



Report to Cornwall Council

by Simon Emerson BSC Dip TP MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Date 23 September 2016

PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

REPORT ON THE EXAMINATION INTO THE CORNWALL LOCAL PLAN STRATEGIC POLICIES

Document submitted for examination on 5 February 2015

Examination hearings held between 18-22 May 2015 and 16-24 May 2016

File Ref: PINS/D0840/429/12

57. *Ash Futures* consider that there is not sufficient clarity and transparency about these elements to construct robust assumptions to be used in demographic modelling (2.4.7, J.20). But that does not justify ignoring these factors. Whilst there is inevitably considerable uncertainty about the precise scale of the contribution these elements could make to the labour force, the figures highlighted by *Ash Futures* have more than sufficient potential to fill the jobs gap identified above. Fundamentally, placing reliance on these factors is consistent with the Council's and LEP's Economic Strategy. Indeed, such expectation is an integral part of the strategy to improve earnings. Ignoring the contribution to the labour force from these changes (improving skills of existing workers and reducing under-employment) and consequently increasing the housing requirement would undermine the strategy.
58. Accordingly, I consider that there is no need to increase the housing requirement to close the jobs gap referred to above. However, the uncertainties in the assumptions used strengthen the expectation in national guidance that plans should be reviewed every 5 years. The Council already envisage an early review of this Plan. Five years is long enough for progress to have been made and results to be emerging from the planned investment and to be able to take into account the updating of the LEP's and Council's Economic Strategy.

Second homes/holiday homes

59. One of the key conclusions of my *PF* was that when converting the OAHN to a housing requirement, 7% should be added to account for the loss of homes to second homes/holiday homes in addition to the conventional use of a vacancy/churn rate. In its calculations, the Council has applied this uplift before the addition of the 1,500 uplift for affordable housing (J.12, Table 10). I consider that it is more logical to apply it towards the end of the overall assessment process along with the vacancy rate (as shown in LI.CC.7, revised Table 10). There is a slight difference in the resulting figure for the housing requirement, but this is not significant for the purpose of identifying a sound figure in the Plan.
60. The uplift for second homes/holiday homes has been strongly opposed in a number of representations. These highlight, among other factors, the negative effect that a high proportion of such homes can have on local communities and the upward pressure on house prices that occurs. Whilst I understand these concerns, there appears to be a misunderstanding of the purpose of the uplift and of the consequences of not addressing this factor in the housing requirement.
61. The purpose of the uplift is not specifically to meet any particular need for second homes/holiday homes, but to reflect the reality of this market in Cornwall. This uplift is not being set aside for such homes – this element of the overall housing requirement would be a mix of general market and affordable housing like the rest of the intended provision. Irrespective of whether this uplift is made, in some locations a proportion of new homes and additional homes from the existing stock will be acquired in the coming years for use as second homes/holiday homes. Those dwellings would not then be available to meet the OAHN. If no uplift is made, there would be under-provision of homes to meet the OAHN.

62. Some parties sought the imposition of restrictions to preclude new dwellings being acquired as second homes/holiday homes, as now proposed in the St Ives Neighbourhood Plan. But there is nothing in national policy or guidance to suggest that this is something that a planning authority has to consider in a local plan. Accordingly, the absence of any such restriction in this Plan does not make it unsound. I recognise that the changing market and tax environment may affect future demand for second homes/holiday homes and it is a factor that the Council may wish to monitor. But for the present, there is no evidence to justify a different figure to the 7% uplift I previously put forward and which is incorporated in the Council's evidence. This uplift remains necessary.

Converting the OAHN to a housing requirement

63. The NPPF requires (paragraph 14) local plans to meet their objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole or specific policies in the Framework indicate development should be restricted. The Council has translated the identified OAHN into a housing requirement of 52,500 and has not suggested that any adverse impacts would justify not meeting the OAHN. The main evidence to justify this approach is the Sustainability Appraisal and the SHLAA which identifies more than sufficient sites considered suitable, in principle, for housing.
64. Many representations were made in response to the consultation on the *Further Significant Changes* that the housing target of 52,500 would, in summary, damage Cornwall and its communities, environmentally, culturally and economically. These concerns were also strongly expressed at the hearings in May 2016. I recognise that these concerns are genuinely held. But there is little tangible evidence put forward to demonstrate that, taking Cornwall as a whole, the test in NPPF paragraph 14 is met so as to justify a requirement below the OAHN. Examples were given of local services and other infrastructure under strain, but new development can be required to contribute to infrastructure where there is insufficient existing capacity and resulting harm from further development. Other concerns highlighted were the perceived unreliability in ONS data and the effect on the Cornish Minority, both of which I have already addressed.

Issue 3 – Have economic needs been adequately assessed and is the economic strategy consistent with national policy and guidance?

65. The stated intention of the Plan as submitted (eg paragraph 2.3) is to support the Council's and the LEP's Economic Strategies (ID.01.CC.1.4 and ID.01.CC.1.5 respectively) which are closely aligned. These strategies seek to address the underlying and long term economic weaknesses in the economy of Cornwall (summarised for example in ID.01.CC.2.3). The poor performance of the Cornish economy means that Cornwall is the only part of England which qualifies for EU regional convergence funding. The LEP strategy is to address these deficiencies by a range of interventions supported by substantial public funding eg targeting companies and sectors that will promote high quality jobs growth; improving infrastructure, including transport connections and broadband; improving skills.