

South West Regional Spatial Strategy 2006- 2026

Wrong region, wrong
assumptions, wrong
strategy.

A Response to the SWRSS and
Secretary of State's Proposed
Changes

Cornish Social and Economic
Research Group

October 2008

Summary of objections

We reject the housing figures proposed in the RSS for Cornwall. They are unsustainable, unnecessary and unacceptable.

Developer led housing provision cannot meet affordable housing need.

To address issues of housing demand and affordability requires a re-examination of policy. Housing should be provided to cater for housing need not to meet 'demand' for second homes or investments.

Central Government needs to address the issue of population growth.

Economic growth and population growth should be decoupled.

Cornwall's population already exceeds the resource base available for sustainable development.

The increasing urbanization of Cornwall and densification of Cornish settlements will not improve sustainability. Evidence indicates that such land-use policies will not lead to reduced car dependency.

The re-emergence of the Camborne-Pool-Redruth, Truro and Falmouth-Penryn triangle, with their associated urban extensions, cannot be justified on economic, social or environmental grounds.

We cannot plan on the basis that there are 'special' areas which should be conserved while developing the rest.

There is little brownfield land in Cornwall which can be redeveloped. Even in the Camborne-Pool-Redruth area which is often cited as containing areas of brownfield, has limited land available.

Alternative housing policies should seek to

- Reduce Cornwall's population growth;
- Ensure that the planning system is able to restrict permission for inappropriate developments, which do not meet local, needs;
- Ensure through the planning system that residential property is kept for residential use rather than investment purposes;
- Focus on the provision of affordable housing, possibly by directly providing social housing rather than relying on the developer-led approach;
- Ensure that the transfer of residential property to non-residential purposes is subject to obtaining planning permission;
- Build for local need not luxury demand.

A brief outline of problems with the policies contained in the RSS and the underlying assumptions are set out below.

The RSS figures

Set out in Table 1 below are the estimates of household numbers in 2006 and the various options produced in the RSS process.

Table 1

| Area | Households | Proposals | | |
|---------------------|----------------|-----------|------------------|------------------|
| | 2006 estimates | Draft RSS | EiP Panel Report | SoS Revised 2008 |
| Caradon | 38300 | 5800 | 6500 | 6000 |
| Carrick | 43100 | 10000 | 10900 | 10900 |
| Isles of Scilly | 1300 | 100 | 100 | 100 |
| Kerrier | 44400 | 8200 | 14400 | 14400 |
| North Cornwall | 42100 | 7600 | 13400 | 13400 |
| Penwith | 32000 | 4800 | 7800 | 7800 |
| Restormel | 46100 | 8600 | 15700 | 15700 |
| Cornwall | 247300 | 45100 | 68800 | 68300 |
| Cornwall as % of SW | 10.8 | 9.8 | 12.1 | 11.5 |
| Total SW | 2280700 | 461200 | 569450 | 592460 |

The revised proposals represent an increase over the draft RSS figures of 51%, compared to a 15% average across the South West.

Describing the housing and population forecasts as 'technical projections', conveniently removes these critical aspects of the RSS from the arena of political debate. In fact, such 'technical' projections are based on extremely questionable assumptions that ignore the role of the demand side and marketing in the housing market. A language of rationality pervades the housing proposals, thus the draft RSS accepted that 23,000 houses a year was a 'realistic assessment of the environmental capacity of the region'. The panel increased the figure to 28,500 and now the Secretary of State has a figure of 29,600. Presumably if the first figure represented the total capacity the other figures exceed the capacity? The figures in fact have nothing to do with 'environmental capacity' and all to do with politics and meeting central government requirements.

Where will it end? Under the hegemonic discourse of growth at all costs, there is no limit to Cornwall's population, just as there is no limit to the population of the UK. Could Cornwall's population increase to 1,000,000 1,500,000? Is there a level at which this is deemed enough? Apart from being totally irrational and irresponsible, what is the point of this policy?

We reject the housing figures proposed in the RSS for Cornwall. They are unsustainable, unnecessary and unacceptable.

Household projections

We do not consider that the projections are appropriate to use to forecast future housing requirements for Cornwall. They simply replicate the past unsustainable levels of population growth that have occurred. The danger with basing projections is to believe that there is something inevitable about them. Yet leaving aside the potential problem of trying to forecast future events, which in itself should lead to a degree of caution about what might happen, there is no recognition in the use of the projections that population growth is not something that just happens, that there are a range of factors that influence population growth. This is particularly the case in Cornwall.

Housing – demand

The current hegemonic discourse propagated by central government, derived from the Barker review, and faithfully followed in the plethora of planning documents cascaded down through the tiers of governance is that house price rises are a consequence of a lack of supply. It is suggested that there is a simple disparity due to supply not meeting demand. Demand is seen as arising from an increase in population and changes in household size. Yet despite the now pivotal role played by the Barker report in policy formulation, it was not an analysis of all the factors influencing house prices. Though reference was made to factors influencing demand, their impact was judged as being less relevant. Policy statements tend to gloss over these demand issues, which are in fact quite significant, promoting the idea that housing issues are largely a matter of simple supply and demand. The conclusion is that there is one simple answer - to build more houses.

There are of course a number of factors impacting upon prices at a UK level, as set out in Box 1. These obviously also play a role in determining prices in Cornwall.

Box 1

Demand for second homes and homes for investment

Properties bought under the 'buy to let' format

Lack of investment by government in affordable housing

Migration levels

Lending policies of Building societies

Impact of high earners on house prices

Mortgage rates and the range of mortgage products

Stamp duty

Salary levels

Patterns of public investment

Interest rates

Attractiveness of housing for institutional investments

Public investment in housing (or lack of it)

Availability of personnel and skills in the construction and related industries

Housing as a personal investment – pension and/or to fund spending

The effect of 'buyer subsidies', such as the key worker initiative, on local house prices

Trading in land with permission before it is developed or its acquisition as part of the process of mergers and take-overs within the development industry

The use of housing equity as a means of facilitating consumer expenditure

Cornwall

The issues raised above are applicable across the UK. In relation to Cornwall, much of the housing 'demand' arises not from a local need but from people moving to Cornwall. For some years Cornwall has had high population growth compared to other parts of the United Kingdom. The number of people living in Cornwall increased by 32% between 1971 and 2001, compared to just 6.5% in England.

Analysis of household and population data suggest that between 2006 and 2026, assuming no policy changes that would influence population dynamics; the population would rise from 527,600 to 621,200 (ONS, population projections 2004-2029). The increase from 2001 equals 120,000 or 24%. As Cornwall's population, without the increase due to in-migration would stabilise or fall gradually. The figures suggest that of the additional 85,000 households between 2001 and 2026, 69% will arise from new households created by people moving to Cornwall.

House building in rates in Cornwall have been rising since 1995-6 (1,500 a year) to between 2,000 and 2,500 per year (Miller, 2006). 'It is not an obvious conclusion from the available statistics that there has been limited supply of new housing in Cornwall. Indeed house building has been at or only just below set housing targets for thirty years' (Miller, 2006). Large numbers of houses have been built in Cornwall, but a rise in population due to in-migration has increased demand.

This is partly a result of the building and marketing of properties to attract people seeking a different lifestyle. There has been, at least prior to the credit crunch, the creation of a market, which meets the needs of those who can purchase a property for use as a second home or as an investment. In some cases, households buy properties for their retirement at a later stage. In the meantime they can be used for holiday purposes or second homes. Cornish housing thus is seen as an investment opportunity. It has undoubtedly been the case that a proportion of city bonuses have been transferred into the Cornish housing market. In reality of course the Cornish housing market is simply an extension of the SE housing 'market'. Housing is thus regarded as an investment, a commodity to be bought and sold rather than a means of meeting the requirements of households as a place to live.

Extra housing has limited impact on house prices

The RTPI suggest that 'A very initial look at some research ... shows that, on one model, a doubling of the flow of permissions and a progressive increase in stock of land available by 20% per year (so doubling in four years) and a doubling of social rented new supply leads to a modest impact on price (a reduction of 4% in year 5)' (Royal Town Planning Institute, 2007). Other recent research which looked at what would happen if land supply in Berkshire was trebled, suggested that the resulting additional housing would perhaps produce a 5% fall in house prices, a rather insignificant figure. It also indicated that levels of in-migration would rise.

Work carried out by the South West Regional Development Agency (RDA) also questions the assumptions underpinning the Barker Review. 'There are areas where new housing supply has been significant relative to population growth and, yet, it has done little in terms of dampening house price rises. There is no clear link between the relative levels of housing supply and price increases. ... New housing supply adds only marginally to the overall stock and is, usually, insufficient to alter price trends set in motion by other factors' (South West RDA, 2005).

There is some evidence to support the argument that increasing housing supply induces in-migration: 'for every extra 100 units of private housing built, 46 extra net migrant households settle in a district and 23 extra new households are formed' (Bramley, cited in Miller, 2006). There are what have been termed 'housing market feedback effects'. You could build two, three or four times as many houses in Cornwall as are currently being built and they would all be sold, such is the latent demand.

Affordability

Government policy has encouraged the approach whereby in return for selling houses on the open market, developers will provide an element of affordable housing. The system operates on the premise that if 25% of dwellings are affordable, then 75% have to be unaffordable to ensure that the developer can offset the cost of providing lower priced housing by selling the majority of properties at a higher rate. There is thus a perverse incentive for developers to seek buyers who are more affluent to

buy these properties, so that there will be sufficient funds to provide affordable housing. As many local people will not be able to afford the unaffordable housing the system encourages people who can afford to purchase the higher priced accommodation to move to the area. This of course puts more pressure on the housing market, pushing up prices and making it more difficult for those in need to obtain housing. As prices for nearby properties will increase reflecting the market situation, overall house prices will continue to spiral upwards! So we have the bizarre policy of relying on selling properties to affluent in-migrants, a process which pushes up prices, to enable the building of affordable dwellings.

Developer led housing provision cannot meet affordable housing need.

To address issues of housing demand and affordability requires a re-examination of policy. Housing should be provided to cater for housing need not to meet 'demand' for second homes or investments.

Population change

At the UK scale, demand also arises due to changes in household size and population increase. A decline in household size has been consistent for some time, a consequence of smaller families, an aging population and higher levels of divorce. The projected rise in population across the UK is largely a reflection of increased migration levels to the UK. In-migration levels are rising faster than the levels of out migration, hence the overall population increases. This also leads to a need for additional housing. Government policy is one of supporting a rise in the population, asserting that it is essential for economic growth and to offset the aging of the resident population.

Despite an acceptance of the 'more is better approach', it is increasingly questionable why the population should be encouraged to increase. The economic benefits are contested, though a recent report by the House of Lords, (House of Lords Select Committee on Economic Affairs, 2008), suggested there was little merit in a larger population. The notion that more people are needed as the population ages, to reduce the dependency ratio, is dubious. The logic of this approach is that to offset the aging of the new population, another rise in population would be needed and so ad infinitum, an unsustainable process.

There is of course a fundamental concern about the paradox between the rhetoric of sustainability and support for a bigger population. The concept of sustainability requires society to be aware of the carrying capacity and hence limits imposed at all levels - globally, nationally and regionally. Substantial evidence exists which indicates that we are already using more resources than we should.

Population growth impose costs upon the community. It limits choice in the type of housing available – both in terms of density and garden space - and results in a loss of valuable green space, thus having a negative impact on the quality of life.

Central Government needs to address the issue of population growth.

Needs of the economy

Another justification given for population growth, which is reflected in housing targets, is that it is required to ensure there are sufficient workers to fill the expected job growth resulting from GVA growth. Arguments usually revolve around whether the two sets of targets are compatible with one another. However, our concern is over the assumptions underlying the argument. There are two fundamental problems with this approach: 1) it is unsustainable; 2) it makes a simplistic link between economic and growth and population growth.

Simply adding to the population is not sustainable in environmental terms. The last few years have seen the accumulation of considerable evidence, which indicates that the current world population with the current lifestyle consumes far more resources than are available. Evidence also shows that carbon output is already far too high. Technology will certainly play a role in allowing us to be more efficient at using resources and reducing carbon output, but further population increases will make this a harder task not an easier one.

The argument that population growth is needed to support economic growth is misplaced. Depending upon various factors it is possible to have population growth without economic growth and economic growth without population growth. Indeed much of the economic changes, which have occurred, have taken place due to technology and innovation, not population growth. Economic growth does not therefore require an increase in the labour force. As a consequence of improvements in technology output from various industries has risen yet the labour force employed has fallen.

Analysis of changes in GVA and the numbers of economically active at NUTS 2 levels across Britain indicates there is no clear link between increases in the number of workers and increases in GVA per worker. Some areas show a rise in GVA with either no increase or a limited increase in workers, others show an increase in workers and a below average increase in GVA per worker.

Cornwall has been characterized by high population growth since the 1960s and since the 1990s a significant level of employment growth. Yet employment growth has not been linked to significant economic growth or increase in earnings. Cornwall has experienced one of the highest rates of population growth across the UK. If the assumptions in the RSS were correct then in theory Cornwall would have also experienced high levels of economic growth.

An economy, which grows jobs, is not necessarily as desirable as one where job numbers remain static yet as productivity increases, earnings rise. Economic growth without employment growth requiring population growth is feasible as well as desirable. There would be changes - as

workers moved from less productive sectors to more productive sectors and as some of the economically inactive transferred to the economically active section of the working age population.

Economic growth and population growth should be decoupled.

Sustainability or Unsustainability?

The RSS in all its guises attempts to square excessive population growth within the circle of diminishing resources. Underlying the actual, hard proposals of the draft RSS (as opposed to its 'aspirations') is a path-dependency (maintaining high levels of house-building, land take, consumption) that is stoking up catastrophic environmental and cultural consequences and bequeathing untold problems to future generations (for example global warming, destruction of cultural heritage, popular alienation from the democratic process). The rates of population growth proposed for Cornwall blatantly contradict the sustainable development policies set out in the RSS.

Carbon costs

Rates of house building, traffic growth and land-take in Cornwall have for the past half-century been much higher than in the south west of England and the growth of carbon emissions has probably been greater. The resident population of Cornwall is now producing an ever-increasing amount of carbon emissions. A substantial increase due to additional population and economic growth together with rising tourist numbers is expected. As the strategy recognises, global warming is the major threat facing the future of the planet.

Carrying capacity

Over thirty years ago in 1976 Cornwall County Council argued that in order to 'maintain the physical character of Cornwall' its ideal population capacity would be 430,000. The population is now around 529,000. But amazingly, this RSS is now proposing an increase in population of over 90,000 over the next two decades.

Yet the problem is now even starker as we are supposedly more aware of the dire environmental outcomes that accompany human activity in a high consumption economy. It is estimated that the land required to provide the resources for one person is 5.3 global hectares. In Cornwall, we are already consuming twice the resource capacity of Cornwall. In other words we are doing our bit to eat up the earth's finite resources – and these can never be replaced. If we were to decide to live in harmony with the planet's resources we would need to be looking at a population of 270,000 at current consumption levels or alternatively, we must reduce our use of resources drastically.

Cornwall's population already exceeds the resource base available for sustainable development.

Land use, transport and sustainability

The RSS proposes concentrating development in West Cornwall centred upon the urban areas of Truro, Falmouth/Penryn and

Camborne/Illogan/Redruth. Two urban extensions are proposed. This policy replicates that proposed in the 'Tress' report, which believed that the development of a growth pole in West Cornwall was essential to economic success.

One rationale for concentrating new development in or near to adjacent urban areas is that it results in more sustainable travel patterns. 'Central Government policy is to reduce the need to travel and the growth in travel distances, in particular by encouraging new development where there are realistic prospects of it being serviced by a choice of transport modes and one journey can fulfill a number of purposes...' (Regional Planning Guidance).

Ideas about moving away from car dependency have been endlessly recycled in policy documents since the 1980s. This approach has been an integral component of Structure Plans and Local Plans. The current emphasis is an essential element of the New Urbanism. Higher housing densities will, it is asserted also make it possible to support a public transport infrastructure, hence again reducing car use.

On a superficial level it appears to be a suitable method of reducing travel by car. It seems plausible, sensible and desirable, recreating the ideal urban life style. Yet the policies where adopted have played little part in reducing traffic generation. Locating facilities in the urban area and providing public transport routes does not solve the problem of car dependency.

This is because the assumptions underlying the policy are in fact, fundamentally flawed. They are too simplistic and run counter to what happens in reality. One reason is that many of the factors responsible for traffic generation lie outside simple land-use planning. There are a range of other factors that generate trips – the labour market, the impact of the car, the growth of tourism, 'improvements' to roads, the growth of leisure travel, shop opening hours, the preference for 'flagship' developments to pull in people from a wider catchment area, the 'rationalisation' of services. Unless these other issues are addressed, there will be a continuing growth in car use.

The Commission for Integrated Transport (CFIT), in 2005 found that 'Although there are differences between different sizes and location of settlement the important fact is that everyone - *almost irrespective of where they live* - has and is becoming more travel-extensive and car dependent in their behaviour. For planning purposes the salutary lesson is not merely that there is a large body of people already conditioned to extensive car use, but that the majority have become so *despite* living in cities and larger towns where this was not a 'necessity'".

Jarvis, in an important contribution to this field stated that 'compact urban forms are [not] synonymous with energy conserving localised living'. Where greater opportunities for walking and cycling have been provided 'studies concede that short walk trips replace neither car trips to regional

shopping malls nor single occupancy vehicle journeys to remote places of work.

The increasing urbanization of Cornwall and densification of Cornish settlements will not improve sustainability. Evidence indicates that such land-use policies will not lead to reduced car dependency.

Another effect of the policy of concentrating development in the 'triangle' is that it will destroy the characteristic settlement pattern of Cornwall. It will also lead to increasing travel between the three urban areas and encourage further unsustainable development.

The re-emergence of the Camborne-Pool-Redruth, Truro and Falmouth-Penryn triangle, with their associated urban extensions, cannot be justified on economic, social or environmental grounds.

Environment

As with planning policy in general there is a presumption against developing what could be defined as the 'best', 'most important' land.

'ENV1 Protecting and Enhancing the Region's Natural and Historic Environment states:

'The quality, character, diversity and local distinctiveness of the natural and historic environment in the South West will be protected and enhanced, and developments which support their positive management will be encouraged. Priority will be given to preserving and enhancing sites of international or national landscape, nature conservation, geological, archaeological or historic importance'.

We contend that the policy is flawed. It rests on the assumption that there are areas, which are of special value and therefore should be protected and by implication the other areas are of lesser value, and can be used for development. While it is important to recognise that there are areas with specific and valuable characteristics this should not lead to policies which protect these areas at the expense of other areas. Assuming that if we 'protect the best' we are being sustainable is a fallacy.

Sustainability requires that we look at the environment in total. All areas are important both in terms of resources, their role in the carbon cycle, landscape and leisure.

The policy implications of pursuing the 'protect the best' are significant. We contend that one reason for excessive housing targets in some areas of Cornwall – notably Kerrier and Restormel - is that land adjacent to existing urban areas is regarded as of lesser value and therefore available for development. An example here is that the RSS considers that there should be an urban extension in the Camborne-Pool-Redruth area.

We cannot plan on the basis that there are 'special' areas, which should be conserved while developing the rest.

Camborne-Redruth and the myth of Brownfield

Another rationale for concentrating development in the Camborne-Pool-Redruth area is the alleged amount of brownfield land, which can be developed. 'In very general terms, there is a noticeable amount of brownfield land in this area...' [Panel Report, 2—7. 4.9.12]. Constant repetition of this assertion has led to it becoming an urban myth, accepted despite the reality on the ground. New proposed developments are largely greenfield despite references to urban land. Much of the previous housing growth in Camborne-Redruth made limited use of brownfield sites. Most of the land developed since the early sixties was greenfield; analysis of the 470 hectares of land developed since 1958 shows that brownfield accounted for 70 hectares, 15% of the total.

There is little brownfield land in Cornwall which can be redeveloped. Even in the Camborne-Pool-Redruth area which is often cited as containing significant areas of brownfield, has limited land available.

Cornwall is a region

The RSS displays a stunning lack of awareness of the spatial diversity of its area. In particular, it is unable to plan for Cornwall as a unit, disregarding its past in order to include it as part of three different Housing Market Areas. Despite its pretensions and rhetoric the RSS remains in substance unchanged from previous county-level structure plans and the strategies produced by the institutions of top-down regionalization. Strip away the green fig-leaf in this Strategy and we find the same old business as usual. It is clearly unsustainable. But it is also, and less transparently, unaccountable.

Alterative housing policies should seek to

- Reduce Cornwall's population growth;
- Ensure that the planning system is able to restrict permission for inappropriate developments, which do not meet local, needs;
- Ensure through the planning system that residential property is kept for residential use rather than investment purposes;
- Focus on the provision of affordable housing, possibly by directly providing social housing rather than relying on the developer-led approach;
- Ensure that the transfer of residential property to non-residential purposes is subject to obtaining planning permission;
- Build for local need not luxury demand.