CESW Housing Summit 2018

Cornwall Investment Programme

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30th October 2018

Cornwall’s Economic Challenge

Population change and growth

Cost of living increasing

Brexit

Economic under performance

Inequality increasing

Value for money

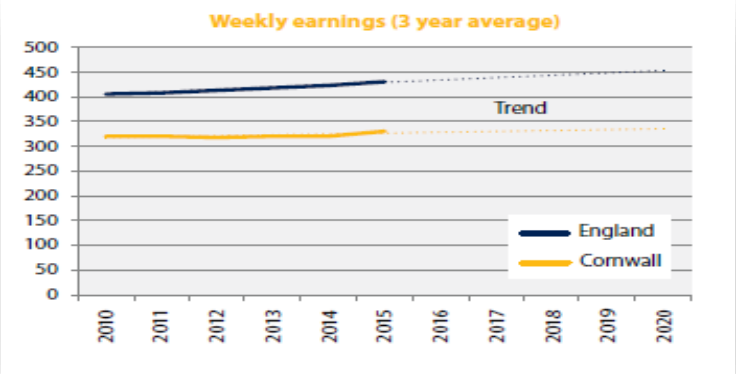
Reduction in Government funding

Peripherallity, geography and settlement pattern

House prices, wages & supply

Strengths	Weaknesses
• A single Governance entity. • Willingness to address the issues. • Growth policy – Local Plan. • Combined leadership from CC and the LEP. • Devolution Deal. • Strong Narrative • Distinctive identity and pride in Cornwall. • Exceptional environment and natural assets. • Renowned tourism and cultural attractions. • Connected Broadband and lifestyle offer. • Energy and mineral resources. • Airport and EZ. • Financial resources	• Housing shortage and prices. • Infrastructure underinvestment and workspace shortage. • Weak economy – Public Sector dominated. • Few major business – low wages • Young people retention – employment and skills. • Peripheral Geography
Threats	**Opportunities**
• We don't do anything • Lack of suitable housing • No Cohesive approach to grow • We are not investment friendly • Brexit and reduced funding. • Value for money test. • Labour and skills threat. • Supply side • Public Sector funding. • Inward investment proportion. • Clarity of Cornwall narrative.	• CC Direct Housing Investment. • Public Sector Infrastructure Funding. • Invest for income. • Improved connectivity • Create alliances/partnerships • Major initiatives: - Spaceport - University – Innovation. - Airport/ EZ • Integrated transport investment. • Minerals/Energy • Lifestyle offer • Our great places. • Opportunity to innovate

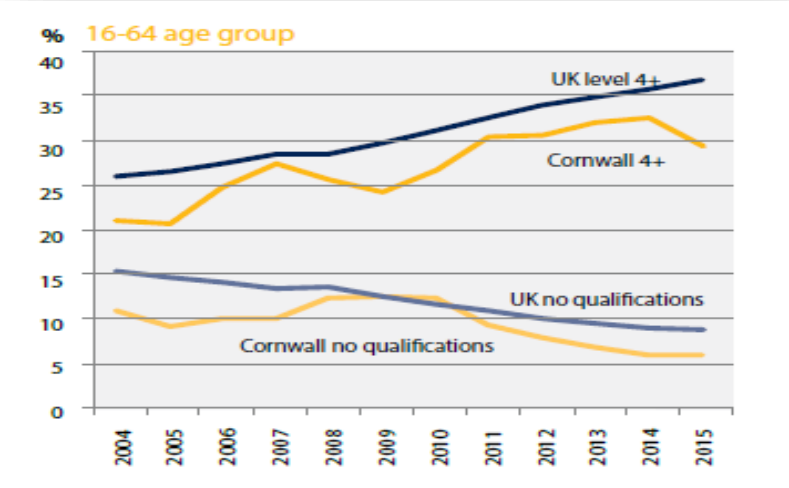
Where we are now?



At £18,373 our average **annual earnings** are significantly below the UK average (77.4%).

Improving **skills and education** is critical in supporting increases in pay for all.

We have seen significant improvements in skills and learning.
Those with no qualifications is lower than the UK average, **but**
NVQ4+ (degree level and above) we do not perform well against the UK average



Where we are now?

Productivity must occupy our focus as much as possible.

Performance on all measures of productivity is weak.
GVA per filled job is 78% of the England-wide average in 2005, and fell to 74% in 2014

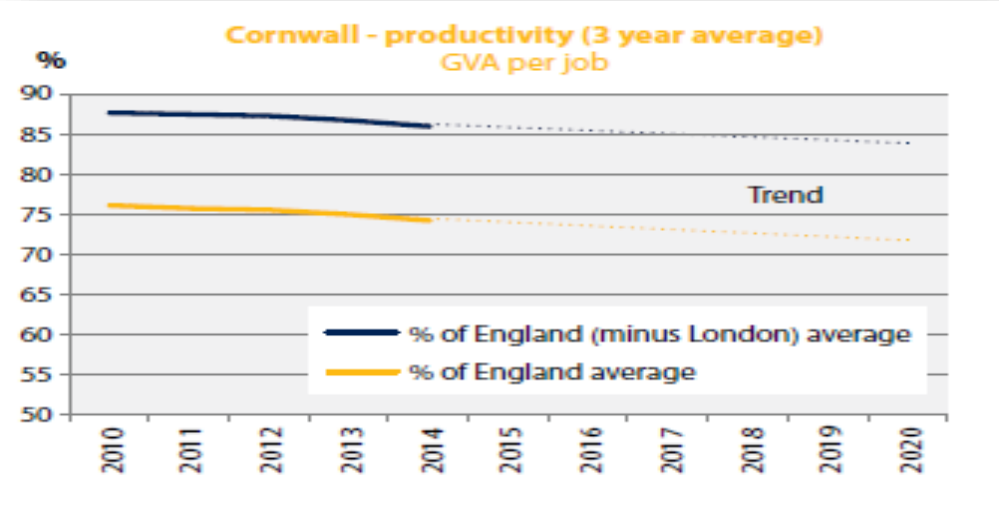
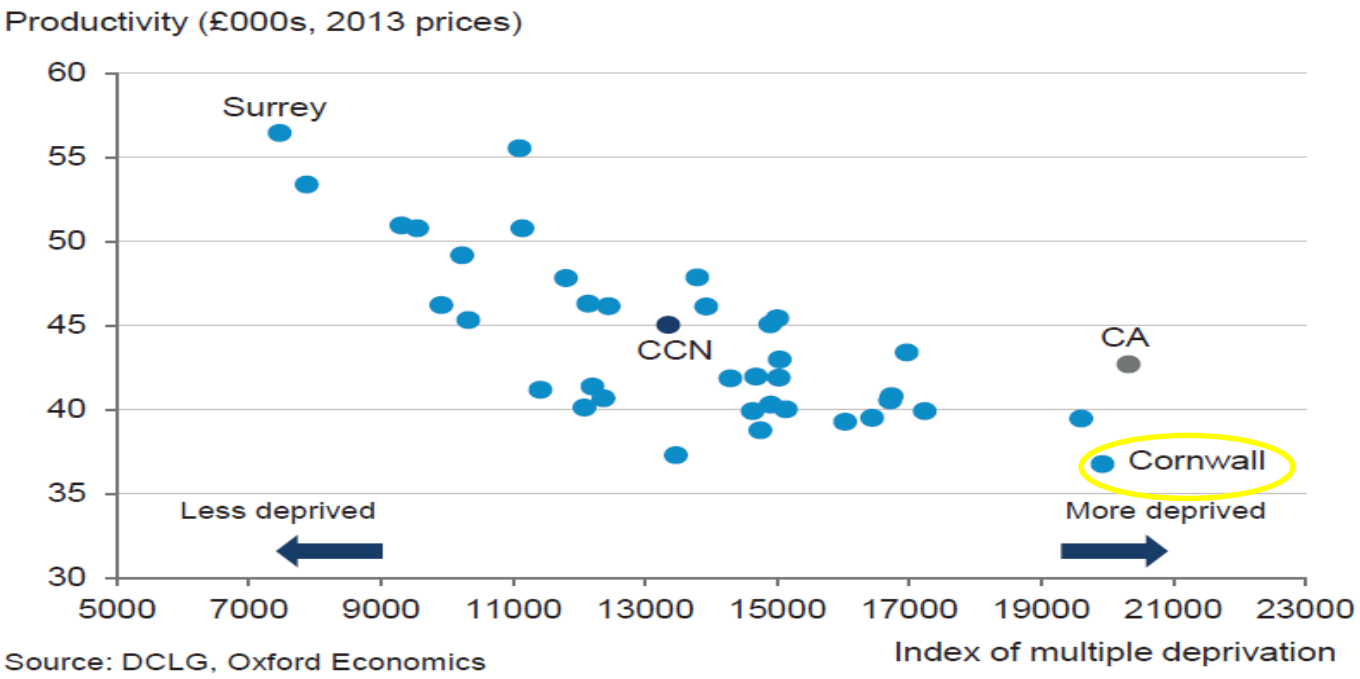


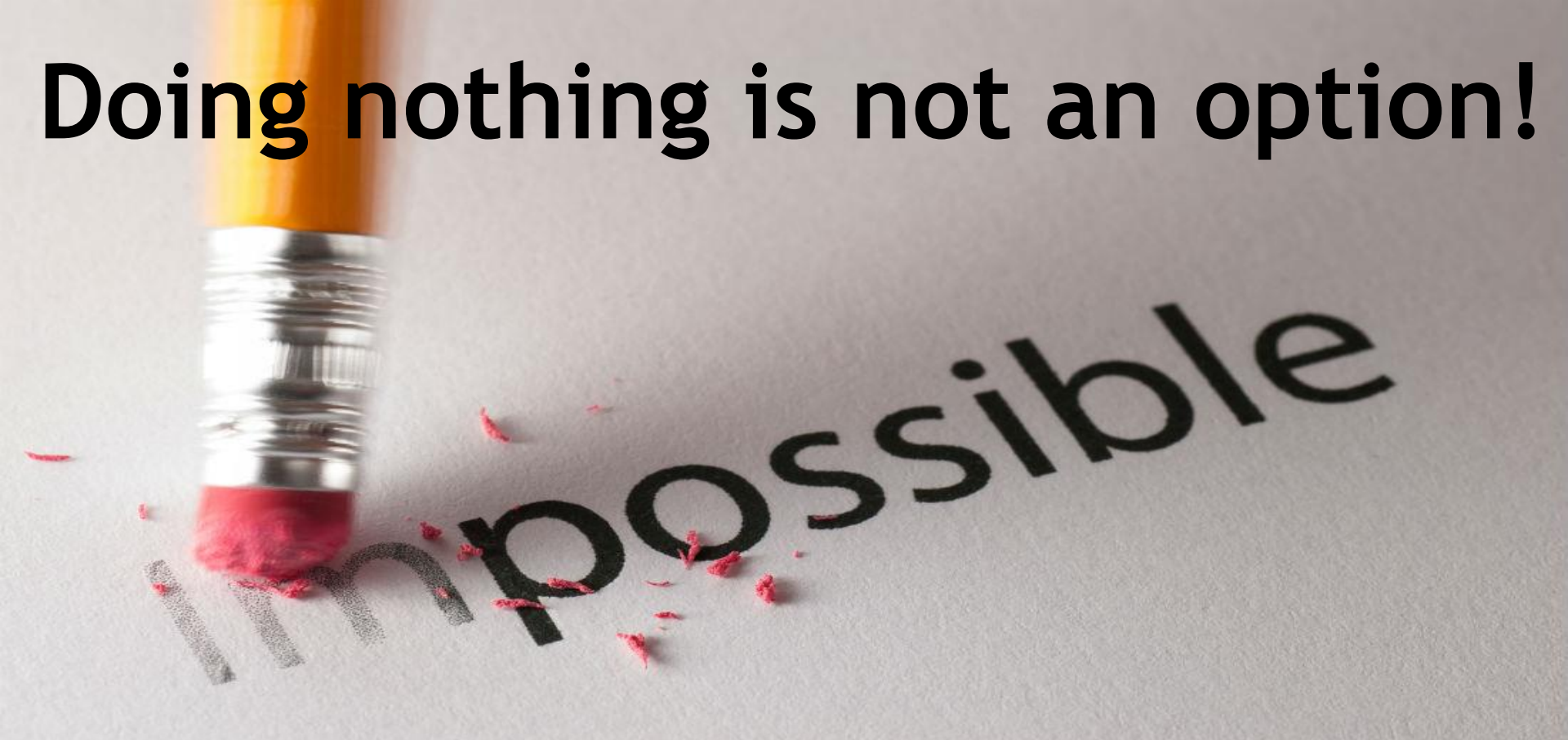
Fig.36. Relationship between productivity and deprivation, 2015



Source: DCLG, Oxford Economics

Although productivity has been rising across the CCN area, the gap between local areas with the highest and lowest productivity levels has not narrowed in recent years.

Doing nothing is not an option!



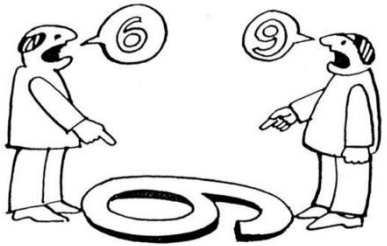
So Cornwall Council is going to Invest in Cornwall.

" A moment in time"

- **Brexit – Focus on Cornwall.**
- **Devolution.**
- **Government funding reductions**
- **New Administration/CEX**
  - The Policy platform in place
- **Major initiatives**
  - Housing development programme
  - Spaceport
  - Energy
- **Direct Investment Housing.**

- **Cornwall Investment Fund**
- **Looking outward**
- **Broadband (the world at your hand.**
- **Corserv Companies consolidated.**
- **Creativity and innovation.**
- **Lifestyle surf and surf**

Changing the Perception



Carpe Diem

Growing our way out – policy & delivery
The Council Strategy

Growth | **Savings**

Infinite

Tax Base +
Value Growth
Devo Funding
Investment income

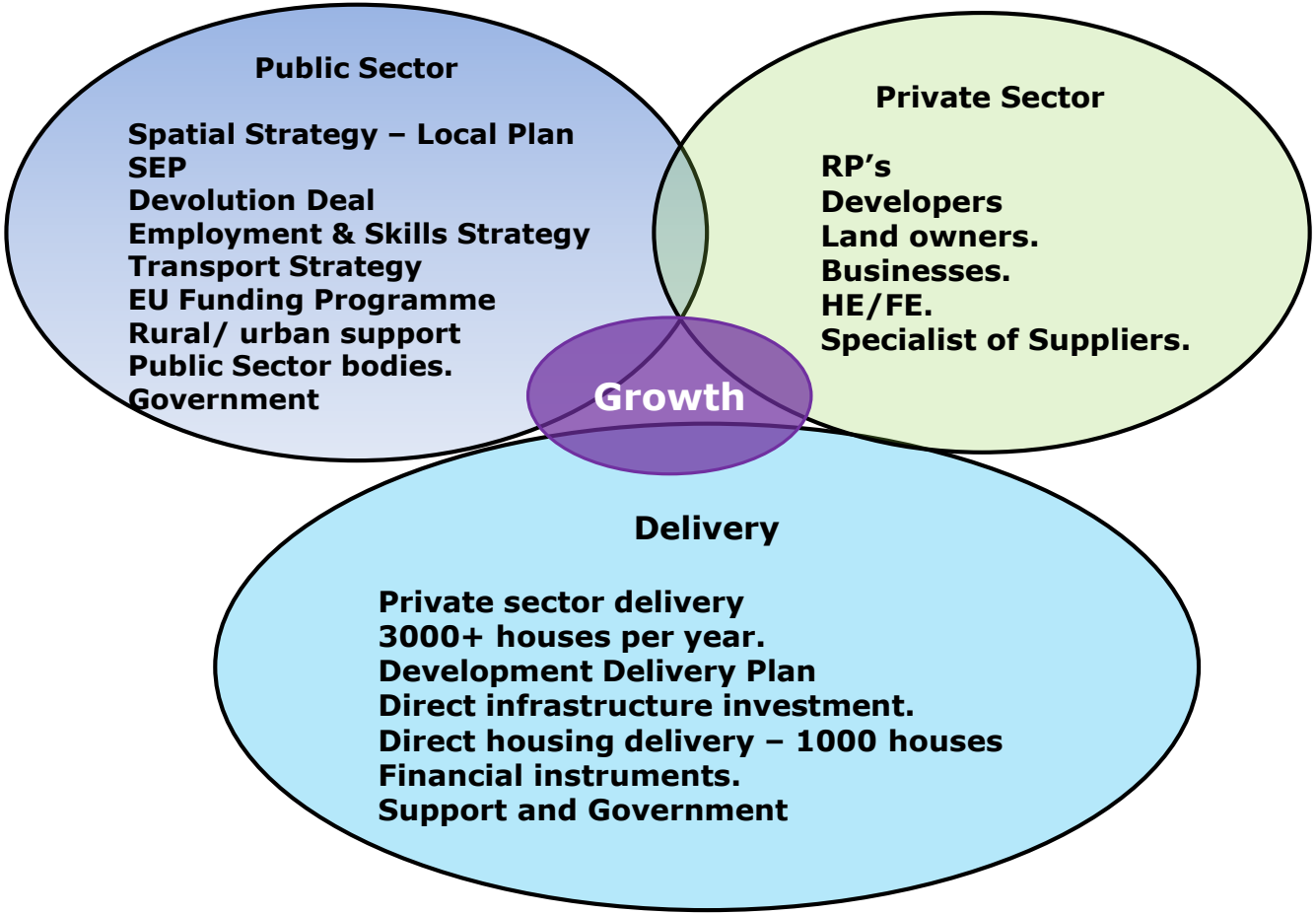
Aspiration
Investment
Additionality
Leadership
Self determination

Efficiencies
Prioritisation
Reductions
Reduced capacity

Finite

Reduction in capacity
Dependency
Lack of choice
Pressure

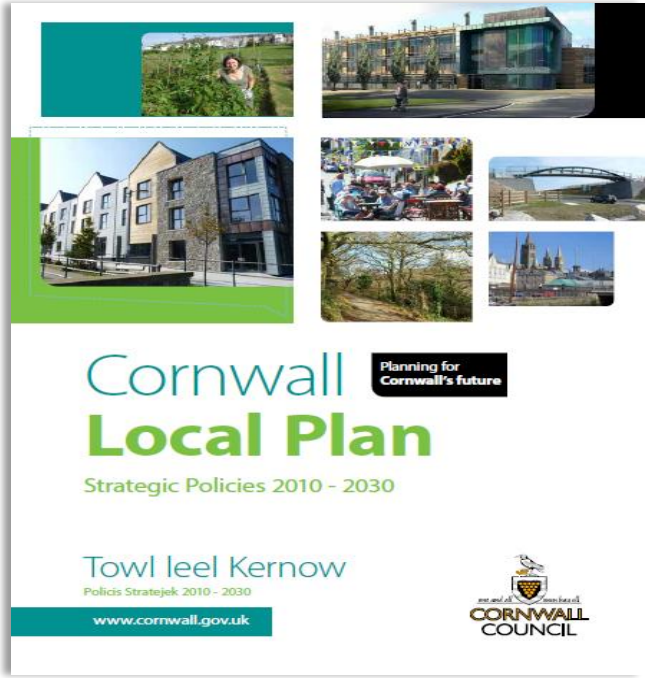
Partnerships and Alliances



“Making our own weather” – A different role and different approach in different times

Investing together for Growth

The Housing Challenge



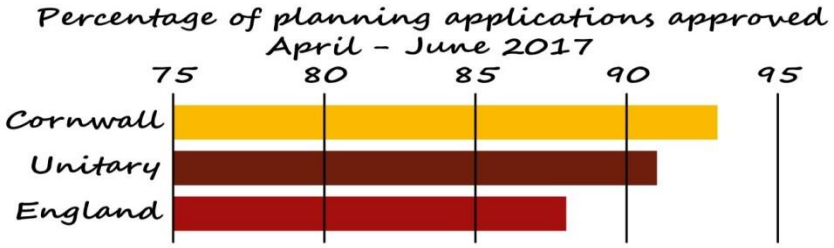
- **52,500** New homes between 2010 and 2030.
- Between **25%** and **50% affordable** housing.
- All new homes to meet National Housing Standards.
- **25%** of new homes to be the equivalent of **Lifetime homes**.
- Wheel chair accessible housing required to meet local needs.
- Larger sites must include specialist housing to meet identified needs.

The Housing Challenge

Planning applications

Largest Planning Authority last year there were

- 8001 planning applications in **Cornwall**
- 7376 in Westminster
- 631 in Exeter



1,881 decisions made in the first quarter ending 30th June 2018 92% were approved.

First quarter decisions on time	Major	Minor	All Other
Cornwall	90%	89%	97%
England	86%	85%	91%

Overall numbers 2010-18

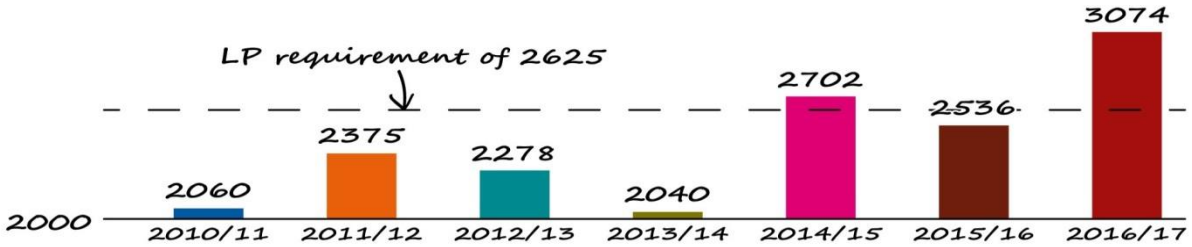
- 20,494 homes built averaging 2,562 per year.

- Planning consents up from 12,943 to 27,966. With permissions for about 5,000 granted per year.

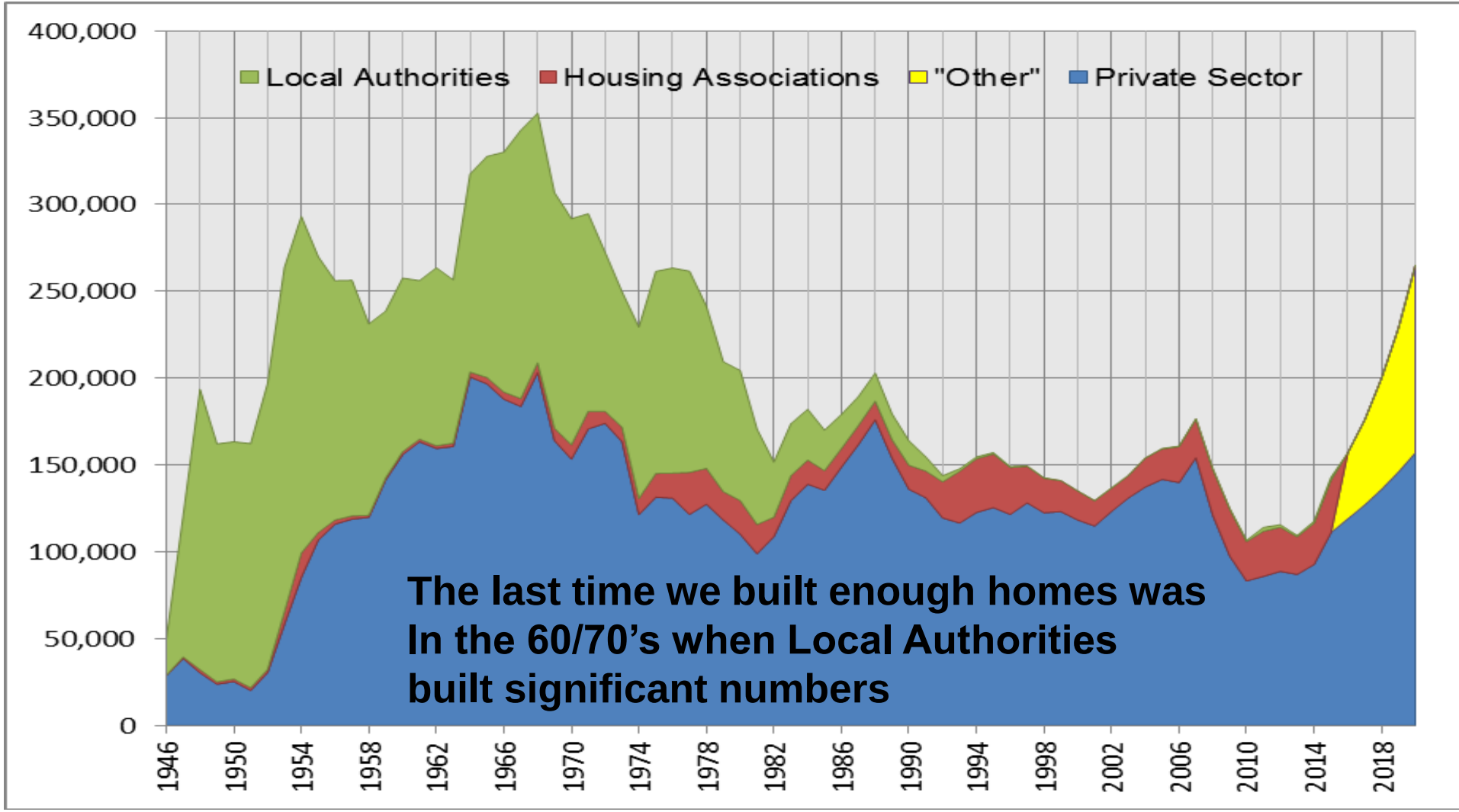
The Housing Challenge

Starts on site at 31st March 2018
Planning permission granted for 27,966 homes, 3,049 were under construction. **24,917 were not started.**
221 large sites of 10 or more homes where **no start** had been made on site. These sites have the potential to deliver 18,256homes.

Build rates
4 years from granting outline permission to completion of the first home on site.
About 1.5 years from granting full or reserved matters to completion of the first home.
On average since 2010 site building rates tend to be about 35 homes per year (although this will vary depending on the size of site).



There were 3,429 completions during the year 2017/18. Completions over the last three years have averaged 3,013 which is above the local plan requirement; however there is still a shortfall of 506 homes since the beginning of the plan period to be made up over the next five years. To do this we will need completions to average about 2,725 per year.


400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Local Authorities
Housing Associations
"Other"
Private Sector
1946
1950
1954
1958
1962
1966
1970
1974
1978
1982
1986
1990
1994
1998
2002
2006
2010
2014
2018
The last time we built enough homes was
In the 60/70's when Local Authorities
built significant numbers

The Investment Programme

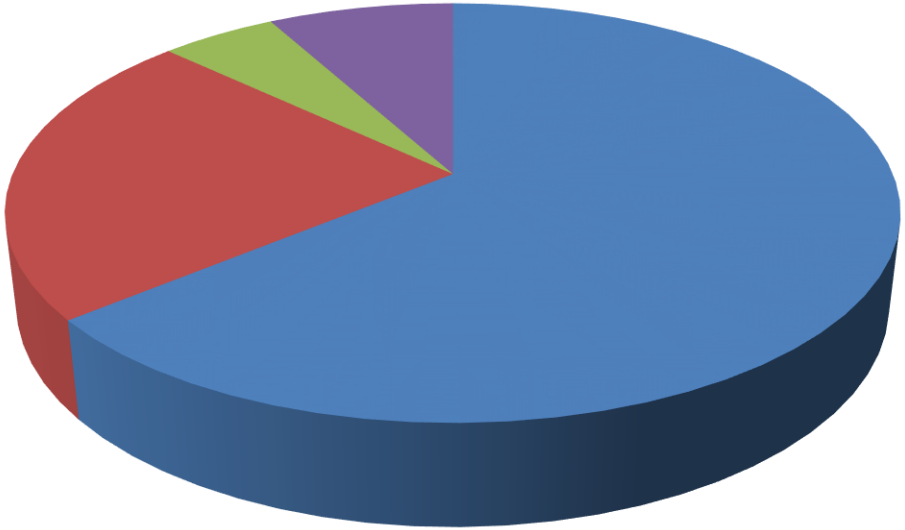
- £600m Investment Programme to generate £20m by 2023
- Housing delivery - 1000 units by early 2022
- Workspace - 20,000 jobs by 2030

Progress to date

- 113 Units under construction
- 1,139 plots under our control
- Estimated jobs created = 535
- Estimated m^2 of Workspace created = 19,541m^2

The Housing Challenge

Projected Housing Delivery for 18/19



- Market Housing - 1925
- RP Affordable - 700
- Private Affordable - 125
- CC Direct Delivery - 250

Total – Circa 3000+ Homes


Contemporary
Cornish Living.
COMING SOON
Attractive new homes in landscape settings for those looking for stylish, spacious accommodation
Convenient locations
Low running costs
Generous living space and storage
Attractive designs
Modern comfortable interiors
Safe enclosed gardens
www.cornwall.gov.uk/cornishliving
Available to rent or buy
funded by
CORNWALL COUNCIL
built by
GallifordTry
Partnerships
lived in
by you

The importance of Local Distinctiveness

July 17 – Future and Current Programme

HDP Tovaddon, Camborne	38	On site (in programme)
HDP St Lawrence, Bodmin Phase 1	75	On site (in programme)
HDP St Lawrence, Bodmin Phase 2	100	Land in Council's ownership
HDP Maudlin Farm, Liskeard	55	Land in Council's ownership
HDP Defiance Field, Torpoint	80	Land in Council's ownership
	348	= £66.8m
In the pipeline	1,139 & commercial	= £377.4m
Prospects	950	= £158.6m
Master Developers	1,050	

Infrastructure Challenge

Connecting Cornwall: 2030

- Long term strategy framework for transport in Cornwall
- Improving connectivity and managing congestion
- Supporting the Local Plan growth and vibrant town centres
- Supporting modal shift and accessibility
- Improving safety, public health and encouraging healthy active travel

Delivering against the strategy

- A30 Temple; St Austell to A30; Mainline rail
- Truro A390 western corridor improvements; Bodmin Growth Deal; Redruth Gateway
- Air quality management plans, traffic outside schools pilot

Pipeline Projects

- Truro Northern Access Road
- HIF Bids
- Tamar Demand Management measures
- Newquay Strategic Route;
- Hayle junction strategy;
- Launceston transport package





Infrastructure

- How can the public sector install upfront and recover the value
- Can we simplify the roads/highways process
- Could utilities and roads be funded via an infrastructure fund.
- How can environmental benefits be increased
- How can we provide education and health facilities to create a sense of place early in the development

Potential risks to delivery

- Shortage of labour
- Reliability of labour
- Inconsistency of installation
- Innovation potential is low
- Difficulty of training on site
- Weather dependent
- Logistical costs
- Dependencies between trades
- Critical parts supply dependencies
- Quality more difficult to guarantee

Risk Mitigation

Using a variety of procurements

- Contracting
- Developer JV
- Developer/funder
- Financed schemes
- Purchase

Using a range of delivery methods

- Traditional
- Timber Frame
- Pre-manufactured components / sipps
- Hybrid modular
- Fully modular

What we can do

- Improve training and development of the workforce within Cornwall
- Involve supply chain through early simple procurement process
- Work to reduce the period from consent to completion
- Give design and environmental issues greater weight
- Create opportunities for SME developers through parcelling larger sites
- Raise the quality of the housing offer in Cornwall
- Create a sense of place in all developments
- Simplify the roads and highways process
- Increase the environmental benefits
- Improve affordability

The potential for off-site manufacture

- Current delivery 3,000 per annum – Council will add circa 250 per annum

- Supplement traditional delivery to increase overall capacity

- Ease labour constraints by accessing wider workforce and skills

- Increase productivity through Modern Methods of construction

- Council can help by:
  - Order book – from the council and its partners
  - Finance – capital for expansion or cashflow funding, or an investment partner
  - Premises – new or re-purposed workspace
  - Skills and workforce development

What the development industry can contribute

- Expertise skills and training
- Capacity
- Innovation
- Investment
- Design and production skills
- Marketing and sales expertise
- Market intelligence

Working together

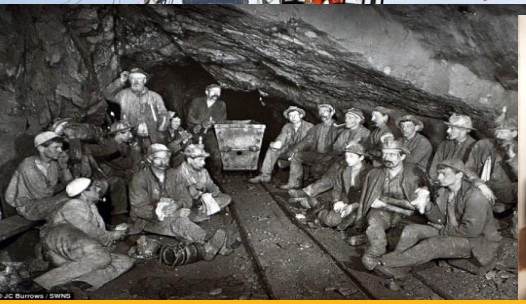
Supply Chain
- Joint investment in off-site manufacture
- Involving the supply chain through earlier revised procurement processes
- Improved training and recruitment (making the development industry more attractive)
- Continue working with the structural timber frame association

Technical Development
- Increased production
- Improve affordability
- Streamline the approval processes

Skills & Employment
- Increasing apprenticeships including professional apprenticeships
- Increasing industry training programmes
- Creating engineering jobs

Infrastructure
- Public sector installs upfront and recover the value
- Simplify the roads/highways process
- Fund utilities and roads via an infrastructure fund

To create Prosperity and Housing in Cornwall



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CORNWALL COUNCIL

www.cornwall.gov.uk