

# Housing Needs Assessment

## Penzance Town Council, Cornwall

May 2016  
Final Report

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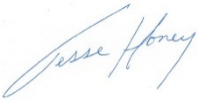


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<i>Project Role</i>	<i>Name</i>	<i>Position</i>	<i>Actions Summary</i>	<i>Signature</i>	<i>Date</i>
<b>Researcher(s)</b>	Simon Hicks	Assistant Planner	Compiled Census statistics		12/04/16
<b>Project Manager</b>	Jesse Honey	Principal Planner	Reviewed draft and final text		29/04/16 10/05/16
<b>Director/QA</b>	Stuart Woodin	Technical Director	QA of draft for comment		12/04/16
<b>Qualifying Body</b>	Susan Stuart	Group contact, Penzance Town Council	Co-ordinated Town Council inputs and comments	Confirmed via e-mail	29/04/16
<b>Project Coordinator</b>	Ffion Batcup	Housing Needs Advice coordinator	Reviewed final report		30/04/16

## Glossary of terms used in text

CIC	Community Interest Company
CLT	Community Land Trust
CAN	Community Network Area
DCLG	Department for Communities and Local Government
FCA	Financial Conduct Authority
LSOA	Lower Super Output Area
MSOA	Middle Super Output Area
NABSA	National Self Build Association
NDOs	Neighbourhood Development Orders
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
SHMNA	Strategic Housing Market Needs Assessment
SNPP	Sub-National Population Projections

## Executive Summary

### Housing Needs Assessment in Neighbourhood Planning

1. The 2011 Localism Act introduced neighbourhood planning, allowing forums, parishes or Town Councils across England to develop and adopt legally binding development plans for their neighbourhood area.
2. As more and more parishes and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
3. In the words of the National Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.
4. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs)<sup>1</sup>, which are used to determine housing need at a local authority level and wider. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.
5. Our brief was to advise on data at this more local level to help Penzance Town Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

#### PPG-Based Assessment

6. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

#### Summary of Methodology

7. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
8. In the case of Penzance, the emerging Cornwall Local Plan gives a specific target for Penzance. Our recommendation for the purposes of this Housing Needs Assessment is therefore to use the Cornwall Local Plan-derived target as a 'given' that is not subject to change and instead focus in more detail on the type of housing to be provided rather than the quantity.

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<sup>1</sup> In the case of Cornwall, this is the Strategic Housing Market Needs Assessment (SHMNA) which is to all intents and purposes the same as a SHMA.

9. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to be adopted. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the Cornwall Local Plan. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.<sup>2</sup>
10. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Penzance, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
11. The planning period of neighbourhood plans, where possible, should always be aligned with the relevant local plan. In the case of Penzance, this would mean aligning with the Cornwall Local Plan period, which extends from 2010 to 2030.

### **Gathering and Using a Range of Data**

12. The PPG states that:

*'no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes'*

13. It continues: *'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance'*.
14. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.
15. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data.

### **Focus On Demand Rather Than Supply**

16. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that *'the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.'*

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<sup>2</sup> See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

17. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study<sup>3</sup>.

### **Quantity of Housing Needed**

18. Penzance's housing target can be derived from the emerging Cornwall Local Plan. As the Plan has been through a number of iterations, but is now close to adoption, its (derived) housing figure for Penzance can effectively be taken as a given for the purposes of the neighbourhood plan.
19. The Cornwall Local Plan provides a housing target for Penzance with Newlyn, Heamoor, Gulval and Longrock, which is 2,150 dwellings between 2010 and 2030.
20. AECOM calculates that there are 11,236 dwellings in Penzance parish (including Newlyn, Heamoor and Gulval) and 265 in Longrock (outside Penzance parish boundary); therefore, 97.7% of the 2,150 homes, which equates to 2,100 dwellings, should be the Penzance neighbourhood plan target in the period 2010-2030.
21. The 2016 iteration of the Cornwall Local Plan further confirms that of the housing target for Penzance with Newlyn, Heamoor, Gulval and Longrock there have been 230 completions and 439 permissions granted in the period 2010 to 2015, leaving an outstanding requirement between 2015 and 2030 of 1,481 dwellings.
22. Finally, we can take 97.7% of this outstanding requirement to form the Penzance neighbourhood plan target in the period 2015-2030- this equates to 1,447 dwellings.
23. In line with Government policy, all dwelling targets in the Cornwall Local Plan, including that for Penzance, should be thought of as minimum figures. In the case of Penzance, there is evidence to suggest that the locally high levels of affordable housing need may justify housing being delivered above this minimum target, particularly in the second half of the plan period.
24. The three main options by which this could be achieved would be either through allocating a rural exception site (i.e. a small site allocated for affordable housing in a location not otherwise preferred for housing) or by working with Cornwall Council to direct off-site affordable housing from elsewhere in Cornwall to Penzance or via Community Right to Build Orders or NDOs. These options are not mutually exclusive, so there is the possibility of using them in combination, particularly if affordable housing need remains high in the second half of the plan period.
25. In line with the recognised policy approach, an acknowledgement that the outstanding figure of 1,447 dwellings is a minimum should be stated clearly in the Neighbourhood Plan to enable it to accord with Basic Condition E.

### **Characteristics of housing needed**

26. We have summarised our conclusions on the characteristics of housing needed from all sources in the table below. Factors in the table are in alphabetical but no other order. Note that there is potential for overlap between some factors (e.g. demographics and need for homes for older people) but an inclusive approach has been taken to ensure all relevant factors are covered.

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<sup>3</sup> Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was recently endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)



27. In general, Penzance, as a large parish, has a relatively complex pattern of housing need due to the wide range of population groups within it, and this is reflected in the table.

28. Note also that the table, though it sets out the conclusions of this report, is also a starting point for further work; for example, the options of setting up a Community Land Trust or identifying a site well-suited to self-build.

### Summary of local factors specific to Penzance with a potential impact on housing characteristics

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Community land trust model</b>	Cornwall Local Plan, Cornwall Community Land Trust, National Community Land Trust Network	<p>The Cornwall Local Plan provides significant policy support for self-build and/or Community Land Trust (CLT) as an appropriate response to need for affordable housing in less wealthy areas of Cornwall.</p> <p>Research suggests there are many precedents for this model of housing delivery across Cornwall, including some local to Penzance.</p> <p>Housing co-operatives and co-housing are similar models, and could be particularly suitable for locations like Penzance with a large number of single person households and high affordability pressure.</p>	<p>It is recommended that the Town Council discuss options for delivering low-cost housing with the Cornwall Community Land Trust and Cornwall Council in the first instance.</p> <p>Experience suggests that the most significant barrier to setting up a CLT is securing land in the right location. The conversation with the Council in particular could help identify land available within the plan area, potentially owned by the Council, where low-cost housing could be delivered. Identification and allocation of such land would form part of the Neighbourhood Plan's Site Allocations process.</p> <p>There is also the possibility of community housing being delivered by a private sector developer as a planning obligation for a larger development, Again, we recommend discussing this possibility with the Council.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Demand for self-build</b>	Cornwall Local Plan, National Self Build Association (NABSA)	<p>There is evidence of local support for self-build, including the Cornwall Local Plan's support for serviced plots for self-build.</p> <p>There are numerous models of delivery including co-housing schemes.</p> <p>High levels of local people are self-employed and/or working from home, making self-build a potentially useful solution.</p>	<p>The conclusions on delivering self-build are very similar to those for community housing above.</p> <p>It is recommended that the Town Council discuss options for delivering self-build housing with Cornwall Council in the first instance. The conversation with the Council could help identify land available within the plan area, potentially owned by the Council, where self-build housing could be delivered. Identification and allocation of such land would form part of the Neighbourhood Plan's Site Allocations process.</p> <p>The Cornwall Local Plan requires developers to deliver serviced plots for self-build where a need is identified; this policy will operate on a case-by-case basis as sites come forward, highlighting the importance of joint working with Cornwall Council on this issue.</p>
<b>Dwelling type</b>	SHMNA, Cornwall Local Plan	<p>Penzance has above-average proportions of terraced housing and flats. It has below average proportions of detached and semi-detached properties.</p> <p>Although data on the proportion of bungalows is not available, the SHMNA notes that across Cornwall as a whole, older people demand bungalows.</p> <p>The Cornwall Local Plan supports redressing the balance in locations where some dwelling types predominate. In Penzance, therefore, this entails supporting new dwellings other than terraces and flats.</p>	<p>Given the high number of single-person households and affordability pressures (see also conclusion on 'need for smaller dwellings below), it is likely that flats should continue to form a proportion of the new housing units delivered.</p> <p>However, evidence suggests that there is a need to deliver significantly more semi-detached and detached properties in Penzance.</p> <p>By forming a significant proportion of the new housing developed, semi-detached and detached dwellings will improve the town's housing mix, housing offer and overall image, and this is likely to have regeneration benefits by attracting incomers with higher levels of disposable income.</p> <p>A proportion of the new detached and semi-detached housing should be bungalows to meet the demand for these units among the older population.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Housing tenure</b>	SHMNA, Cornwall Local Plan, Census	<p>There are higher than average levels of social housing in Penzance, and lower than average (and declining) rates of owner-occupation.</p> <p>There are also higher than average, and increasing, rates of private rental properties.</p> <p>The Local Plan, in line with the NPPF, supports a mix of housing types as a means to achieve balanced communities, and a mix of tenures will have a part to play in this aim.</p> <p>Lower than average rate of owner-occupation. Higher than Cornwall average social housing. Higher than Cornwall average private rents. Private renting increasing. Social renting increasing. Owner occupation decreasing.</p>	<p>In line with conclusions on dwelling type above and the need for smaller dwellings below, the declining rates of owner-occupation, high levels of social housing and increasing rates of private renting all point to affordability pressures in a low-income area.</p> <p>The data suggests that a two-pronged solution is needed- firstly, more affordable homes for local people, which suggests providing a range of cheaper/smaller market properties for local people to buy or rent, as well as continuing to provide social housing.</p> <p>Secondly, as noted above, more semi-detached and detached dwellings, in the first instance aimed at wealthier residents and incomers, will help balance the range of tenures and offer a 'next step up' as an alternative to private rented properties and/or smaller market housing as the town regenerates through economic and employment growth proposed through the Local Plan.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<p><b>Need for affordable housing</b></p>	<p>SHMNA, housing waiting list, Cornwall Local Plan</p>	<p>The SHMNA notes affordability pressures across Cornwall, and that there is an anticipated increase in the number of 1-2 bedroom affordable housing units being developed.</p> <p>There is a considerable total net annual affordable housing need in the short term to both clear an existing backlog and to meet future arising need.</p> <p>Social rather than intermediate housing appears to be the tenure for which there is highest need.</p> <p>Affordable need in Penzance is around the County average.</p> <p>The local housing waiting list suggests the 30% affordable housing target is appropriate in the short term, but other options could be considered in second half of plan period and/or to meet affordable need from Bands C, D and E.</p>	<p>The provision of affordable housing should continue to be a priority within the neighbourhood plan area.</p> <p>In the short-term, the Cornwall Local Plan target of 30% affordable housing on all sites should be sufficient to meet Penzance’s need.</p> <p>However, in the second half of the Plan period, depending on the affordable housing waiting list at the time, there may be a need for rural exception sites to deliver affordable housing, and/or (as the options are not mutually exclusive) the Town Council to work with Cornwall Council to direct off-site affordable housing from elsewhere in the county to Penzance.</p> <p>Additionally, our recommendations on community housing, co-housing and/or self-build are likely to help address affordable need, including potentially those households in Bands C, D and E of the housing waiting list.</p> <p>In the medium term, the Government’s proposed changes to the definition of affordable housing (to make it wider and to include Starter Homes within it) could have implications for Penzance.</p> <p>However, at the time of writing, there is not sufficient detail on how the Starter Homes (discounted private market homes for first time buyers) initiative will work to address this issue. As a result we recommend close working with Cornwall Council when the Government provides further details to understand the implications for the 30% affordable housing target.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Need for proportion of larger dwellings</b>	SHMNA, Cornwall Local Plan, Census	<p>Family housing is in demand across Cornwall, and evidence suggests a sustained demand for moderate to larger family housing.</p> <p>The house prices in Penzance are relatively lower than the Cornwall average.</p> <p>At the same time, and as noted above, Penzance houses tend to be smaller than average.</p> <p>The Cornwall Local Plan supports a mix of dwelling types and sizes.</p> <p>There has been almost no growth in larger houses in Penzance in recent years.</p> <p>Penzance has fewer families than the Cornwall and England average.</p> <p>The town has high levels of self-employed residents, and a minority are long-distance commuters. Many people work at home.</p>	<p>A range of factors indicates there is a need and/or a demand for a proportion of larger houses in Penzance.</p> <p>With lower than average house prices, proposed economic growth, existing smaller than average dwellings and a proportion of the existing population that already live in Penzance but work elsewhere (probably in towns including Truro and Falmouth) there is the opportunity to secure regeneration by attracting families needing larger homes but in a relatively affordable part of the county.</p> <p>As noted above, the preponderance of smaller dwellings in Penzance has a negative impact on its image and its mix of population, and hence its economic performance. A range of larger semi-detached and detached properties (3 bedroom and more) should be developed, aimed at a market of families and those working from home/self-employed (who need a larger house as a result).</p> <p>It is entirely possible that a proportion of the larger houses needed could be delivered through self-build, subject to appropriate sites being identified.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<p><b>Need for proportion of smaller dwellings</b></p>	<p>SHMNA, Census</p>	<p>Penzance shows low and declining levels of overcrowding, and household size is smaller than average. Higher than average levels of one person households, with many over-65s living alone.</p> <p>Older people across Cornwall demand bungalows.</p> <p>There is an anticipated significant increase in single person households, a notable proportion of which are older person households, generating demand for smaller housing stock.</p> <p>A comparatively significant increase in households for couples suggests a level of demand for smaller 'family-sized' housing.</p> <p>Significant decline in one room houses, but strong growth in two-room houses.</p>	<p>Despite the fact that Penzance needs to develop larger homes, it also needs to develop a proportion of smaller homes to meet the needs of those unable to afford or need the larger units, and reflecting the fact that household size in Penzance is smaller than the Cornish average.</p> <p>This is likely to include the higher than average (and increasing) number of single person households, including those where the head of household is over 65. However, demand patterns indicate that one-room households are declining in popularity and two-room dwellings are showing strong growth. As such, any new small dwellings should include a minimum of two rooms.</p> <p>The increase in couples households indicates that not all of the new smaller dwellings should be single-bedroom- it is important to deliver new 2-bed units for young families on median incomes, and which are still small enough to be relatively affordable.</p> <p>It is in this market that Starter Homes have the potential to be most useful, and this type of intermediate-sized dwellings can ensure the housing offer does not become polarised between the smallest and the largest dwellings.</p> <p>Providing smaller houses and/or bungalows aimed at older people in particular could help address the existing levels of under-occupation by freeing up larger units for families as older people move into smaller units.</p> <p>As such, a proportion of the need for family housing could be met by reuse of the existing stock, in addition to providing new larger homes (as per recommendation above).</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<p><b>Need for specialist provision for the elderly and/or disabled</b></p>	<p>SHMNA, Cornwall Local Plan, Census</p>	<p>There is a forecast increase in the ageing population, and as such there is need for specialist provision.</p> <p>Penzance has higher than average numbers of people aged over 65. The older population is increasing rapidly and there is a higher than average level of retired people.</p> <p>It is in this context that the Cornwall Local Plan supports the provision of older people's housing.</p> <p>In particular, Penzance has significantly higher than average levels of long-term sick and disabled people, and much higher than average rates of day-to-day activity limitation.</p>	<p>Evidence suggests that there is a strong need for specialist provision for the elderly and/or disabled population.</p> <p>Specialist accommodation for the elderly and disabled, including warden-assisted accommodation, sheltered housing, co-housing schemes aimed specifically at older people and/or care homes is best provided in accessible locations close to services and facilities, reflecting the lack of car transport available to residents and the fact that many of these types of housing are also workplaces for care staff.</p> <p>With a thriving town centre and good bus and rail connections, Penzance is ideally situated to meet this need. In the same way, it has significant potential to meet the needs of the elderly and disabled across West Penwith, as they move to somewhere more accessible than outlying villages and rural areas.</p> <p>We recommend that the neighbourhood plan expresses support for the full range of specialist provision for the elderly and/or disabled to be provided on suitable sites close to Penzance town centre.</p> <p>Furthermore, we recommend the Town Council works closely with Cornwall Council to understand the needs arising from across the West Penwith Community Network Area (CNA and the likely impacts on housing provision within Penzance itself.</p>

# 1 Introduction

## **Housing Needs Assessment in Neighbourhood Planning**

29. The 2011 Localism Act introduced neighbourhood planning, allowing forums, parishes or Town Councils across England to develop and adopt legally binding development plans for their neighbourhood area.
30. As more and more parishes and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
31. In the words of the National Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer. The process involves making balanced judgments, as well as gathering numbers and facts. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.
32. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level and wider. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.
33. Our brief was to advise on data at this more local level to help Penzance Town Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

## **Local Study Context**

34. Penzance is a historic port and market town in the west of Cornwall with a population of just over 21,000. Located on Mounts Bay, it is around seven miles east of Land's End and just under 30 miles south-west of Truro, the county town. It is linked to the rest of Cornwall and England by the A30 and rail, which connects Penzance station to Truro, Plymouth, Exeter and points further east. It is one of the most remote towns in England from the motorway network. It is linked via helicopter, and in summer months, via ferry, to the Isles of Scilly. Its nearest airport is Newquay, about 40 miles to the north-east, which offers flights to London, Manchester and Edinburgh among other destinations.
35. The Neighbourhood Plan area is the same as Penzance parish, which encompasses all of the built-up area of Penzance alongside Newlyn, Mousehole, Paul, Heamoor and Gulval. Although Penzance's housing target in the emerging Cornwall Local Plan includes Longrock, this is outside the neighbourhood plan area, a fact taken into account in our analysis. The fact that the neighbourhood planning area boundary corresponds exactly with the parish boundary is helpful for the purpose of statistics gathering.
36. Penzance is part of the Cornwall Housing Market Area, and as such, the Cornwall Strategic Housing Market Needs Assessment (SHMNA) is relevant to this housing needs analysis and will be interrogated as appropriate.



## 2 Approach

### PPG-Based Assessment

37. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

### Summary of Methodology

38. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
39. In the case of Penzance, the emerging Cornwall Local Plan gives a specific target for Penzance. Our recommendation for the purposes of this Housing Needs Assessment is therefore to use the Cornwall Local Plan-derived target as a 'given' that is not subject to change and instead focus in more detail on the type of housing to be provided rather than the quantity.
40. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to be adopted. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the Cornwall Local Plan. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.<sup>4</sup>
41. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Penzance, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
42. The planning period of neighbourhood plans, where possible, should always be aligned with the relevant local plan. In the case of Penzance, this would mean aligning with the Cornwall Local Plan period, which extends from 2010 to 2030.

### Gathering and Using a Range of Data

43. The PPG states that:

*'no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes'*

44. It continues: *'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary*

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<sup>4</sup> See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

*data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance’.*

45. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.
46. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data.

### **Focus On Demand Rather Than Supply**

47. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that *‘the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.’*
48. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study<sup>5</sup>.

### **Study Objectives**

49. The objectives of this report can be summarised as:
  - Collation of a range of data with relevance to housing need in Penzance relative to Cornwall as a whole;
  - Analysis of that data to determine patterns of housing need and demand;
  - Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan’s housing policies.
50. The remainder of this report is structured around the objectives set out above:
  - Chapter 3 sets out the data gathered from all sources
  - Chapter 4 sets out mechanisms for delivering low-cost housing; and
  - Chapter 5 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan’s housing policies.

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<sup>5</sup> Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was recently endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release ‘Councils must protect our precious green belt land’ (DCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

### 3 Relevant Data

#### Local Planning Context

*Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)*

51. The NPPG states that neighbourhood planners can refer to existing needs assessment prepared by the local planning authority as a starting point. As Penzance is located within the Cornwall Housing Market Area, we therefore turned to the Cornwall Strategic Housing Market Needs Assessment (SHMNA)<sup>6</sup> (2013) which covers the housing market area and informs housing policies at a local authority level, including affordable housing policy<sup>7</sup>.
52. The SHMNA draws upon a range of statistics including population projections, housing market transactions and employment scenarios to recommend an objectively-assessed housing need for Cornwall. As such, it contains a number of points of relevance when determining the degree to which the housing needs context of Penzance differs from the authority-wide picture. It uses Cornwall's own CNAs as a geographic basis for splitting the county into a number of sub-market areas for the purpose of analysis, with Penzance located in the West Penwith CNA.
53. For the purposes of this housing needs advice, the most relevant section of the SHMNA is Appendix 2- the Cornwall SHMNA Overview Report. We have summarised the SHMNA's conclusions that are most pertinent to Penzance when compared with the Cornwall average in Table 1 below.

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<sup>6</sup> Available online at <https://www.cornwall.gov.uk/housing/affordable-housing/affordable-housing-policy/strategic-housing-market-needs-assessment/>

<sup>7</sup> Here and throughout this report, we have defined affordable housing according **only** to the standard definition found in Annex 2 of the National Planning Policy Framework (NPPF), namely: 'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.' We have not defined affordable housing in its colloquial sense of 'relatively cheaper market housing'.

**Table 1: Summary of Cornwall SHMNA conclusions at a sub-county level**

Topic area	Sub-county/Penzance area conclusion	Cornwall conclusion
Housing type	Higher than average proportion of terraced housing in West Penwith (33.6%); also, higher than average proportion of flats (17.5%)	Cornwall average for terraced housing is 22.8% and flats is 13.5%. Detached and semi-detached housing more common in rest of county.
Households with no usual residents (second homes)	West Penwith has slightly higher rate (13.1%) than Cornwall average <sup>8</sup> ;	Cornwall average is 11.2%

Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

54. Other relevant SHMNA conclusions at the level of the County as a whole include:

- The county has an affordability ratio<sup>9</sup> of 9.08 compared to the national average of 6.5. The result is that many lower income households are priced out of entering the private housing market, unless they save considerable deposits;
- There is a high proportion of owner-occupiers across Cornwall;
- The county is below the national average in terms of household overcrowding;
- People aged 55+ have a strong presence in the buyers' market. As a result, bungalows are often in high demand;
- Family housing, between 3 and 4 bedrooms, is also in high demand with many areas perceived as having good quality services and infrastructure to bring up families;
- The Cornish population increased by 6.8%, or 33,800 people, between 2001 and 2011;
- Developers and agents anticipate that there may be an increase in the number of 1-2 bedroom affordable housing being developed;
- There is an anticipated significant increase in single person households, a notable proportion of which are older person households, generating demand for smaller housing stock;
- There is a comparatively significant increase in households for couples, suggesting a level of demand for smaller 'family-sized' housing;
- There is a considerable total net annual affordable housing need over the next five years (based on SHMNA publication date, this is to 2018) to both clear an existing backlog and to meet future arising need;
- A moderate growth in family households, suggesting a sustained demand for moderate to larger family housing;

<sup>8</sup> The majority of these are in fact more likely to be found in the rural parts of the CNA rather than Penzance itself

<sup>9</sup> This is defined as the ratio of lower quartile house prices to lower quartile household incomes between 1997 and 2011

- Cornwall has a higher than England average proportion of people aged over 60;
- Across Cornwall, household size did not change significantly between 2001 and 2011;
- Cornwall created 2,167 jobs per year 2001-2010, translating to a 9.5% growth in employment;
- The projections for Cornwall suggest a level of per annum job growth in the authority which is slightly lower than that seen, on average, over the period 2001 – 2010;

55. A number of tables in the SHMNA show type of need across the County as a whole compared with neighbouring authorities and these are reproduced below.

**Table 2: Annual affordable housing need (2013-2018) by affordable housing type (intermediate/ social rent)**

Local Authority	Net Affordable Housing Requirement - by Tenure (Annual – next 5 Years)					
	Intermediate			Social Rented		
	Supply	Net Need (Total)	Net Need (%)	Supply	Net Need (Total)	Net Need (%)
Plymouth	34	243	18%	729	1,081	82%
Cornwall	83	144	6%	1,259	2,097	94%
South Hams (Excl. DNP)	79	-26	-12%	146	246	112%
West Devon (Excl. DNP)	6	23	16%	98	117	84%
Dartmoor National Park (DNP)	2	13	16%	30	70	84%

Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

56. Table 2 shows a lack of affordable housing in Cornwall for both intermediate and social rented housing, 6% and 94% respectively. For intermediate housing, this need is greater than South Hams but not as great as nearby Plymouth and West Devon. This could be because houses for first time buyers in Cornwall are more affordable on the general market than the surrounding areas. However for socially rented housing, this need is greater than Plymouth and West Devon, but not as great as South Hams. This indicates a significant need for socially rented affordable housing that is not currently being met.

**Table 3: Projected change in older persons age groups in Cornwall 2011-2031**

Cornwall Age Group	Population at mid-year		Change 2011 - 2031	% Change
	2011	2031		
65-74	84,959	103,097	18,138	21%
75-84	37,775	60,856	23,081	61%
85+	16,934	35,640	18,705	110%
Total Older Persons (65+)	139,669	199,593	59,925	43%

Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

57. Table 3 shows the projected change in older persons in Cornwall from 2011 to 2031. There is a projected rise of 43% in all age ranges of persons aged 65 and over. The greatest rise projected is in 85 and over, with a rise of 110%. This could result in more specialised housing needed to accommodate this rise in the older population.

**Table 4: Forecast population aged 65+ living in a care home, 2012-2030**

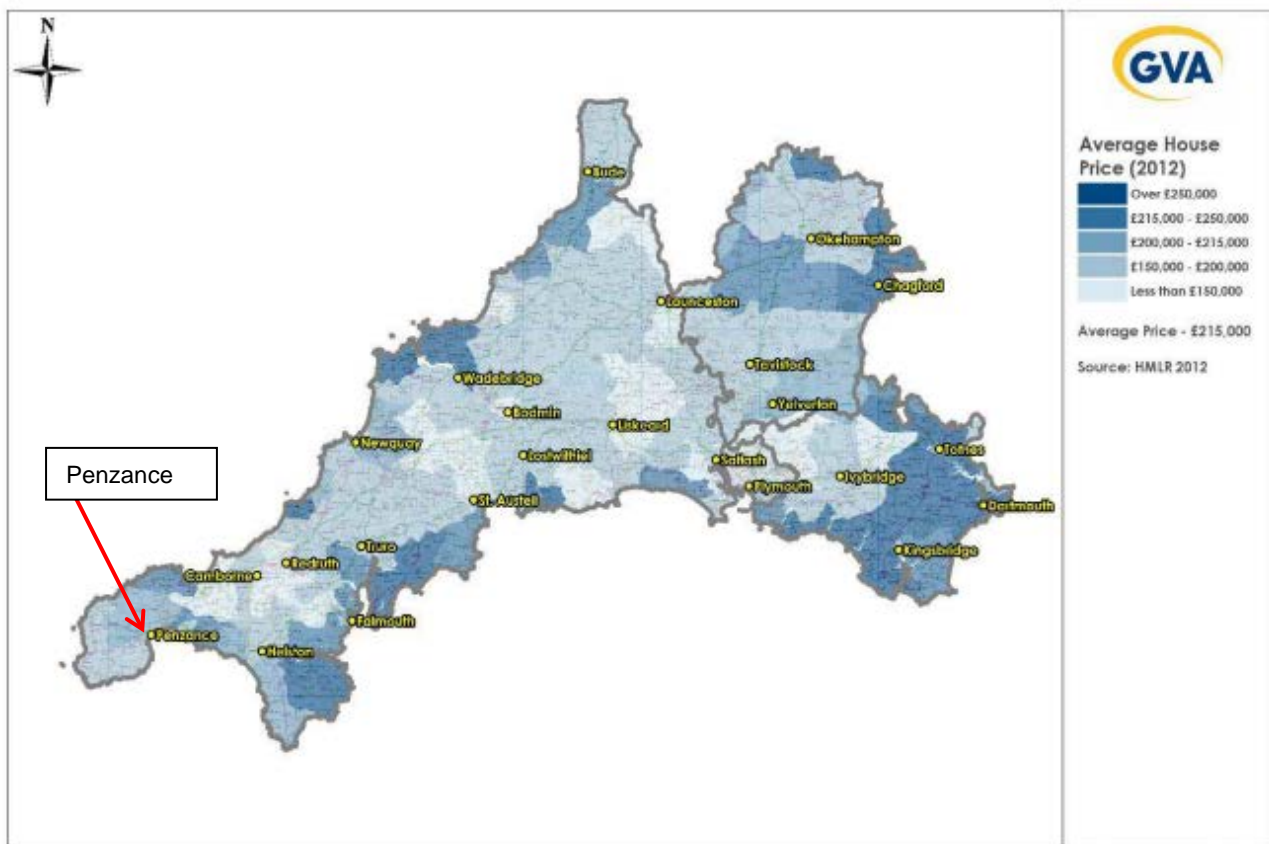
Authority	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
Plymouth	2,179	2,276	2,379	2,499	2,654	475	22%
Cornwall	4,766	5,065	5,382	5,730	6,122	1,356	28%
South Hams	892	926	954	993	1,070	178	20%
West Devon	573	602	653	694	758	185	32%

Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

58. Table 4 shows the population of people aged 65 and over is expected to rise by 28% in Cornwall between 2012 and 2020. This again highlights a growing older population which would result in a need for more specialised accommodation.

59. The SHMNA includes a number of maps that provide an ‘at a glance’ assessment of the key features of housing in Penzance compared with Cornwall as a whole. These are reproduced below.

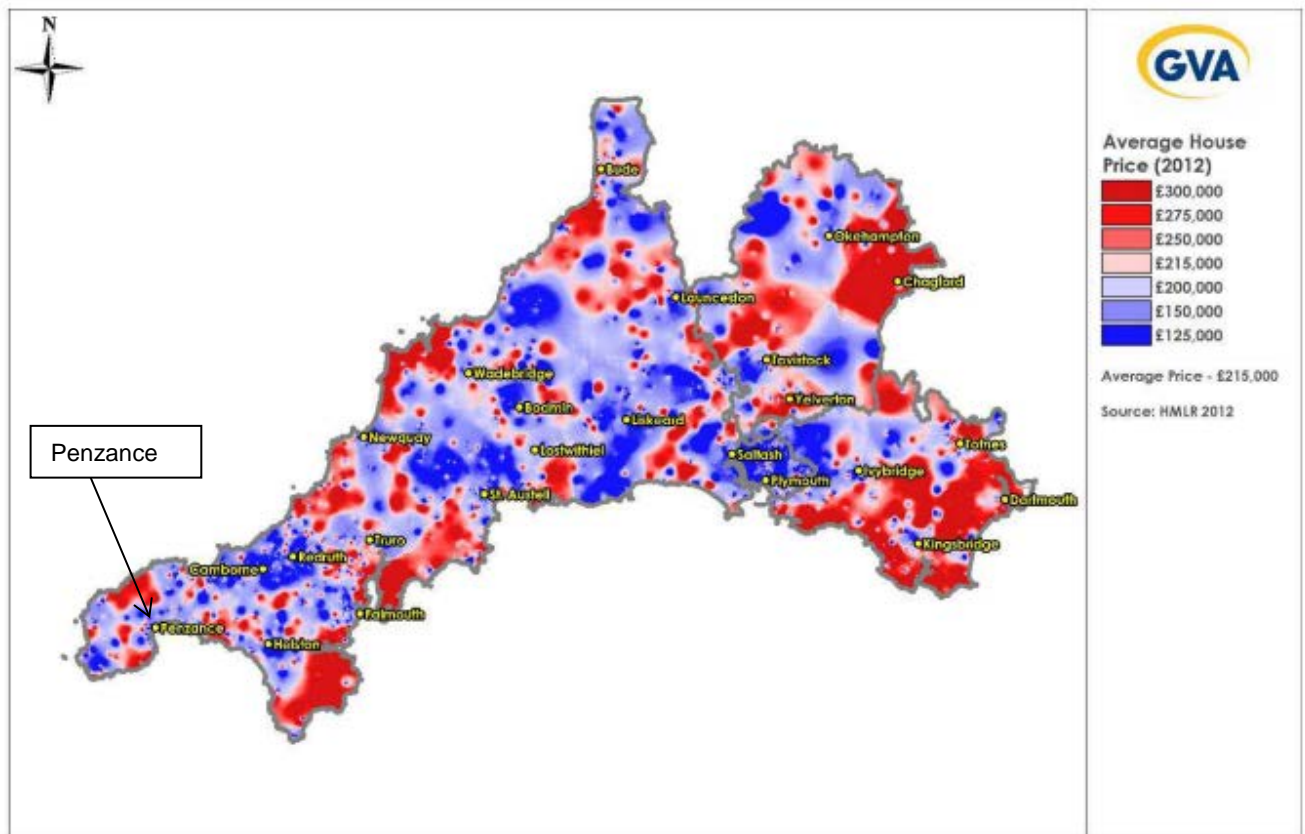
**Figure 1: Average house prices in Cornwall and West Devon (2012)**



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

60. Figure 1 shows that Penzance had average house prices for the county, in the region of £200,000 to £215,000, in 2012. This is higher than the Camborne/Redruth area to the north, but is significantly lower than many house-price ‘hotspots’ on the north and south coasts.

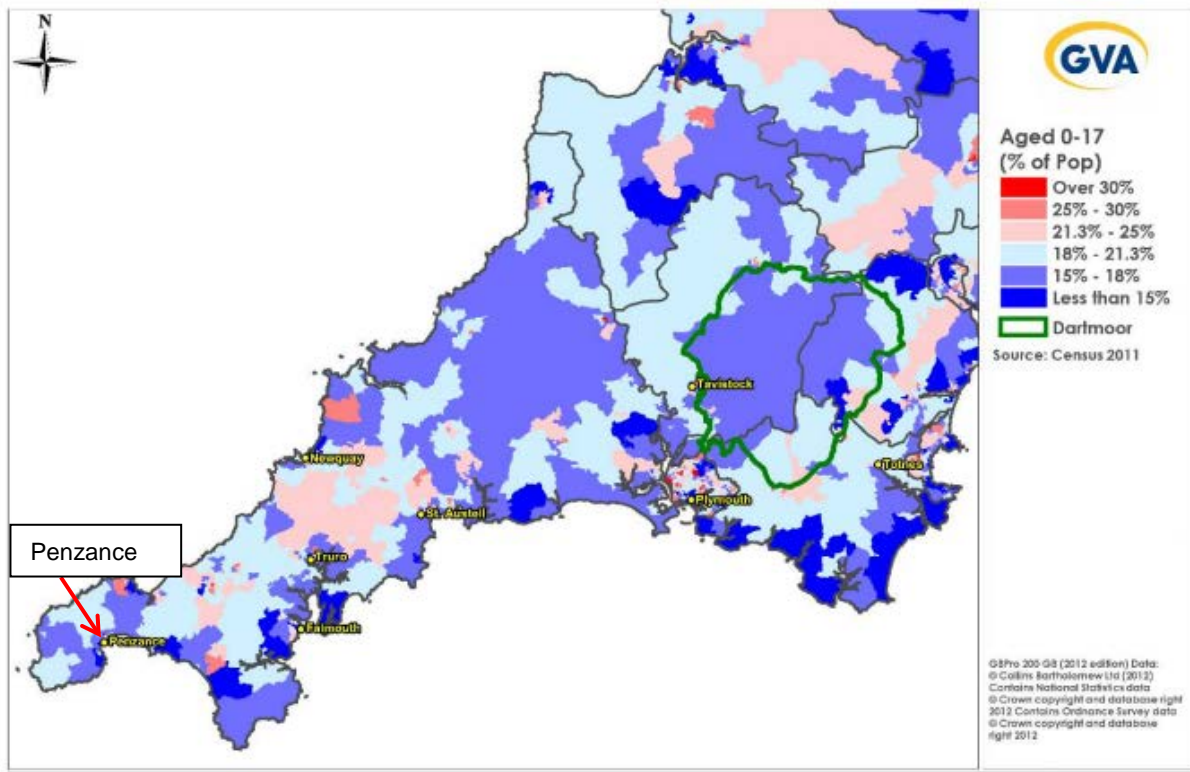
Figure 2: Average house prices in Cornwall and West Devon- heat map (2012)



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

61. The heat map in Figure 2, more geographically specific than Figure 1, shows that Penzance house prices are in fact much lower than even geographically close coastal areas including St Ives, Lamorna and Zennor. There is a clear correlation in most parts of Cornwall between the Cornwall Area of Outstanding Natural Beauty (AONB) and house prices, with buyers willing to pay a premium for such locations. This means other coastal settlements, including Penzance, have relatively lower prices- generally below £200,000 according to the heat map.

**Figure 3: Census 2011 proportion of residents aged 0-17 years**

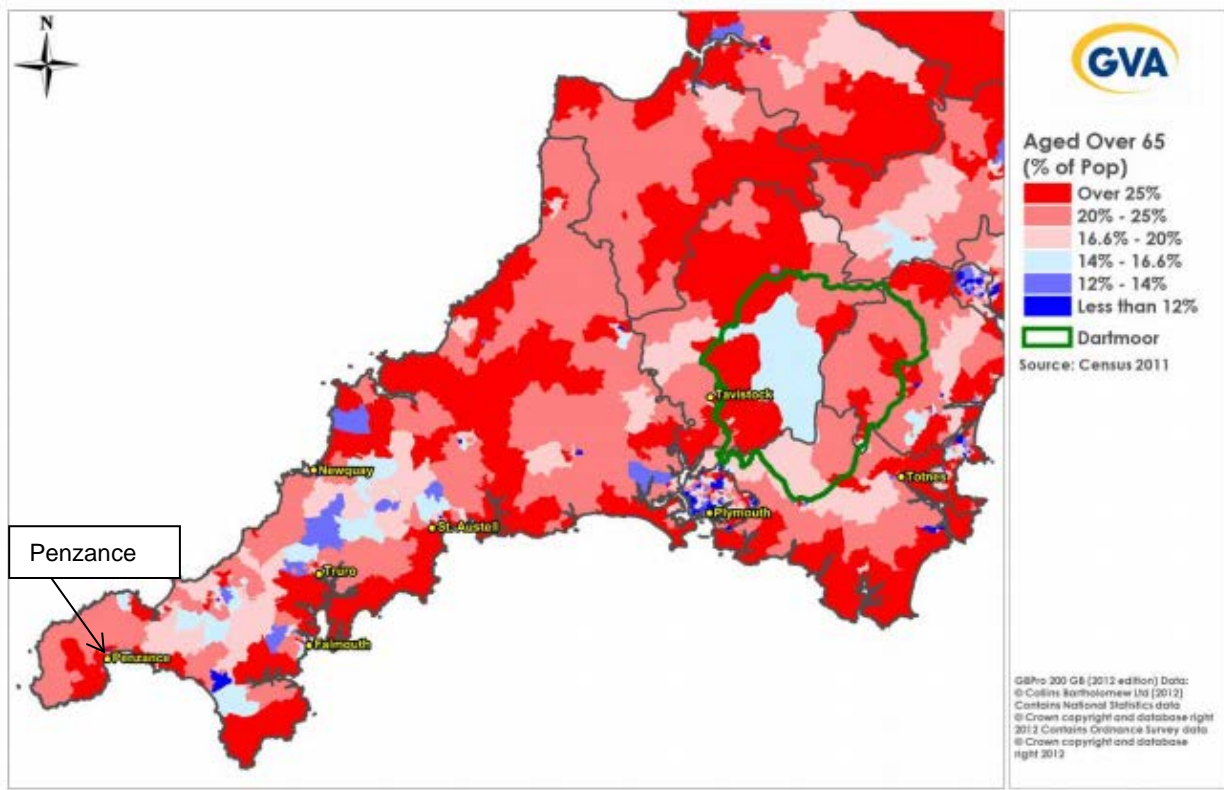


Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

62. Figure 3 shows that the parish has a relatively low level of young people, with less than 18% of the population being between the ages of 0-17. This reflects a Cornwall-wide trend. As well as indicating an older population, it also indicates a lower proportion of families with younger children in Penzance.



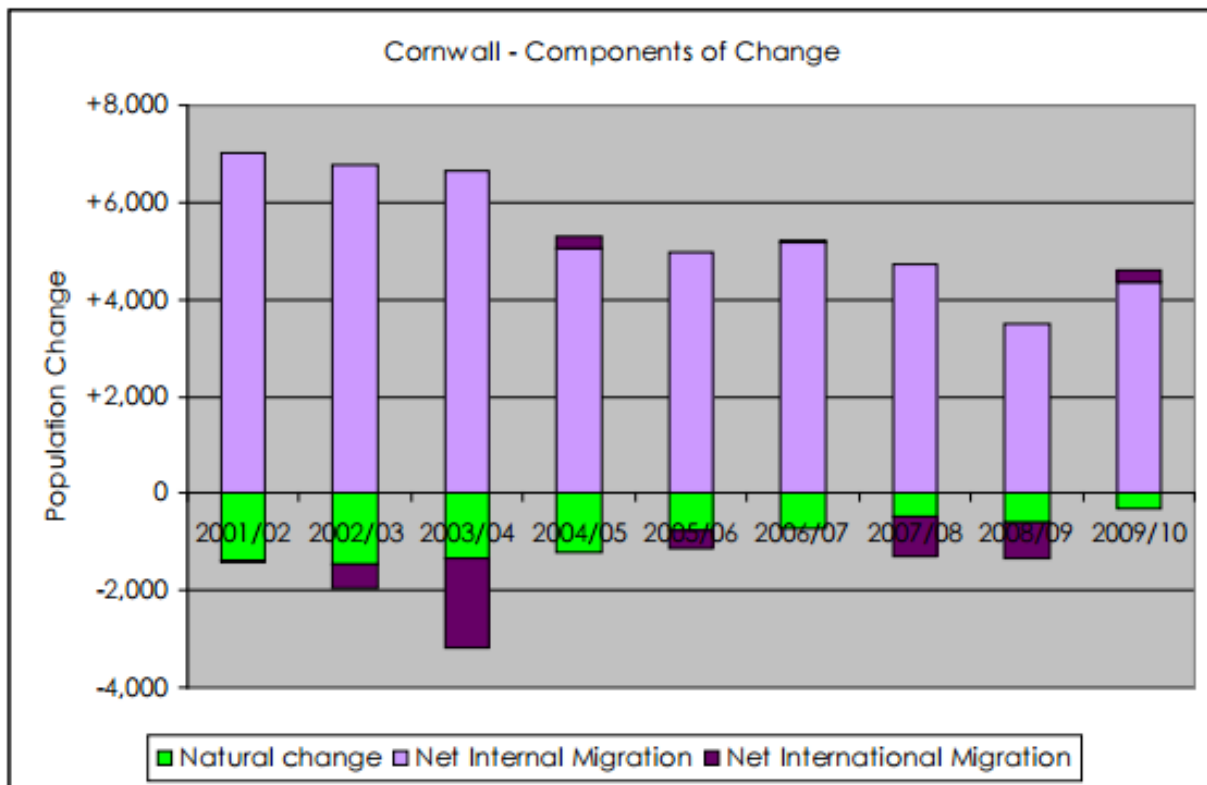
**Figure 4: Census 2011 proportion of residents aged 65+**



Source: *Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)*

63. Figure 4 shows that Penzance has a high proportion of residents over the age of 65 with over 25% of the population falling into this category. This reflects the situation across much of Cornwall and West Devon. Again, this points to an ageing population.

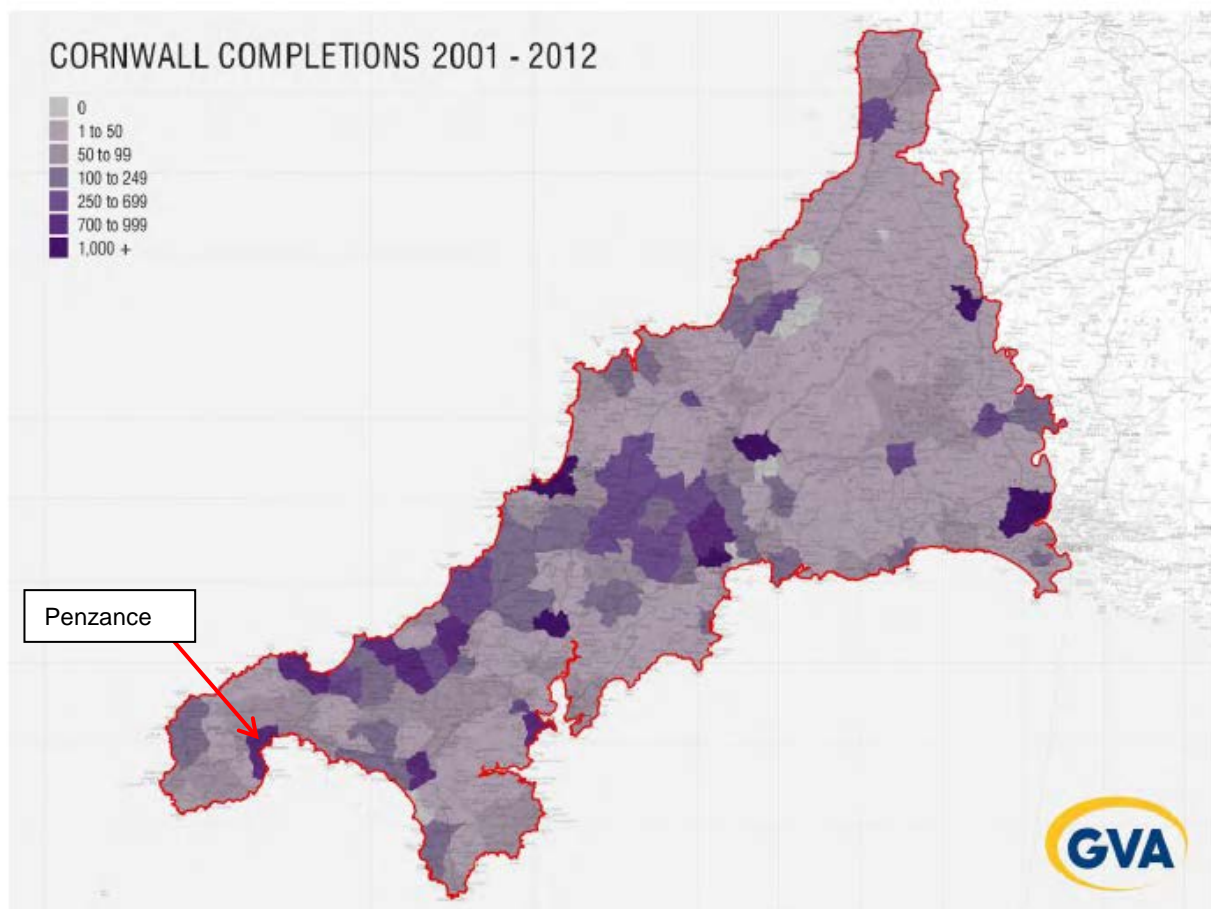
**Figure 5: Components of population change, Cornwall 2001/02 – 2009/10**



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

64. The chart in Figure 5 confirms that internal net migration (i.e. those moving from the rest of the UK, and shown above the zero axis) has played a significant part in driving population growth in Cornwall. Over the time period the net flow has exceeded 4,000 people in several of the years shown.

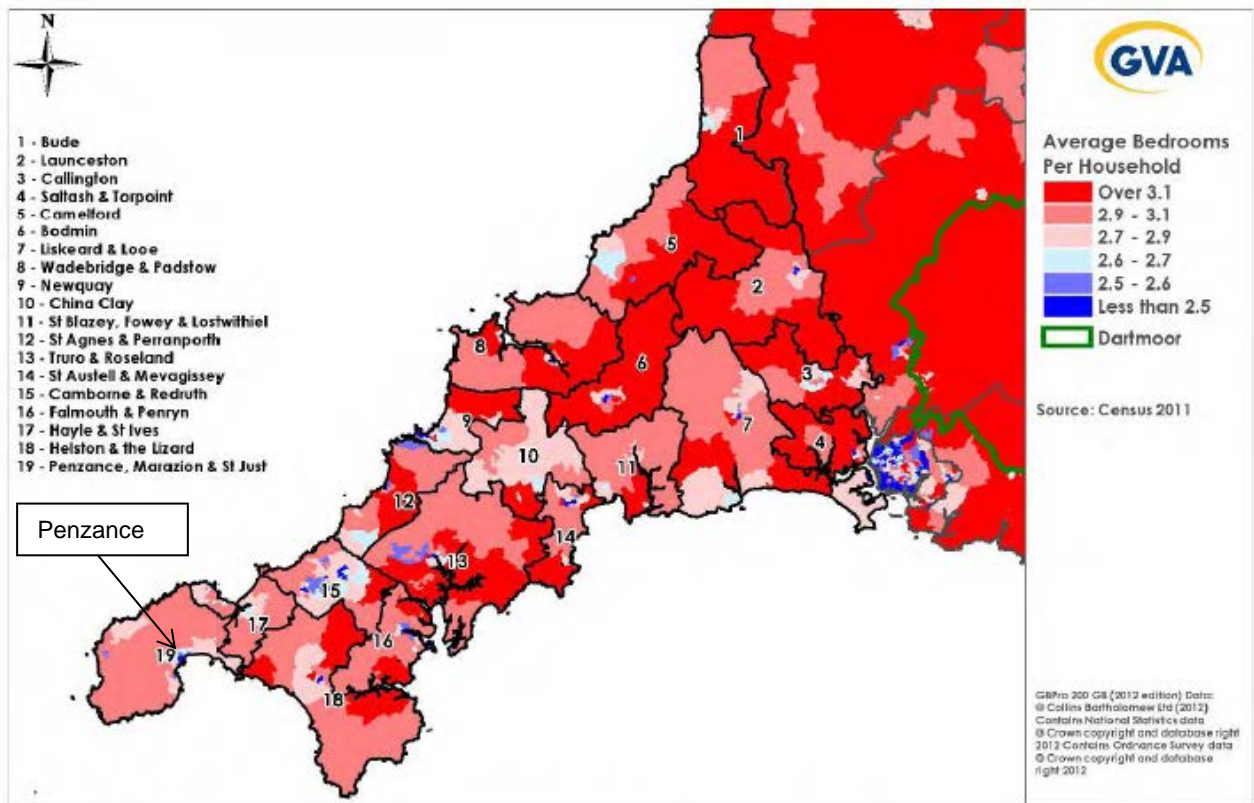
**Figure 6: Local level analysis of housing completions 2001-2012**



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

65. Figure 6 shows a relatively high level of housing completions in Penzance in recent years- according to the map, between 700 and 999 in the period 2001-2012.

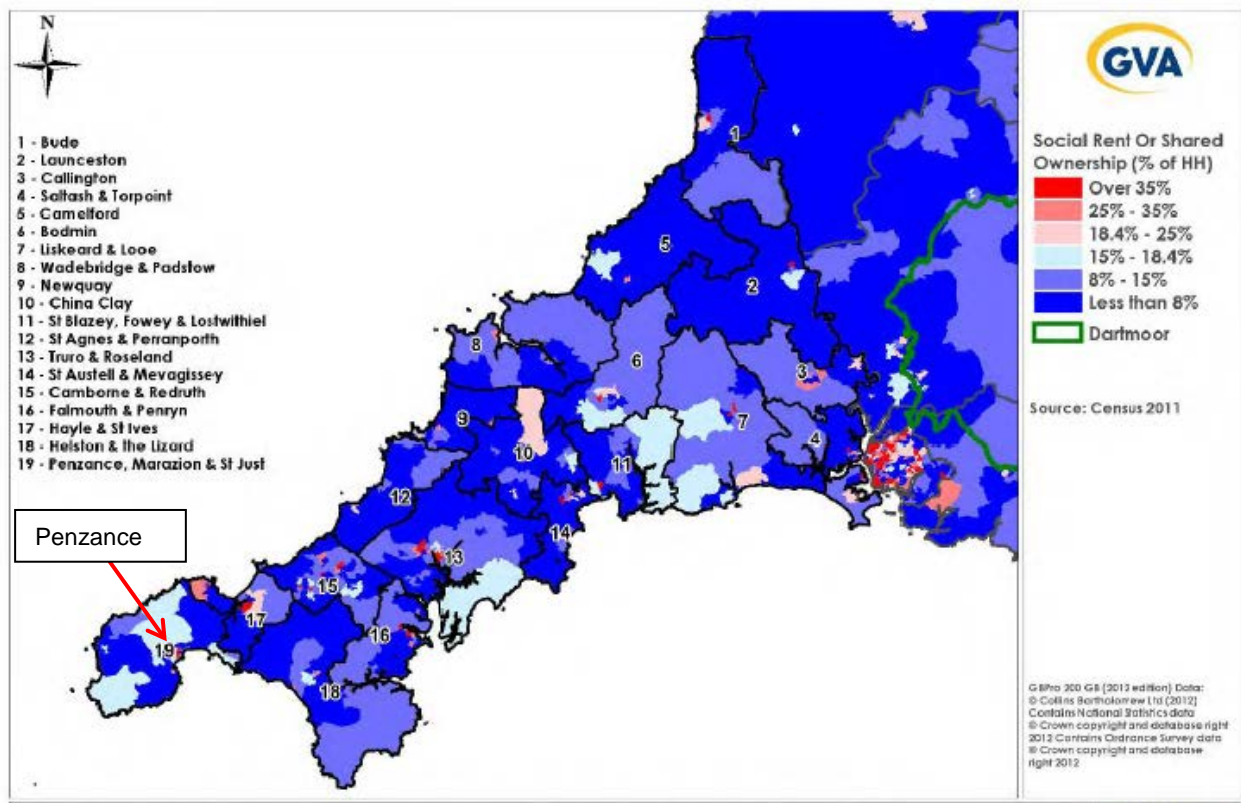
Figure 7: Number of bedrooms per household



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

66. Figure 7 shows that, compared with its surrounding rural area, and indeed compared with much of the rest of the county, Penzance has much smaller than average size houses. In particular, the centre of the urban area appears to have an average of less than 2.6 bedrooms per household. This correlates well with the higher than average proportions of terraced housing and flats in the town that was noted earlier, and also with the lower than Cornwall average house prices.

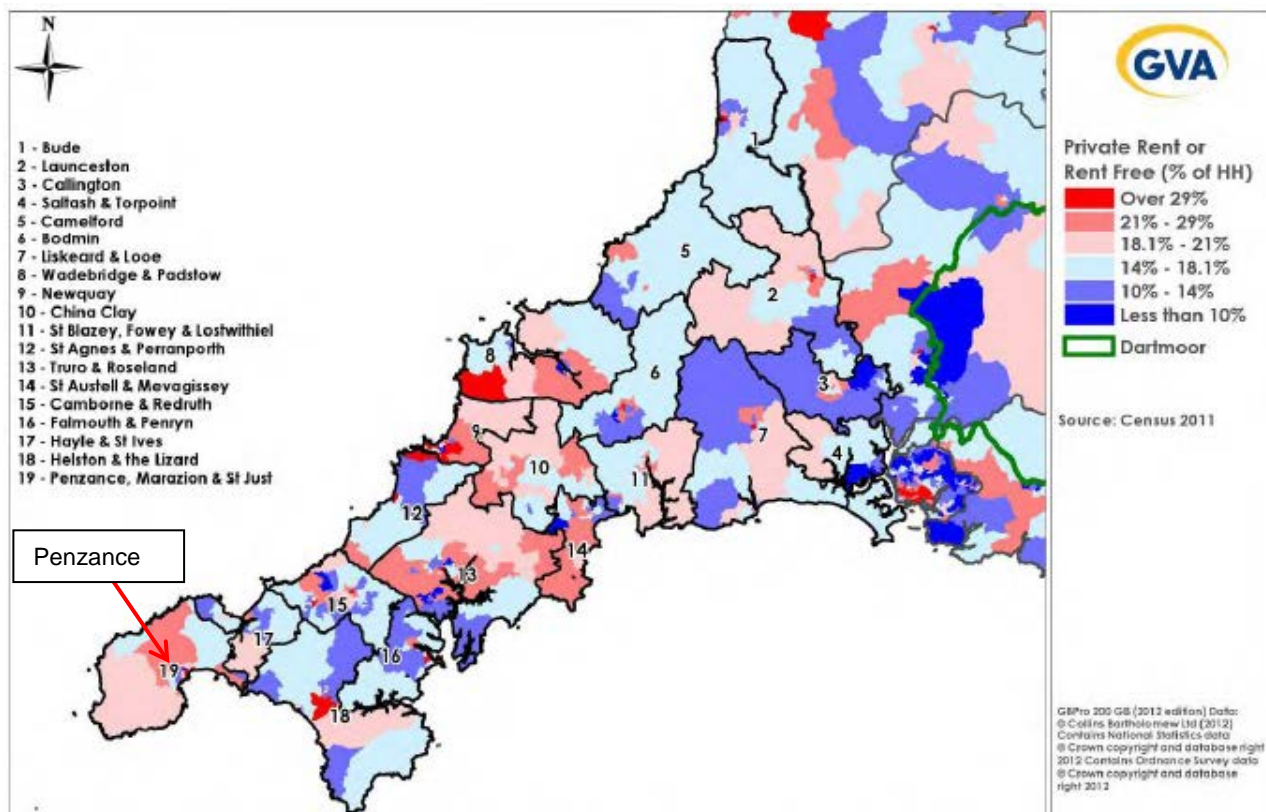
**Figure 8: Tenure – social rented and shared ownership**



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

67. Figure 8 shows a relatively high number of social rent or shared ownership housing in Penzance, with pockets of the central urban area comprising more than 35% of this housing tenure of households falling into this category. Again, this contrasts with the surrounding rural area and indeed even with more peripheral parts of the parish itself, with rates of social housing much lower in locations such as Newlyn, Mousehole, Paul and Gulval.

**Figure 9: Tenure – Private rented (including renting from a landlord or letting agency, private rented other and living rent free)**



Source: Cornwall Strategic Housing Market Needs Assessment (GVA, 2013)

68. Figure 9 shows that Penzance is very mixed in terms of rental tenure. Perhaps surprisingly given other data, there seems to be large parts of the town with average or low levels of private rental or rent free living, though there are some pockets where levels are higher. This finding will be interrogated further on the basis of detailed Census data below, but the fact that the rental market seems less popular across much of the town could be indicative of a relatively polarised market, split between those in social housing unable to rent privately or buy on the open market, and owner-occupiers who have no need to enter the private rental sector.

**SHMNA Caveats**

69. The SHMNA is based on the data available at the time it was compiled, and as such is only a snapshot in time. Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty.

70. It is also important to remember that there is no single definitive national method available to attribute need for new market housing to specific geographical areas within Cornwall. The various elements of population growth and household growth cannot be directly attributed to sub-areas with anything near the same reliability that they can be attributed to Cornwall as a whole, which benefits from the cohesion of a single travel to work area. The precise geographic distribution of future housing was therefore left as a policy choice for the Cornwall Local Plan.

71. This caveat applies equally for neighbourhood planners within Cornwall. As we recommend an approach based on the assessment of need at a local authority level, the Town Council should monitor any updates to the assessment of housing need at that level, as well as the release of any relevant new statistics.

*Cornwall Local Plan (Combined Document, January 2015)*

72. The Cornwall Local Plan: Strategic Policies document was submitted to the Secretary of State in February 2015. An independent inspector, Simon Emerson, was appointed for the Plan's Examination in Public but Mr. Emerson concluded in his Preliminary Findings (5th June 2015) that the plan as submitted needed more work and that the Local Plan examination should be suspended to give the Council more time to work on the Plan. On 29th June last year, Cornwall Council accepted this suggestion.
73. Since that time, the Council has been progressing amendments ahead of the rescheduled Examination in Public, and the most recent version of the Local Plan updates the 2015 version with Further Significant Changes (January 2016).
74. We have summarised Cornwall Local Plan content with relevance to Penzance in Table 5 below.

**Table 5: Emerging Cornwall Local Plan content with relevance to Penzance**

<b>Policy, chapter or table name and number</b>	<b>Provision(s)</b>	<b>Implications for Penzance Neighbourhood Plan</b>
Policy 2: Spatial strategy	Supporting the economic regeneration of Penzance, including the improvement of Penzance Harbour, and retention of a main line rail link to Penzance as a strategic link for Cornwall and the UK.	Support for housing and economic growth at Penzance, which would include new housing
Policy 2a: Key Targets	<p>Development proposals in the period to 2030 should help to deliver 52,500 homes at an average rate of about 2,625 per year to 2030, to help deliver sufficient new housing of appropriate types to meet future requirements, in particular, meeting affordable housing needs.</p> <p>Specific housing target for Penzance with Newlyn, Heamoor, Gulval and Longrock : 2,150</p>	<p>All settlements named in the specific housing target except for Longrock are within the neighbourhood plan area. As such, the neighbourhood area's target must be disaggregated from that of Longrock.</p> <p>AECOM calculates that there are 11,236 dwellings in Penzance parish and 265 in Longrock- therefore, 97.7% of the 2,150 homes should be the neighbourhood plan target in the period 2010-2030. This equates to 2,100 for Penzance parish.</p>
Table 1: Broad distribution of new dwellings	Table shows that of the housing target within Policy 2a above, there have been 230 completions and 439 permissions granted in the period 2010 to 2015, leaving a requirement remaining 2015-2030 of 1,481	As noted above, 97.7% of the remaining requirement therefore forms the neighbourhood plan target in the period 2015-2030- this equates to 1,447 dwellings in Penzance parish.

Policy, chapter or table name and number	Provision(s)	Implications for Penzance Neighbourhood Plan
Housing chapter	<p>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 a cost effective manner. Community Land Trusts 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.</p>	<p>Policy support for self-build at Penzance- suggestion that Community Land Trust could be an effective option for delivering this. We cover the establishment, structure and formation of a Community Land Trust (CLT) in more detail in Chapter 4.</p>



Policy, chapter or table name and number	Provision(s)	Implications for Penzance Neighbourhood Plan
<p>Policy 6: Housing Mix</p>	<p>New housing developments of ten dwellings or more should include an appropriate mix of house size, type, price and tenure to address identified needs and market demand and to support mixed communities. Proposals should seek to:</p> <p>Address demand for both affordable, market housing and starter homes including self-build and custom-build housing; and</p> <p>Use local evidence of the need and demand for specific types, tenures and sizes of housing to contribute to the diversity of housing in the local area and help to redress any housing imbalance that exists; and</p> <p>Respond to the requirements of a changing population and of particular groups in the community, by increasing the supply of accessible and specialist housing (including ground floor flats, flats with lifts and bungalow accommodation) which is able to meet people’s needs throughout their lifetimes based on locally derived evidence of need and demand.</p> <p>On larger developments (typically of 100 dwellings or more) at least 5% of total plots should be provided as serviced plots to enable the construction of self-build or custom build housing. On sites of 200 dwellings or more, additional specialised housing (including extra care housing) should be considered where demand exists to meet defined specialist needs.</p>	<p>This policy will continue to apply even after neighbourhood plan adoption and there is no need for the neighbourhood plan to restate these provisions.</p> <p>However, it is clear that the Cornwall Local Plan is highly supportive of self-build and custom-build, in particular highlighting the possibilities of these options on larger sites.</p>

Policy, chapter or table name and number	Provision(s)	Implications for Penzance Neighbourhood Plan
<p>Policy 8: Affordable housing, and linked Table 4: Value Zones in Cornwall</p>	<p>All new housing schemes on sites where there is a net increase of two units or more or 0.2 hectares or greater (not including replacement dwellings) must contribute towards meeting affordable housing need.</p> <p>Developments must provide the target levels of affordable housing as set out below and in Table 4:</p> <p>The following provision on site will be sought: 50% in Zone 1, 40% in Zone 2, 35% in Zone 3, 30% in Zone 4 and 25% in Zone 5.</p> <p>The mix of affordable housing products will vary through negotiation. However, the target provision is typically in the following tenure proportions:</p> <p>70% rented homes owned or managed as affordable housing;</p> <p>30% intermediate housing for rent or sale.</p>	<p>Table 4 shows that Penzance is located in Zone 4 for the purposes of affordable housing policy; therefore, all developments within the parish causing a net increase of two dwellings or more will need to provide 30% affordable units, typically with a 70:30 tenure split between social and intermediate housing.</p> <p>This provision will continue to apply, and be monitored and managed by Cornwall Council, even after neighbourhood plan adoption.</p>
<p>West Penwith CNA Key Facts table (page 108)</p>	<p>906 households in Bands A-D on the County waiting list (the highest priority bands) expressed a preference for housing in West Penwith CNA, as well as 1,228 households in Band E (lower priority). This equates to 7.9% and 8.4% of the Cornwall totals respectively</p> <p>West Penwith has 8.1% of the Cornwall dwellings total, which indicates affordable need is around the County average</p>	<p>Although this waiting list is just a snapshot in time as of 2012, this demonstrates a need for Penzance to meet an appropriate proportion of affordable housing need (see below).</p>

Source: Cornwall Local Plan (Cornwall Council, January 2016)

75. It is therefore relatively straightforward to determine that, based on the provisions of the Cornwall Local Plan, the outstanding housing target for Penzance parish is 1,447. As such, we recommend that the neighbourhood plan adopts this target. In locations where the housing target is less clear (for example, no plan might be in place, or the neighbourhood plan area may not correspond with a specific settlement target in the local plan), we would recommend interrogating a range of other data to be certain of this figure, but that is not the case for Penzance.
76. Indeed, the importance of the neighbourhood plan passing Basic Condition E (to recap, that the plan needs to be in general conformity with the strategic policies of the Cornwall Local Plan) would indicate that seeking an alternative housing target could risk the plan failing this test, as

the Government makes it clear in their Planning Practice Guidance that level of development is likely to be considered a 'strategic' policy.

*Local housing waiting list (Cornwall Council, January 2016)*

77. We contacted Cornwall Council's housing department, for an assessment of the number of households currently on the Cornwall Homechoice waiting list that expressed a preference for housing in Penzance. This provides a useful indication of whether the Cornwall Local Plan's affordable housing target of 30% affordable housing in Penzance is sufficient to meet present affordable need.
78. The waiting list is divided into five bands according to urgency of need: A-E, where Band A is the most urgent and Band E the least.
79. In line with standard practice in housing needs assessments, we have discounted for the purposes of this study those households listed as Bands C, D and E. This is to recognise the fact that waiting lists tend to overestimate demand as households put themselves forward when their level of need for affordable housing is not actually that great. For example, households may put themselves forward for inclusion as a form of insurance in case their circumstances change and are therefore clearly not currently in need in a priority sense, while still meeting the eligibility criteria for the housing waiting list.
80. Following this standard discount, there are at present 145 households across the remaining 2 bands, namely:
  - 17 households in the most urgent need (Band A) of which 16 need 1 bedroom units and 1 needs a 2 bedroom unit; and
  - 128 households in Band B, of which 74 need 1 bedroom units, 32 need 2 bedroom units, 13 3 bedroom units, 4 4 bedroom units, 4 5 bedroom units and 1 6 bedroom unit.
81. At first glance, it seems that, with 145 households in the two highest bands of affordable housing need (which assuming one dwelling per household, comprises 10% of the 1,447 outstanding Local Plan target dwellings), the Cornwall Local Plan policy of 30% affordable housing provision in Penzance should easily be able to provide for affordable need.
82. However, it must be remembered that the waiting list is only a snapshot in time, and as such it is not clear that future affordable need arising over the rest of the plan period could be entirely met by the 30% target. Alternatively, the group might consider they wish to meet some or all of the need on the bands lower than Band B. Despite this, we would advise against the Neighbourhood Plan formulating a higher affordable housing target of its own.
83. The reason for this is that Cornwall's existing and emerging policies on affordable housing will continue to apply in the parish even after neighbourhood plan adoption, and the adopted neighbourhood plan needs to be in strategic conformity with existing and emerging policy.
84. Therefore, formulating a different affordable housing target for Penzance is not recommended as it could risk conflict with Local Plan policy. Additionally, any affordable housing target higher than 30% would need to be supported by a town-level viability assessment, which would require significant resources to complete and which could well come to conclusions no different from the viability work already commissioned by Cornwall Council to inform the affordability target in the emerging Cornwall Local Plan.
85. Other options that are significantly easier to develop and use than an alternative affordable housing target are available, and we recommend that the Neighbourhood Plan consider making use of these, particularly in the second half of the plan period, and recognising that the 1,447 dwellings to be provided is a minimum level –i.e. there could be scope to provide more

housing if the housing waiting list at the time indicates a pressing need to do so. We consider the two best options to consider would be a rural exception site or working with the Council to direct additional affordable housing to Penzance.

#### *Rural exception sites*

86. The NPPF defines rural exception sites as

*'Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.'*<sup>10</sup>

87. A rural exception site on currently undeveloped land could be developed during the Plan period (in line with Cornwall Local Plan Policy 9 and/or NPPF paragraph 54) to enable sufficient affordable housing to be provided for people with a proven connection to the parish, and the need for such a site could be expressed in Plan policy.

88. Neighbourhood plans can allocate rural exception sites if necessary.<sup>11</sup> We recommend that, should this solution be considered appropriate, the Town Council works closely with Cornwall Council to deliver an appropriate site, having regard to relevant policies in the Neighbourhood and Local Plans. Note that with the Government's extension of the right to buy to the affordable housing tenure, in time an affordable housing exception site has the potential to enable local people with a connection to the parish to become owner-occupiers.

89. The actual identification and/or allocation of a specific site as a rural exception site should be taken forward as part of the neighbourhood plan's site allocations process, alongside any other sites the Town Council might wish to allocate.

#### *Directing affordable housing to Penzance*

90. Although guided by the Cornwall Local Plan, Cornwall Council has to determine affordable housing development or affordable housing contributions effectively on a case-by-case basis across the County.

91. As such, in many locations that have a lower local need for affordable housing at the time of the application, developers are permitted, at the Council's discretion, to provide off-site affordable units elsewhere in the local authority district where the need is higher but where factors may conspire to make it otherwise undeliverable. Penzance appears to be one of the locations where affordable need is high and, on the basis of the housing waiting list as of March 2016, there is no policy guarantee that this need can be addressed over the Cornwall Local Plan period.

92. It is therefore possible that the Town Council, working closely with the Council, could seek to 'invite' offsite affordable housing development or contributions into the parish from developments elsewhere in Cornwall. The evidence interrogated in this report suggests that this could be particularly helpful in the second half of the neighbourhood plan/Cornwall Local Plan period.

93. Clearly, Cornwall Council will retain the final say on the amount of affordable housing directed to or delivered in Penzance rather than elsewhere, depending on the housing waiting list and

<sup>10</sup> <http://planningguidance.communities.gov.uk/blog/policy/achieving-sustainable-development/annex-2-glossary/>

<sup>11</sup> See, for example, the Upper Eden Neighbourhood Plan, one of the first to be adopted.

other circumstances at the time of development negotiations, such as the availability of suitable land in Penzance or elsewhere, the proximity and/or relationship of Penzance (if any) to the development site, and the relative need for affordable housing in other locations.

94. This point could therefore form a Statement of Intent or similar within the Neighbourhood Plan, although note that it would not necessarily form a policy. This is because policies should be aimed at those seeking to develop or use land within Penzance itself, and this issue covers precisely the opposite, i.e. those seeking to develop or use land in Cornwall outside Penzance.

### Characteristics of Population

95. Through analysis of Census 2011 data, we have investigated how the population of the neighbourhood plan area differs from that of the Cornwall and England averages.
96. Table 6 shows the population and number of households in Penzance, Cornwall and England, as recorded in the 2011 census. In 2011, Penzance had a population of 21,045, and an average household size of 2.1 persons. This is smaller than both the local and national averages.

**Table 6: Population and household size in Penzance, 2011<sup>12</sup>**

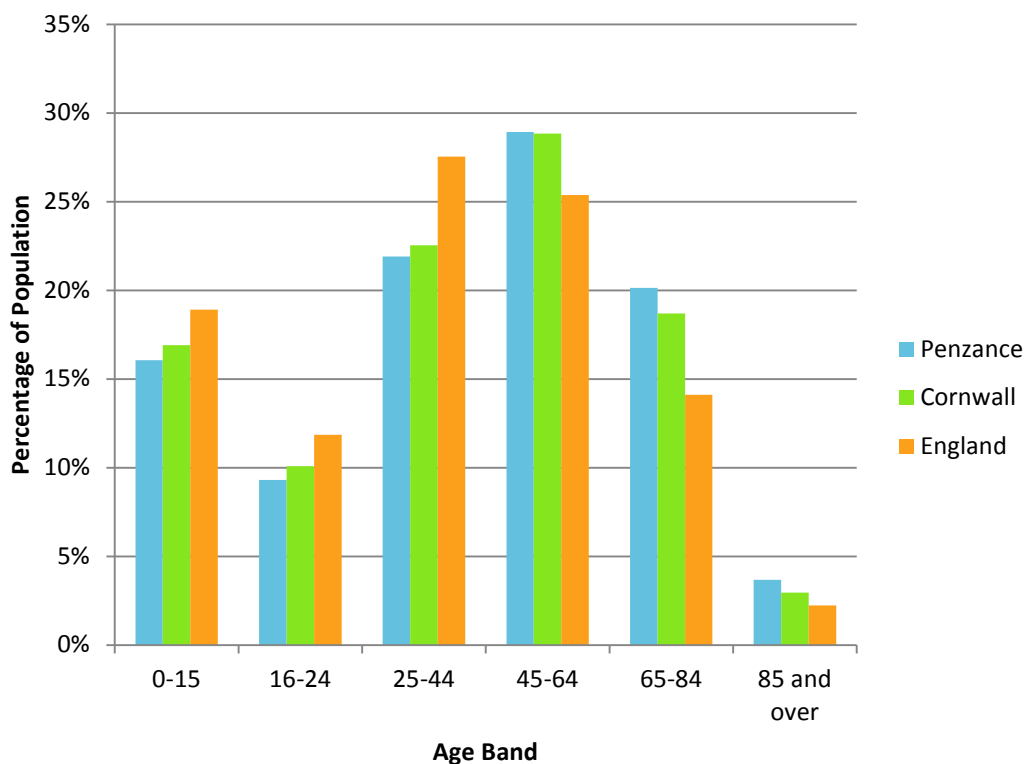
	Penzance	Cornwall	England
Population	21,045	532,273	53,012,456
Households	10,077	230,389	22,063,368
Household size	2.1	2.3	2.4
Dwellings	11,236	258,883	22,976,066

Source: ONS, Census 2011. AECOM calculations

97. As illustrated in Figure 10 below, the largest age group in Penzance is ages 45-64, at 29%. This is the same as the figure for Cornwall (29%) and a little higher than that of England (25.4%). The proportion of all age groups younger than 44 is lower in Penzance and Cornwall than the England average, whilst the proportion of people aged 65 and over is higher in Penzance (24%) than in Cornwall (22%), and significantly higher than in England (16%).
98. Table 7 shows the rate of change of the population by age band. It shows that the proportion of people in the 85 and over age group has undergone a considerable increase of 21% in Penzance between 2001 and 2011. The steep declines in the 0-15 and 25-44 age groups, and low growth in the 16-24 age group, are also in stark contrast to the trends in Cornwall and England.

<sup>12</sup> ONS, Census 2011, Population Density (QS102EW); Household Size, 2011 (QS406EW).

**Figure 10: Age structure in Penzance<sup>13</sup>**



Source: ONS, Census 2011. AECOM calculations

**Table 7: Rate of change in the age structure of Penzance population, 2001-2011<sup>14</sup>**

Age group	Penzance	Cornwall	England
0-15	-12%	-3%	1.2%
16-24	3%	16%	17.2%
25-44	-10%	-3%	1.4%
45-64	5%	10%	15.2%
65-84	5%	12%	9.1%
85 and over	21%	17%	23.7%

Source: ONS, Census 2001 and 2011. AECOM calculations

<sup>13</sup> ONS, Census 2011, Age Structure (KS102EW)

<sup>14</sup> ONS, Census 2011, Age Structure (KS102EW); ONS, Census 2001, Age Structure (KS02)

99. Table 8 shows that Penzance is home to a slightly higher proportion of people born outside the UK than Cornwall, but both are significantly lower than the England average. By extension, both Penzance and Cornwall have significantly higher proportions of UK-born residents than the UK as a whole.

**Table 8: Country of birth and length of residence**

Place of birth	Population breakdown	Penzance	Cornwall	England	
Born in the UK	Total	94.6%	95.6%	86.2%	
Born outside the UK	Total	5.4%	4.4%	13.8%	
	EU	2.6%	2.1%	3.7%	
	Other	2.8%	2.4%	9.4%	
	Length of residence	Less than 2 years	0.6%	0.5%	1.8%
		2-5 years	0.6%	0.6%	2.2%
		5-10 years	0.9%	0.7%	2.9%
		10 years or more	3.3%	2.7%	7.0%

Source: ONS, Census 2011. AECOM calculations

100. Of the 5.4% of Penzance residents who were born overseas, the majority have lived in the UK for ten years or more, indicating no recent influx of international migrants.

### Household Type

101. Table 9 shows that in recent years Penzance has witnessed generally lower increases, and in some cases decreases, in the numbers of households with 5 or more rooms, in contrast to relatively strong growth in larger households across Cornwall and England. There has been an unusually low increase in both 7 and 8+ room houses. Similarly, growth in three room households falls significantly short of Cornwall and national increases, and the decrease in one room houses is also significant.

**Table 9: Rates of change in number of rooms per household in Penzance, 2001-2011<sup>15</sup>**

Number of Rooms	Penzance	Cornwall	England
1 Room	-33.2%	-30.0%	-5.2%
2 Rooms	23.5%	24.9%	24.2%
3 Rooms	6.8%	17.4%	20.4%
4 Rooms	0.3%	-1.0%	3.5%
5 Rooms	-2.6%	0.7%	-1.8%
6 Rooms	-4.3%	5.2%	2.1%
7 Rooms	7.5%	17.3%	17.9%
8 Rooms or more	6.6%	22.3%	29.8%

Source: ONS, Census 2001 and 2011. AECOM calculations

102. The PPG states that factors such as overcrowding, concealed and shared households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Increases in the number of such households may be a signal to consider increasing planned housing numbers.
103. Table 10 shows that, on the contrary, Penzance is becoming significantly more under-crowded, which is strongly indicative of an ageing population. In other words, larger units that once housed a family are gradually losing residents (from children moving away, and then parents becoming widowed or moving into care), resulting in decreasing number of persons per room. By contrast, England as a whole demonstrates increasing levels of overcrowding, whilst in Cornwall we can observe a reduction in overcrowding in the over 1.5 persons per room category.

<sup>15</sup> ONS, Census 2011, Number of Rooms (QS407EW); ONS, Census 2001, Number of Rooms (UV57)



**Table 10: Trends in number of persons per room in Penzance, 2001-2011<sup>16</sup>**

Persons per room	Penzance	Cornwall	England
Up to 0.5 persons per room	3.1%	8.1%	7.9%
Over 0.5 and up to 1.0 persons per room	-5.7%	4.6%	7.0%
Over 1.0 and up to 1.5 persons per room	1.0%	16.7%	27.3%
Over 1.5 persons per room	-15.4%	-11.4%	2.5%

Source: ONS, Census 2001 and 2011. AECOM calculations

### Household Tenure

104. The PPG states that housing needs studies should investigate household tenure in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs. Plan makers should therefore examine current and future trends in tenure.

**Table 11: Tenure (households) in Penzance, 2011<sup>17</sup>**

Tenure	Penzance	Cornwall	England
Owned; total	61.7%	71.7%	63.3%
Shared ownership	0.6%	0.7%	0.8%
Social rented; total	17.8%	11.8%	17.7%
Private rented; total	15.4%	11.7%	16.8%

Source: ONS, Census 2011. AECOM calculations

105. Table 11 shows that the level of owner occupation in Penzance is lower than both the Cornwall average and the England average. The proportion of socially rented housing (rented from the Council or a Registered Social Landlord), by contrast, is much higher in Penzance than Cornwall, though there is little deviation from the national average. There is also a high proportion of privately rented units in Penzance compared to Cornwall.

106. Table 12 shows how tenure has changed in Penzance between the 2001 and 2011 Censuses. Home ownership in the area has slightly decreased, which contrasts with the modest growth across Cornwall as a whole. Note also how shared ownership (an indication of a lack of affordable housing) has significantly increased across Cornwall but decreased in Penzance.

<sup>16</sup> ONS, Census 2011, Persons Per Room - Households (QS409EW); ONS, Census 2001, Persons per Room - Households (UV58)

<sup>17</sup> ONS, Census 2011, Tenure - Households (QS405EW)

Social rentals in Penzance and Cornwall have increased relative to the national trend, which by contrast shows a small decline. Although the increase in private rentals has been considerable in Penzance, it falls far short of the increases seen at local authority and national level.

**Table 12: Rate of tenure change in Penzance, 2001-2011**

Tenure	Penzance	Cornwall	England
Owned; total	-3.8%	2.9%	-0.6%
Shared ownership	-36.2%	22.5%	30.0%
Social rented; total	9.0%	8.9%	-0.9%
Private rented; total	28.9%	53.8%	82.4%

Source: ONS, Census 2001 and 2011, AECOM calculations.

107. The decrease in owner-occupation shown above can often be linked to weaker demand for houses, and this indeed appears to be the case in Penzance. House price data from Rightmove<sup>18</sup> shows that as of March 2016, the average house price in Penzance was £210,264. This is significantly lower than the overall Cornwall average of £241,505.

### Local Household Composition

108. Table 13 shows that the proportion of single person households in Penzance is significantly higher than the Cornwall and England averages. By contrast, the proportion of households in family occupancy is lower than both the Cornwall and England averages.

<sup>18</sup> <http://www.rightmove.co.uk/house-prices.html>

**Table 13: Household composition (by household) in Penzance, 2011<sup>19</sup>**

		Penzance	Cornwall	England
One person household	Total	39.2%	30.1%	30.2%
	Aged 65 and over	18.6%	14.8%	12.4%
	Other	20.6%	15.2%	17.9%
One family only <sup>20</sup>	Total	55.7%	63.6%	61.8%
	All aged 65 and over	9.6%	10.8%	8.1%
	With no children	16.6%	20.4%	17.6%
	With dependent children	21.2%	23.5%	26.5%
	All children non-dependent	8.3%	8.9%	9.6%
Other household types	Total	5.1%	6.3%	8.0%

Source: ONS, Census 2011. AECOM calculations

109. The proportion of single person households aged 65 and over in Penzance is higher than both the Cornwall and England averages, which reflects the age profile of the town.
110. The plan area is home to a lower than average proportion of families with no children than in Cornwall. The proportion of households with dependent children is lower than local and national averages. The proportion of households where all children are non-dependent is slightly lower, but not significantly lower, than the local and national average.
111. Table 14 shows how household composition changed in the 10 years between the 2001 and 2011 Censuses. Overall, there were only slight changes in single person households (which increased) and family households (which decreased slightly) in the plan area relative to the marked increases at local and national levels.
112. In Penzance, there have in fact been decreases in both types of household for residents aged 65+. This is perhaps surprising given that other data indicates a growth in the older population.

<sup>19</sup> ONS, Census 2011, Household Composition - Households (QS113EW)

<sup>20</sup> This includes: married couples, cohabiting couples, same-sex civil partnership couples and lone parents.

**Table 14: Rates of change in household composition in Penzance, 2001-2011<sup>21</sup>**

Household type		Percentage change, 2001-2011		
		Penzance	Cornwall	England
One person household	Total	2.7%	7.3%	8.4%
	Aged 65 and over	-8.6%	-3.1%	-7.3%
	Other	15.5%	19.9%	22.7%
One family only	Total	-0.5%	6.2%	5.4%
	All aged 65 and over	-5.3%	1.0%	-2.0%
	With no children	4.2%	11.9%	7.1%
	With dependent children	-6.7%	0.7%	5.0%
	All children non-dependent	15.6%	16.5%	10.6%
Other household types	Total	3.2%	18.8%	28.9%

Source: ONS, Census 2001 and 2011, AECOM calculations.

113. Table 15 shows that Penzance has a virtually static population, but experienced a slight growth in the number of households over the period 2001-2011 which contrasts significantly with local and national trends. At the same time there was a decrease in household size in Penzance. This suggests a growing number of under-occupied dwellings, probably as a result of an ageing population.

<sup>21</sup> ONS, Census 2011, Household Composition - Households (QS113EW); ONS, Census 2001, Household Composition - Households (UV65)

**Table 15: Change in household numbers and size in Penzance, 2001-2011**

Key indicator	Percentage change, 2001-2011		
	Penzance	Cornwall	England
Population	-0.6%	6.6%	7.90%
Households	0.9%	7.2%	7.90%
Household size	-1.5%	-0.6%	0%

Source: ONS, Census 2001 and 2011, AECOM calculations.

114. Table 16 shows that the proportion of dwellings in Penzance that are detached and semi-detached is markedly lower than local and national averages. In turn, the proportion of terraced dwellings is higher than local and national averages. The proportion of flats is significantly higher than the local average, but only slightly less than the national average.

**Table 16: Accommodation type (households), 2011**

Dwelling type		Penzance	Cornwall	England
Whole house or bungalow	Detached	16.7%	37.7%	22.4%
	Semi-detached	18.7%	24.5%	31.2%
	Terraced	38.9%	22.8%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	15.2%	8.7%	16.4%
	Parts of a converted or shared house	8.4%	3.6%	3.8%
	In commercial building	2.2%	1.2%	1.0%

Source: ONS, Census 2001 and 2011. AECOM calculations

115. A 'concealed family' means any group of people who want to form a new household but are unable to do so, typically for economic reasons such as high house prices or a lack of suitable property. Table 17 shows that there are 54 concealed families in the plan area. One would normally expect a correlation between lower numbers of people per household and lower numbers of concealed families, and this is indeed the case. The proportion of concealed families is almost half the Cornwall and England rates.

**Table 17: Concealed families in Penzance, 2011<sup>22</sup>**

Concealed families	Penzance	Cornwall	England
All families: total	5,948	158,686	14,885,145
Concealed families: total	54	2,748	275,954
Concealed families as % of total	0.9%	1.7%	1.90%

Source: ONS, Census 2001 and 2011. AECOM calculations

116. Official statistics do not clarify the overlap, if any, between the Penzance element of the Cornwall housing waiting list and the stated number of concealed families locally.

### **Economic Activity**

117. Table 18 shows that Penzance's proportion of economically active is lower than both the Cornwall and England averages. This is largely due to a lower proportion of full time employees in Penzance compared to Cornwall and England.

118. Levels of retired people are higher than the local and national averages but student households are below average. There is little difference from local and national averages in terms of the proportion of individuals looking after home or family, but the proportion of individuals who are long-term sick/disabled, probably owing to the ageing population, is significantly higher than the local and national averages.

<sup>22</sup> NOMIS, LC1110EW - Concealed family status by family type by dependent children by age of Family Reference Person (FRP)

**Table 18: Economic activity in Penzance, 2011<sup>23</sup>**

Economic category		Penzance	Cornwall	England
Economically active	Total	62.3%	66.7%	69.9%
	Employee: Full-time	25.9%	31.7%	13.7%
	Employee: Part-time	16.5%	15.4%	38.6%
	Self-employed	13.2%	13.6%	9.8%
	Unemployed	4.1%	3.3%	4.4%
	Full-time student	2.5%	2.8%	3.4%
Economically inactive	Total	37.7%	33.3%	30.1%
	Retired	20.2%	18.9%	13.7%
	Student	3.6%	4.3%	5.8%
	Looking after home or family	4.6%	4.0%	4.4%
	Long-term sick or disabled	7.0%	4.4%	4.1%
	Other	2.2%	1.7%	2.2%

Source: ONS, Census 2001 and 2011. AECOM calculations

**Table 19: Rates of long-term health problems or disability in Penzance, 2011<sup>24</sup>**

Extent of activity limitation	Penzance	Cornwall	England
Day-to-day activities limited a lot	13.2%	10.0%	8.3%
Day-to-day activities limited a little	13.3%	11.4%	9.3%
Day-to-day activities not limited	73.5%	78.6%	82.4%

Source: ONS, Census 2001 and 2011. AECOM calculations

119. The PPG advises taking account in housing need assessment of the number of people with long-term limiting illness. Table 15 shows that the proportion of working-age residents of Penzance who are long-term sick or disabled is significantly higher than the Cornwall and England averages, and the proportion whose day-to-day activities are not limited is in turn lower than the Cornwall and England averages.

<sup>23</sup> ONS, Census 2011, Economic Activity (QS601EW)

<sup>24</sup> ONS, Census 2011, Long-Term Health Problem or Disability (QS303EW)

120. Table 20 shows that Penzance residents travel less far to work than both the Cornwall and England averages. Penzance has a higher proportion of residents travelling less than 10km to work than the Cornwall average, and a higher proportion of residents travelling over 30km to work than the Cornwall and England averages. In turn, 10-30km commutes are relatively low in Penzance. This indicates the majority of the working population work locally, with a minority travelling a considerable distance for work. On the basis of this data, commuter locations are likely to include Truro and Falmouth.
121. Note also the high proportion of people working mainly at home in both Penzance and Cornwall, which are both more than 5% above the England average.

**Table 20: Distance travelled to work, 2011<sup>25</sup>**

Location of work	Penzance	Cornwall	England
Less than 10km	50.83%	44.54%	52.30%
10km to less than 30km	12.86%	22.05%	21%
30km and over	10.16%	7.69%	8%
Work mainly at or from home	15.44%	15.78%	10.30%
Other	10.71%	9.94%	8.50%

Source: ONS, Census 2011, AECOM calculations

<sup>25</sup> NOMIS, QS702EW - Distance travelled to work



## 4 Delivering Low-cost Housing

122. A key aim for the Town Council, as expressed at project inception, is to secure the delivery of homes affordable for people on local salaries.
123. If average and lower-income households do not wish to enter the social housing sector for whatever reason (and in many cases, given the length of the waiting list, entering the sector is not an easy thing to do), there are few alternatives to the private rented sector currently.
124. The Town Council has indicated an interest in alternative delivery options for affordable housing to complement the existing social housing offer. This could include housing delivered through a Community Land Trust and/or self-build.

### *Community Land Trusts*

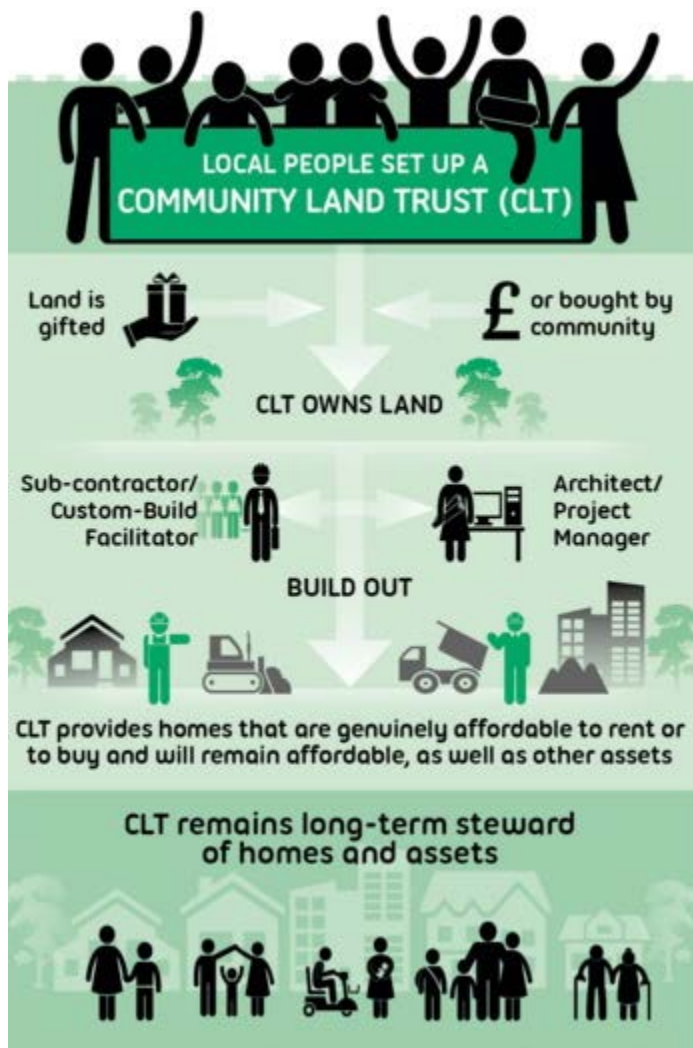
125. The option of setting up a community land trust (CLT) to deliver housing entails the forming of an organisation that can own or lease land, and then deliver low-cost housing on that land. The land, once purchased by the CLT, can be kept in community ownership in perpetuity. There is the possibility of working with Cornwall Council or other landowners to deliver low-cost housing alongside market housing, with the latter subsidising the provision of the former.
126. The CLT model is becoming increasingly popular as a response to increasingly unaffordable housing in less wealthy areas<sup>26</sup>, as they enable the sale or lease of housing at prices linked to local median incomes.
127. Cornwall has an excellent track record in developing community land trusts. The Cornwall Community Land Trust both delivers affordable housing itself (over 150 to date and a similar number in the pipeline, according to its website<sup>27</sup>) and works with other, more local CLTs as a parent organisation. It has performed this role with Lands End Peninsula CLT, who are based in St Just<sup>28</sup> and therefore a good example of how a CLT could work within the West Penwith CNA. The Lands End Peninsula CLT's aims appear on their website and indicate a focus on improving local economic and environmental sustainability as well as on the delivery of low-cost housing.
128. In forming a CLT, clear aims and objectives will need to be formulated. This could entail the drafting of a constitution setting out the rationale for the trust and the sector of the population it is seeking to assist (including any eligibility criteria for the occupation of housing). The constitution would provide an appropriate legal basis for interactions between the trust and other key actors, including other landowners and the local planning authority.
129. CLTs are defined in law to have a certain structure and obligations. A CLT must be set up to benefit a defined community (normally, they are open to anyone who lives, works or has strong ties to the CLT area) and must set up as a non-profit organisation. Local people living and working in the community must have the opportunity to join the CLT as members controlling it (usually through an elected board). Figure 11 illustrates graphically the process of establishing a Community Land Trust.

<sup>26</sup> <http://www.communitylandtrusts.org.uk/what-is-a-clt/why-clts>

<sup>27</sup> <http://www.cornwallclt.org/projects-cornwall-community-land-trust.html>

<sup>28</sup> <http://www.landsendpeninsulaclt.org.uk/>

**Figure 11: The process of establishing a Community Land Trust**



Source: National Community Land Trust Network

#### *Housing co-operatives and co-housing*

130. Some community housing organisations can be classified as co-operatives. These are housing schemes controlled by members and run for their benefit, so those running the co-operative are the same people who live in the properties. The Homes and Communities Agency, a Government Agency, supports housing co-operatives and co-housing schemes (see below), for example in helping them to buy land.
131. The activities and running of housing co-operatives are determined by the Co-operative and Community Benefit Societies Act, and the Financial Conduct Authority (FCA) is responsible for the registration process. Once registered with the FCA, the co-operative becomes a legal entity and is able to enter into contracts and leases and borrow money with member's liability limited to their stake in the organisation.
132. A further option, albeit with more limited affordability, is to set up a co-housing Group. Here, members provide the capital to buy land and develop new dwellings with the land remaining in trust to the non-profit company on which all adult home-owners are directors. The directors are responsible for the outside of the buildings and the land and any associated community infrastructure (schemes normally have a community hall or room) and home owners have long leases which can also stipulate how a home is sold and ensure that they remain below market

value in perpetuity. There is a national co-housing website<sup>29</sup> and dozens of groups around the Country in development with several now having been established for 15-20 years.

*Possible business models for affordable housing delivery*

133. There is a wide range of business and funding models for delivering low-cost housing, either as a CLT or otherwise. This include the following options:
- A Community Benefit Society. Also set up under the Co-operative and Community Benefit Societies Act via the FCA, a benefit society is different from a housing co-operative in that the society's administrative element is more separate from the housing occupants, hence its legal definition as 'a society for the benefit of the community'. This model is used by many housing associations.
  - A company limited by guarantee is another legal model for an organisation where those employed by and responsible for the company are not the same people as the occupants of the housing.
  - A further option is a Community Interest Company (CIC), a relatively new form of legal entity introduced under the Companies (Audit, Investigations and Community Enterprise) Act 2004. This model is aimed at groups who want to establish a company with a social purpose and allows the development of an 'asset lock', making it impossible for any members or shareholders to take over the company and dispose of its assets. CICs are regulated by, and need to be registered with, the Office of the Regulator of Community Interest Companies. More information is available on the relevant section of the UK Government website.<sup>30</sup>
  - Registering as a charity can help with fundraising and brings certain benefits such as relief from paying property rates. To become one, you will have to demonstrate to the Charity Commission that you have charitable objectives. Providing housing for people on low incomes is likely to be considered a charitable objective. A charity also needs to demonstrate that it works as a not-for-profit organisation- in other words, surplus funds are used to further the objectives of the organisation rather than being distributed to shareholders or members. Companies limited by guarantee and community benefit societies can qualify as charities. However, for an organisation to qualify as a charity, the administrators are not legally able to benefit from the services it provides, so it would not be possible for a housing co-operative to achieve charitable status.
134. It is recommended that the Town Council discuss options for delivering low-cost housing with the Cornwall Community Land Trust and Cornwall Council in the first instance. As well as building an understanding of the most appropriate business and funding model to pursue, the conversation with the Council in particular could help identify land available within the plan area, potentially owned by the Council, where low-cost housing could be delivered.
135. The National Community Land Trust Network is the England-wide federation of CLTs. The Network's website<sup>31</sup> shows CLTs that have delivered affordable homes within ten miles of the neighbourhood plan area, including Cornwall CLT's Nancledra project, the St Ives CLT, and the previously mentioned Lands End Peninsula CLT.
136. Experience suggests that the most significant barrier to setting up a CLT is securing land in the right location. Realistically, the best prospect would be for it to be in Council or other public sector ownership. This would help ensure the CLT could purchase it at a reduced price to

<sup>29</sup> <http://cohousing.org.uk/>

<sup>30</sup> <https://www.gov.uk/government/organisations/office-of-the-regulator-of-community-interest-companies>

<sup>31</sup> <http://www.communitylandtrusts.org.uk/>

ensure viability, although this does not rule out the possibility of low-cost housing being delivered by a private sector developer as a planning obligation for a larger development.

137. If the Town Council wishes to provide low-cost housing on a specific site through a CLT or other means, this will be an important consideration within the neighbourhood plan's site allocations process, which normally is the next stage after a housing needs assessment and identifies land with the potential for housing development.

#### *Custom and Self-build*<sup>32</sup>

138. Self-build provides an alternative route into home ownership for individuals and groups. It is a model whereby a prospective resident directly organizes the design and construction of their new home. The most obvious example is a traditional 'DIY self-build' home, where the self-builder designs and constructs much of the home themselves.
139. However self-build can also include the self-builder hiring an architect/contractor to build their home, or those projects that are delivered by kit home companies (where the self-builder still has to find the plot, arrange for the slab to be installed and then has to organize the kit home company to build the property for them).
140. There are seven main ways of undertaking a self-build project:
- Contractor-built one-off home: The process of managing the design and selecting a contractor is looked after by the self-builder. The contractor takes care of the construction work. The vast majority of self-build homes are created this way. This method includes the self-builder locating a suitable plot of land, hiring an architect, achieving planning and building regulation approval and hiring a suitable main contractor to do majority of the building work.
  - Self-built one-off home: Again, the management of the design and construction process is undertaken by the self-builder, along with a significant proportion of the actual building work. This is the classic DIY route, but is suitable for only a small proportion of people. The self-builder locates a suitable site and secures planning and building regulations approval on it. The self-builder also takes on the responsibility for the detailed project management of the construction work, and frequently works full time on the site assisting wherever they can. The savings are much larger here.
  - Kit or package home: In this instant, the self-builder again locates the parcel of land, but they work alongside a specialist kit home provider to finalise the design and to plan its construction. These kits range from traditional oak beam barn-like homes to modern modular structures made to precision standards in a factory environment. The self-builder and manufacturer will work up the designs for the home together and submit them for planning and building regulation approvals. The kit home company will then produce the supplies for the house and erect it. The internal fitting out work can be done by the manufacturer or the self-builder.
  - Developer-built one-off homes: This is where the self-builder hires a developer with a site and a design that the self-builder likes. The developer manages the rest of the construction. This approach is very simple and risk free for the self-builder. However, it is generally a more expensive option.
  - Supported community self-build group: This approach involves a group of people pooling their skills so a number of self-build houses can be built collectively. Every

<sup>32</sup> Text in this section is adapted from the NABSA report 'Self build as a Volume Housing Solution', available online at [http://www.brightgreenfutures.co.uk/files/2212/7720/0817/NaSBA%20Self\\_Build\\_report.pdf](http://www.brightgreenfutures.co.uk/files/2212/7720/0817/NaSBA%20Self_Build_report.pdf)

member of the group will work on each other's houses until all are completed. This is often completed by working 25-30 hours a week each in the evenings and weekends. Homes are generally completed in about 12-18 months. Groups can either form themselves, are coordinated by housing associations, or by an agency that helps people run projects like this. Normally about 10 to 20 people come together to build as many new homes. This method is very effective in reducing cost.

- Independent community collaboration: A group of self-builders buy a large site together to split into individual plots. They organise the design and construction of their own homes. Through 'bulk buying' the land, they can get their land significantly cheaper. Through working together and sharing some common costs, for example the cost of tools, the houses can be delivered in a more cost effective way.
  - Developer/Contractor led group project: This is where a developer or contractor organizes a group and builds the basic structure of the homes themselves. However, to save costs, the self-builders will finish off the construction.
141. Neighbourhood planning groups can develop site specific policies which can encourage the forms of development described above to emerge. Some land-owners are willing to sell at sub-market rates due to their strong affiliation with a given community and with a guarantee (written into the lease arrangements) that a proportion of homes would go to local people.
  142. The National Supporting Communities Programme 2015-18 managed by Locality in partnership with AECOM also provides support for Community Right to Build initiatives via Locality. Up to £50,000 is available for feasibility and detailed design of community led schemes.
  143. The use of Neighbourhood Development Orders (NDOs) (NDOs grant planning permission for specific development in a particular area) which are also examined and voted upon, often on the same day as a neighbourhood plan, can both speed up and de-risk the development of a specific site, helping both the land-owner and a community housing group or CLT.<sup>33</sup> Again there is support via the national programme to progress these.
  144. The Government has been focusing on self-build in recent years due to its potential contribution to increasing housing delivery and its relative cost-effectiveness. There is a growing public demand for this type of housing, which, if met, will enable the sector to grow significantly. Self-build housing has the potential to offer more local choice and in most locations can offer better value for money, bringing with it the option to make housing more affordable for a new generation of home owners.
  145. As noted previously, the most recent iteration of the Cornwall Local Plan, in line with Government policy, gives significant support to the self-build option.

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<sup>33</sup>Locality's Neighbourhood Development Orders (NDOs) (including Community Right to Build Orders (CRtBOs) toolkit has been prepared to guide organisations on the use of NDOs and CRtBOs. It sets out the reasons why such orders should be considered, their possible uses, the process involved and good practice. [http://mycommunity.org.uk/wp-content/uploads/2016/02/NDO-Guide\\_FINAL\\_260216.pdf](http://mycommunity.org.uk/wp-content/uploads/2016/02/NDO-Guide_FINAL_260216.pdf)

## 5 Conclusions

### Overview

146. This neighbourhood plan housing needs assessment has interrogated a wide range of data sources, which, taken together, can inform key trends and messages relevant to the Neighbourhood Plan's housing policies.
147. After briefly recapping our conclusions on the quantity of housing needed, which is effectively pre-determined by the Cornwall Local Plan, the rest of this concluding chapter covers the type of housing required.

### Quantity of Housing Needed

148. Penzance's housing target can be derived from the emerging Cornwall Local Plan. As the Plan has been through a number of iterations, but is now close to adoption, its (derived) housing figure for Penzance can effectively be taken as a given for the purposes of the neighbourhood plan.
149. The Cornwall Local Plan provides a housing target for Penzance with Newlyn, Heamoor, Gulval and Longrock, which is 2,150 dwellings between 2010 and 2030.
150. AECOM calculates that there are 11,236 dwellings in Penzance parish (including Newlyn, Heamoor and Gulval) and 265 in Longrock (outside Penzance parish boundary); therefore, 97.7% of the 2,150 homes, which equates to 2,100 dwellings, should be the Penzance neighbourhood plan target in the period 2010-2030.
151. The 2016 iteration of the Cornwall Local Plan further confirms that of the housing target for Penzance with Newlyn, Heamoor, Gulval and Longrock there have been 230 completions and 439 permissions granted in the period 2010 to 2015, leaving an outstanding requirement between 2015 and 2030 of 1,481 dwellings.
152. Finally, we can take 97.7% of this outstanding requirement to form the Penzance neighbourhood plan target in the period 2015-2030- this equates to 1,447 dwellings.
153. In line with Government policy, all dwelling targets in the Cornwall Local Plan, including that for Penzance, should be thought of as minimum figures. In the case of Penzance, there is evidence to suggest that the locally high levels of affordable housing need may justify housing being delivered above this minimum target, particularly in the second half of the plan period.
154. The three main options by which this could be achieved would be either through allocating a rural exception site or by working with Cornwall Council to direct off-site affordable housing from elsewhere in Cornwall to Penzance or via Community Right to Build Orders or NDOs. These options are not mutually exclusive, so there is the possibility of using them in combination, particularly if affordable housing need remains high in the second half of the plan period.
155. In line with the recognised policy approach, an acknowledgement that the outstanding figure of 1,447 dwellings is a minimum should be stated clearly in the Neighbourhood Plan to enable it to accord with Basic Condition E.

### Characteristics of housing needed

156. Having confirmed the quantity of housing required in Penzance in line with the Cornwall Local Plan and the local housing waiting list, the remainder of our assessment focuses on the characteristics and/or type of the housing needed. We have summarised our conclusions from

all sources in Table 21 below. Factors in the table are in alphabetical but no other order. Note that there is potential for overlap between some factors (e.g. demographics and need for homes for older people) but an inclusive approach has been taken to ensure all relevant factors are covered.

157. In general, Penzance, as a large parish, has a relatively complex pattern of housing need due to the wide range of population groups within it, and this is reflected in the table.
158. Note also that the table, though it sets out the conclusions of this report, is also a starting point for further work; for example, the options of setting up a Community Land Trust or identifying a site well-suited to self-build.

**Table 21: Summary of local factors specific to Penzance with a potential impact on housing characteristics**

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Community land trust model</b>	Cornwall Local Plan, Cornwall Community Land Trust, National Community Land Trust Network	<p>The Cornwall Local Plan provides significant policy support for self-build and/or CLT as an appropriate response to need for affordable housing in less wealthy areas of Cornwall.</p> <p>Research suggests there are many precedents for this model of housing delivery across Cornwall, including some local to Penzance.</p> <p>Housing co-operatives and co-housing are similar models, and could be particularly suitable for locations like Penzance with large number of single person households and high affordability pressure.</p>	<p>It is recommended that the Town Council discuss options for delivering low-cost housing with the Cornwall Community Land Trust and Cornwall Council in the first instance.</p> <p>Experience suggests that the most significant barrier to setting up a CLT is securing land in the right location. The conversation with the Council in particular could help identify land available within the plan area, potentially owned by the Council, where low-cost housing could be delivered. Identification and allocation of such land would form part of the Neighbourhood Plan's Site Allocations process.</p> <p>There is also the possibility of community housing being delivered by a private sector developer as a planning obligation for a larger development, Again, we recommend discussing this possibility with the Council.</p>
<b>Demand for self-build</b>	Cornwall Local Plan, NABSA	<p>There is evidence of local support for self-build, including the Cornwall Local Plan's support for serviced plots for self-build.</p> <p>There are numerous models of delivery including co-housing schemes.</p> <p>High levels of local people are self-employed and/or working from home, making self-build a potentially useful solution.</p>	<p>The conclusions on delivering self-build are very similar to those for community housing above.</p> <p>It is recommended that the Town Council discuss options for delivering self-build housing with Cornwall Council in the first instance. The conversation with the Council could help identify land available within the plan area, potentially owned by the Council, where self-build housing could be delivered. Identification and allocation of such land would form part of the Neighbourhood Plan's Site Allocations process.</p> <p>The Cornwall Local Plan requires developers to deliver serviced plots for self-build where a need is identified; this policy will operate on a case-by-case basis as sites come forward, highlighting the importance of joint working with Cornwall Council on this issue.</p>



Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Dwelling type</b>	SHMNA, Cornwall Local Plan	<p>Penzance has above-average proportions of terraced housing and flats. It has below average proportions of detached and semi-detached properties.</p> <p>Although data on the proportion of bungalows is not available, the SHMNA notes that across Cornwall as a whole, older people demand bungalows.</p> <p>The Cornwall Local Plan supports redressing the balance in locations where some dwelling types predominate. In Penzance, therefore, this entails supporting new dwellings other than terraces and flats.</p>	<p>Given the high number of single-person households and affordability pressures (see also conclusion on 'need for smaller dwellings below), it is likely that flats should continue to form a proportion of the new housing units delivered.</p> <p>However, evidence suggests that there is a need to deliver significantly more semi-detached and detached properties in Penzance.</p> <p>By forming a significant proportion of the new housing developed, semi-detached and detached dwellings will improve the town's housing mix, housing offer and overall image, and this is likely to have regeneration benefits by attracting incomers with higher levels of disposable income.</p> <p>A proportion of the new detached and semi-detached housing should be bungalows to meet the demand for these units among the older population.</p>
<b>Housing tenure</b>	SHMNA, Cornwall Local Plan, Census	<p>There are higher than average levels of social housing in Penzance, and lower than average (and declining) rates of owner-occupation.</p> <p>There are also higher than average, and increasing, rates of private rental properties.</p> <p>The Local Plan, in line with the NPPF, supports a mix of housing types as a means to achieve balanced communities, and a mix of tenures will have a part to play in this aim.</p> <p>Lower than average rate of owner-occupation. Higher than Cornwall average social housing. Higher than Cornwall average private rents. Private renting increasing. Social renting increasing. Owner occupation decreasing.</p>	<p>In line with conclusions on dwelling type above and the need for smaller dwellings below, the declining rates of owner-occupation, high levels of social housing and increasing rates of private renting all point to affordability pressures in a low-income area.</p> <p>The data suggests that a two-pronged solution is needed- firstly, more affordable homes for local people, which suggests providing a range of cheaper/smaller market properties for local people to buy or rent, as well as continuing to provide social housing.</p> <p>Secondly, as noted above, more semi-detached and detached dwellings, in the first instance aimed at wealthier residents and incomers, will help balance the range of tenures and offer a 'next step up' as an alternative to private rented properties and/or smaller market housing as the town regenerates through economic and employment growth proposed through the Local Plan.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<p><b>Need for affordable housing</b></p>	<p>SHMNA, housing waiting list, Cornwall Local Plan</p>	<p>The SHMNA notes affordability pressures across Cornwall, and that there is an anticipated increase in the number of 1-2 bedroom affordable housing units being developed.</p> <p>There is a considerable total net annual affordable housing need in the short term to both clear an existing backlog and to meet future arising need.</p> <p>Social rather than intermediate housing appears to be the tenure for which there is highest need.</p> <p>Affordable need in Penzance is around the County average.</p> <p>The local housing waiting list suggests the 30% affordable housing target is appropriate in the short term, but other options could be considered in second half of plan period and/or to meet affordable need from Bands C, D and E.</p>	<p>The provision of affordable housing should continue to be a priority within the neighbourhood plan area.</p> <p>In the short-term, the Cornwall Local Plan target of 30% affordable housing on all sites should be sufficient to meet Penzance’s need.</p> <p>However, in the second half of the Plan period, depending on the affordable housing waiting list at the time, there may be a need for rural exception sites to deliver affordable housing, and/or (as the options are not mutually exclusive) the Town Council to work with Cornwall Council to direct off-site affordable housing from elsewhere in the county to Penzance.</p> <p>Additionally, our recommendations on community housing, co-housing and/or self-build are likely to help address affordable need, including potentially those households in Bands C, D and E of the housing waiting list.</p> <p>In the medium term, the Government’s proposed changes to the definition of affordable housing (to make it wider and to include Starter Homes within it) could have implications for Penzance.</p> <p>However, at the time of writing, there is not sufficient detail on how the Starter Homes initiative will work to address this issue. As a result we recommend close working with Cornwall Council when the Government provides further details to understand the implications for the 30% affordable housing target.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<b>Need for proportion of larger dwellings</b>	SHMNA, Cornwall Local Plan, Census	<p>Family housing is in demand across Cornwall, and evidence suggests a sustained demand for moderate to larger family housing.</p> <p>The house prices in Penzance are relatively lower than the Cornwall average.</p> <p>At the same time, and as noted above, Penzance houses tend to be smaller than average.</p> <p>The Cornwall Local Plan supports a mix of dwelling types and sizes.</p> <p>There has been almost no growth in larger houses in Penzance in recent years.</p> <p>Penzance has fewer families than the Cornwall and England average.</p> <p>The town has high levels of self-employed residents, and a minority are long-distance commuters. Many people work at home.</p>	<p>A range of factors indicates there is a need and/or a demand for a proportion of larger houses in Penzance.</p> <p>With lower than average house prices, proposed economic growth, existing smaller than average dwellings and a proportion of the existing population that already live in Penzance but work elsewhere (probably in towns including Truro and Falmouth) there is the opportunity to secure regeneration by attracting families needing larger homes but in a relatively affordable part of the county.</p> <p>As noted above, the preponderance of smaller dwellings in Penzance has a negative impact on its image and its mix of population, and hence its economic performance. A range of larger semi-detached and detached properties (3 bedroom and more) should be developed, aimed at a market of families and those working from home/self-employed (who need a larger house as a result).</p> <p>It is entirely possible that a proportion of the larger houses needed could be delivered through self-build, subject to appropriate sites being identified.</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<p><b>Need for proportion of smaller dwellings</b></p>	<p>SHMNA, Census</p>	<p>Penzance shows low and declining levels of overcrowding, and household size is smaller than average. Higher than average levels of one person households, with many over-65s living alone.</p> <p>Older people across Cornwall demand bungalows.</p> <p>There is an anticipated significant increase in single person households, a notable proportion of which are older person households, generating demand for smaller housing stock.</p> <p>A comparatively significant increase in households for couples suggests a level of demand for smaller 'family-sized' housing.</p> <p>Significant decline in one room houses, but strong growth in two-room houses.</p>	<p>Despite the fact that Penzance needs to develop larger homes, it also needs to develop a proportion of smaller homes to meet the needs of those unable to afford or need the larger units, and reflecting the fact that household size in Penzance is smaller than the Cornish average.</p> <p>This is likely to include the higher than average (and increasing) number of single person households, including those where the head of household is over 65. However, demand patterns indicate that one-room households are declining in popularity and two-room dwellings are showing strong growth. As such, any new small dwellings should include a minimum of two rooms.</p> <p>The increase in couples households indicates that not all of the new smaller dwellings should be single-bedroom- it is important to deliver new 2-bed units for young families on median incomes, and which are still small enough to be relatively affordable.</p> <p>It is in this market that Starter Homes have the potential to be most useful, and this type of intermediate-sized dwellings can ensure the housing offer does not become polarised between the smallest and the largest dwellings.</p> <p>Providing smaller houses and/or bungalows aimed at older people in particular could help address the existing levels of under-occupation by freeing up larger units for families as older people move into smaller units.</p> <p>As such, a proportion of the need for family housing could be met by reuse of the existing stock, in addition to providing new larger homes (as per recommendation above).</p>

Factor	Source(s) (see Chapter 3)	Relevant data analysed	Conclusion for neighbourhood plan housing policy
<p><b>Need for specialist provision for the elderly and/or disabled</b></p>	<p>SHMNA, Cornwall Local Plan, Census</p>	<p>There is a forecast increase in the ageing population, and as such there is need for specialist provision.</p> <p>Penzance has higher than average numbers of people aged over 65. The older population is increasing rapidly and there is a higher than average level of retired people.</p> <p>It is in this context that the Cornwall Local Plan supports the provision of older people's housing.</p> <p>In particular, Penzance has significantly higher than average levels of long-term sick and disabled people, and much higher than average rates of day-to-day activity limitation.</p>	<p>Evidence suggests that there is a strong need for specialist provision for the elderly and/or disabled population.</p> <p>Specialist accommodation for the elderly and disabled, including warden-assisted accommodation, sheltered housing, co-housing schemes aimed specifically at older people and/or care homes is best provided in accessible locations close to services and facilities, reflecting the lack of car transport available to residents and the fact that many of these types of housing are also workplaces for care staff.</p> <p>With a thriving town centre and good bus and rail connections, Penzance is ideally situated to meet this need. In the same way, it has significant potential to meet the needs of the elderly and disabled across West Penwith, as they move to somewhere more accessible than outlying villages and rural areas.</p> <p>We recommend that the neighbourhood plan expresses support for the full range of specialist provision for the elderly and/or disabled to be provided on suitable sites close to Penzance town centre.</p> <p>Furthermore, we recommend the Town Council works closely with Cornwall Council to understand the needs arising from across the West Penwith CNA area and the likely impacts on housing provision within Penzance itself.</p>

## Recommendations for next steps

159. This neighbourhood plan housing needs advice has aimed to provide Penzance Town Council with evidence on housing trends from a range of sources. We recommend that the Town Council should, as a next step, discuss the contents and conclusions with Cornwall Council with a view to agreeing and formulating draft housing policies, taking the following into account during the process:

- the contents and conclusions of this report, including but not limited to Table 21;
- Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic development plan (here, the emerging Cornwall Local Plan);

- the types (detached, semi-detached, terraced etc.) and sizes (1 bedroom, 2 bedroom etc.) of recent and existing dwelling commitments (i.e. the homes completed since 2010), and cross-referencing the findings of this assessment with Table 21, as what has already been provided will have an impact on the types and sizes of the remaining homes to be provided over the rest of the plan period;
  - the views of Cornwall Council;
  - the views of local residents;
  - the views of other relevant local stakeholders, including landowners and housing developers; and
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA.
160. As noted previously, recent changes to the planning system, as well as forthcoming changes to the National Planning Policy Framework, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
161. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).
162. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
163. Most obviously, this includes monitoring the status of the emerging Cornwall Local Plan.
164. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Table 21 would be particularly valuable.

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Address: 6-8 Greencoat Place, London SW1P 1PL  
Phone number +44 (0)20 7798 5000