)	2,516(50,320)
Scenario B	2,321 (46,420)	2,424 (48,480)	2,372 (47,440)
Scenario C	2,604 (52,080)	2,712 (54,240)	2,658 (53,160)

52. The further work on economic forecasts highlights a need to be cautious when considering different scenarios. The Council's and LEP strategy as set out in the Local Plan has been to address the gap in Gross Value Added (GVA) between Cornwall and the rest of Europe. One of the key ways to achieve that is to increase activity rates and reduce our unemployment levels. The 'Baseline' scenario seeks an appropriate increase in activity rates (to reflect changes to the State Pension Age) and a move to keeping unemployment rates at the national average. The assumptions provide the best fit to our economic strategy and the ambitions of the LEP most closely. Scenario C models a reversion to the commuting ratio (to the 2001 level) which is a way of illustrating a less successful economic outcome, with an associated greater import of workforce through commuting and migration. The range provided by the scenarios is consistent with the range of demographic projections with recommended increases. However the assessment of the economic projections highlights the need to treat the levels of growth with caution to ensure the wider LEP and Council economic strategies objectives are not undermined. The economic projections scenarios provide a range within which the demographic projections fit.

53. **Stage 1d) Economic Strategy Conclusion:** The economic projections and assumptions behind the respective Council and LEP strategies are incorporated into the revised demographic projections. The model provides for a range of possible housing levels based upon different scenarios ranging from 46,420 to 52,080. The range of the economic projections is in line with the demographic options adjusted for market signals and second homes as described in stages 1a) to 1c) and as shown in table 5:

Stage 1 Factor	Full Objectively Assessed Need
1a) Demographic Projection	45,520
1b) Market Signals – Concealed Households	+ 500
1c) Second and Holiday Homes (7% uplift)	+ 3,221
Total for stage 1a to 1c assessment	49,241
1d) Economic Need Scenarios Range	46,420 – 52,080
Total for stage 1d) assessment	49,241

Stage 1e) The Needs of Different Groups

1. While the amount of housing is important so also is the type and mix of homes to meet the different needs of our community. It is important that our housing market is appropriate to meet the needs of the differing characteristics and future needs of our community. These needs include not only those of affordability and the desire to build our own homes but also in meeting the challenges presented by our aging and changing population.
2. The Council's housing evidence base includes the SHMNA together with the Council's Housing Strategy and Briefing Notes, which provide much of the evidence base to understand likely needs over the Local Plan period. The strategic policies of the Local Plan set the framework for meeting those needs and the Allocations Development Plan Document, Neighbourhood plans and supplementary planning guidance will also have a role in responding to the challenges identified.
3. **Housing for older people:** According to the SHMNA and the latest population projections the number of people aged 65 or more in Cornwall will increase significantly over the plan period and will include a doubling in the numbers of those aged 85 and over. This significant increase in older people means that the Council needs to consider how it will tackle the strategic challenge of ensuring there is a range of appropriate housing provided for this particular group in the future. Cornwall Council's corporate strategy for meeting the needs of older people is to provide housing based solutions across all tenures. This enables the majority of older people to remain in their own home as they wish to do so rather than moving to some type of institutional residential setting and can also often be the most cost effective solution. The Edge Analytics assessment of demographic change identifies an increase of 2,550 places in communal establishments over the plan period. Demographic data indicates that the level of migration in the 75+ age groups is very small, identifying that the vast majority of those older persons requiring specialist accommodation during the plan period already live within the Cornwall housing market. In moving into specialist accommodation many will free up their previous home to be 're-used' by other households seeking accommodation.
2. Over the plan period it is therefore necessary to provide housing for older people to enable this group to live independently at home for as long as possible as well as other specialist and supported accommodation. All developments should therefore consider ways of meeting these different needs in developing their proposals that are relevant to the size of the scheme. Schemes of 10 or more dwellings will be expected to include a 25% proportion of accessible homes (considered to be Requirement M4(2)) as part of the overall housing mix. Evidence also suggests a need for single storey dwellings to meet the needs of older sections of the community. To address this requirement the Local Plan policies will support the provision of a proportion of sites to be developed as bungalows or accessible flats as part of meeting this wider need, unless this is not practical in terms of the design and character of the area. In these instances, alternative ways of addressing the needs of older groups should be considered.
1. It is necessary to provide a choice of more specialist older person's accommodation for those that need to access this type of housing. The total population of frail

patients in Cornwall including patients in care homes is in the region of 16,500 which is about 14% of the over 65 population. The proportion of persons aged 65 or more with dementia is predicted to increase by 69% between 2014 and 2030. In terms of existing provision, the evidence available suggests that there is an over-provision of general residential care institutions but an under-provision of dementia care, nursing care and extra care settings. Specialist accommodation needs to be attractive, well designed and allow integration into an existing community and will need to appeal to a range of ages and needs, including a variety of care needs. The accommodation should not feel clinical; it should be bespoke, flexible and offer choice where possible. Further work is being developed by the Council and partners on how these needs can be best met and provided. Major urban extensions in particular should also consider the provision of specialist housing for older people as part of their housing mix.

Housing for Older people: The Council, through the Local Plan, proposes a range of policy proposals to help meet the needs of older persons. An element of this will be in the form of specialist accommodation. The provision of this type of accommodation will free up existing homes for others to occupy, and it is therefore considered that it is not necessary to increase the overall level of housing need proposed .

1. **The Private Rented Sector:** The private rented sector offers an alternative to social housing for those that cannot or have no desire to access home ownership, and the proportion of household's privately renting accommodation has increased significantly over the last decade in Cornwall. The SHMNA also highlights the growth of the private rented sector. The quality of some private rented accommodation can be an issue. Privately renting accommodation may be the only option available to some groups in the community, such as single young people and students, and this can sometimes lead to there being a high concentration of Houses in Multiple Occupation (HMOs) in certain areas of Cornwall which can lead to other associated problems. Where there are particularly high instances of HMOs, mixed communities are not being sustained. New developments can offer opportunities to enhance the provision of good quality, affordable private rented accommodation of a size, tenure and price that will appeal to all residents of the local community and help rebalance housing stock.

Private Rented Sector: The Local Plan provides the flexibility to provide for a growth in the private rented section to meet needs within the existing overall housing need figure and therefore it is not necessary to adjust the housing need figure to provide for this element.

2. **Student Accommodation:** The Local Plan recognises the importance of supporting the growth of further and higher education in Cornwall as a significant contributor to the local economy and labour market. This has led to tension in specific areas between the needs of the student population and those of local households. In order to help redress this imbalance and provide for existing and

future need, the provision of specialised student accommodation in appropriate and sustainable locations in addition to meeting the needs of the local resident population will be supported. In Falmouth and Penryn towns in particular, whilst there are limited opportunities every effort should be made to deliver good quality, managed accommodation within the towns. Such provision will help to reduce the reliance on existing housing stock in the community for use by students.

3. The issue of student accommodation is at its most severe in Falmouth and Penryn - the hub of the combined university in Cornwall. There are approximately 6,000 students in Falmouth and Penryn equating to some 16% of the total population of the two towns. Students are currently housed in purpose built accommodation and the private rented sector. The Local Plan through the Allocations Development Plan Document will need to identify sites for further student accommodation in Falmouth and Penryn to provide for any future growth the universities generate. The Local Plan will require any proposals to increase the university to provide additional purpose built student accommodation on site and in the town.

Student Accommodation: Within Cornwall, the issues surrounding student accommodation are focused upon Falmouth and Penryn. The Allocations Development Plan Document and Neighbourhood Plan for Falmouth will identify sites for purpose built student accommodation to meet the needs of any proposed extension of the university. These allocations will be in the form of purpose built communal accommodation and will be in addition to the general market housing need and as such will not be counted against general 5 year land supply figures or towards proposed housing targets.

The Council do not propose any increase to the general housing need to provide for this type of accommodation.

1. **Households with specific needs:** The Council's SHMNA and housing evidence base identifies the need for specialist housing to meet community needs including those with physical disabilities, learning difficulties or a mental health problem. The type of housing that may be suitable for these households includes sheltered accommodation, accessible housing and supported housing. Understanding the broad number of households with support, special and/or specific needs, and the breadth of their individual challenges, is crucial to determining where and how much purpose-built or adapted housing is required. Housing that is suitable for households with specific needs will also be suitable for older people.
2. The Council will work with partners to facilitate the provision of housing to meet specialist housing needs where the proposed accommodation would meet an identified local need. Schemes of 10 or more dwellings will be expected to include a proportion of accessible homes as part of the overall housing mix.

Households with Specific Needs: The Council, through the Local Plan proposes a range of policy proposals to help meet the needs of households with specific needs. An element of this will be in the form of specialist accommodation. The needs of this group do not require an increase in the housing need figure.

1. **People wishing to build their homes:** The Government is keen to help individuals commission their own homes either through self-build or custom build. Such schemes can be an effective way to increase the mix of housing types and tenures and have the potential to increase the delivery of innovative and highly sustainable developments in an affordable manner. These schemes can deliver housing to meet other specific housing needs and can contribute positively to the local economy with both materials and labour drawn from the local area.
2. All developments, and particularly larger developments, should consider opportunities to set aside a proportion of the sites net developable area for self or custom build housing where there is evidence of the need for such development in the local area. To meet the need for self and custom build sites, the Council proposes a policy provision that 5% of sites of over 100 units should be offered to self and custom builders. Cornwall Council will maintain a register of individuals and groups that have expressed an interest in self and custom build housing. Community Land Trusts will be supported as these can provide an opportunity for affordable self-build schemes. In addition, the Council will work with developers on sites where the delivery of serviced plots for affordable housing are negotiated to enable some of these to be offered for self-build where a need is identified.

People wishing to build their own homes: A policy provision to support self and custom build will be included in addition to the support for small scale infill development. No increase is required to the housing need figure to accommodate this type of housing.

3. **Single person and family households:** The SHMNA shows a significant increase in single person and couple households driven in the main by the increasing number of older person households, and concludes, particularly in relation to affordable housing, that there will be a high demand for smaller 1 to 2 bed properties. The evidence is also clear that in order to maintain a level of working age population to match employment opportunities there will be a sustained need for family housing. The Council's housing evidence base suggests that levels of under-occupancy of larger houses in Cornwall could be resolved to some extent by the building of smaller homes that will particularly appeal to older people, such as bungalows and accessible homes. This will enable older people to live independently for longer and by building smaller homes suitable for older people, larger homes are more likely to become available for families to occupy. New developments should therefore consider an appropriate mix of house sizes that will help re-balance the local housing market, and a good proportion of these should be smaller homes.

Single person and family households: The Local Plan will include policies that support the provision for single and family households. The needs of this group do not specifically require an increase to the housing need figure.

4. **Stage 1e) Needs of Particular Groups Conclusion:** the Local Plan will require a range of housing types, mixes and tenures that will meet the needs of particular groups in Cornwall. As these groups are already included in the demographic projections they will not require any additional homes in terms of the FOAN as illustrated in table 6.

Table 6	
Stage 1 Factor	Full Objectively Assessed Need
1a) Demographic Projection	45,520
1b) Market Signals – Concealed Households	+ 500
1c) Second and Holiday Homes (7% uplift)	+ 3,221
Total for stage 1a to 1c assessment	49,241
1d) Economic Need Scenarios Range	46,420 – 52,080
1e) Needs of Particular Groups	0
Total for stage 1e Assessment	49,241

Stage 1f) Affordable Housing Need

54. There is a need to consider if there is a requirement to increase the housing need figure to meet affordable housing need. In addition to providing guidance upon demographic projections, the SHMNA provides an analysis of the future need for affordable housing. This need is assessed in two parts, 'backlog' or existing need and newly emerging need as the population increases. The model uses data from ONS and bands A to D of the Council Homechoice Register.
55. The SHMNA highlights that the affordable housing and overall housing targets are not strictly comparable. This fact is also recognised in Planning Advisory Service best practice guidance on this issue.
56. The reason for the difference stems from the way the data is developed. In particular the 'backlog' includes households who already occupy other dwellings. While social stock transfers are removed from the SHMNA analysis, the role of the private rented sector as a significant sector of provision is not considered. In practice therefore, when considering the role of any uplift in the delivery of affordable housing, particularly for 'backlog', there is a need to consider the 'musical chairs' effect of households freeing up houses that can become another household's home. A new affordable home is likely to free up an existing private rented property for another household. This does not deflect from the benefit of providing the affordable housing as different households will have different needs, but highlights that providing an uplift to meet affordable housing need will also provide additional capacity in the private rented sector as part of the overall housing stock.
57. On that basis, the total affordable housing 'target' estimated from the SHMNA model is treated with a degree of caution. The figure without the backlog included is 26,000 and with the backlog included is estimated at 30,900.
58. Against that target, work has been undertaken to estimate likely delivery over the plan period. These estimates are derived from traditional sources (e.g. as a proportion of planning applications) plus where the Council are active in supporting added value in terms of affordable homes. These reflect the additionality about what would be achieved through the Inspector's proposed affordable housing targets. This target from the SHMNA and the estimated delivery of affordable

housing over the Plan period are set out in table 7 below (please note that this is an estimated delivery at this stage until a final housing target and distribution is available). Progress against targets will be detailed in the Council's Affordable Housing Trajectory^{xii}.

Table 7	
Affordable Housing Need	
'Backlog' housing need (annually 926 - cleared in first five years)	4,630
Net Newly Arising Need (annually 1,314)	26,280
Total Affordable Housing Need	30,910
Affordable Housing Delivery	
Completions and Commitments	8,074
Uplift Delivered 2010-2015	336
Anticipated delivery of the remainder	5,048
Eco Communities	266
Anticipated Uplift Delivery 2015-2030	6,145
Total Affordable Housing Delivery	19,869
Achievement Rate	64%

59. This demonstrates that the Council are likely to deliver between 64% and 76% of the target set depending upon if the backlog is included or not. This is based upon delivery from the demographic projection plus the proposed uplift from second homes as set out above.
60. The Inspector's preliminary findings recommend that the Council consider the option of an increase in overall housing numbers to meet affordable housing need. The Inspector makes it clear that the uplift to compensate for second homes would make a contribution to the number of affordable homes that could be delivered. However, the Inspector considers that a very substantial uplift to meet affordable housing need would have questionable deliverability as it would or could be out of step with the availability of households to fill the additional dwellings as the demographic projections already include significant net migration.
61. In taking a robust approach to demographic projections the Council considers that it has already built in an increase on current net migration and household formation rates. The addition of the uplift for second homes on top of that figure increases that element further. The issue of deliverability is further bolstered by the Council's commitment to support Plymouth's developing strategy for an above demographic projection level of growth to support their economic and social ambitions as discussed at the Examination hearings. Significant increases above what is a robust demographic projection may be questionable in terms of delivery.
62. The NPPF makes it clear that affordable housing needs should be addressed in determining the FOAN, but neither the NPPF nor the PPG suggest that they have to be met in full when determining that FOAN.
63. While the Council intends to support delivery through a number of proactive measures and investment, the majority of delivery will still occur as a proportion of open market sites. The general assumptions behind this approach however have become less certain with the publication of the draft Housing and Planning Bill in 2015. This Bill and emerging government policy highlights a focus upon starter homes and away from the sectors defined by the SHMNA. This increases the

uncertainty that an increase in the overall housing target would lead to a meaningful increase that would address the gap in affordable housing set out above even if it was deliverable.

64. While there remains a gap between the projected delivery of affordable homes and the estimated need as set out in the SHMNA, a significant increase in housing target becomes increasingly less certain in terms of delivery. The nature of Cornwall as a housing market means such growth would be dependent upon significant increases in past rates of net migration even assuming the affordable housing delivered is in 100% exception sites.
65. For such rates to happen, it would require appropriate levels of economic growth as the main driver. The Council's and LEP Strategies seek to address the key objective in Cornwall of an increase in GVA through increased productivity and higher value employment. The figures proposed from the joint LEP and Council research suggest a range for housing targets to support this growth. The Council propose to adopt the higher range to both support its economic strategy and in a balanced way, respond to the issues of housing need in Cornwall, through its uplift from demographic trends. On that basis, an increase to deliver additional affordable housing is supported within the framework provided by the economic strategies as outlined above.
66. **Stage 1f) Affordable Housing Needs Conclusion:** Cornwall Council is committed to the delivery of affordable housing but on balance considers that increasing the overall housing need figure significantly beyond the range identified through the robust assessment of demographic projections with appropriate increases for market signals, other needs and the economic projections would not be appropriate. The increase in net migration that would be required to support a higher overall housing provision to deliver enough affordable housing to fully meet the gap in the SHMNA would, in the context of the FOAN, be significantly above current demographic projections and would be at a level not experienced before in Cornwall. An increase in overall housing levels above those proposed in the economic scenarios suggested above would undermine the Council's and LEP economic strategies and objectives in terms of increasing GVA and bridging the acknowledged gap with other regions in Europe. These concerns lead to a recommendation that a further increase be made to the FOAN to address the shortfall in the provision of additional affordable housing, but within the framework of the economic strategies as outlined above (table 8):

Table 8	
Stage 1 Factor	Full Objectively Assessed Need
1a) Demographic Projection	45,520
1b) Market Signals - Concealed Households	+ 500
1c) Second and Holiday Homes (7% uplift)	+ 3,221
Total for stage 1a to 1c assessment	49,241
1d) Economic Need Scenarios Range	46,420 - 52,080
1e) Needs of Particular Groups	0
1f) Affordable Housing	+ 1,500
Total for stage 1f Assessment	50,741

Stage 1g) Market Churn

67. The Cornwall SHMNA added a 3% 'market churn' uplift to each of its housing need scenarios identifying the additional number of new households. This market churn takes account of the fact that at any one time in the market, there are a number of properties that are vacant because they are in the process of being sold, are in probate or are vacant for other reasons. When the 3% uplift is added to cater for 'churn' and vacant properties the number of new dwellings required increases by 1,522 to 52,263 for the Local Plan period as shown in table 9:

Table 9	
Stage 1 Factor	Full Objectively Assessed Need
Demographic Projection	45,520
Market Signals - Concealed Households	+ 500
Second and Holiday Homes (7% uplift)	+ 3,221
Total for stage 1a to 1c assessment	49,241
1d) Economic Need Scenarios Range	46,420 – 52,080
1e) Needs of Particular Groups	0
1f) Affordable Housing Need	+ 1,500
1g) Market Churn (3% uplift)	+ 1,522
Total for stage 1a to 1g assessment	52,263

Stage 2 Cornwall Local Plan Housing Requirement

68. In summary the first part of this report dealing with the FOAN has identified the following components as requiring some adjustment to the demographic projection.
69. Demographic Projections: The Council have considered a range of factors in developing the full objectively assessed need for Cornwall. This started, as advised by PPG with an assessment of demographic trends. The Council have used the latest demographic projections for the plan period. In addition, a longer 12 year period was used to formulate a more robust average migration level to balance any impacts of recent recessionary pressures, as migration is a key factor in Cornwall's population growth. This resulted in a total of **45,520** new households for the Plan period.
70. **Market signals:** There is then a need to test if trends in market signals would suggest the need for a further increase in housing numbers and this assessment has looked at a range of market signals. Cornwall suffers from significant pressures in terms of prices and affordability but the Council contend that the trends are not significantly worse than comparative areas. The Council also accepts the Local Plan Examination Inspector's assessment in his preliminary findings that the signals are mixed, and that a significant increase in housing numbers is unlikely to address the concern but may also undermine the economic strategy. There is one area where it is apparent the Cornwall has an above trend pressure from market signals - concealed households. This market signal issues would suggest relatively modest uplifts as an appropriate response, and when added to the Demographic projection outlined above this provides a new total of **46,020**.
71. **Second and holiday homes:** The issue of second homes is one that has already been debated at the first stage of the Local Plan examination. The Council accepts that an appropriate uplift is required to respond to the loss of market housing and an increase of 7% is proposed to the demographic figure as a response to this issue. This would provide a figure of **49,241** over the Plan period.

72. **Economic strategy:** The Council has then considered the relationship between our economic strategy and the level of housing growth. The key focus was to ensure that the level of housing growth was not a constraint on economic growth but also that it did not undermine the Economic Strategy of the LEP and the Council. These strategies, in seeking to address the gap in GVA, are supporting growth but with a focus upon increasing local productivity and reducing unemployment within Cornwall. The demographic projections already include significant levels of net migration so further work has been undertaken to test both likely job growth and the relationship with household numbers. Using the 2012 household projections and 12 year average migration data, the FOAN for household growth generated through the economic scenarios is up to **52,080** homes over the 20 year Plan period.
73. **The needs of particular groups:** These groups are already included in the demographic projections and as a consequence will not require any additional homes in terms of the FOAN
74. **Affordable housing:** The final stage in the assessment of the overall level of the fully objectively assessed need has been to consider if a further increase is required to meet any shortfall in the provision of affordable homes. The Council have accepted the likely need for affordable housing, including the backlog of existing need, using the SHMNA. Against this the Council have assessed and projected the level of affordable housing delivery over the Plan period. This assessment does show a gap between need and delivery, with delivery against the target of between 64% and 76% depending on whether the backlog is included or not.
75. The Council remains committed to the delivery of affordable housing and is working to deliver additional units both within and outside the planning system. However to increase the level of housing above the level of growth suggested by the economic strategy would both be uncertain in terms of a) delivery due to the implied increase in net migration required to achieve it but also b) risk undermining the economic strategy. The changes proposed in the Housing and Planning Bill add to the uncertainty about whether the affordable housing need identified in the SHMNA would be met by increased levels of housing growth. On that basis the Council propose to include an additional increase (i.e. 1,500 homes) to support the delivery of affordable housing to the level of housing need proposed by the economic scenario (i.e. up to 52,080). The Council considers that this would provide a significant increase over the 2012 demographic trends and will support both the delivery of market and affordable homes and respond to market signals and any further increase would undermine those wider objectives. This has the effect of increasing the housing need figure to **50,741** dwellings.
76. Market Churn: This element would uplift the FOAN by 3% and would result in a figures of **52,263**.
77. The Council's full objectively assessed need for the Cornwall Local Plan for the plan period up to 2030 is therefore **52,263 dwellings**. This is based upon an assessment of demographic trends, market signals, the impact of second homes on the housing stock plus an assessment of the relationship with economic needs and strategy going forward over the plan period. Further assessment has then been undertaken of the degree to which this figure should be increased to meet the

needs of particular groups and any further uplift required to address any gap in affordable housing delivery.

78. In developing a housing target for the Local Plan the Council has balanced the fully objectively assessed need with potential constraints to meeting that need. The Council recognises there are environmental and infrastructure challenges that are related to meeting the full objectively assessed need. Cornwall has a distinct and high quality environment, acknowledged through national and international designations. 29% of the land is designated as AONB, 2.6% of Cornwall is designated as a Special Area of Conservation, 13% Heritage coast, 25% Area of Great Landscape Value, and there are 37 Registered Historic Parks and Gardens and almost 1,600 scheduled ancient monuments.
79. In addition to this range of environmental constraints the rate of growth suggested in the FOAN will require the improvement of infrastructure at both a local and strategic level. In order to meet the FOAN, a step change in housing delivery over the plan period is required. This is in the context of Cornwall being an area which has historically seen relatively high levels of housing development. It is considered, however, that this step change is achievable.
80. On the basis of these constraints and the already significant level of growth required to meet the FOAN, the Council does not intend to seek a higher level of growth than that proposed through the FOAN. Further, a higher level of growth would also be likely to undermine our economic strategy and objectives to deliver growth that can support the narrowing in the gap in GVA between Cornwall and the rest of Europe.
81. **The Proposed housing target for the Cornwall Local plan is therefore based upon the FOAN of 52,263 rounded up to 52,500 as shown in table 10 below:**

Table 10	
Stage 1 Factors	Full Objectively Assessed Need
Demographic Projection	45,520
Market Signals – Concealed Households	+ 500
Second and Holiday Homes (7% uplift)	+ 3,221
Total for stage 1a to 1c assessment	49,241
1d) Economic Need Scenarios Range	46,420 – 52,080
1e) Needs of Particular Groups	0
1f) Affordable Housing Need	+ 1,500
1g) Market Churn (3% uplift)	+ 1,522
Total for stage 1a to 1g assessment	52,500 (rounded up)

ⁱ [Cornwall Council \(2015\) Objectively Assessed Need for Housing \(Submission document A.11\)](#)

ⁱⁱ [GVA/Edge Analytics \(2013\) Strategic Housing Market Needs Assessment for Plymouth City Council, South Hams District Council, West Devon Borough Council, Cornwall Council and Dartmoor National Park \(Submission document C.9\)](#)

- iii Simpson & MacDonald (2015) Making sense of the new English Household Projections
- iv Edge Analytics (2015)
- v Cornwall Council (2015) Housing Evidence Base Briefing Note 14: House Prices & Affordability
- vi Cornwall Council (2015) Housing Evidence Base Briefing Note 16: Private Rented Sector
- vii Cornwall Council (2015) Housing Evidence Base Briefing Note 14: House Prices & Affordability
- viii Cornwall Council (2015) Housing Evidence Base Briefing Note 15: Housing Under-Supply
- ix Cornwall Council (2015) Housing Evidence Base Briefing Note 8: Deliverability and the Strategic Housing Land Availability Assessment
- x Cornwall Council (2015) Housing Evidence Base Briefing Note 10: Affordable Housing Need
- xi Edge Analytics (2015)
- xii Cornwall Council (2015) Affordable Housing Trajectory