

## CHAPTER FOUR

### HOUSING AND POVERTY IN WEST CORNWALL

#### INTRODUCTION

Rural housing markets face particular pressures of affordability, in-migration and land availability for residential development. The seasonal nature of much rural employment, significant numbers of households on low and insecure earnings, the continuing (if declining) importance of tied accommodation and the lack of sufficient low cost rental housing create severe pressures for those households in vulnerable financial circumstances. These difficulties are compounded by social and income structures which tend to be highly polarised. More affluent in-migrants and the indigenous middle classes have very different experiences of rural areas and rural housing markets. And their greater spending power in local housing markets which tend to have higher than average levels of home ownership contributes to problems of access for poorer households. The home ownership sectors in rural areas often have a high 'bottom end' - a price entry threshold beyond the reach of many lower income households. In parallel, much private renting is only seasonally available or tied to employment and council housing is limited with long waiting lists.

A basic difficulty is the lack of detailed evidence on rural housing problems. National surveys such as the General Household Survey or the Survey of English Housing provide only disaggregated data to regional level - and in most cases sample numbers are insufficient for more detailed interrogation. For most purposes therefore, we are reliant on the national Census and smaller scale one-off studies.

Also, general housing surveys are dominated by urban concerns and as a result present the rural dimension of housing problems in a relatively favourable light. For example, the recent study of Housing Attitudes (Department of the Environment 1994) provides a selection of analyses by area type (rural, urban etc) and density band. These analyses show *inter alia* that area and dwelling satisfaction are inversely related to population density ie. households in rural areas are more satisfied with their neighbourhood and accommodation than those in urban areas. The same survey also showed that higher proportions of households in rural areas were outright owners and owners with a mortgage. While it cannot be assumed that all home owners are in unproblematic housing circumstances, it is likely that the difficulties facing minorities are lost from view in such general surveys.

## ACKNOWLEDGING THE PROBLEM

Housing debates tend to be dominated by an urban agenda because of the numerical scale of housing problems in cities. Moreover, SSA calculations use housing needs indicators based on the incidence of shared/exterior bath and WC facilities, non-self containment and overcrowding. These features are characteristic of problems in urban housing and their low incidence in rural areas is interpreted as reflecting an absence of housing problems. Rural areas, however, face specific and chronic housing difficulties requiring tailored policies and safeguards. In rural areas, problems arise most commonly for the following reasons:

- a severe shortage of affordable housing to rent or buy relative to rural incomes. For example, Bramley's estimates for 1990 (see Table 4.1) indicated that less than half of younger newly formed households in Cornish districts could afford to buy a second hand dwelling. Access was estimated to be particularly severe in Carrick and Kerrier.

**Table 4.1: Affordability Estimates, 1990 - Percentage of New Younger Households able to Afford.**

| <i>District</i> | <i>Buy 2nd Hand</i><br>% | <i>Shared Ownership</i><br>% | <i>Rent Only</i><br>% |
|-----------------|--------------------------|------------------------------|-----------------------|
| Caradon         | 48                       | 74                           | 26                    |
| <b>Carrick</b>  | 37                       | 68                           | 33                    |
| <b>Kerrier</b>  | 39                       | 61                           | 39                    |
| N Cornwall      | 46                       | 71                           | 29                    |
| <b>Penwith</b>  | 49                       | 69                           | 31                    |
| Restormel       | 41                       | 67                           | 33                    |

Source: Bramley, 1991.

- reliance on tied accommodation and the need for alternative housing on retirement placing additional burdens on the social rented sectors. Private renting remains more significant in rural than in urban areas and private tenants in rural areas are more likely to be families (see, for example, Joseph Rowntree Foundation, 1995). The 1993/4 Survey of English Housing revealed that in rural areas some 27% of private lettings are not available on the open market, whilst of those 27% of lettings, 88% are tied to employment.
- a high level of 'concealed homelessness' with households sharing involuntarily because they cannot afford any alternative. Our own estimates of housing need, combining measures of overt and concealed homelessness, indicate that Kerrier and Restormel are in the top quartile

of local authorities in terms of the percentage of households in those categories (Gordon and Forrest, 1995).

- problems relating to the poor condition of much rural housing. This relates to the age structures of populations and dwellings in rural areas with poor conditions closely associated with older people in older dwellings. Dwellings in poor condition are also found disproportionately in the private rented sector. The 1991 English House Condition Survey (Department of the Environment, 1993) found a high proportion of the worst dwellings in village centres and isolated rural areas (p.79). In Penwith, for example, it is projected that over a fifth of the private rented stock and 8% of the owner occupied stock is unfit (Housing Strategy Statement, 1996/97). It should also be noted that compared with urban areas a higher proportion of households in rural areas live in 'non-permanent' accommodation such as houseboats, caravans and mobile homes.

The most recent comprehensive and detailed analysis of rural issues was carried out by the House of Lords Select Committee on the European Communities (House of Lords 1990). In their summary report of the evidence on *The Future of Rural Societies* there was no doubt about the importance of housing as a key issue in rural areas - "*considered by some witnesses to be almost the most pressing of all [issues] in rural areas in the United Kingdom*" (Volume 1,15). The nub of the problem was seen as a decline in supply combined with increased demand. Supply had been reduced through a combination of the Right to Buy, falling levels of council new build and the failure of alternative mechanisms (housing associations, private sector) to fill the gap. Increased demand derived primarily from a rising influx of higher income households into rural areas. 'One is battling against an inevitable flood of higher income purchasers in rural areas in an attempt to ensure a supply of low cost houses. It is an important battle to have because, socially, communities should not be one-class ghettos' (Vol.1, 15). These issues are underlined by the recent set of official population projections to the year 2016 (Department of the Environment, 1995). Cornwall is among the counties projected to have the highest population growth rates over the next 25 years. Between 1996 and 2016 the number of households in Cornwall is projected to increase from 202,000 to 250,000.

In essence much of the rural housing problem revolves around the familiar 'homes for locals' theme. However, it is more complex than a simple displacement of lower income locals by higher income in-migrants. Lower income households in rural areas face competition from other higher earning 'locals'. The general problem relates to the low mean earnings in many rural areas combined with high levels of income inequality. For example, both Penwith and Kerrier are among the lower ranked English authorities in relation to mean earnings per week but are among the top rankings for income inequality (Gordon and Forrest, 1995). The difficulties of access to decent housing facing poorer households in rural areas are acknowledged in policy details designed to maintain a reserve of low cost houses through restrictive covenants or planning agreements. As with the Right to Buy for council tenants, measures in the latest Housing Bill extending such Rights to housing association tenants contain restrictions on resale. It could be

argued, however, that such restrictions are less than adequate given the scale of disposals in recent years and the lack of new replacement through new building.

## THE GENERAL PICTURE OF CORNWALL'S HOUSING SITUATION

Analysis of the 1991 Census data for Cornwall reveals a housing stock with relatively poor amenities, above average levels of sharing and with a significant number of empty properties - the latter mainly associated with seasonal lettings and second homes. A particularly high percentage of dwellings lack central heating - presumably mainly reflecting the relatively mild climate and the seasonal use of much of the stock (see Figures 4.1 to 4.4).

In line with national trends, the 1981-1991 period saw a significant increase in the level of home ownership in Cornish authorities and a parallel and related fall in the percentage of households living in council housing. Increases in levels of home ownership ranged from over 10 percentage points in North Cornwall to 6 points in Kerrier. Conversely, as Tables 4.2 to 4.3 show the decline in council housing ranged from over 7 percentage points in North Cornwall and Carrick to 3.5 points in Kerrier.

**Table 4.2: Housing Tenure Change 1981-1991**

| <i>District</i> | <i>Home Ownership</i> |                   | <i>Council/<br/>New Town</i> |                   | <i>Private<br/>Renting/Housing<br/>Association</i> |                   |
|-----------------|-----------------------|-------------------|------------------------------|-------------------|--|-------------------|
|                 | <i>1981<br/>%</i>     | <i>1991<br/>%</i> | <i>1981<br/>%</i>            | <i>1991<br/>%</i> | <i>1981<br/>%</i>                                  | <i>1991<br/>%</i> |
| Caradon         | 67.4                  | 76.0              | 14.3                         | 13.5              | 13.3   | 10.5              |
| <b>Carrick</b>  | 66.3                  | 74.5              | 20.5                         | 13.4              | 13.2   | 12.1              |
| <b>Kerrier</b>  | 70.3                  | 76.5              | 14.6                         | 11.1              | 15.1   | 12.4              |
| N Cornwall      | 61.5                  | 71.8              | 20.9                         | 13.7              | 17.6   | 14.6              |
| <b>Penwith</b>  | 63.9                  | 72.0              | 20.2                         | 13.9              | 15.9   | 14.2              |
| Restormel       | 66.2                  | 74.8              | 17.4                         | 11.7              | 16.5   | 13.5              |
| Cornwall        | 67.4                  | 74.3              | 18.6                         | 13.0              | 13.9   | 12.8              |

Source: Office of Population Census

Figure 4.1: Empty Property in Cornwall (%)

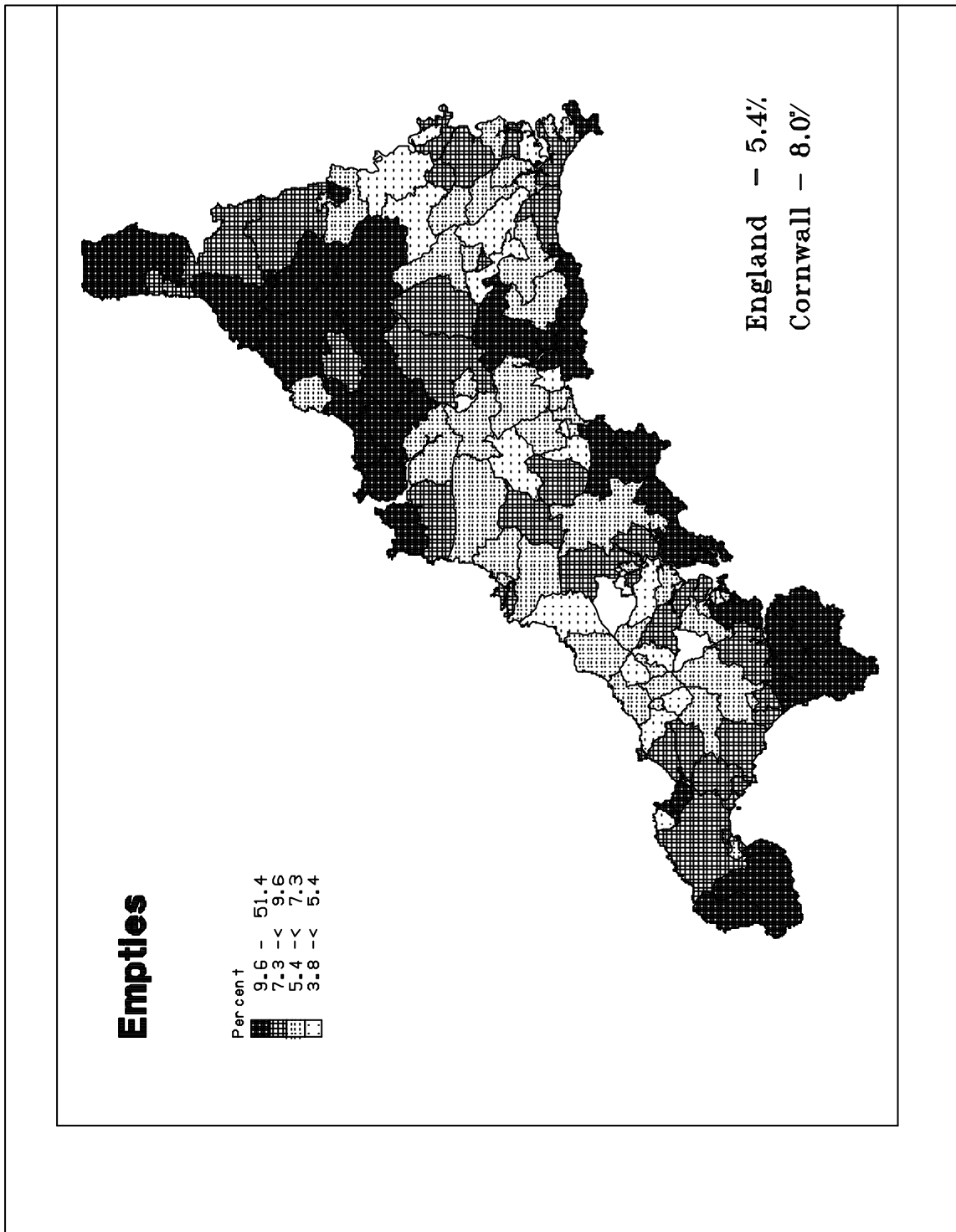


Figure 4.2: Shared Households in Cornwall

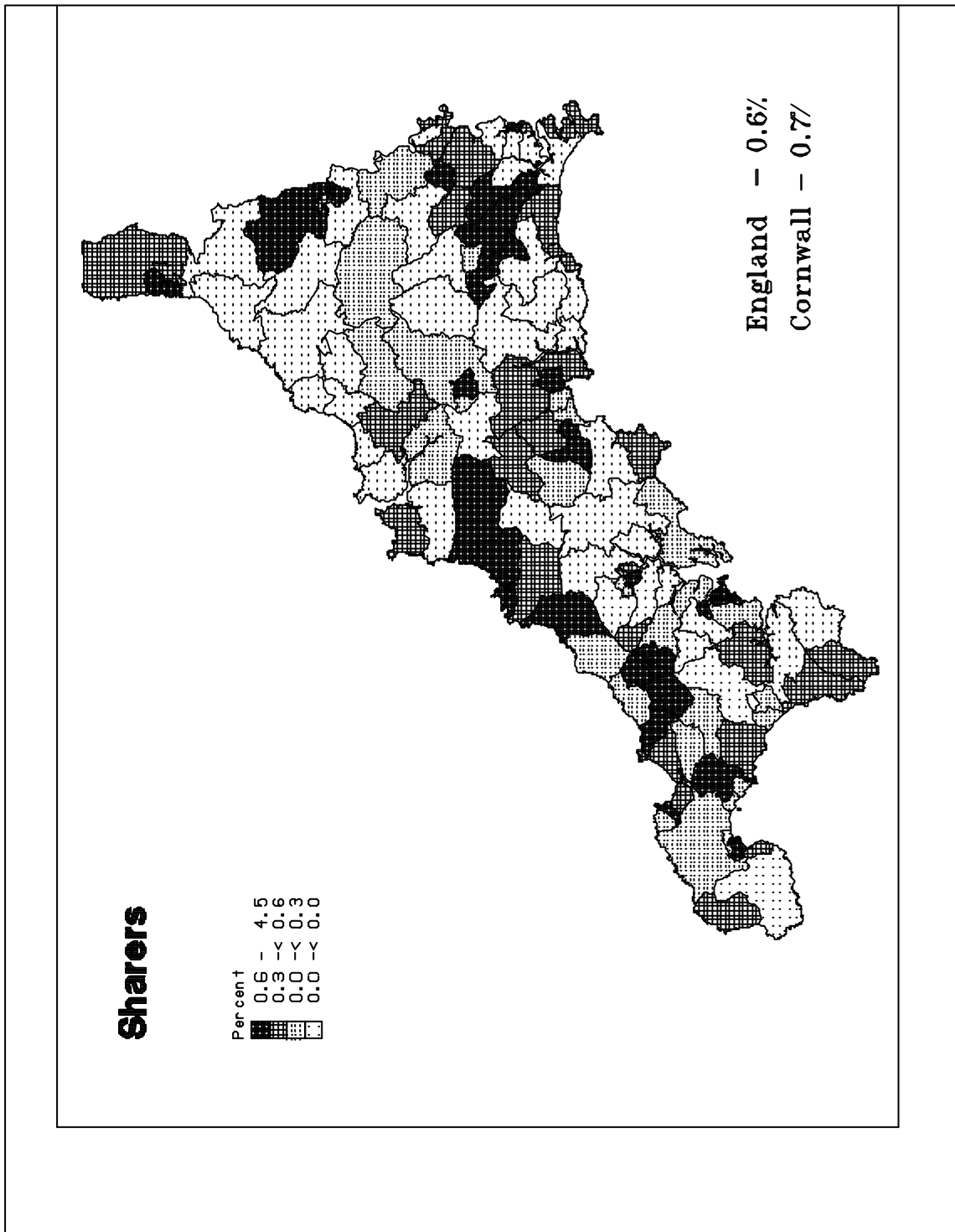
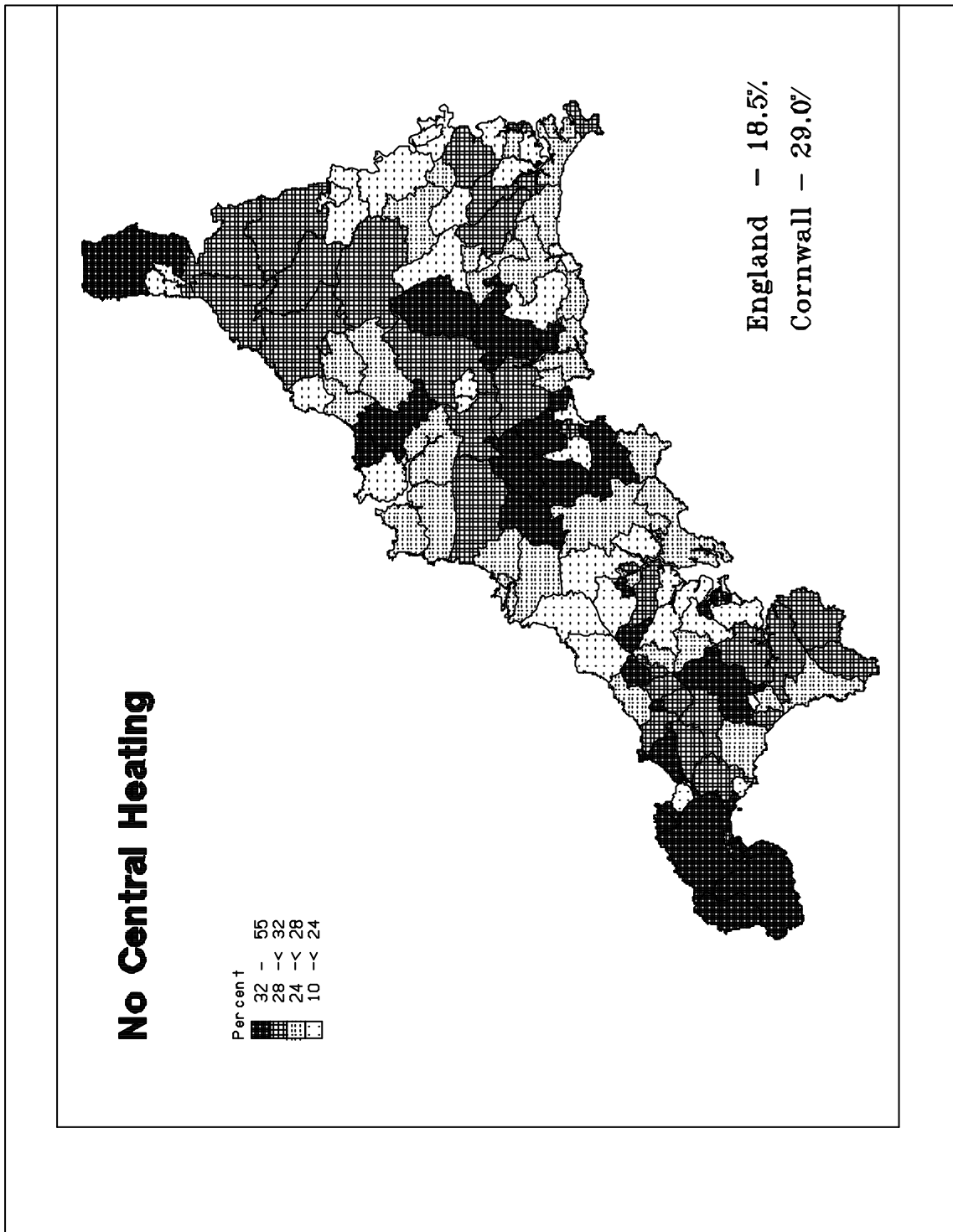


Figure 4.3: Households Lacking Central Heating





**Figure 4.4: Households Lacking Basic Amenities**

**Table 4.3: Increase/Decrease in Home Ownership and Council Housing 1981-1991**

| <i>District</i> | <i>% Change</i> | <i>% Change</i> |
|-----------------|-----------------|-----------------|
| Caradon         | +8.6            | -5.8            |
| <b>Carrick</b>  | +8.2            | -7.1            |
| <b>Kerrier</b>  | +6.2            | -3.5            |
| N Cornwall      | +10.3           | -7.2            |
| <b>Penwith</b>  | +8.1            | -6.3            |
| Restormel       | +8.6            | -5.7            |

Note: Differences in population bases of 1981 and 1991 Census

Cornwall lacks affordable housing, particularly located close to places of employment in rural areas. This situation is exacerbated by the lack of public transport and can lead to involuntary migration into towns. The quality of the existing housing stock, whether publicly or privately owned, is also a cause for concern (Giarchi 1989; Lennon 1991) since poor housing and overcrowding can cause ill-health. Table 4.4 shows the numbers and spatial distribution of unfit dwellings in Cornwall.

Any reductions in the availability of government funding to local authorities for renovation grants must be a matter of concern in the light of such figures.

**Table 4.4: Numbers of Unfit Dwellings in Cornwall by District**

| <i>District</i> | <i>Unfit</i> | <i>Per Hectare</i> |
|-----------------|--------------|--------------------|
| Caradon         | 5141         | 0.51               |
| <b>Carrick</b>  | 5942         | 0.80               |
| <b>Kerrier</b>  | 1877         | 0.80               |
| N Cornwall      | 1910         | 0.30               |
| <b>Penwith</b>  | 1560         | 1.00               |
| Restormel       | 6480         | 0.83               |

Source: CIPFA Comparative Local Authority Statistics

Cornish authorities have historically high levels of home ownership and low levels of council housing. In all areas of Cornwall, home ownership now accommodates over 70% of households - above the national average but consistent with the general situation in the South West region. And also untypically, private and housing association renting in Cornwall is as significant as council housing in terms of the percentage of households in the respective tenures. In Kerrier, North Cornwall, Penwith and Restormel, private renting is numerically more significant than council renting. Moreover, the problem of underenumeration of private tenancies in the Census is likely to have underestimated the size of the sector.

As Table 4.5 shows the latest and most detailed figures on residential property prices from the Land Registry show that prices on Cornwall in April to June 1995 ranged from around £75,000 for a detached property to £38,000 for a Flat/Maisonette. These prices are below the regional averages and well below national, and have to be set within the context of the below average earnings in the County and the greater insecurity and seasonal nature of many household incomes in Cornwall. Although Crude price-income ratios are similar to regional and national figures. The security and regularity of earnings is an important additional factor to take into account in any assessments of affordability.

**Table 4.5: Residential Property Prices, April - June 1995**

|                  | <i>Cornwall</i><br>£ | <i>South West</i><br>£ | <i>England and Wales</i><br>£ |
|------------------|----------------------|------------------------|-------------------------------|
| Detached         | 74,846               | 96,361                 | 103,359                       |
| Semi-Detached    | 48,955               | 58,089                 | 60,459                        |
| Terraced         | 41,026               | 48,466                 | 51,669                        |
| Flats/Maisonette | 37,826               | 47,911                 | 60,072                        |

Source: H M Land Registry

## THE IMPACT OF COUNCIL HOUSE SALES

Council house sales have been the major element in the growth of home ownership since 1980. Sales have tended to be disproportionately highest in southern shire districts - in areas with relatively small public sector stocks and with already high levels of home ownership. Both these factors apply to Cornish authorities. Since 1979, the six Cornish local authorities (excluding the Scilly Isles) have sold in total almost 9000 dwellings under the Right to Buy and related policies. Absolute numbers have ranged from 1772 in North Cornwall to 1107 in Kerrier. As Table 4.6 shows these figures represent, on average, around 30% of the council stock in Cornwall.

**Table 4.6: Right to Buy and Other Council House Sales**

| <i>District</i> | <i>Sales (1.4.79 to 31.3.94)</i><br>(Nos) | <i>Stock Sold</i><br>(%) |
|-----------------|---|--------------------------|
| Caradon         | 1384                                      | 25                       |
| <b>Carrick</b>  | 1766                                      | 28                       |
| <b>Kerrier</b>  | 1107                                      | 22                       |
| North Cornwall  | 1772                                      | 30                       |
| <b>Penwith</b>  | 1235                                      | 27                       |
| Restormel       | 1585                                      | 29                       |

Source: Department of the Environment

Sales of council houses have slowed in recent years with the general recession in the property market. Nevertheless, this scale of disposal has had a major impact on the capacity of rural authorities to serve local housing needs. This is underlined by the limited level of new replacement for social renting. For example, in 1993, new housing starts by local authorities or housing associations were 68 in Carrick, 5 in Kerrier, 36 in North Cornwall, 11 in Penwith, 55 in Restormel and nil in Caradon (CSO, 1995). Moreover, the evidence on resale shows that, particularly in the south of England, former council homes are often bought by households already in the owner occupied sector and with a very different socio-economic profile from the typical household seeking council accommodation (Forrest, Gordon and Murie 1995). In other words, the longer term impact of sales appears to widen the housing choices for those already in a position to exercise market choice and to limit the options for poorer households. This is especially important in rural areas where the alternatives to home ownership are most limited.

The impact of council house sales is most clearly seen in the changing composition of the dwelling stock. As Table 4.7 shows, sales have been concentrated among the more popular family houses with 3 bedrooms. In North Cornwall, the highest seller in the County, the proportion of the stock with 3 bedrooms has fallen from 58 to 44%. There are also fewer larger 4 bedroom council dwellings. The pattern is the same in the other authorities with related increases in the percentage of the stock with 1 or 2 bedrooms.

**Table 4.7: Size Distribution of Council Stock**

| <i>District</i> | <i>1 Bedroom</i> |                  | <i>2 Bedrooms</i> |                  | <i>3 Bedrooms</i> |                  | <i>4 Bedrooms</i> |                  |
|-----------------|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
|                 | <i>1981</i><br>% | <i>1995</i><br>% | <i>1981</i><br>%  | <i>1995</i><br>% | <i>1981</i><br>%  | <i>1995</i><br>% | <i>1981</i><br>%  | <i>1995</i><br>% |
| Caradon         | 15.2             | 18.1             | 40.9              | 48.5             | 42.5              | 32.4             | 1.3               | 1.0              |
| <b>Carrick</b>  | 16.8             | 27.1             | 33.0              | 34.9             | 48.4              | 37.0             | 1.8               | 1.0              |
| <b>Kerrier</b>  | 21.2             | 33.0             | 37.1              | 35.7             | 39.6              | 29.8             | 2.1               | 1.5              |
| N.Cornwall      | 12.8             | 21.1             | 27.3              | 33.8             | 58.0              | 43.7             | 1.9               | 1.4              |
| <b>Penwith</b>  | 17.4             | 22.2             | 36.4              | 39.3             | 41.8              | 34.6             | 4.4               | 3.9              |
| Restormel       | 18.0             | 28.1             | 36.5              | 37.8             | 43.9              | 33.1             | 1.6               | 1.0              |

Source: CIPFA Housing Rent Statistics

The changes can also be seen in relation to dwelling type. There are now proportionately more flats and fewer houses. In Carrick, for example, flats now account for 31% of the stock compared with 21% in 1981 (CIPFA 1981 and 1995). The general consequence is to limit the role of local councils to cater for the needs of lower income families. Increasingly, and in line with national trends and stated government policies, council housing in rural areas has shifted towards mainly providing emergency housing and housing for elderly people. The problem is that the gap has not been filled by the market or housing associations sectors. And most critically, in rural areas, the availability of social rented housing has played a pivotal role in sustaining smaller village communities. The selective sale of a few council homes, particularly those in the family categories,

can seriously undermine this strategic function. A detailed study of this process in a Carrick village has shown how a small number of council homes can service the changing life cycle needs of a small community (Forrest and Murie 1992).

A particular difficulty in rural areas is that even if stock replacement is financially possible it is made difficult by land shortages and inadequately serviced sites. New building tend to occur in the larger settlement thus exacerbating depopulation trends.

## HOMELESSNESS AND HOUSING NEED

Table 4.8 below shows the number of individuals or households who presented themselves, and the number accepted as homeless, during 1993-4. There is also a wide variation in the average cost of bed and breakfast provision per homeless households across the districts.

**Table 4.8: Number of Homeless Individuals in 1993-1994**

| <i>District</i> | <i>Claimed Homeless</i> | <i>Households Accepted (%)</i> | <i>Households Accepted (No)</i> |
|-----------------|-------------------------|--------------------------------|---------------------------------|
| Caradon         | 380                     | 42.2                           | 160                             |
| <b>Carrick</b>  | 771                     | 25.0                           | 192                             |
| <b>Kerrier</b>  | 231                     | 48.9                           | 112                             |
| North Cornwall  | 199                     | 76.9                           | 153                             |
| <b>Penwith</b>  | 92                      | 73.9                           | 68                              |
| Restormel       | 168                     | 79.8                           | 134                             |
| <b>CORNWALL</b> | 1841                    | 44.5                           | 819                             |

Source: CIPFA 1994.

Figure 4.5 shows the increase in levels of homelessness in Carrick in recent years. Local authority waiting lists, reflected in the 'accepted' figure above, are however a very conservative measure of the level of homelessness. The criteria for acceptance on local authority waiting lists allow a degree of discretion which, when affordable housing is in extremely short supply, can often exclude people whose need for housing is severe, to some extent because low expectation limits the numbers who apply for housing in the first place.

The above table shows the wide variation in the proportion of households accepted as homeless by District Councils in Cornwall, a point to bear in mind in looking at the results of the pilot study on homelessness carried out in the St Just area of Penwith District (where there was an acceptance rate of 73.9%).

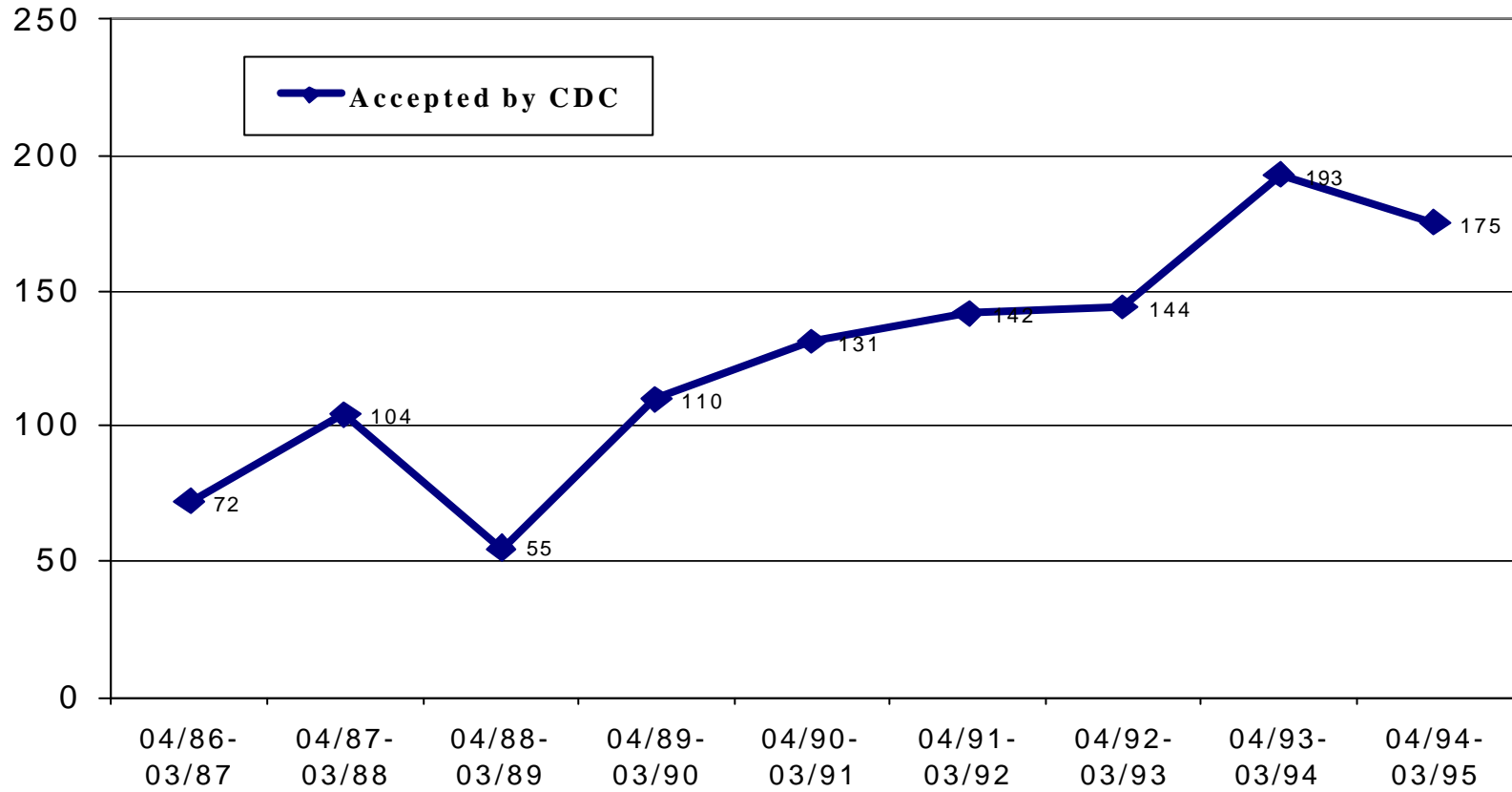
The St Just Pilot Survey on homelessness in Cornwall (Cornwall Rural Community Council 1993) provides a local example of a variety of problems. The study found a strong correlation between the numbers found to be in housing need and those on the waiting list. A total of 16 people, out of 'some 100' individuals (ie approximately 16%) in housing need in the St Just area were registered with the local authority including 6 out of 19 (32%) who were prima facie in priority need through 'vulnerability' or because they were families with children.

The study found people in this area of Penwith living in a variety of unsatisfactory conditions alongside an excess of housing which was inaccessible to low income households. The study also showed that the prevalence of short lets in holiday homes disguised homelessness and militated against people gaining a place on the local authority housing waiting list because of the need to move on to wherever there was alternative accommodation. Such short lets might initially provide a short-term solution to other housing problems which were relatively common - such as overcrowding and lack of privacy in shared accommodation - but the need to move frequently renders many ineligible to apply for local authority housing because they move outside the LA boundary and/or because such housing decisions are interpreted as intentional homelessness.

This situation illustrates the key importance of affordability - the relationship between wage levels and housing costs - as a problem in Cornwall's housing market, a problem which appeared not to affect in-migrants (with the exception of travellers).

Travellers were among those who were not registered with the local authority and, although living in a variety of non-permanent 'dwellings' which would not normally be regarded as constituting homes, they did not see themselves as homeless. Nevertheless there are clearly health, educational and other needs which must be met by various agencies under their statutory duties.

**Figure 4.5: Homelessness in Carrick April 1986-March 1995**



Source: *Housing Strategy Statement, 1996-1999*, Carrick District Council.

## CONCLUSION

As this review shows, using a range of measures we can observe the ways in which people in Cornwall experience housing difficulties and housing need. However, the experience of housing deprivation is underestimated by large-scale national data sets, and official figures, and can only be brought out by re-analysis of data (where possible) and by small scale local surveys. Problems are obscured in official data by the same processes which magnify the problems for those in housing need - the availability of short-term lets during off-season months in some areas of Cornwall, for example, not only reduces official calculations of homelessness, but at the same time increases difficulties for people who have to use this accommodation.

The problems facing Cornwall are at times similar to those in the country as a whole - in particular, the decline of local authority housing as a result of Right to Buy and the lack of replacement housing and the lack of fit between the housing that is available and the needs of those who are in this sector. There are added difficulties, however, including the cost of owner occupied housing in relation to average earnings and security of earnings, and the location, age and condition of much of the housing in this sector. Housing inequalities and the problems that exist for some sections of the population seem, however, unlikely to be reduced over the new few years, with the predicted population growth in the County.