

Housing in Cornwall

Part Two, September 2014



Introduction

Cornwall's draft Local Plan, now submitted to the offices of the Secretary of State for their approval, estimates that 47,300 new houses need to be built in the county between 2010 and 2030. About 25,500 of these have already either been built or given planning permission by the Council. With an average size of a household being about 2.3 persons, that equates with nearly 57,000 people needing jobs, schools, hospitals, doctor's, sewage, waste disposal and so on; we are yet to see any proposals for addressing this need. Such infrastructure needs investment and yet the county has a well-publicised budget shortfall of £196m per annum over the next four years. Cornwall Council have stated that cuts in public services are inevitable.

Are all these new houses necessary? Who are they for? Part Two of our Housing Report starts to answer those questions. It seems that many of these houses may be unnecessary and likely to result in social, economic and environmental problems in the future. The fact that the Council's strategy is to build many of them on green

fields, rather than brownfield (previously used sites) is already causing widespread distress.

CPRE Cornwall urges you to read this report and then sign up to the [CPRE Charter](#). The only way to get local government to listen, is for us to make our individual voices heard by speaking as one voice.

Orlando Kimber, September 2014

Key points

- The Homechoice Housing Register is open to any UK citizen over the age of 16
- Up to 74% of those on the Register are recognised as having "no housing need"
- The total on the Homechoice Housing Register is therefore not the same as the housing need
- The real backlog of need for affordable housing is 5,480
- The statistical local need for new houses to 2030 in Cornwall is 29,800, not 47,300
- National statistics have exaggerated the real growth of population and households in Cornwall in the 2000s by up to 106%

Building Houses for Whom?

Cornwall Council are required by central government to estimate the number of houses required, in a locally-produced document called the Strategic Housing Market Needs Assessment (SHMNA), which draws on several sources of information:

1. population projections from the Office of National Statistics (ONS),
2. household projections from the Department of Communities and Local Government (DCLG),
3. the local Home Choice Register.

The idea is to meet the demand of the government's National Planning Policy Framework (NPPF) and define "objectively assessed needs for market and affordable housing in the housing market area" from "a thorough understanding of local housing need, demand and supply factors."

In reality, the estimates in the SHMNA are not derived primarily from local sources, but from an uncritical acceptance of the population and household projections produced by the ONS and DCLG; so the accuracy of Cornwall Council's forecast stands or falls on the quality of the projections from outside of the county.

ONS data

The following table compares the population growth forecast by the five ONS projections of the 2000s (2005, 2007 and 2009 are not available) with the actual growth.

Table 1: The performance of ONS population projections, 2000s

Base Year	Forecast population 2011	Forecast growth 2001-11	Actual growth 2001-11	% Over-estimate
2003	548,000	47,000	32,000	47
2004	552,000	51,000	32,000	59
2006	555,000	54,000	32,000	69
2008	542,000	41,000	32,000	28
2010	541,000	40,000	32,000	25
			Average	45.6

(Source: ONS sub-national population projections and Census 2011)

As you can see, each projection over-estimates Cornwall's real growth by an average of 45.6% over seven years. The level of inaccuracy varies, but the key point is the discrepancy between the forecast growth and the actual, because the forecast is the basis of the housing target.

Working from these statistics, the SHMNA predicts a need of 47,300 houses to accommodate the extra population. But if we allow for the consistent tendency to inflate growth through trend-based projections and use the most accurate ONS projection (in 2010 above), the 'need' is reduced pro rata to 35,500. This is a considerable difference.

DCLG data

In practice the government defines objectively assessed need even more narrowly. Their key test of soundness has become the DCLG household projections, which are used as a "proxy measure for objectively assessed need" and "the benchmark against which examiners will assess housing requirements." So have DCLG household projections been any more accurate than ONS projections?

Table 2: The performance of DCLG household projections, 2000s

Base Year	Forecast Households 2011	Forecast Growth 2001-11	Actual Growth 2001-11	% Over-estimate
2004	249,000	33,000	16,000	106
2006	249,000	33,000	16,000	106
2008	240,000	26,000	16,000	63
			Average	91.7

(Source: DCLG household projections, DCLG Table 406, and Census 2011)

Clearly, the answer is no. We have fewer household projections to triangulate against the census but they overestimate Cornwall's needs by an even greater margin than the population projections. If we were to revise the SHMNA target, even by the lowest overestimate of 63% (2008 above), the housing total would be reduced to 29,800.

The SHMNA gives lip service to the discrepancy between ONS forecasts and the actual outcome, by stating that the 2011 Census showed “the population had not grown to the extent anticipated through the most up to date official sub-national population projections (2010 base).” Cornwall Council’s planners admit the census data show a “slowdown in population and households,” yet this is relegated to a cautionary note while they “look to better understand it.” As planners grope towards this “better understanding” they continue to accept the official projections as “robust evidence” for the future, however faulty they have proved.

The SHMNA also uses the identical statistical method for projecting demographic change as that used by the ONS and DCLG; as the latter consistently overestimate Cornwall’s growth and produce an unnecessarily high housing target, then it is no surprise that the SHMNA does likewise. This is circular reasoning, in which the user begins with what they wish to end up with, thus reinforcing the original data.

We can begin to see how we are locked into a vicious circle of housing and population growth. Furthermore, when the input data (the official projections) are unsound, then the outputs - however complicated the software - also become unreliable and unfit for purpose.

Rather than investigating why the past performance of projections has been so poor, the Council states that this “can lead to over or under estimates of future population change,” despite the fact that the eight projections since 2003 have produced eight overestimates. Not one produced an underestimate and there has been a constant overestimate of growth in Cornwall.

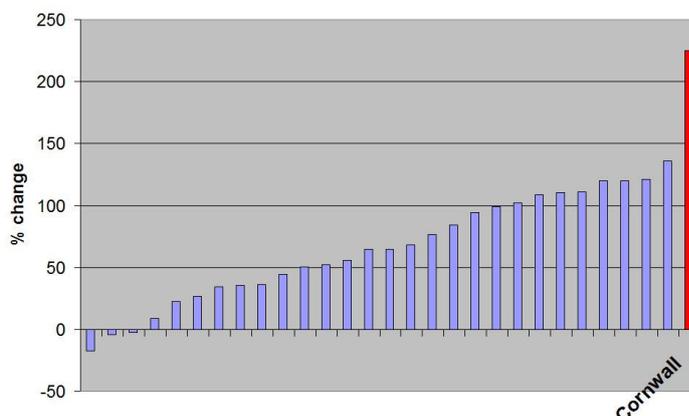
The Home Choice Register

The SHMNA uses another proxy measure for concealed and overcrowded households: the Homechoice Housing Register. However, the numbers on the Homechoice Housing Register are not a straightforward measure of the need for

affordable housing as it includes households that express an aspiration for social rented housing, but are adequately housed. These are sensibly omitted from SHMNA.¹ The Register is also open to anyone in the UK who fulfil some very basic criteria; it is not just for those who live in Cornwall. Thus the total of those on the Homechoice Housing Register is not at all the same as the number of net additional houses required by local people.

The number of applicants for social housing in Cornwall has risen sharply since the Register was begun in 2009 and has also risen much more rapidly than other regions.

Figure 13: Growth of housing waiting lists by region



planners' reports that accompany major housing developments. In such cases, the total number on the Homechoice registering with a 'local connection' is invariably cited as an indicator of need. For example, in December 2013 the Duchy of Cornwall's plans for 800 houses at Quintrell Downs came before Cornwall's Strategic Planning Committee. The planning report stated that "the Council's Homechoice Housing Register identifies an acute level of local housing need in Newquay, with 1,122 households ... stating a local connection".² In fact; 637, or 57%, of those households were in Band E and were defined by the council as having 'no housing need'. In January 2013, 74.2% of those identifying a local connection with Newquay had actually been placed in the same band.³ The SHMNA stated that 11,997 households were allocated to Bands A-D at that time, when it was being otherwise reported⁴ that twice that number were on the waiting lists.

Discussion of the Homechoice Housing Register in the relevant documents is anything but transparent. While the SHMNA states on page 111 that 11,997 households were in Bands A-D, in its calculation of 'current housing need' on page 167 this becomes 7,598. There is no explanation for this startling discrepancy, so one must assume that closer analysis of the detailed register led officials to disqualify a third of those in Bands A-D from their definition of 'households in need'. It then transpires that 2,118, or over a quarter of those left, already occupy social housing and are seeking a transfer to larger or smaller premises. So the real backlog of need is reduced even further from 7,598 to 5,480. The 22,000 figure, repeated regularly and uncritically by councillors and the media, was therefore slashed to one quarter of the size with no proper explanation for the discrepancy.

Conclusion

The current method of assessing local housing need from trend-based projections formulated by the ONS and DCLG is unreliable and consistently results in a gross overestimation of housing need. Neither is it satisfactory to base 'local need' on the current Homechoice Housing Register, which includes expressions of interest from outside the county, as well as from those who are already adequately housed inside the county. Uncritical use of the Register is therefore also inappropriate. Furthermore, great care must be taken to identify the specific needs of different groups on the Register, otherwise the wrong kind of housing will be supplied in the wrong places. Whilst there is plainly a social need for housing in Cornwall, it is smaller than previously reported.

Sound decision-making relies on accurate, up-to-date information that can be relied on. If it is necessary to predict housing need, then we need access to better quality information than is currently used. Both Neighbourhood Plans and carefully drafted Parish Surveys are a proven method of assessing local need and these, not reliance on unverifiable statistics, should be the basis of our Local Plan. This would provide a firm and reliable basis for the accurate assessment of demographic needs and thereby, housing and all the necessary infrastructure of education; medical care; transport; waste disposal and of course, employment. 

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² <http://democracy.cornwall.gov.uk/ieListDocuments.aspx?CId=618&MId=4904&Ver=4>

³ January 2013 Home Choice register data supplied by Affordable Housing Team, Cornwall Council.

⁴ www.cllrandrewwallis.co.uk/welfare-reforms-and-the-bedroom-tax/