Falmouth and Penryn

COMBINED DEVELOPMENT FRAMEWORK

FINAL REPORT
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FALMOUTH AND PENRYN

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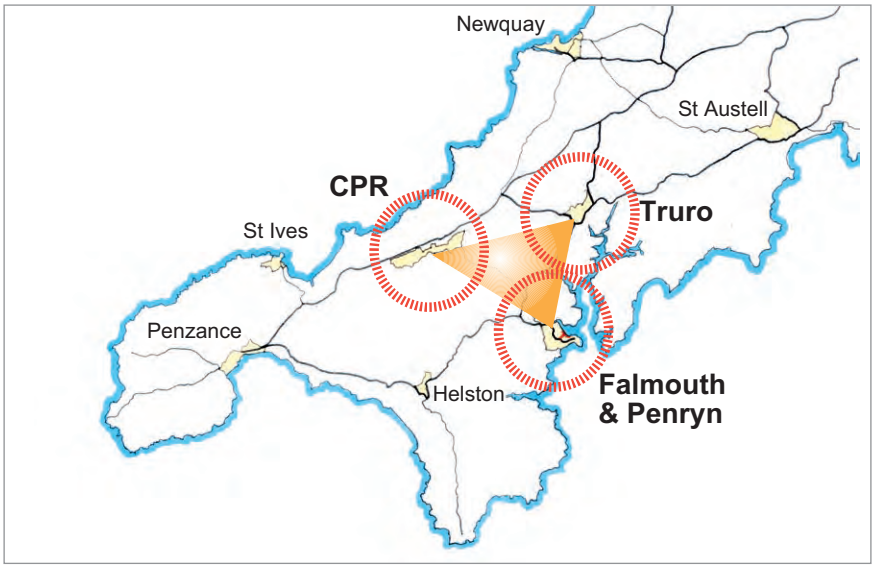
SECTION 1 VISION FOR FALMOUTH AND PENRYN

1.1 DEVELOPMENT FRAMEWORK FOR FALMOUTH AND PENRYN

Falmouth and Penryn are two neighbouring towns, independent but complementary, located on a peninsula to the south of Carrick District. A key role of the two towns is to support a robust, diverse and sustainable economy for the benefit of local residents and the wider sub-region. The towns will deliver wider economic and housing benefits for the south-west region alongside Truro and Camborne/Pool/Redruth.

It is the waterfront that defines Falmouth and Penryn, as individual towns, and as an area as a whole. Recognising this is the key to their joint sustainable futures.

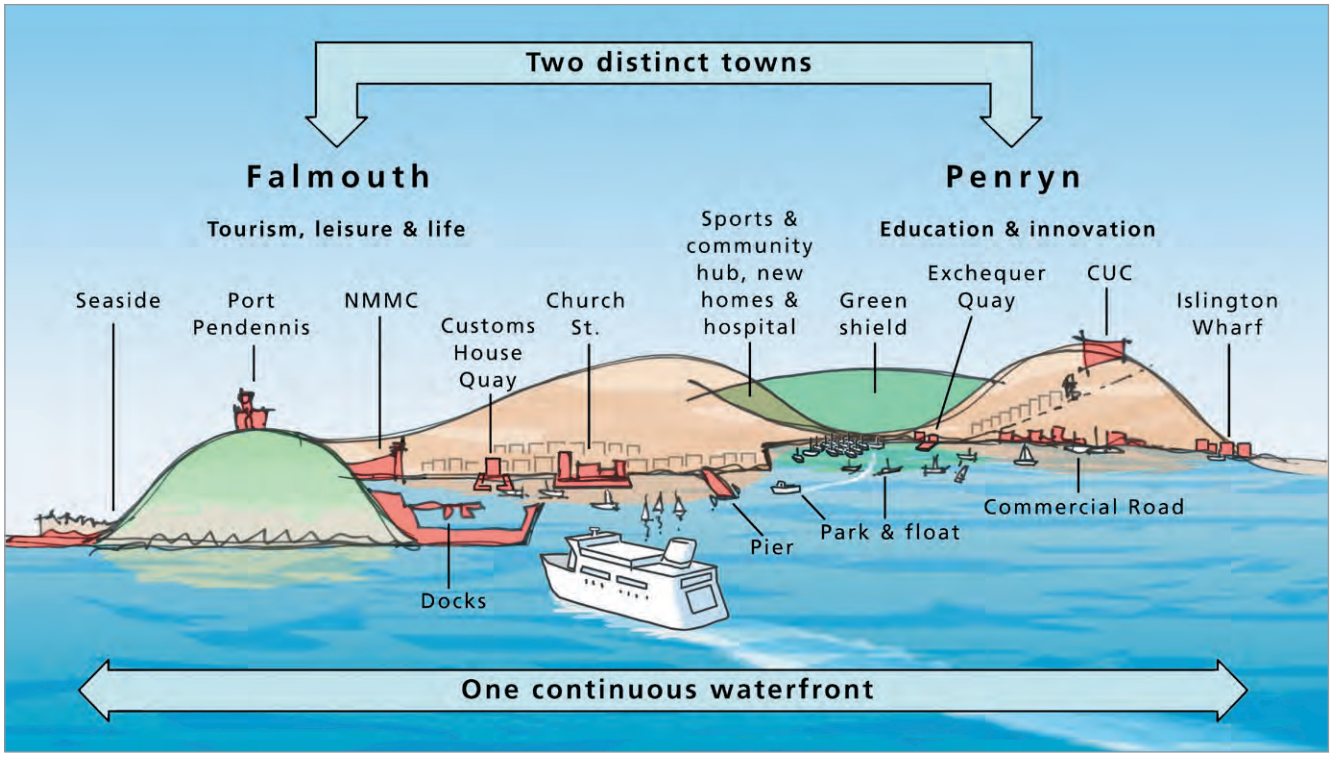
This waterfront uniting the two towns serves the following functions:



UNDERSTANDING THE CONTEXT

- **Large-scale employment**
  Docks and large ships dominate the lower end of the harbour.
- **Small-scale employment**
  A variety of businesses (particularly marine-related) bring life to the waterfront.
- **Recreation**
  An important community facility which brings life to the water and the waterfront.
- **Tourism**
  The major reason why visitors come to Falmouth and Penryn.
- **Transport**
  A vehicle for sustainable transport links across and along the Fal Estuary.
- **Environment**
  An important ecological resource.

Therefore, consideration of the waterfront underpins the whole strategy.



TWO TOWNS, ONE WATERFRONT

1.2 OBJECTIVES OF THIS STUDY

The aim of the study is to provide a single action-focused regeneration and development framework for the two towns. As part of the study, we have:

- carried out a baseline audit, which included socio-economic review, urban design analysis, environmental audit, transport and movement review, planning and development review and market review;
- carried out a strategic review to identify objectives and priorities;
- developed concepts and proposals for key sites, which were then assessed for viability;
- developed policies and strategies for the area as a whole.

Throughout the study we have engaged with local stakeholders and partners who will be responsible for the delivery of projects. This document will feed into the emerging Local Development Framework and is consistent with key policy documents.

PREVIOUS STUDIES

A key purpose of the study is to pull together previous work. The Carrick Community Strategy 2002 sets out a vision for the quality of life sought by the local community in Falmouth. The vision sees Carrick as:

- Developing further as a national and international tourist destination.
- A centre of educational excellence and innovation.
- An area that combines modern convenience with a unique heritage and high quality, distinctive environment for the benefit of visitors and residents.
- A district made up of towns that are at the hub of their local communities, economically resilient, interesting, safe and attractive places to live, work and visit.
- A place where there is equality of opportunity across the area.

The Combined Development Framework provides a framework for realising this vision.

Other studies include:

- Falmouth Town Centre Regeneration Study (Civic Trust Regeneration Unit);
- Falmouth Transport Package, Cornwall Local Transport Plan;
- Falmouth, Penryn and Truro Landscape Strategy, (Landscape Design Associates);
- Commercial Road, Penryn Design Framework, (Roger Evans Associates);
- Falmouth Car Parking Study (Ove Arup);
- Falmouth and Penryn Conservation Appraisals;
- Sites and Premises Development - Cornwall and the Isles of Scilly 2003/07 (SWRDA and Cornwall and Isles of Scilly Economic Forum);
- Fal and Helford SAC Management Plan;
- Town Centre Forums Proposals for Harbourside.

These have provided important background information and context for the proposals set out in this document.

LOCAL PLAN AND LOCAL DEVELOPMENT FRAMEWORK

Development in Carrick District is currently guided by the 1998 Local Plan. In the future the plan will be replaced by the Carrick Local Development Framework, which will be made up of a number of documents covering different aspects of development and will be closely linked to Carrick's Community Strategy.

The Local Development Documents will include an overall vision and strategy, key policies, Area Action Plan and proposals for development throughout the District. This Combined Development Framework will provide the basis for the Area Action Plan for Falmouth and Penryn. The Area Action Plan will be subject to statutory public consultation procedures before it can become policy. This is likely to take place in 2006.

OTHER POLICY DOCUMENTS

This document reflects the wider strategic policies set out in national and regional policy guidance. In particular it will inform the second Local Transport Plan for Cornwall, covering the period 2006-2011 which is currently being prepared (LTP2).

This document is being developed slightly ahead of the revised RSS and, because of the continued uncertainty, Cornwall Structure Plan figures are used in predicting future housing figures.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

A key aim of the Development Framework is to engage local stakeholders and those who will

be responsible for taking the projects forward. A large number of stakeholders, community and other interest groups have contributed to the study through numerous workshops, meetings and presentations between December 2004 and April 2005. During April there was an exhibition of options and proposals at the National Maritime Museum, and the local community were invited to submit comments via questionnaires and on the District Council website. These comments have influenced revisions to proposals.

1.3 STRATEGIC CONTEXT

The Cornwall Towns Study 2005, an economic study of settlements in Cornwall prepared as part of a submission to the Regional Assembly, identified Truro, Camborne/Pool/Redruth and Falmouth/Penryn as functionally linked in a strong local employment network, with Truro as the anchor. Truro was considered the most significant employment centre in the South West outside the Principal Urban Areas (PUAs). It is a net importer of employees, with significant numbers from Camborne/Pool/Redruth and Falmouth/Penryn.

Both Camborne/Pool/Redruth and Falmouth/Penryn are net importers, providing jobs for a high proportion of their local populations (66% and 63% respectively).

All three areas are considered strategically significant employment centres:

- Truro is an important civic, retail and office location.
- Camborne/Pool/Redruth has specific regeneration needs and is a priority location for new industrial/manufacturing investment.
- The complementary strengths of Falmouth and Penryn are the clusters of marine-related employment and the opportunities arising from the Combined Universities of Cornwall (CUC) at the Tremough campus on the edge of Penryn.

AERIAL VIEW OF FALMOUTH AND PENRYN

By focusing on the close interrelationship and their complementary strengths, the study concluded that Truro, Camborne/Pool/Redruth and Falmouth/Penryn can '*function as a network where the sum of the parts is greater than the whole*'.

The same is true when considering Falmouth and Penryn. This Combined Development Framework recognises the benefits of considering the joint potential for the two towns within the context of the strategic benefits that come from the wider 'Triangle'.

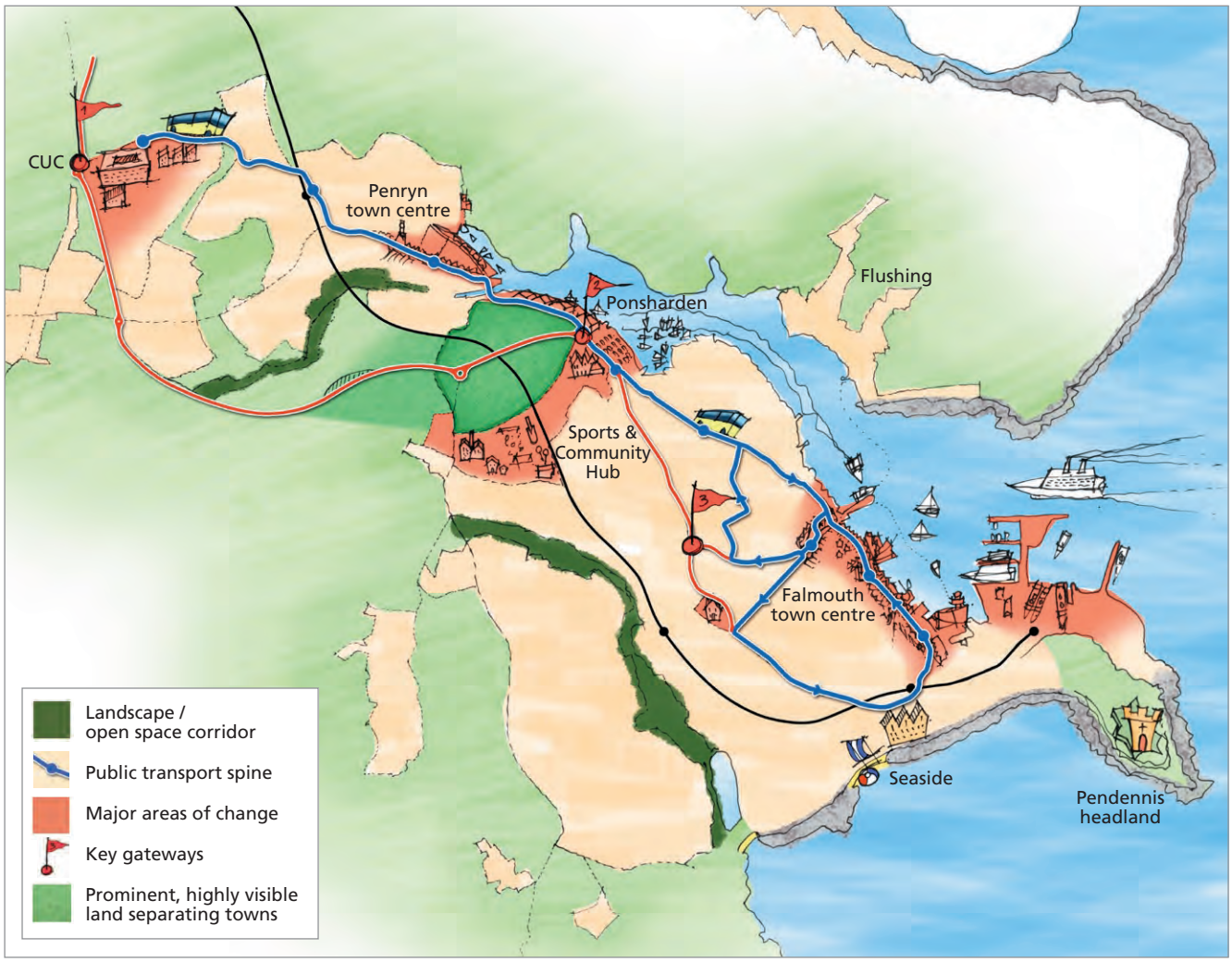
SOUTH WEST REGION

In spatial planning terms, accommodating employment and housing growth within the region is of prime importance. The South West region's economy is expected to grow overall from 2,480,000 jobs in 2001 to over 2,789,000 jobs by 2026.

The forecasts show some marked growth in employment numbers for the region's three largest sectors:

- Non-market services in education, health, defence, public administration. It is the largest sector in the South West economy. It is expected to grow by over 168,000 jobs from 2001 to a total of just under 940,000 jobs by 2026.
- Distribution and catering in retail, hotel and other establishments. This is the second largest industry sector in the South West economy. It is expected to grow by 115,000 jobs from 2001 to a total of over 730,000 jobs by 2026.
- Other market services in banking and finance, real estate and professional areas. It is the third largest industry sector in the South West economy. It is expected to grow by over 115,000 jobs from 2001 to a total of over 525,000 jobs by 2026.

Two others sectors - construction and transport and communications - are expected to grow too, but not as much as other sectors.



In contrast, the forecasts show a marked decline in employment numbers for other important sectors:

- Manufacturing - the sixth largest sector in the South West economy. With over 321,000 jobs in 2001 it is expected to decline by 124,000 jobs by 2026.
- Agriculture - the seventh largest sector. With nearly 60,000 jobs in 2001 it is expected to decline by 31,000 jobs by 2026.

This trend mirrors similar trends forecast for the UK economy as a whole.

Sustainable economic growth will be built on the following key principles:

- **A strong knowledge-based economy**
  Delivering growth at CUC and ensuring the benefits are felt by local businesses and local residents.
- **A strong marine-based technology sector**
  Exploiting the unique facilities within Falmouth Harbour and the skills and expertise already in the towns.
- **Strong independent retail centres**
  Supporting the distinctive roles and character of the two towns, meeting the needs of businesses, residents and visitors.
- **A distinctive and diverse centre for tourism**
  Promoting the natural environment, water-based activities, cultural attractions and the traditional seaside.
- **An attractive and affordable place to live**
  Creating distinctive places, with high quality built and natural environment, with the range of community facilities needed to support a diverse and increasing population.

1.4 FALMOUTH AND PENRYN KEY CHARACTERISTICS

STRATEGIC VISION

The diagram opposite represents the strategic vision for the two towns. It highlights the key areas of change within the urban area, and the gateways into the towns. It also shows the importance of the green 'shield', an area of prominent open space, which protects the physical setting of each town.

Within this regional context, the Falmouth and Penryn economy exhibits the following characteristics:

- The area has seen significant growth in employment in recent years, particularly in service industries.
- There is a relatively high level of employment in manufacturing, and employment levels have remained stable in recent years. Manufacturing activities are relatively widely based, but marine manufacturing is an important sector influenced by the presence of the Docks.
- The influence of tourism is very important within the local economy and a high proportion of businesses are engaged in tourism-related activities.
- The projections for employment show only modest growth of 5.7% over the period 2003 to 2016 (650 jobs). This rate of increase will not be sufficient to meet the needs of the projected population increase.
- There is a modest amount of land available for companies to expand into, for example at Kernick Industrial Estate. However, there is a lack of appropriately located land capable of attracting inward investment from the high-tech key growth sectors of marine-related and knowledge-based industries, that need bespoke high-quality premises.
- Wage rates are relatively low.
- A relatively high proportion of people walk to work and local jobs are very important with roughly two-fifths of the working population working at home or within 2 kilometres of home.
- There are relatively high levels of deprivation in some wards particularly Penwerris, Penryn and Trescobeas where unemployment rates are significantly higher than the county average.
- Increased house prices, as a result of demand from more affluent in-migrants or second home owners, mean there is need for more affordable homes for local residents.

There are therefore a number of issues that need to be addressed to ensure the economy of Falmouth and Penryn achieves its potential:

- There is a need to generate more jobs, as insufficient numbers will be created as a result of 'natural' growth in existing sectors in the area.
- The economy needs to diversify as many sectors are predicted to decline over the next decade.
- Diversification needs to focus on sectors that have potential for growth and are likely to be more highly skilled and generate high quality jobs.
- Diversification needs to concentrate on sectors that generate high value outputs and skills to address low GDP outputs, low wages, and to provide jobs for young people emerging from the University.

- The University has an important role in influencing new growth sectors and generating business start-ups.
- New sectors will require a new type of business or industrial premises with a high quality environment and prestigious buildings. Land needs to be identified for the expansion of economic activity through new business start ups, developing new businesses, attracting inward investors as well as for the expansion of existing businesses.
- This land should be made available through the consolidation of existing employment areas and the provision of new areas at key locations. Access to these new areas should be enhanced through better public transport, pedestrian and cycle networks.
- Support and assistance will be required to help existing local businesses to diversify, improve the quality of their products and ensure they remain in the area.

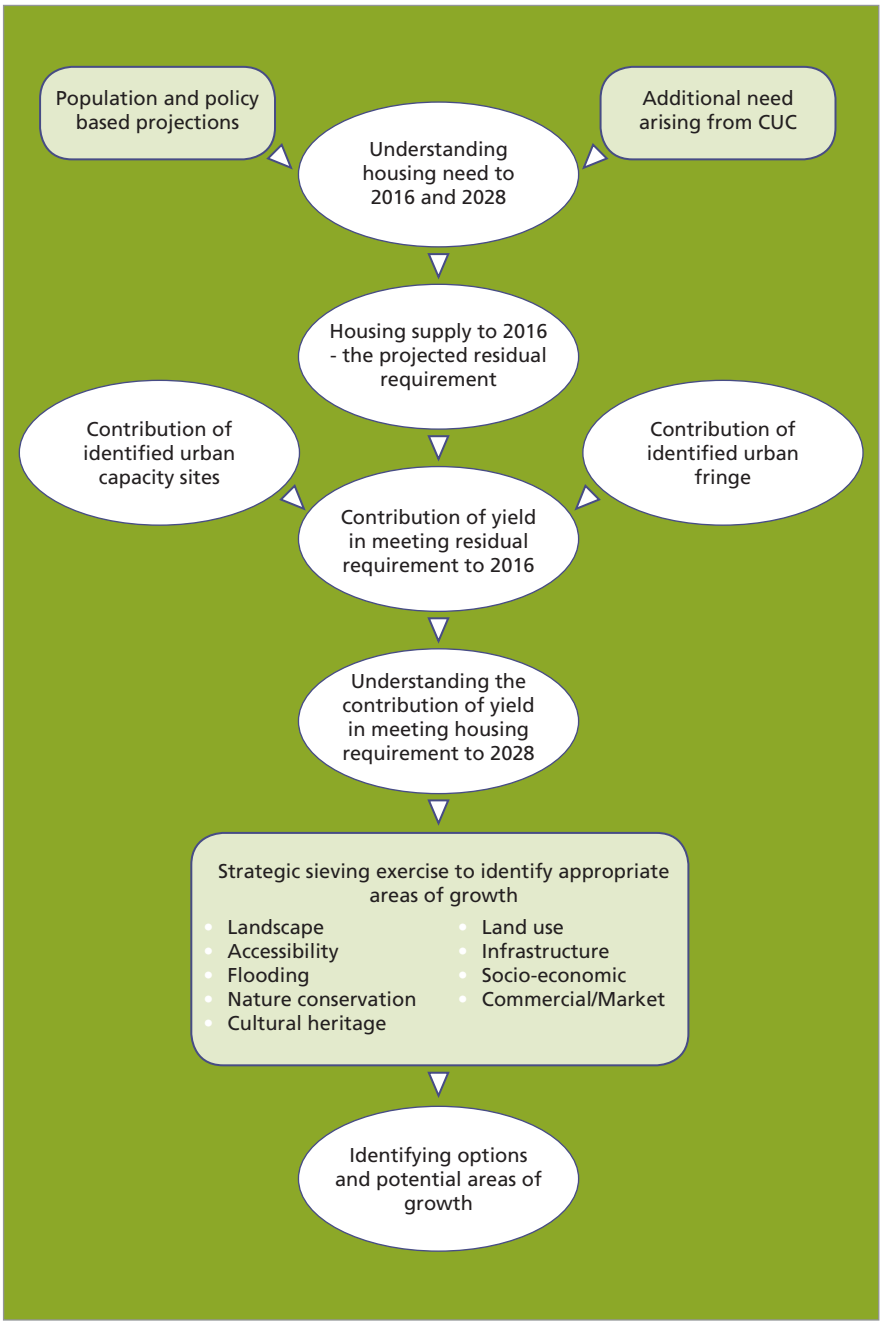
Alongside these specific economic measures there still needs to be a focus on:

- Strengthening the tourism offer of the area.
- Reinforcing the retail roles of the town centres.
- Providing affordable housing for new and existing residents.
- Providing the community facilities to support an expanding population.
- Ensuring local residents have the skills to access the new job opportunities.
- Enhancing accessibility, particularly by public transport.

1.5 SUSTAINABILITY APPRAISAL

In order to fulfil the requirements set out in the Planning and Compulsory Purchase Act 2004, a Sustainability Appraisal is mandatory in the production of Regional Spatial Strategies (RSS), Development Plan Documents (DPDs) and Supplementary Planning Documents (SPDs).

The Development Framework is intended to form the basis of the Area Action Pan, therefore, it is important that the approach reflects the basic principles being promoted by the OPDM. A Sustainability Appraisal has been carried out of the key development proposals (those set out in Chapter 7) and potential housing sites. The appraisal criteria are based on the advice contained within national planning policy statements/planning policy guidance



SA/SEA APPROACH TO HOUSING PROVISION

notes as well as the policies and objectives in Regional Planning Guidance, the Cornwall Structure Plan and the local plans of Carrick and Kerrier. The criteria are:

- landscape quality;
- transport and accessibility;
- flood plain;
- agricultural land;
- natural heritage;
- cultural heritage;
- land use;
- infrastructure;
- socio-economic issues;
- commercial/market delivery.

The methodology for the sustainability appraisal is set out in the diagram opposite.

1.6 STRUCTURE OF DOCUMENT

The document is divided into a number of chapters:

Section 2 discusses the character of the two towns.

Section 3 provides background on the area's social and economic profile.

Section 4 identifies key growth sectors for the next 20 years.

Section 5 identifies three key areas of change: Penryn, the gap between the two towns and Falmouth waterfront.

Section 6 sets out the strategic policy framework across the two towns.

Section 7 sets out the key development proposals within each of the three areas of change.

Section 8 provides a summary of the approach, policy objectives and key proposals.

SECTION 2 DEFINING THE CHARACTER

The characters of Falmouth and Penryn help to define the future potential of the area.

This section looks at the development of Falmouth and Penryn, local urban form, the natural environment and the distinct character of the two towns.

2.1 HISTORIC GROWTH

Falmouth and Penryn have rich and distinct histories that are still evident in the towns today. It is important to understand the historic context of both towns because it underpins their subsequent development, helps to shape their distinct identities and accounts for some of the most successful and interesting parts of the local landscape.

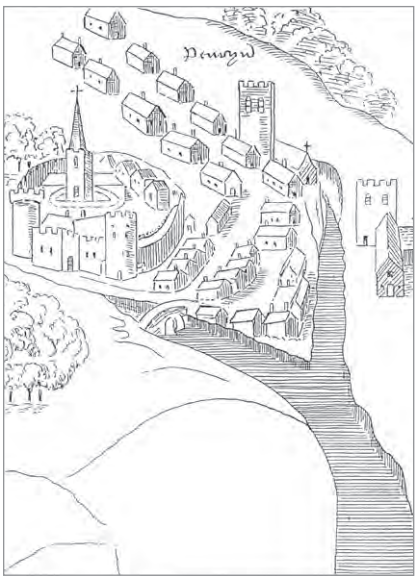
GLASNEY

EARLY GROWTH AT PENRYN

Glasney College was founded soon after 1265 in Penryn and the settlement grew around this institution. Its location between Helston and Truro and its access to sheltered waters on the Fal, ensured that the area was the focus for commerce through the 13th, 14th and 15th centuries. Falmouth at this time comprised of Arwenack House and its estate and, some distance along the waterfront, the small trading hamlet of Smethwick.

Apart from its collegiate church at Glasney, and now the Combined Universities of Cornwall campus at Tremough, Penryn has largely grown as a result of independent traders and small-scale speculator developers.

Only in the last half century has mass-produced development made its mark on the area, principally in the creation of peripheral housing and industrial estates.



1539-40 JOHN LELAND'S MAP SHOWING GLASNEY CHURCH


PENRYN'S HISTORIC CORE

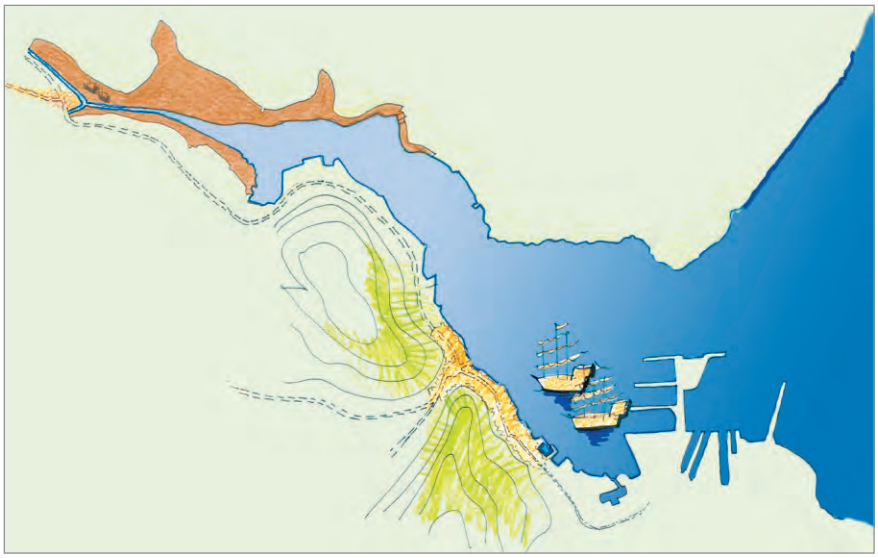

PERIPHERAL INDUSTRIAL ESTATE


CUC

IMPORTANCE OF DEEP WATER ACCESS

Penryn was the focus for development until Falmouth's port was established in the late sixteenth century. Even then Penryn was considered the superior location, its dense and lively network of streets and fine houses a small but convenient distance from the busy port of Falmouth.

However, Falmouth's access to deep water, meant that ultimately the town prospered over its neighbour. The Packet service through the seventeenth century, followed by the development of the Docks, and later the growth of tourism, provided Falmouth with the ability to grow on a larger scale and in a more planned manner than Penryn.

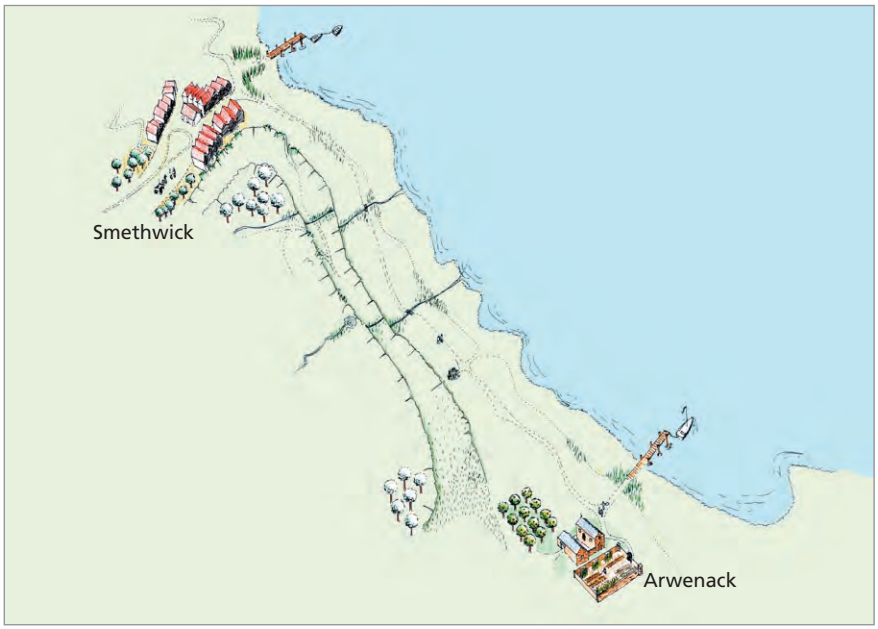


DEEP WATER ACCESS AT FALMOUTH

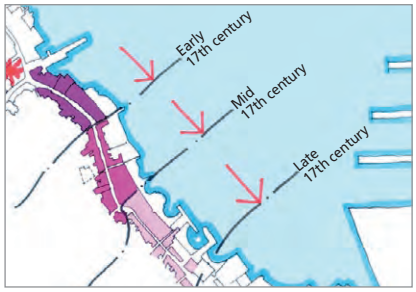
FALMOUTH WATERFRONT

Initially Falmouth's growth concentrated on its waterfront, around Arwenack House. Fishermen's cottages were built up the steep slopes overlooking the waterfront. However, major commerce required flatter sites with better access, and so Smethwick became an additional focus of activity.

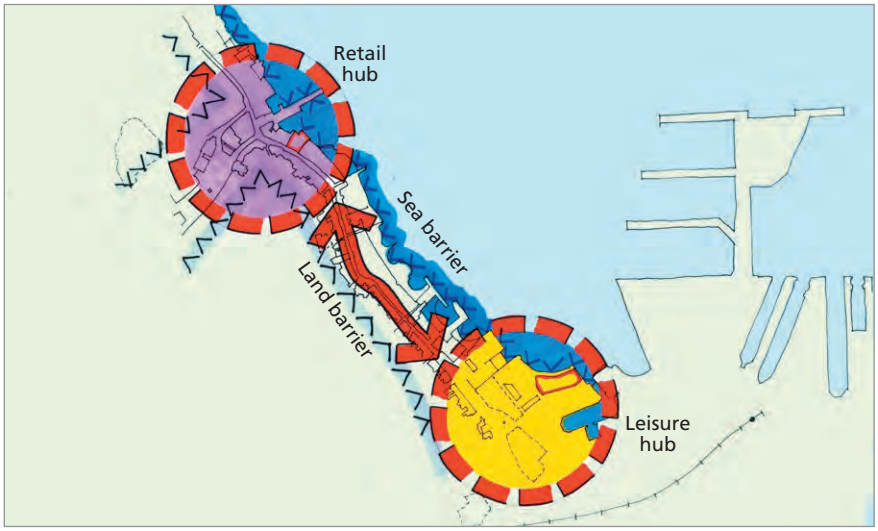
This led to the development of a linear 'high street' connecting Smethwick with Arwenack. The street developed in stages through the centuries. Now the town centre is characterised by an activity hub at The Moor and Prince of Wales Pier (based on retail) and a hub at the Grove Place car park and NMMC that is predominantly leisure-focused. These hubs act as 'anchors' for the linear shopping street.



FALMOUTH BIRTHPLACE AT ARWENACK, AND EARLY GROWTH AT SMETHWICK



LINEAR CHARACTER OF THE TOWN AND ITS EVOLUTION



ACTIVITY HUBS AROUND THE MOOR (RETAIL HUB) AND NMMC (LEISURE HUB) 'ANCHOR' THE MAIN SHOPPING STREET THAT LINKS THE TWO

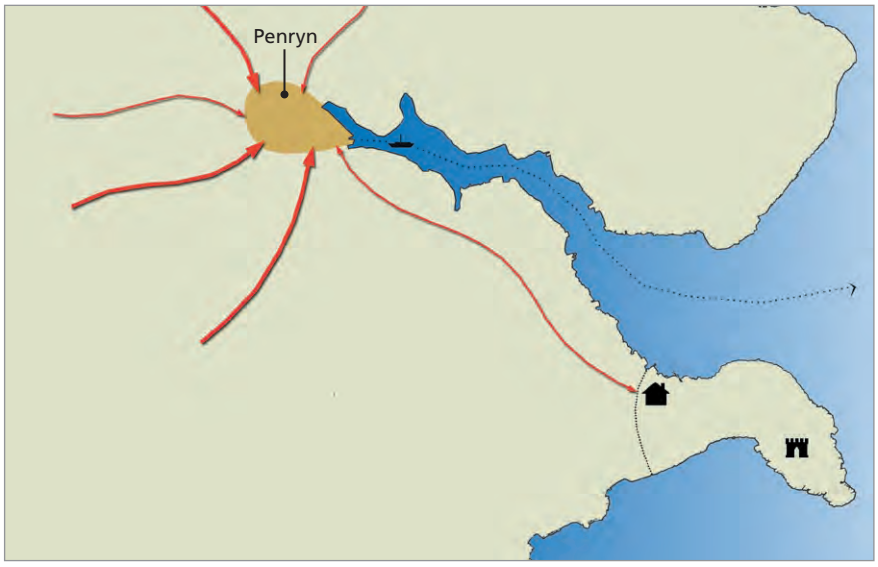
BY-PASSING OF PENRYN

Access to and from the markets in the rest of Cornwall and beyond was an important factor in shaping the two towns. West Street / Lower Street / Broad Street in Penryn carried through-traffic until Commercial Road offered more direct and less congested access by passing the historic core. By the late nineteenth century freight could arrive at Falmouth Docks by rail.

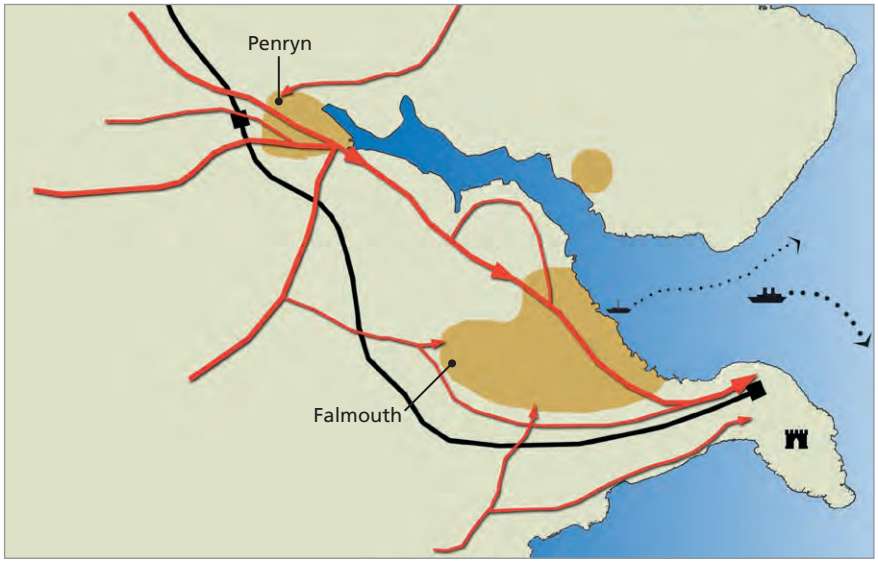
More recently Penryn has been bypassed by the new A39 along with residential and community facilities that have been developed on the outskirts of the town.

This pattern has assisted Falmouth, ensuring its economy remained strong. However, a by-product of each successive 'by-pass' has been the increasing marginalisation of Penryn's town centre with a resultant loss in trade and exposure for the town.

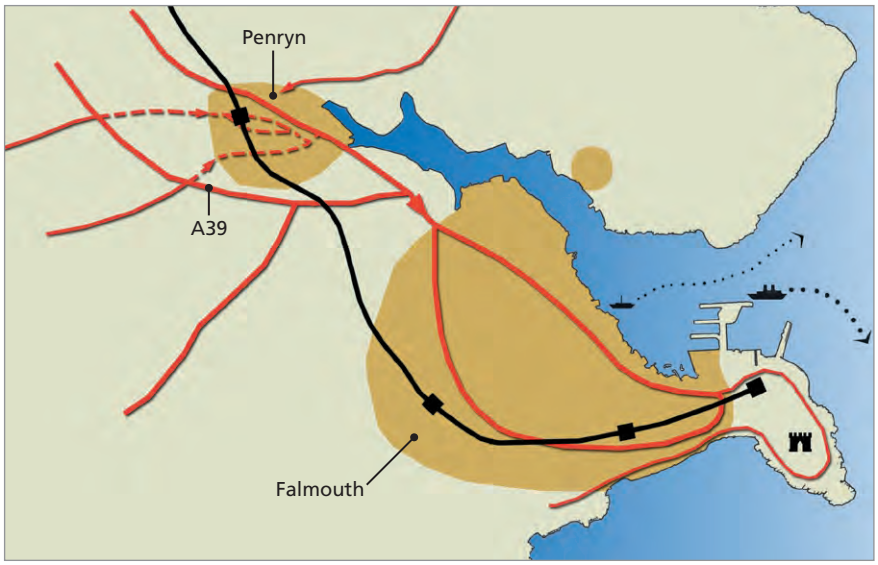
The strategy therefore seeks to bring an end to the bypassing of Penryn town centre by creating more activity in the historic core and along Commercial Road, and improving the links between the two.



ORIGINAL SETTLEMENT WAS THE FOCUS OF LOCAL ROUTES



RAILWAY PROVIDES FIRST BYPASS TO THE TOWN



COMMERCIAL ROAD AND A39 FURTHER BYPASS THE TOWN

2.2 URBAN FORM

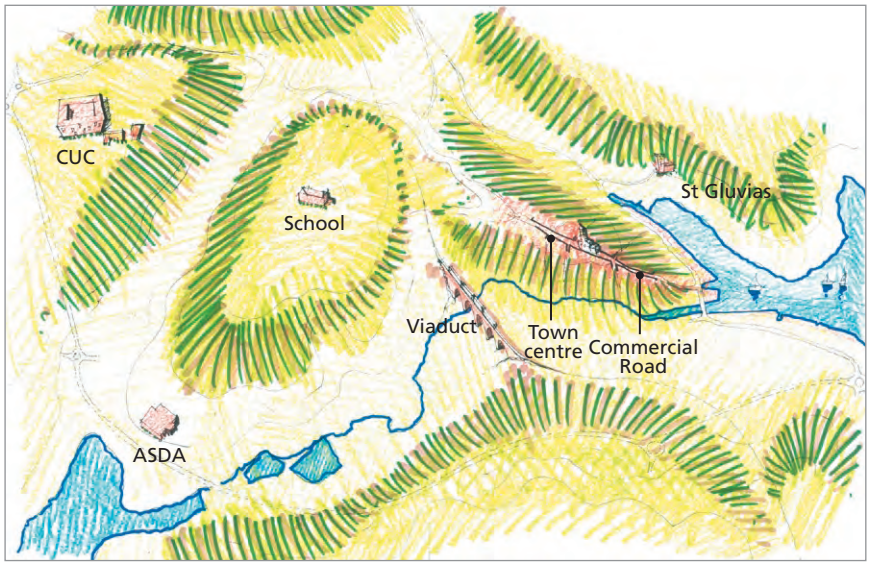
PENRYN

At the core of Penryn is the historic spine which extends from Exchequer Quay along a ridge of high ground where it divides into Helston Road and West Street. A 'high street' in all but name, Quay Hill, Broad Street and Lower/Higher Market Street connect the major civic functions and spaces in the town with the historic waterfront. Along this spine the principal buildings of the town stand alongside each other, representing the long and narrow burgage plots on which they were originally founded.

At the foot of the hill to the south is the lush valley of College Stream. At its western end, new and refurbished buildings around Anchor Wharf are beginning to define new waterside living space in the town. Further west, an unmarked area of green space hides the subterranean remains of ancient Glasney College. The elegant viaduct that crosses the stream encloses this end of the valley, close to the town. The remainder of the valley is populated by late twentieth century social housing, part of which directly abuts the back yards of buildings on the historic main street.

At the foot of the hill to the north, Commercial Road and Church Road are the trading heart of the town. The former wharves and stone warehouses of Commercial Road extend round to include Islington Wharf at St. Gluvias. The broad highway and large buildings on Commercial Road are in stark contrast to the smaller scale and narrow streets of the historic core, yet both represent the town centre of Penryn. North of Church Road, and west of St Gluvias Church, the hillside has been developed with late twentieth century housing.

On the other side of town, west of the railway line, there are few historic landmarks. Tremough Estate, an eighteenth century country house, is now partially at least integrated into the town. Penryn rail station is located on the east-facing flank of a steep and distinct hill, now entirely covered with suburban crescents and cul-de-sacs. The west-facing slope



TOPOGRAPHY OF PENRYN

BROAD STREET, PENRYN


COLLEGE VALLEY VIADUCT

COMMERCIAL ROAD

has been terraced to accommodate schools, the Rugby Club and, in the valley floor, Kernick Industrial Estate which has grown either side of Kernick Road. The estate has more recently benefited from the A39 bypass and has been joined by large-scale retail.

Looking across the valley from Antron Hill is Mabe Burnthouse. The village developed around a crossroads with later growth along each of its four arms. More recent development has been concentrated in the spaces in between. Mabe Burnthouse can now be considered as forming part of Penryn.

MODERN HOUSING ON THE OUTSKIRTS OF PENRYN

FALMOUTH

The structure of Falmouth is strongly related to its topography. High ground to the north and south pressed activity close to the water with access along the valley between. The major thoroughfares come together at the junction of Market Strand/Prince of Wales Pier. The importance of this location dates back to the earliest origins of the town and it remains one of the principal pressure points in the town centre.

Falmouth's maritime history is concentrated along the waterfront north and south of the Prince of Wales Pier. Unlike other Cornish ports such as St Ives, Penzance and Newquay, publicly accessible quays and wharves are limited. The majority of the waterfront was developed as private plots with narrow public routes through (known as 'opes'). Tight streets run parallel to the water for a distance of about one kilometre. The steep slopes behind them were accessible only on foot ensuring that these streets carried all major cargoes to and from the water. A concentrated band of commercial activity extended along the shoreline whilst the slopes were developed for artisan cottages.

This waterfront strip, plus Arwenack manor, was the extent of Falmouth until 1800. In the nineteenth century the town grew along The Esplanade overlooking Flushing. Public parks were established in Berkeley Vale. Civic functions developed in The Moor, genteel villas and formal terraces on Bar Road and around Wood Lane, the Docks were extended, and The Falmouth Hotel and other smaller establishments were built on the seafront. By 1900 the southern hill in the town was completely urbanised. Western Terrace/Melvill Road marked the

A FALMOUTH 'OPE'

FOOTPATH THROUGH RESIDENTIAL TERRACES PROVIDES VIEW OF THE WATERFRONT

divide between the generous proportions and flowing layout of the seaside suburbs and the regular grid and smaller scale found closer to Killigrew Street.

Beacon Hill, to the north, is a largely twentieth century district and was developed as a series of large housing estates. The most distinctive of these occupies the north-west facing slopes east of Old Hill. Roads run with the contours, providing access to the rows of two storey housing that, from the north, appear stacked on top of each other. Whilst most routes attempt to moderate the impact of the hill, Old Hill/Glasney Street provides a direct and precipitous path up and over the summit.

Dracaena Avenue, west of Beacon Hill, increasingly became the favoured route to the town centre during the nineteenth century, in preference to North Parade on the waterfront. As with Trescobeas Road, it was lined with good quality detached and semi-detached houses and provided access to occasional speculative developments.

Apart from Trescobeas Road and Swanpool, the area west of the railway line (Mongleath and Boslowick) is mainly late-twentieth century housing grouped into crescents and cul-de-sacs, and partly designed to frustrate vehicular through traffic. This disconnected urban form further hinders integration of this area into the town centre so that it has become almost a dormitory to the town.

RECENT HOUSING ON THE URBAN FRINGE

FALMOUTH'S HISTORIC WATERFRONT

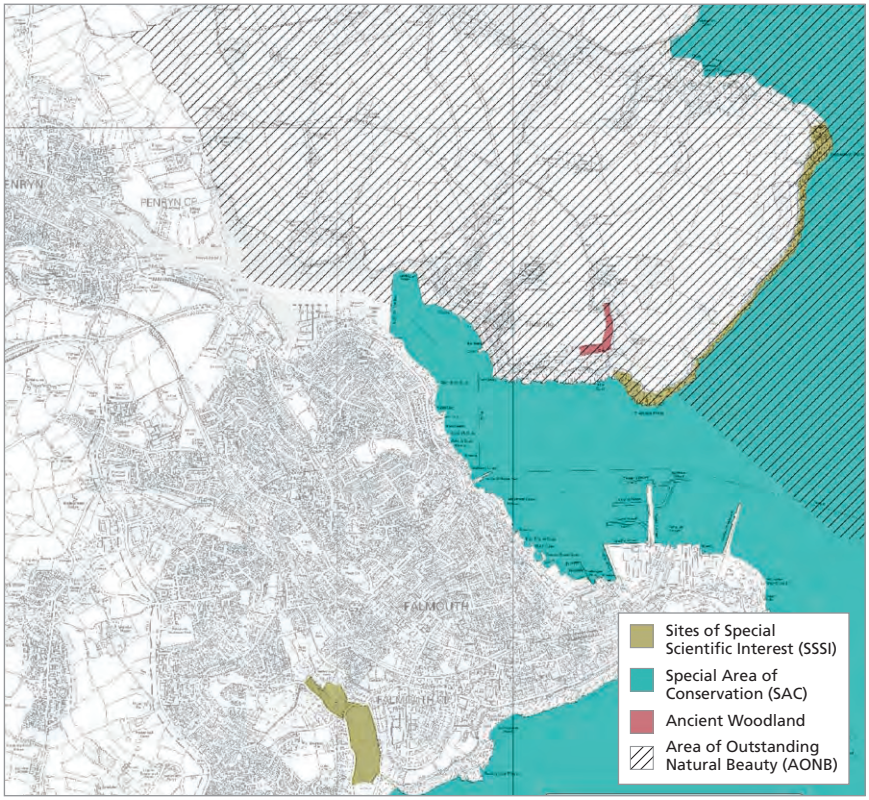
2.3 NATURAL ENVIRONMENT

The Fal Estuary has deep water and steeply sloping hillsides that provide sheltered moorings and an attractive natural setting for the towns.

Penryn, at the head of Penryn River, has a distinctive hilltop location which offers dramatic views along the water and allows key buildings their landmark opportunity on the skyline. The historic core runs along a sharply defined and steep-sided ridge carved by College stream and The Praze.

St Gluvias Church marks the boundary between the town and the open countryside that stretches to Flushing and Mylor. Most of this is an Area of Outstanding Natural Beauty.

FAL ESTUARY AND CARRICK ROADS

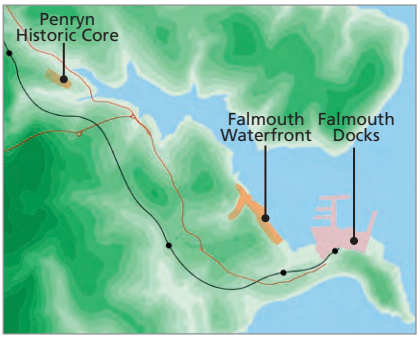


LANDSCAPE DESIGNATIONS IN THE AREA

Penryn's southern boundary is well defined by the College Valley. To the west Kernick Road sits in a narrow valley and Mabe Burnthouse and Tremough mark the edge of the urban area. West of Mabe Burnthouse and north of Tremough, open rural landscapes on high ground mark a distinct change in character.

A second substantial AONB extends south of Falmouth to the banks of the Helford River. Swanpool and its immediate surrounds is a Site of Special Scientific Interest. To the west, Falmouth is separated from Budock Water by a strong ridgeline upon which stands St Budock Church. The Carrick Roads and eastern part of the Fal estuary are a Special Area for Conservation, with the boundary north of Greenbank Quay. The Carrick Roads are also an Area of Great Scientific Value.

Falmouth's visual setting is therefore clearly defined for the most part. The exception is its boundary closest to Penryn which is currently open in character, containing agricultural uses and sports pitches associated with the nearby school. Since the introduction of the new A39, this is currently the area of greatest development pressure. Having considered this area in some detail, the study team has identified open land on both sides of the new road that should remain undeveloped in order to preserve the visual and physical separation between the two towns.



TOPOGRAPHY OF THE FALMOUTH AND PENRYN AREA

2.4 DEFINING THE WATERFRONT

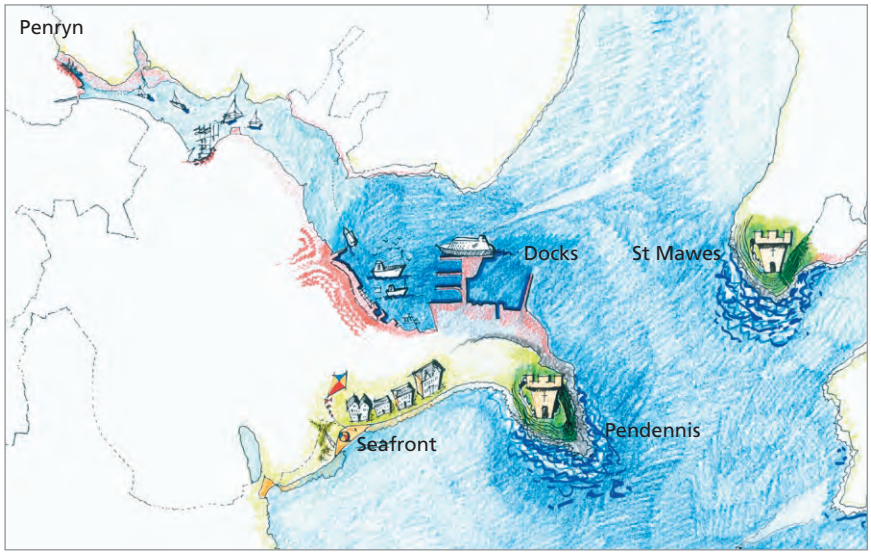
The growth of Falmouth is principally related to its coastal location and sheltered, deep-water berths. The character of Penryn is also strongly linked to its waterfront.

Any vision or strategy for Falmouth and Penryn is inextricably linked with the future of the waterfront. Whilst both towns have distinctive and historic town centres and access to attractive countryside, it is their relationship with the water that defines and unites them.

For this reason it is essential that any new development respects and enhances the character of the waterfront and recognises its value to all aspects of life within the towns, whether social, recreational, tourism, retail, business or transport related.

Whilst there is an integral quality to the waterfront, there are clear changes in the character and role of the waterfront from Penryn south to Falmouth. The waterfront has different economic roles, environmental qualities and social and community values. The importance of these roles is outlined below.

A WATERFRONT OF MANY CHARACTERS



HISTORIC WATERFRONT OF FALMOUTH AND PENRYN

The waterfront has been divided into the following character areas:

- Commercial Road
- Falmouth Road
- Ponsharden to the Pier
- Falmouth town centre - Pier to NMMC
- The Docks
- The Headland
- The Seafront

COMMERCIAL ROAD

Maritime activity in central Penryn has reduced significantly over time, firstly because of competition from Falmouth and secondly due to silting in the estuary.

There are some remaining areas of activity however, for example, at Islington Wharf and on Commercial Road itself.

The estuary is quiet and picturesque, with moorings, a few pontoons and enthusiastic amateurs maintaining their ancient crafts.

The trees and lawns of St Gluvias cemetery provide a lush green backdrop and help create an intimate enclosed space in contrast to the wide expanse of water and formidable scale of the Docks at the entrance to the Carrick Roads.

TRAFFIC ON COMMERCIAL ROAD

Some historic structures and quaysides adjacent to Commercial Road are increasingly reused for non-maritime uses such as bulky retail shops, car mechanics and kitchen shops.

Commercial Road is for many visitors the first time that they see the waterfront, but the area does not capitalise on this potential. There are very few views of the water from Commercial Road, and little sense of arrival. Those areas of public access to the waterfront should be retained, and where possible new access points created.

Developments in the vicinity of Exchequer Quay and Anchor Wharf are creating more of a retail/leisure destination and emphasising the visitor potential of the waterfront. The street should retain an element of marine-related activity but recognise the contribution that some retail, leisure and residential activity make to the vibrancy of the town centre.

There are other opportunities along Commercial Road to open views of the water, and improve the quality of the environment for visitors, enhancing the commercial viability of local businesses without undermining the independent and informal character of the area.

ISLINGTON WHARF

FALMOUTH ROAD

A series of boatyards and moorings, and the Park & Float at Ponsharden, are located along the waterfront between Falmouth and Penryn. These uses are at their most concentrated on Falmouth Road, with the area to the south remaining open, maintaining a gap between the two towns. This slim but symbolic linkage along the waterfront and via maritime activity, represents the strong and enduring tie between the two towns.

Falmouth Road has a more 'business' character than Commercial Road, and a more direct relationship with the waterfront. This is a result of the views across and between buildings to the water, and the nature of the maritime businesses and boat storage present in this area. Whilst there are some businesses which are not marine-related, generally this area makes a valuable contribution to the marine industry and marine-related employment for Falmouth and Penryn.

Falmouth Road is an important gateway for visitors. It announces the working role of the waterfront in Falmouth and Penryn which is a fundamental element of its character. Its contribution to the marine-related economy in the towns and the sub-region should continue to be protected.

PONSHARDEN TO THE PIER

There is a change in character further along the waterfront at Ponsharden. The Park & Float/Ride area remains a focus for marine employment, but the concentration of marinas mark a shift towards marine-related leisure and associated uses, in addition to the more traditional marine-related employment. This is partly a function of the marina uses and partly a reflection of the residential

uses further inland, which are more conducive to this type of use.

Between Falmouth Road and Falmouth's main shopping street, the steep slopes of Beacon Hill leave limited scope for intensive waterside activity. The hill with its terraced houses dominates this part of the estuary, with the Greenbank Hotel, Greenbank Quay and Royal Cornwall Yacht Club being notable landmarks on the shoreline.

The area of the waterfront from Ponsharden starts to define the recreational and tourist role of the waterfront and presents a gradual transition from the working nature of Falmouth Road through to a retail and leisure focus in Falmouth town centre.

FALMOUTH TOWN CENTRE - PIER TO NMMC

Falmouth town centre waterfront stretches from Prince of Wales Pier to the National Maritime Museum. The shopping spine runs parallel with the water, but there is little relationship between the two.

Prince of Wales Pier is a relatively modest yet important landmark to the south. Views from the Pier, however, are spoilt by the scale and quality of waterfront façades immediately to the south.

The area between the Pier and Custom House Quay is an intricate pattern of parallel streets, linked by narrow opes and intimate courts, rising up the steep hillside allowing each level clear views across lower rooftops.

The main artery of the town (formed by Market Street, Church Street and Arwenack Street) runs inboard of the waterfront, which is otherwise defined by numerous private buildings and occasional public spaces – namely Church Street car park and Custom House Quay.

Further south, Trago Mills, the Watersports Centre, National Maritime Museum and Pendennis Marina are relatively new developments located on the waterfront. Together these buildings have enhanced the waterfront, improving the quayside and creating moorings. However, they sit somewhat incongruously with the historic Arwenack estate, the original birthplace of the town.

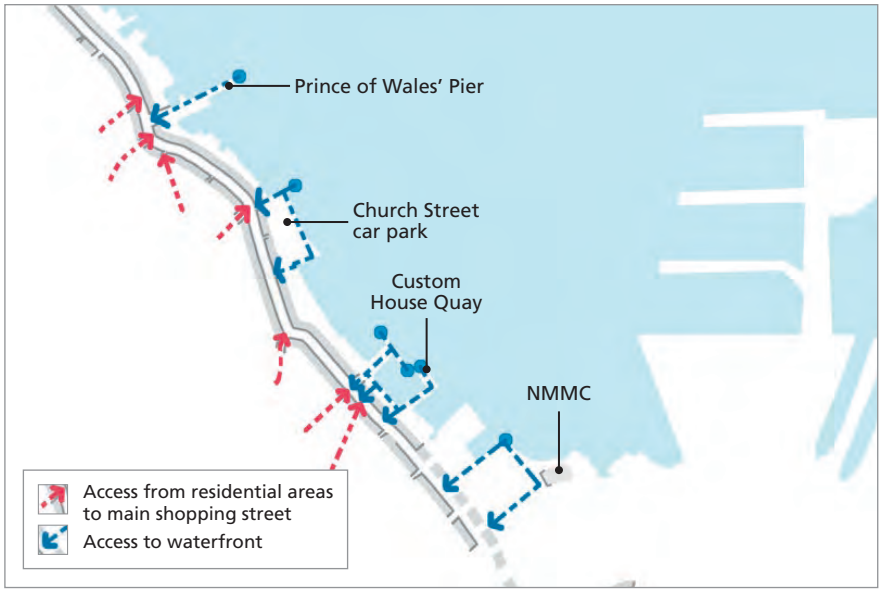
The modern developments provide the link between the smaller scale of historic Falmouth and the vast spaces and structures of the Docks.

The expanse of water reclaimed or corralled for shipbuilding and mooring has fundamentally altered the landscape at the mouth of the Fal.

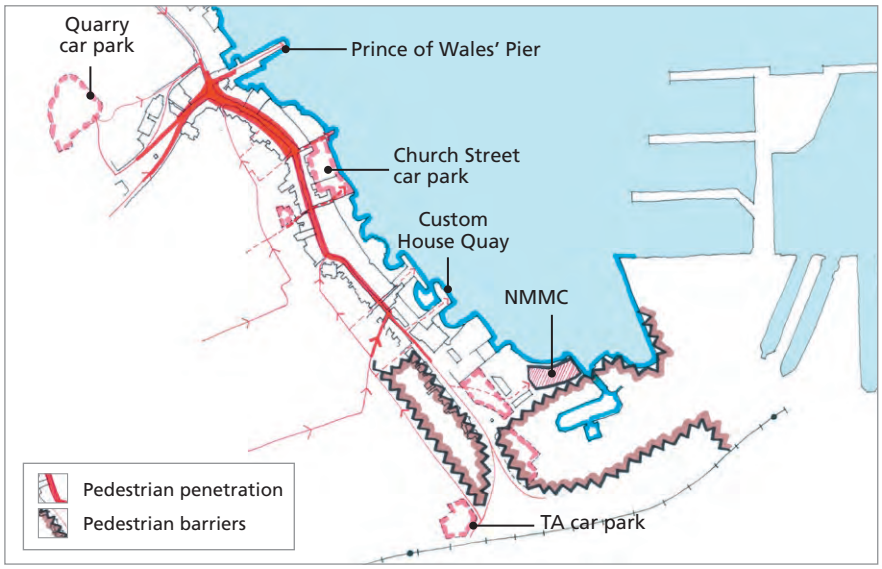
The waterfront is characterised by buildings directly on the water's edge with sheer stone façades adjoining private wharves and steps. Historic opes, which provided public access to the water, have largely been lost or obscured, although once there were more than thirty. The historic character of this area, that of working quays and warehouses, remains in part through the conversion of historic buildings and more careful infill schemes. Large twentieth century developments are more prominent here than elsewhere in Falmouth with the 'high street' element of Packet Quays being the most intrusive of these.

PRINCE OF WALES PIER

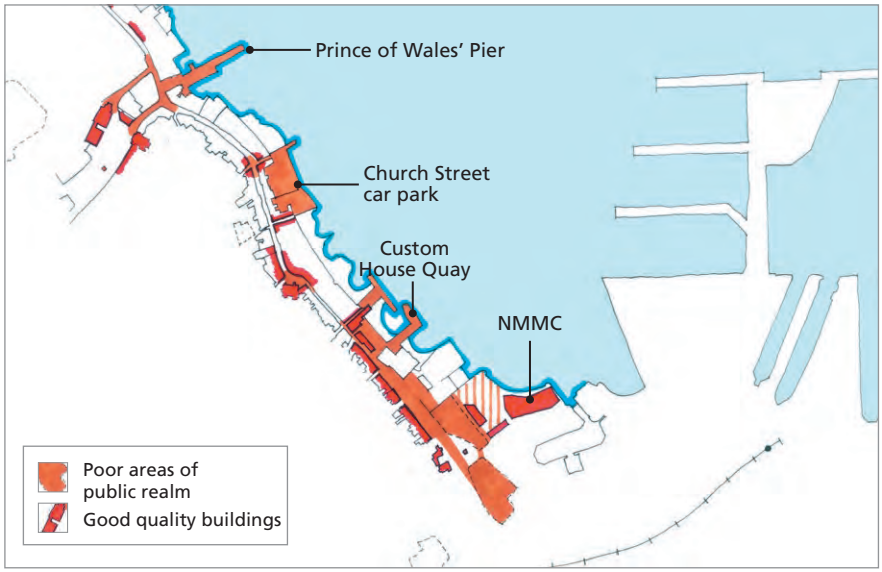
CUSTOM HOUSE QUAY



ACCESS TO THE MAIN SHOPPING STREET AND WATERFRONT



PEDESTRIAN MOVEMENT



POOR QUALITY PUBLIC REALM AT KEY WATERFRONT SPACES

The relationship of the town centre with the waterfront is one of occasional access points, reinforced by glimpsed views of the water. This creates a distinctive and interesting retail/leisure destination, working alongside a vibrant and distinctive shopping street. It also provides a different character of waterfront to the 'seafront' area, adding to the richness of the overall visitor offer of the town. To function effectively, however, it is essential that the few areas which provide public access are of a consistently high quality. At the moment this is not the case.

The four key areas which define the relationship of the town centre with the waterfront are:

- The Prince of Wales Pier;
- Church Street car park;
- Custom House Quay;
- Maritime Museum (Events Square).

The relationship between Falmouth town centre and the waterfront is a critical and contentious issue. There is widespread agreement that access to the waterfront needs to be improved, and that the quality of the waterfront (in terms of its public spaces) also needs to be improved. There has, however, been considerable debate as to how this can best be achieved.

THE DOCKS

The Docks are a key feature of Falmouth's unique maritime heritage. The Docks have grown as a result of Falmouth's sheltered bay, deep water anchorage and strategic location at the entrance to the English Channel. The cranes and ships on the dockside have become synonymous with Falmouth and are important local landmarks. They also remain a major employer and an important driver of the local economy.

Whilst the buildings within the Docks are not particularly attractive, they are usually hidden from public view by the ships docked in the harbour. The prominence of the Docks and ships is a vital ingredient in the character of both towns and their waterfront. The 'floating cathedrals', and their contrast with the smaller recreational vessels, are possibly the most distinctive element of the waterfront, and have the added quality of being a constantly changing feature. The working nature of the Docks is therefore important for a variety of social/civic, tourism and employment reasons, and a high priority should be attached to retaining this character of the Docks.

THE HEADLAND

Pendennis Point juts into the Carrick Roads and divides the commercial town from the south-facing seaside. Pendennis Castle sits on top of the hill looking over the town and the Carrick Roads. It is an important tourist attraction, along with the heritage walks around the rocky headland.

THE SEAFRONT

Falmouth seafront faces south into the Carrick Roads. It consists of Swanpool and Gyllyngvase beaches separated by small headlands, a promenade (Cliff Road) and formal open space including the Gyllyngdune Gardens, Queen Mary Gardens and the gardens around the Princess Pavilion.

This area provides the traditional seaside facilities and is where the temporary summer attractions such as funfairs locate. The area contains most of the town's tourist accommodation. The seafront itself is dominated by a number of grand and impressive hotels, with a proliferation of smaller hotels, guest houses and B&Bs in the quiet leafy streets set back from the main promenade. These hotels, particularly those on the seafront, add to the character of the area and should be retained for this reason, and because tourism and accommodation is key to the town's economy.

Because this area is on the southern side of the headland, it is some distance from the rest of the town centre on the other side of the hill. However, this does mean that it provides some quiet respite from the bustle of the town centre. This separation is not an issue itself, but links between the town centre and the seaside should be improved and enhanced where possible to reduce the relative isolation of the area.

Swanpool marks the transition between the town and the countryside. The broad valley in which it lies rises steadily to the west as the Budock ridge finally meets the coast. A sprinkling of detached houses nestle within the wooded valley sides whilst more recent development occasionally intrudes into the view.

THE DOCKS

GYLLYNGVASE BEACH

2.5 DEFINING THE CHARACTER

Falmouth and Penryn are two separate and distinctive historic settlements, set in a unique landscape and waterfront environment.

The waterfront is the unifying feature in the Combined Development Framework, yet it is the contrasts within the waterfront which define it and make it so valuable to the social and economic fabric of Falmouth and Penryn.

There is a contrast between:

- the role of the waterfront as a public, community resource and its industrial value which necessarily limits public access;
- the different scale of commercial and recreational activity on the water itself;
- the informal nature of the working harbour at Penryn and the large-scale operations at Falmouth Docks;
- the sheltered harbour areas and the remoteness of the headland;
- the limited access opportunities in the town centres and the open nature of the traditional seafront.

Perhaps the single greatest contrast is between the urban nature of the Falmouth and Penryn waterfront compared with the rural character of the Flushing waterfront across the estuary. It is the juxtaposition of these two waterfronts with the variety of activity within the wider Carrick Roads which provides the most defining image of the two towns, and which the Combined Development must acknowledge and seek to protect.

FALMOUTH WATERFRONT

THE TRANQUILLITY OF FLUSHING

SECTION 3 SOCIAL AND ECONOMIC CONTEXT

The Framework addresses the social and economic problems facing Falmouth and Penryn. This section sets the context for the Framework considering:

Demographic Profile

- Population
- Households
- Age structure
- Deprivation
- Health
- Crime
- Qualifications and skills
- Population projections
- Recent strategies

Employment Profile

- Tourism
- Education and health
- Manufacturing
- Other sectors
- Small businesses
- Unemployment
- Incomes and earnings
- GDP
- Local employment
- Employment growth

3.1 DEMOGRAPHIC PROFILE

POPULATION

Falmouth has a total resident population of 20,775 (2001 Census) and Penryn a population of 6,227, giving a combined total of 27,002 residents. Falmouth and Penryn together comprise almost a third of the total population of Carrick District (87,865).

Whilst the population of Falmouth and Penryn has increased significantly (by 17.6%) over the period 1997-2001, this was a much lower rate than that for Cornwall as a whole (32%). However, there is evidence of a recent increase in the rate of population growth in Falmouth and Penryn compared with the whole of Cornwall.

HOUSEHOLDS

There are 11,839 households in Falmouth and Penryn. Of these households, 67% (7,899) are living in privately owned accommodation; 16% (1,901) in social ownership housing; 17% (1,750) in privately rented housing or living rent free. The highest levels of social rented housing are found in Trescobeas (27%) followed by Penwerris ward (24%) and Penryn (20%). The lowest levels of social rented housing are found in Arwenack (6%) and Boslowick (8%). Boslowick ward has a relatively high level of private ownership (83%) and Arwenack ward a comparatively high level of private rented accommodation (28%).

Figures for England and Wales show that across the country 69% of households are living in privately owned accommodation; 19% in social ownership; and 12% privately rented or living rent free.

The 2001 Census shows 12,395 'household spaces' (i.e. houses, flats etc.) in Falmouth and Penryn. At the time of the Census 4.5% (557) of these spaces were vacant, and of those vacancies, 51% (283) comprised holiday accommodation and second residences.

The vast majority of dwellings are not shared (99.8%). This figure is now likely to be lower given the increase in student numbers in the area and the trend towards sharing, and is likely to increase in future as CUC attracts more students and more live outside the hall of residence. Average population density by household is 2.2 persons (2001 Census).

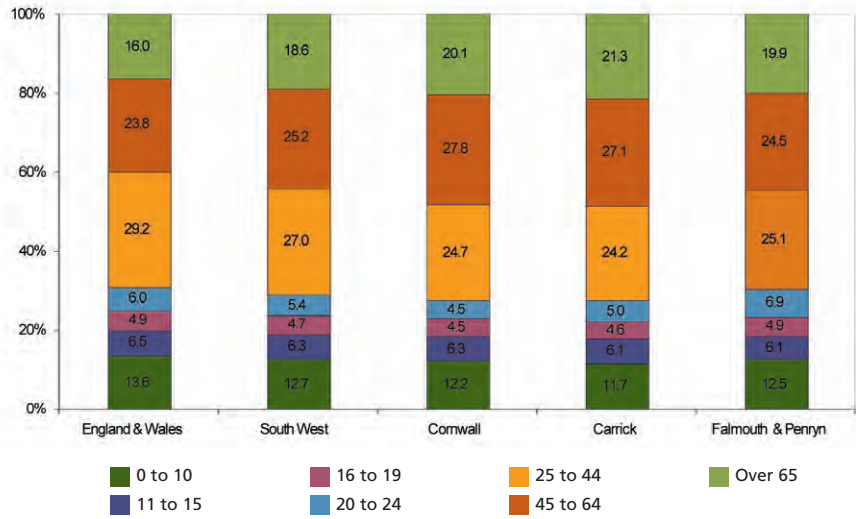
AGE STRUCTURE

The population increase is largely attributable to in-migration that has led to a higher average age for the population of Falmouth and Penryn and Cornwall compared to the country as a whole.

The study area has a slightly lower proportion of very young people aged 0-10 (12.5%) than England and Wales (13.6%), but the proportion is similar to that for the South West and Cornwall and slightly higher than that for Carrick. Falmouth and Penryn have a higher proportion of people aged 65 and over (19.9%) compared with England and Wales (16%) and the South West (18.6%), but lower than the figure for Cornwall or Carrick (20.1% and 21.3% respectively). The working age population (those aged between 16 and 64) is lower for Falmouth and Penryn compared with England and Wales and the South West region (61.5% compared to 63.9% and 62.3%), but is very similar to that for Cornwall and slightly higher than the figure for Carrick (60.9%).

Looking at the age structure of the population in more detail shows that in 2001 the area had a similar proportion of 16-19 year olds and a slightly higher proportion of 20-24 year olds as the national average. This is likely to be linked to the location of Falmouth College of Arts (and to a lesser extent, the Marine School) within Falmouth which help to attract people in these age groups. However, the proportion of 25-44 year olds is lower than national figures indicating

Age structure



Source: Census of Population, ONS (2001)

that the area tends to lose young people once they qualify and seek employment.

The lack of jobs requiring higher level skills and the preponderance of smaller businesses in the area (which are less likely to recruit staff requiring further training) is an important factor in the loss of young people. This characteristic could be exacerbated if economic opportunities are not developed to meet the needs of the supply of graduates being educated within the area as part of the Combined Universities for Cornwall initiative.

The much higher proportion of people over the age of 65 compared to national figures is a clear indication of the popularity of the area as a retirement destination, which in itself has implications for the local economy in terms of the skills and facilities needed to meet the needs of elderly people.

DEPRIVATION

Although some parts of Falmouth and Penryn are amongst the most deprived in the country, it is an area of contrasting fortunes, with other areas amongst the least deprived. The worst affected areas are found in the wards of Penwerris, Penryn and Trescobeas and the least deprived areas are in Arwenack and Boslowick. Parts of Penryn, Penwerris and Trescobeas wards fall within the worst 20% of areas nationally for deprivation (IMD) overall. Part of Penwerris is in the worst 10% nationally for income deprivation and several areas within the wards of Arwenack, Penryn, Penwerris and Trescobeas fall within the worst 10% nationally for 'living environment'. Some areas (these are mainly located in Penryn, Penwerris and Trescobeas) fall within the worst 20% nationally for a range of indicators including income, employment, health deprivation and disability, education, training and skills, crime, housing and services and living environment.

Looking at the areas of least deprivation, part of Arwenack ward ranks in the top 10% for education, skills and training, and two areas in Boslowick are in the top 10% for crime and one for living environment. There are three areas in the top 20% nationally for education, skills and training (two in Arwenack) and for crime (one in Penryn).

HEALTH

The health of the population of Falmouth and Penryn are not as good on average as the population of England and Wales with the exception of Boslowick ward (2001 Census, ONS, People Statistics). In England and Wales 68.6% of the population judge themselves to be in 'good' health, compared to 66.6% for Carrick, 61.4% for Trescobeas, 62.6% for Penwerris, 65.2% for Arwenack, 65.8% for Penryn and 69% for Boslowick. This is likely to be largely due to the age profile of the population in these areas, where all wards but Boslowick have a higher percentage of the population over the age of 65 than the national average. The average for Penryn is only slightly higher than the national average. The figures for 'not good' health ratings follow the reverse pattern.

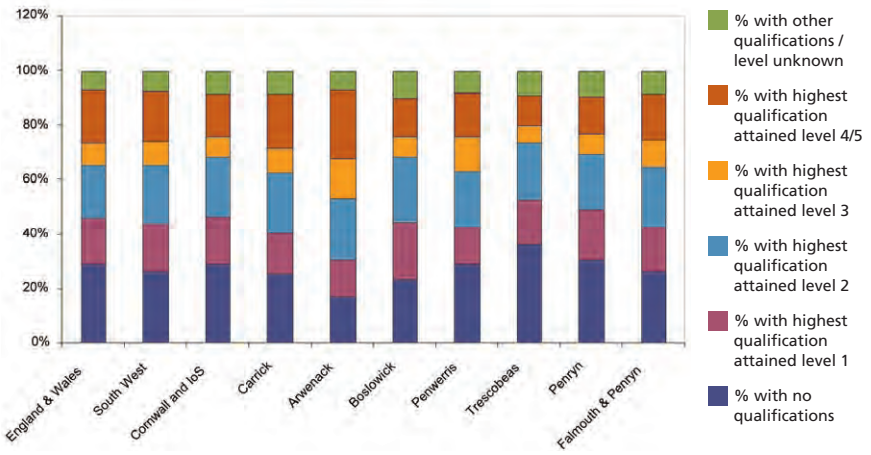
CRIME

Figures are only available at district level for crime. The figures for Carrick show that, compared to the annual average incidence of crimes per 1000 people for England and Wales, Carrick has a much lower rate for all categories other than sexual offences and theft from a motor vehicle where the relative figures are 0.5 and 10.9 for Carrick compared with 0.7 and 11.9 for England and Wales. For the latter two categories, the figures for Carrick are still below those for England and Wales.

QUALIFICATIONS AND SKILLS

Residents of Falmouth and Penryn are more likely to hold qualifications than the average for England and Wales, but are less likely to have qualifications at the highest levels. There is great variation within the Falmouth and Penryn wards however,

Qualifications and skills



Source: Census of Population, ONS (2001)

with Trescobeas and Penryn wards having over 30% of their populations with no qualifications, compared to Arwenack with only 17% of the population with no qualification.

POPULATION PROJECTIONS

The population projection figures show a growth of 11.1% over the period to 2028 for England; 16.4% for the South West region; 21.5% for Cornwall and the Isles of Scilly; and 20.6% for Falmouth and Penryn and Carrick. The figure for Falmouth and Penryn shows a growth in population of approximately 5,650. By using an average population density for Falmouth and Penryn of 2.2, the housing requirement to 2028 equates to 2,568 dwellings. The population is projected to have grown by 2,980 by 2016 (11%) with a dwelling requirement of 1,355 (2001 Census).

These figures do not, however, take into account any increase in population due to factors such as the development and expansion of the University and the pressure for housing that is likely to result. CUC opened in 2004 with a permanent staff of over 115 and more than 2,000 students. The number of staff and students is projected to rise to more than 1,000 and 5,000 respectively by 2007/8.

The majority of staff and students are likely to be in-migrants from outside Cornwall and will not have been accounted for in the Census in this area in 2001. Therefore, a proportion of the increase should be added to the projections for population for Falmouth and Penryn. The impact of this and other development proposals could increase dwelling requirements to 2028 by up to 3,000 units.

RECENT STRATEGIES AND PROJECTS

The Carrick Community Strategy has been developed through consultation with local residents and organisations to address a range of problems identified by the local population for the period 2000 to 2005. A range of issues were identified that the Strategy seeks to address including high levels of deprivation in certain areas, low earnings, the need to develop skills, regeneration of town centres, the importance of sustained economic prosperity, the need for affordable housing, issues of security and law and order, poor health, child care, and the need to provide for young people in order to retain them in the community.

The Strategy has developed eight themes as follows:

- **Community safety** – the Carrick Community Safety Partnership is leading on crime reduction and prevention.
- **Working with the environment** – the importance of the environment for quality of life and for sustaining livelihoods directly and indirectly is recognised.
- **Joined-up communities** – the need to ensure that all communities are able to access facilities and the need for traffic management.
- **Business excellence** – prosperity will depend on the success of local businesses and the majority of businesses in Carrick are small so help must be appropriate.
- **Education excellence and life long learning** – the need to invest in young people is recognised as is the need to build intellectual capital for the future. Business excellence and full employment will depend on skills being learned and re-learned as technology and working practices change. Skills and a reputation for educational performance will be important to future investors.
- **Good health and healthy living** – communities with a higher incidence of illness and a higher proportion of elderly residents face particular problems which need to be addressed.
- **Cultural vitality, creativity and fun** – culture holds society together, has a strong influence on social well-being and business performance and is a key element in distinctiveness.
- **Opportunities for all, tackling social exclusion and poverty** – there is a need to tackle multiple problems faced by the poorest communities.

The document identifies a range of possible ways of addressing each of these themes and also sets out a number of area specific priorities. The priorities identified for Falmouth and Penryn are:

- traffic management, including the provision of public transport;
- attractive coastal and rural environment and well-maintained, attractive built up areas;
- low levels of crime and disorder.

The three priorities are followed by a long list of specific local area priorities which are focused more strongly on economic initiatives as well as the need to address the problems of areas with housing and health problems, lacking community facilities and provision of leisure and cultural activities.

The priorities are being developed by a range of local organisations including Falmouth Town Council, Penryn Town Council, Falmouth Town Centre Forum, the Beacon Community Regeneration Partnership, Penryn Vision Community Regeneration Partnership and Carrick Tenants Forum.

KEY ISSUES

The population of Falmouth and Penryn has increased significantly and the pace of increase appears to be accelerating. The population is expected to rise significantly over the next two decades with the consequent need for housing. It is estimated that at least 1,620 [1] additional dwellings will be needed for the permanent population by 2016 plus accommodation for students, with a further 1,215 dwelling needed by 2028. The population tends to be older, with a smaller proportion of people of working age compared to national and regional figures. Some parts of the towns are experiencing problems of extreme deprivation, whilst others are amongst the most affluent nationally.

There are a number of key issues that emerge from the review of the social context for Falmouth and Penryn. The main ones are:

- there are gaps in social and community provision and some areas, particularly Penwerris, Trescobeas and Penryn, suffer from relatively high levels of deprivation;
- the need to retain young people and the importance of capitalising on CUC, providing managed workspace / incubation units, a range of premises, providing affordable housing;
- the need for skills training and re-training and the difficulties faced by the predominantly small business community in providing training for their workforce;
- the needs of older people including the provision of support facilities such as health centres, but also issues of accessibility including public transport;
- the need to revise planned housing targets if the projected population is to be accommodated and current problems of lack of housing and affordability are not to be exacerbated.

3.2 EMPLOYMENT PROFILE

ECONOMIC ACTIVITY

There are more than 1,100 businesses in the Falmouth and Penryn area, providing more than 11,000 jobs in the study area. Total employment grew by 21.8% between 1998 and 2003 (helped substantially by a 39% increase in employment in Penryn), significantly above the 5.8% growth experienced across England and Wales, and above the growth rate in the South West and Cornwall and the Isles of Scilly. This growth is, however, still below the increase of 25.3% in the Carrick District as a whole, reflecting the greater increase in employment in Truro.

The economic activity rate for the working age population in Carrick is 76.6%, lower than the rates for Cornwall, the South West and England and Wales. Rates for males and females are 88.1% and 65.9% respectively. The economic activity rate for males in Carrick is higher than the rates for comparative areas, but the percentage of females economically active in Carrick is lower than the equivalent rate for England and Wales.

There are slightly more females than males in the Falmouth and Penryn workforce – 51% compared to 49%. This is similar to the average for Cornwall, and contrasts with the national position where slightly more males are working (51% compared to 49%). This reflects the importance of sectors locally that tend to employ a high proportion of females: distribution, hotels and restaurants, public administration, education and health.

[1] 1,620 comes from the basic projected number of dwellings from increase in population (1,355) and an allowance for the increase in staff at CUC (of 50%) divided by the average household size (2.2) to get a figure for housing needed. The figure of additional dwellings 2016 to 2028 is based on population growth only, as all CUC expansion is expected to have taken place by 2007/8. For more detail see Chapter 4.

TOURISM AND RETAIL SECTOR

Employment in distribution, hotels and restaurants dominates, accounting for 40% of all employment for Falmouth and Penryn compared to 24.9% for England and Wales, and employment is particularly high in some individual wards: 45% in Penryn, 46% in Arwenack and 43% in Penwerris ward. Retailing is an important sub-sector of this group and accounts for the largest number of jobs in Falmouth and Penryn. The retail sector is supported by the presence of large numbers of staying and day visitors to the area.

Thirty six percent of businesses in Falmouth and Penryn are in the distribution, hotels and restaurants sector, significantly exceeding the average for England and Wales (29.3%). Wards in Falmouth show the greatest concentrations of businesses in the sector, and Arwenack ward in particular where it accounts for just over half of all businesses.

The tourism industry has been an important sector for many years although the industry has had to change over that time. The hotel sector predominates with 1,465 bed spaces followed by guesthouses with 320 and bed and breakfast with 264. Room occupancy is lighter here than the Cornwall average, particularly in winter months. A number of hotels employ significant numbers of staff in Falmouth wards e.g. Falmouth Hotel, Duchy Hotel, Falmouth Beach Resort Hotel and Green Lawns.

EDUCATION AND HEALTH SECTOR

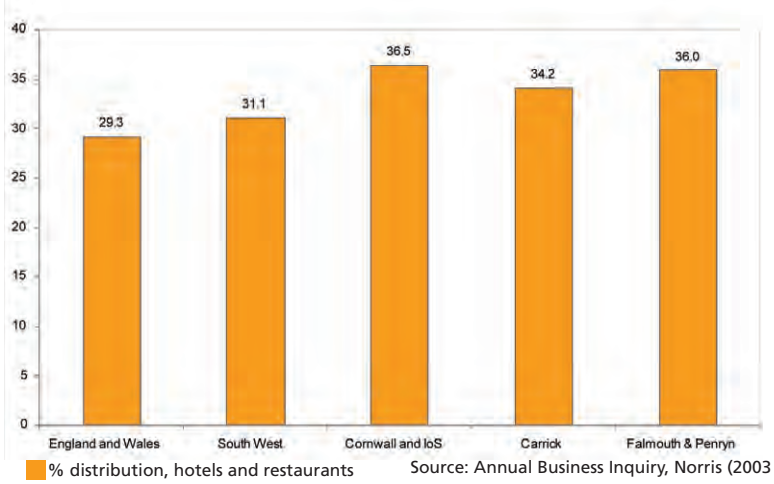
Other key sectors for employment include public administration, education and health, which provide 22% of employment for Falmouth and Penryn (61% in Trescobeas ward) and manufacturing which provides 19% employment in Falmouth and Penryn compared to 12.9% in England and Wales (21% in Penryn, 20.7% in Arwenack and 38% in Boslowick).

These sectors account for 13.3% of business units in Falmouth and Penryn compared to 8.4% in England and Wales. These activities are more dominant in Falmouth (14.5%) than in Penryn (6.8%). Major employers in the area are Falmouth Hospital and the schools and colleges e.g. Penryn College, Falmouth Community Upper School, Falmouth Marine School and Falmouth College of Art.

MANUFACTURING SECTOR

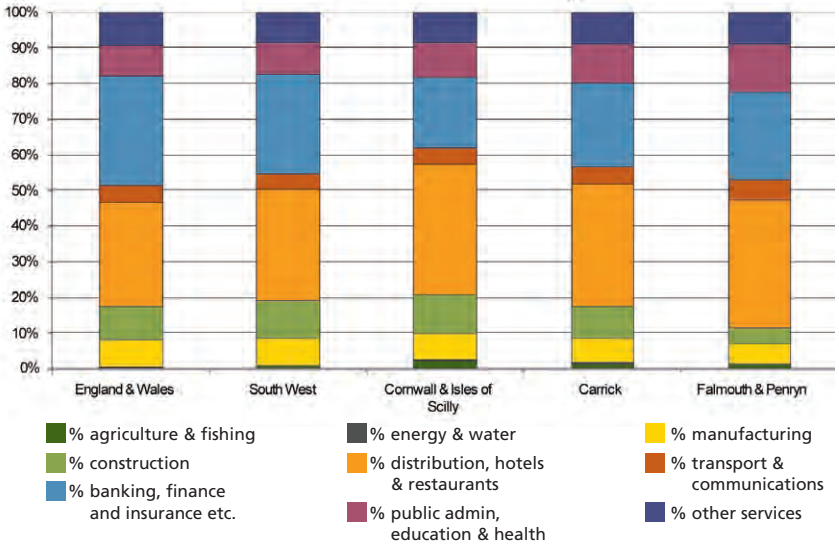
Manufacturing is dominant in Penryn in terms of the number of businesses, accounting for 16.2% of businesses, compared to 5.6% for Falmouth and Penryn and 7.9% for England and Wales. Manufacturing businesses produce a wide range of products, although marine industries are particularly important influenced by the presence of Falmouth Docks and suppliers to the two major firms in the Docks, A&P Falmouth and Pendennis Shipyard. Other manufacturing sectors include printing (Central Litho Ltd), pumps and compressors (Watson-Marlow), sports goods

Business units in distribution



Source: Annual Business Inquiry, Norris (2003

% Business units in broad industrial groups



(British Fly Reels Ltd), workwear (Fryer Workwear), and plastic products (Kernow Coatings Ltd).

OTHER SECTORS

There is an under-representation of employment in banking, finance, insurance etc., which provides only 9.2% employment in Falmouth and Penryn compared with an average for England and Wales of 20%.

The development of businesses and employment in growth sectors such as ICT (Information and Communications Technology) is important for future economic growth. In Falmouth, ICT activity accounts for 2.9% businesses and 1.2% employment and for Falmouth and Penryn together, 3.0% businesses and 3.1% employment. There is a significant amount of employment in the manufacture of TV/radio receivers in Penryn (Allen & Heath Ltd), which substantially boosts the figures. As a result, ICT employment in Falmouth and Penryn is relatively important when compared with the average for Cornwall (2.9% and 1% respectively), but lags behind the average for England and Wales (6.8% and 3.5%).

SMALL BUSINESSES

A smaller proportion of businesses in the Falmouth and Penryn area are much smaller (1-4 employees) than the average for England and Wales and the region (65% compared to 69.1% and 69.2%). A higher proportion of people in the area are employed in these very small businesses compared to national and regional averages (14% compared to 11.4% and 12.4%).

Only 0.4% of businesses in Falmouth and Penryn employ 200 or more people compared to 0.7% in England and Wales. All of the businesses in this largest size band are located in Arwenack and Penryn wards and the figure for Penryn (0.9%) exceeds the figure for England and Wales. In Falmouth and Penryn, however, only 18.5% employees work in large businesses of 200+ employees compared with an average of 30.2% in England and Wales and 27% in the region. In Arwenack ward 22.9% of employees work in these larger businesses and in Penryn, 35%. Outside the Docks and the industrial estates therefore, the importance of small businesses to the local economy is clear.

UNEMPLOYMENT

Unemployment in Falmouth and Penryn is seasonal to an extent, with the unemployment count showing an increase in January and a decrease in July. However, the pattern is not as pronounced as that for Carrick and Cornwall as a whole.

Unemployment has declined over the past five years. In November 2004, 521 people were unemployed in the Falmouth and Penryn area. However, all wards in Falmouth and Penryn have rates above the England and Wales, South West and Cornwall and Isles of Scilly averages, with Trescobeas (4%), Penwerris (3.9%) and Penryn (3.4%) significantly higher.

INCOMES AND EARNINGS

Wage rates and salaries in the area tend to be low and, on average, are more than 25% less than the average for England and Wales. Ten percent of people earn less than £213.2 per week (roughly equivalent to an annual salary of £10,300), while in England and Wales 10% earn less than £230.3 per week. The difference in earnings is much more apparent for the highest 10%, where full time income is less than two thirds of the national average.

GROSS DOMESTIC PRODUCT (GDP)

Two thirds of Cornwall's GDP is generated by four industrial sectors: manufacturing, distribution, hotels and catering, financial and business services and education, health and social services. These sectors are also the key sectors for the UK.

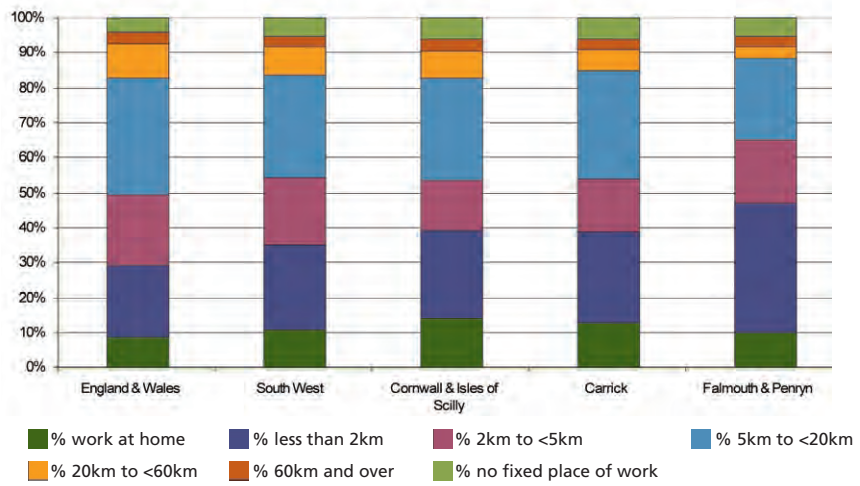
Compared to the UK, Cornwall shows a greater reliance on distribution, hotels and catering and on education, health and social services, both sectors where relatively low output is achieved. Manufacturing and financial and business services are less dominant sectors in Cornwall, and both tend to have higher rates of earnings. If predictions for business sectors in Falmouth and Penryn are correct and if planned investment in marine manufacturing and higher education is implemented, both sectors could have a significant impact on GDP as both have the potential to raise (and maintain) the level of output and earnings in the area. They are identified as key sectors in the following section.

LOCAL EMPLOYMENT

Local jobs are particularly important in the four Falmouth wards, where the proportion working at home or within 2 kilometres is over two-fifths of the ward population in every ward. The figure is slightly less for Penryn ward.

Of those working outside the home, local jobs (less than 2 km) are particularly important for residents of Penwerris (43%) and Trescobeas (42%). Nearly a quarter of the residents of Falmouth and Penryn (23%) travel between 5 and 20 kilometres, indicating the

Distance travelled to work



importance of centres such as Truro for employment.

Driving a car or van is the most common mode of travel to work for local residents, 53.9% in Falmouth and Penryn rising to 63.5% in Boslowick ward. A low proportion of people travel to work by public transport in Cornwall and whilst this is higher within the study area it is still below the national average.

Conversely, a high proportion of local residents walk to work, 17.1% compared with 10% in England and Wales and 13% in Cornwall. Particularly high levels of walking to work are found in Penwerris (24.0%), Arwenack (23.0%) and Penryn (18.6%).

EMPLOYMENT GROWTH AND PROJECTIONS

In individual sectors, the highest growth in employment has been in banking, finance and insurance (68.4% increase in employment compared to 11.7% in England and Wales). However, this has been from a relatively low base. This is the second largest sector in terms of numbers, accounting for almost a quarter of businesses, although this is below the national average. Many of the businesses in this sector are branches of national banks and building societies and, individually, employ very few people in each outlet.

Employment in distribution, hotels and restaurants (39.4%), transport and communications (32.7%), and public administration, education and health (26.1%) has grown much faster than in England and Wales as a whole. Employment in manufacturing has remained stable since 1998 in Falmouth and Penryn compared to a 19.4% reduction nationally.

Employment projections show an increase in employment of 5.7% between 2003 and 2016 in Falmouth and Penryn, representing an additional 650 jobs. Hotels and catering activities are expected to expand by 12% and retailing by 10%.

This level of 'natural' job creation does not appear to be sufficient to satisfy the needs of the expected increase in population. The projections are based on existing activity and do not take into account any new allocation of land for economic development or the introduction of an entirely new activity such as the University which is designed to act as a catalyst for employment generation in other businesses and activities.

Key forecasts include:

- the construction industry is predicted to decline by 10%, but this will depend on what happens to other economic sectors and to house building in the area;
- the distribution, hotels and restaurants sector is expected to expand generally, but with a decline in distribution (8%). Business services are expected to increase employment by a significant proportion, but other financial services such as banking and insurance are expected to lose jobs;
- the public administration and defence sector is predicted to lose jobs, but other areas of employment in the service sector such as health, education and 'other services' are expected to increase employment substantially. This is a reflection of the need for personal care for an aging population, and the need for life-long learning.

What these figures do not include is the direct employment associated with CUC that will boost the figures substantially (over 1,000 direct jobs). The investment in CUC is also likely to lead to the creation of jobs in other sectors such as manufacturing and services stimulated by research and development activities that are not reflected in these projections.

KEY ISSUES

The employment profile of Falmouth and Penryn is similar to the rest of Carrick and Cornwall in that tourism and retail are key sectors as is the service industry (education and health). However, manufacturing is also an important sector, particularly in Penryn, with marine-related industries an important part of this.

There is an under-representation of business activity in ICT, although this is a potential growth area.

The area's economy relies on small businesses, with very few businesses employing over 200 workers, apart from a few examples on industrial estates and in the Docks.

Unemployment rates are influenced to some extent by the seasonality of the tourist industry with an increase in the winter months, although the fluctuation is not as marked as for Cornwall as a whole. Wage rates are lower than the national average, as is the case throughout Cornwall. Public transport is underused as a mode of travel to work, with most people either driving or walking.

In terms of future growth, projections indicated a low level of job creation compared with the projected increase in population. However, these projections do not take into account direct and indirect employment associated with CUC.

Overall, the projections could therefore substantially under-estimate potential employment growth given predicted investment in a number of significant activities such as marine industries and education. It is important to note, however, that these opportunities will only be realised if land can be allocated and capital found to support the proposals. The key issues facing the key growth sectors, and the measures needed to deliver their full economic potential, are therefore considered in the next section of this report.

3.3 SUMMARY

In terms of population, growth is expected to rise over the next few years and issues regarding a lack of housing and housing affordability will be exacerbated by projected growth. Provision of dwellings within the town centre is significant, but finite, and additional sites and the urban fringe will need to be considered.

The local economy displays many of the characteristics of Cornwall as a whole, with the dominance of service industries. However, there is potential for growth in science and technology industries as a result of the CUC, and this should help the area retain its young people. There is also growth potential at the Docks.

Unemployment rates have declined, although there are issues of deprivation in some areas, and there are generally low wage rates and a lack of skills within the local workforce, which will need to adapt to growth in new industries.

SECTION 4 KEY SECTORS

The following sectors have been highlighted as particularly important for the long term economic future of Falmouth and Penryn:

- Knowledge economy
- Marine sector
- Tourism
- Retail
- Housing

These sectors are discussed in more detail, providing context for policy framework set out in Section 7 Strategic Policy Framework

4.1 KNOWLEDGE ECONOMY

Falmouth and Penryn has real potential to develop further its knowledge-based economy. The two towns are able to boast a number of renowned Further and Higher Education colleges and there is potential to capitalise on their reputation and encourage spin off activity within the area.

Falmouth College of Arts (FCA), with an international reputation for excellence in art, design and media, and Falmouth Marine School, renowned for its specialist courses for the marine sector, have provided high quality, specialist higher and further education for many years. Penryn College has recently been designated a specialist sports school, which will attract and nurture pupils with particular sporting talent and Falmouth School is located at the centre of a potential sports hub, and is hoping to become a specialist school in business and enterprise.

COMBINED UNIVERSITIES IN CORNWALL

Until the creation of the new CUC with its main campus in Penryn, Cornwall was one of few English counties lacking a large scale higher education institution. The result was a massive outflow of young people, many of whom never returned, and local companies and mature students unable to access higher education easily. CUC is thus one of the county's most exciting projects, a dynamic and visionary partnership combining the Universities of Exeter and Plymouth, FCA, the Open University, the College of St Mark and St John and the Peninsula Medical School, with Cornwall's Further Education colleges.

The new campus building measures 17,700 sqm and was fully opened for students in September 2004. Substantial funding was provided through Objective One (£48million). The £96.3million project brings new buildings, new courses and high quality education and training for up to 5,000 students at any one time. Currently, all first year students are guaranteed a place on campus in a new £17million student village called Glasney Parc. This provides 500 en-suite rooms in a range of two and three storey houses.

The structure of the CUC is unique. The hub is the new purpose-built campus at Tremough which is situated off Treliever Road in Penryn (to the west of Mabe Burnthouse and within Kerrier District). The hub includes the further development of existing campus and new degrees offered by the University of Exeter, plus the re-location of Exeter's existing Cornwall operations: the Camborne school of Mines, the Institute of Cornish Studies, the Department of Lifelong Learning and the English degree currently based at Truro College.

The University will offer a wide range of courses, specialising in design, science and the environment, and the arts, providing students with more choice and greater opportunities, whilst boosting the economic fortunes of the region. The project will generate approximately 1,000 net jobs, a net additional contribution of £32 million

THE TREMOUGH CAMPUS

to GDP by 2010 and 1,300 graduates per annum (20% of whom are expected to be retained in Cornwall).

Part of CUC's role is promoting regeneration in Penryn and Falmouth. A range of activities associated with CUC will ensure all sections of the community benefit, including businesses. A number of projects have been funded, including:

- an accommodation block for 500 students with en-suite facilities, doubling as conference accommodation for academic and cultural tourism e.g. in garden design, art and the environment;
- development of specialist research bases, e.g. Camborne School of Mines has a £700,000 ESF (European Social Fund) project to create a research base in, for example, coastal zone management and waste management;
- FCA has £1.6 million ESF to establish a Creative Enterprises for Cornwall project, supporting post graduate courses in design and media providing bursaries for students and work placements;
- seven business fellows will work with the academic and business community in a £2 million project to deliver projects with business and help businesses to gain access to facilities; and
- a team will provide a link between CUC and the business community in Cornwall to promote higher education as a source of business support.

Falmouth's new status as a university town offers great opportunities for business and investment in both Kerrier and Carrick. Unlike other university towns that are quieter out of term-time, Falmouth has a strong summer economy. CUC will strengthen the winter economy, helping to create activity year round based on a dynamic centre catering for leisure, tourism and business needs.

The nature of higher education is expanding beyond its traditional role as a place of learning to an increasing emphasis on the contribution of the sector to the development of a knowledge-based economy. Higher education is increasingly presented as a growth industry and institutions are identified as key players in local economies.

THE TREMOUGH CAMPUS

One of the aims of the University is to help stem the 'brain drain' by creating 'higher quality' employment in the area. By providing opportunities to study locally, the CUC encourages more graduates to use their skills to boost local businesses or to start enterprises of their own. In addition, businesses may be attracted to the area because of the University, as well as the University encouraging the growth of new business start-ups.

In the short term, the University and the Regional Development Agency (RDA) intends to provide an Innovation and Technology Centre, adjacent to the existing campus. This will provide small, managed workspace type units for university-related small businesses. It will enable these businesses to receive 'hand-holding' from CUC and have access to the research facilities within the campus during the important initial years of business formation. This would be part-funded by the Regional Development Agency and Objective 1 funding.

In the medium term (5-10 years), if the CUC proposals are successful, there will be the need for 'grow-on' space to provide accommodation for companies that have become too large for the Innovation and Technology Centre. This should still be close to the campus, and build on the relationship that the companies will have developed with CUC. In the longer term, businesses should be encouraged to expand and seek premises elsewhere in Falmouth and Penryn.

Through this gradual process of support, businesses will be helped to remain in the local area and contribute to the regeneration of the local and regional economy.

FALMOUTH MARINE SCHOOL

Falmouth Marine School is located in Killigrew Street in Falmouth town centre. It has 200 full time and 600 part time students, predominantly aged over 16, and offers a variety of courses from NVQ level 1 to Foundation Degrees. The focus is on marine-related courses but the School also caters for the local community where courses are not provided elsewhere, for instance, in the Health and Social Care Department.

The Marine School is important to Falmouth. It has a good reputation and raises the profile of the town. The college has strong links with the other marine-related industries/ employers in the area. It uses a workshop within the National Maritime Museum Cornwall, has access to the museum's archives and rents part of a workshop at Ponsharden for building traditional boats. It sub-lets part of the Rustler & Bowman Yachts space for developing the use of composite materials such as fibreglass. In addition, it has formed a partnership with Pendennis Shipyard to deliver a marine engineering course which specialises in composites, surface finishing, faring, spraying, for which it has now been granted Centre of Vocational Excellence status.

The Marine School is an important patron of the Watersports Centre, a relatively modest facility run by a committee of various users with a public slipway and laying-up area managed by the Harbour Commissioners. Whilst an important resource for local people and visitors, the centre is not in its current form an effective use of space given its prime location, nor is it able to provide the facilities for any large-scale water-based events. The Marine School uses the centre for water-based courses and to store its equipment, although ideally the college would run its own facility.

The Marine School's success means it is planning to relocate to larger premises on the waterfront where it will offer both further and higher education courses. The new building will raise the School's profile, making it a national name in the marine sector; 25% more students are expected to enrol in the first five years in its new building.

The School will focus on three broad programme areas – marine science, marine engineering, and marine leisure. Marine science will extend the work that the Marine School currently carries out with local research businesses, for example on marine mega-fauna (e.g. basking shark surveys), adding value to courses and providing experience for the best students. Marine engineering will cover wooden boat building, GRP, engine maintenance, and light engineering.

The School also has plans for a Falmouth Marine Events Centre (FMEC), from which it can run water-based events. The School has identified a potential site in the Docks, subject to the consolidation of Docks operations, but there are also opportunities at the Watersports Centre/Grove and possibly at Ponsharden. A 'town centre' waterfront location would add significantly to the vibrancy of Falmouth and Penryn, and would reinforce the key objective of increasing public access to the waterfront and use of the water.

Other proposals which could enhance the town as a centre for education include:

- Setting up a Marine Centre of Vocational Excellence. These centres (CoVEs) are specialist areas of vocational provision with close links between colleges and other providers, businesses and communities, who aim to produce qualified and skilled workers which meet the needs of the economy. The Learning and Skills Council is supporting the development of a regional CoVE in marine skills based in three centres – Falmouth, Plymouth and Bournemouth – which in Falmouth would be based at a specialist paint school at Pendennis Shipyard (a joint venture between Pendennis Shipyard and Cornwall College). This partnership of Shipyard and College has already won a Beacon Award for its joint four year Advanced Modern Apprenticeship scheme.
- Constructing a new sports hall at Penryn College to serve the needs of the College, the CUC and the local population.

SUMMARY OF KEY ISSUES

The knowledge-based economy has been identified as a key sector with the potential to drive economic growth in Falmouth and Penryn. The key objectives for the Development Framework must be to:

- promote and encourage growth of CUC, and spin-off business activity;
- encourage new businesses to cluster around CUC, and to encourage upgrading of parts of the Kernick Industrial Estate;
- promote the growth, and relocation, of the Marine School.

4.2 MARINE-RELATED INDUSTRIES

Falmouth and Penryn is a hub for marine-related industries. These are located throughout the area, significantly at the Docks, along Falmouth Road and in fewer numbers along Commercial Road and Islington Wharf. These are typically small businesses, with few employees and size requirements varying from the Rustler & Bowman building at Ponsharden, to small units/workshops such as those at Falmouth Marina. Activities include boat building and repair, marine engine and electronics, sail making and repair, boat storage and yacht brokerage, with many, but not all, requiring access to the water.

PENRYN

Many businesses are located along the eastern edge of Falmouth Road, a key location for marine-related industries including boat building and repair. Anecdotally it seems that these businesses are thriving. Access to the waterfront is not required by all companies, but is crucial to many. Large occupiers include Rustler Yachts and Discovery Quay who occupy a new state-of-the-art building at Ponsharden (in part funded by Objective One funding). The marina at Ponsharden also includes many smaller units such as yachtbrokers and mechanics.

On Commercial Road there are a smaller number of marine-related industries. The Boat Shed and the Sea Scouts both require access to the water and use the pontoons to the rear of their properties, and Islington Wharf contains a boatyard and some marine-related enterprises.

There is, therefore, a diverse range of marine-related businesses in Penryn. These businesses are important as they add to the character of the town, maintaining links with its maritime heritage. They also support a wide range of skills and services. The growth of marine-related business in Penryn should be encouraged on sites where there is potential, for example, on Commercial Road and on the historic wharfs.

FALMOUTH DOCKS

The Docks continue to have an important economic role in the town. They are home to a number of different marine-related manufacturing and engineering businesses that in total employ about 1,120 people (full time, part time, contract and temporary staff), with a combined annual turnover of approximately £60.5 million. The Docks also operate as a port.

The importance of the Docks area has recently been recognised. In September 2004 Falmouth was identified by the Regional Development Agency as one of three marine 'clusters' in the South West with Poole and Plymouth. Falmouth Marine School together with Pendennis Shipyard were awarded Centre of Vocational Excellence (CoVE) status by the Learning Schools Council. This is a specialist area of vocational provision with close links between colleges and other providers, businesses and the community, which aim to produce qualified and skilled workers to meet the needs of the economy. The CoVE in Falmouth is to be based on a specialist paint school focusing on surface finishing and composites.

Key employers within the Docks include A&P Falmouth, Pendennis Shipyard and Falmouth Oil Services.

A&P Falmouth

A&P group operate a three dock facility that undertakes ship repairs, imports and manages cargo, accommodates ships, including a growing number of cruise ships, and can offer a complete package of support ranging from in-service repairs and overhauls to specialist capabilities such as aluminium welding and in-situ machining. The Docks also offers towage (with four tugs) and a 24-hour bunkering facility. A&P is a nationwide company which specialises in repair and conversion of ships from around the world.

ISLINGTON WHARF

ACTIVITY AT THE DOCKS

A&P's operations have changed over the years. A&P Falmouth handles about 100,000 tonnes per year of cargo, most of it imported, including about 50% of fertiliser for the local Cornwall and Devon market, and coal, nearly all from South Africa. This is likely to remain at the current level as Falmouth is a limited conduit compared with London and Southampton, which handle increasing amounts of cargo. It is increasingly important for A&P to provide 'add-ons' to its importing business and alternative functions, so, for instance, it now mixes and packages fertiliser, rather than simply importing it, and is looking at expanding its facility for cruise ships.

Pendennis Shipyard

Pendennis Shipyard is another important user in Falmouth Docks. It employs over 180 craftsmen in the building and renovation of yachts, particularly 'super yachts' in a buoyant market and is a world leader in its field. The company has recently invested in significant new facilities with grant aid from Regional Selective Assistance which will boost its capabilities and its employment levels. The CoVE proposals have been referred to above.

Other Users

Other users include Falmouth Oil services who import oil and provide marine bunkering services to shipping using the Channel. Other marine-related businesses in the Docks provide a range of services including chandlery; specialist removal of asbestos, insulation and metal cladding on ships; underwater engineering, diving and dredging; ships agents and fish merchants and processors; as well as organisations such as the Port Health Authority and Harbour Commissioners.

FUTURE GROWTH

The marine-related sector is doing very well, and the town has been recognised by the Regional Development Agency as an area of excellence. The growth of the marine-related economy as an important niche industry for the area should be supported. Marine-related industries should be supported in existing locations at the Docks, Falmouth Road and Commercial Road. However, marine-related industries are not 'tidy' uses and there is the potential for conflict between uses and amenity, particularly where there is residential development nearby. Therefore marine-related uses should be consolidated at existing locations.

The Docks area represents an important and successful employment zone for Falmouth and Penryn and a recent study found that 71% of those employed in the Docks lived

THE DOCKS

in the area. Despite this, there are opportunities to further enhance the Docks area in terms of providing space for expanding new businesses and marine-related leisure and education. The port area is therefore a key strength and there are a number of opportunities within the area for expansion.

Residential use has been considered in the past in order to cross-subsidise investment in infrastructure for the Docks, but should not be considered a primary use. There are amenity issues associated with locating residential development adjacent to an employment area, and concerns that housing development could impose longer term constraints on the operation of the Docks and marine-related industry. Therefore the focus must be to maximise the site's strength as an employment location with deep-water access. Two major opportunities which have been raised during the course of this study are proposals to create a new cruise liner terminal, and a marine business park. These are discussed in more detail below.

CURRENT DOCK OPERATIONS

Cruise Liner Terminal

The cruise market is an area of potential growth of the Docks. Falmouth is currently used as a day stop off, with passengers either spending time in the town or travelling to nearby attractions such as Penzance and the Eden Project, or an embarkation/disembarkation point (a turnaround port).

The Docks are looking to expand this area and current facilities are not ideal. Cruise ships are getting larger and require extensive wharf space. In 2001 there were 54 cruise ships in North West Europe but only 60% could be berthed at Falmouth. The vast majority of new cruise ships being built are significantly larger than the current fleet and out of a total of 19 only one ship would be able to access Falmouth Port other than during a very short tidal window. Whilst ships can anchor in the Carrick Roads and ferry passengers ashore this is not ideal and could pose risks to health and safety.

Improvements to wharfage, further dredging of the channel, and the provision of a designated embarkation/disembarkation centre within the Docks area would significantly improve the Dock's attractiveness as a cruise ship destination. A&P have plans to reconfigure their current operations to be able to offer better facilities for cruise ships.

Queen's Wharf and Northern Arm would be improved and made suitable for larger ships, with a new passenger cruise terminal located close by. The capacity at Western Wharf would be increased through in-filling to provide a deep water berth, and a new and improved layout of buildings would allow vessels to unload/load cargo more efficiently.

A&P have submitted an application for Objective One funding for dredging and a cruise liner terminal. Any funding granted would have to be matched by A&P, with capital raised potentially through the sale of surplus land. There has been previous interest from the Regional Development Agency and a private developer.

Whilst the development of enhanced cruise liner facilities would be fully consistent with the wider objectives of the Development Framework, it is not possible to comment on the likelihood of this proceeding until more detail is known on the environmental and financial implications of the dredging requirements.

Marine Business Park

The reconfiguration of existing operations as outlined above leaves land and wharf space surplus to requirements. Land within A&P ownership could be sold to help match funding for dredging. A new marina using either Duchy or King's Wharf would allow space for Pendennis Shipyard to display yachts and super yachts, as well as provide additional pontoons for the maritime museum to display exhibits, or for use during regattas.

The development of a marine business park would be a suitable use, recognising the importance of the marine industries to Falmouth and to the economy of the South West in general. It would create a node for high tech marine industries that need access or proximity to other linked businesses. The site would offer one of the few waterside sites in the South West with access to deep water.

The market in this sector is buoyant, and its continued success is key to the local economy. The RDA has previously expressed an interest in delivering the business park, along with the relocation of the Marine Business School. However, concerns regarding the effects of dredging on the environment have slowed negotiations, and the uncertainty has meant that it has been difficult to progress with proposals for land that would be released by A&P.

However, it is thought that a marine business park would support the industry in the area, promoting Falmouth as a centre of marine excellence and strengthen the local economy.

SUMMARY OF KEY ISSUES

The marine-related sector in Falmouth and Penryn is important to the local and regional economy. Retaining the competitiveness of existing business, particularly in Penryn, Falmouth Road and the Docks is important. The sector will need to adapt and change, with some businesses diversifying. The key objectives for the Development Framework must be to:

- protect the range of smaller marine-related businesses along the waterfront;
- enhance the long term competitiveness of businesses within the Docks;
- promote growth in research and specialist marine-related businesses associated with the Docks.

Land within the Docks area, with deep-water access, is a significant employment resource for the sub-region. It has been difficult to develop proposals for the Docks in more detail because of the concerns regarding the environmental impact of dredging, which are currently being established.

In view of the requirements outlined in the economic forecasts, the priority must be to retain this land for marine-related, employment generating, activities.

CRUISE SHIP POTENTIAL

4.3 TOURISM

The importance of the tourist industry in the local economy has already been highlighted. Employment in distribution, hotels and restaurants accounts for 40% of all employment in Falmouth and Penryn compared with 24.9% in England and Wales.

Carrick District received 793,000 staying visitors in 2001, spending an estimated £176 million. In addition to the staying visitors, there are an estimated 4.4 million tourism day trips from home to Carrick District, spending over £115 million. It is estimated that more than 8,000 jobs are supported in the businesses in receipt of the visitor expenditure in Carrick.

Falmouth is an established visitor destination within Cornwall. It provides a range of accommodation and attractions as well as reasonable eating establishments and shopping. This is set against an exceptional maritime environment with a strong historic background and considerable contemporary activity.

Changing patterns in the holiday market, most notably the increase in overseas holidays, has led to a long term decline in the number of visitors. Falmouth and Penryn, like many other seaside towns across the country, have had to try and adapt to the changing market. In order to do this it must concentrate on its distinctive natural and cultural assets, and target the growth sectors such as the short break market.

TOURISM MARKETS

Short Break Market

An assessment of national trends confirms the shift towards more, but shorter, holidays. Within the short break market some of the key drivers include destination hotels and eating out. This includes boutique hotels (which provide contemporary individual style and quality) as well as gastro pubs and restaurants run by celebrity chefs. Within Cornwall some of the establishments which fit into these categories include the Tresanton Hotel at St Mawes, Rick Stein's restaurant in Padstow, the Driftwood Hotel at Rosevine, the Black Pig in Rock and the Old Quay House in Fowey. These sorts of establishments bring considerable publicity through travel writers and eating out guides, and will have a positive impact beyond their immediate customer base through reinforcement of positive connotations. They are also a way in which destinations are able to compete with the eating out and retail offers from competing city break destinations.

Discussions undertaken during the course of recent studies have indicated that the emerging boutique hotel chains such as Hotel Du Vin are concentrating on historic cities, and large hotels. However, some of the existing destination hotels (such as the majority of those noted above) are the results of investment decisions by individuals and are difficult to predict. The role of the public sector in these situations is to continue to regenerate town centre locations for residents and visitors and raise levels of prosperity to provide a good resident and visitor customer base. This will support existing businesses as well as stimulating private sector investment.

Marina Developments

There is currently strong demand for marina berths/moorings in Falmouth. Falmouth Marina (operated by Premier Marinas Ltd) provides 337 berths all of which are currently occupied at an annual cost of £324.16 per metre. We understand that there is currently a waiting list for over 100 berths, however, there are no obvious opportunities for new marinas within the Falmouth and Penryn area. There are environmental implications associated with the scale of works required for any new berthings, particularly within the Special Area of Conservation. There is also the issue of locating new berths or a marina adjacent to the Docks, as it could conflict with Dock and other operations that require access to the slipway.

THE NATIONAL MARITIME MUSEUM CORNWALL - A MAJOR REGIONAL ATTRACTION

Cruise Ships

As discussed earlier, Falmouth receives a number of cruise liners each year. There are two berths taking liners up to 230 metres with a depth along side of 8.2 metres, and an unlimited number of anchorages with no restrictions in the Bay. Falmouth is one of the seven ports forming Destination South West, which aims to triple the volume of ships using the South West. The initiative includes funding from EU Objective One and Objective Two. Destination South West operates through dialogue with operators, business-to-business marketing and a presence at the trade exhibitions.

The average number of passengers is 1,000 per ship, ranging between 400 and 2,400. In 2002 the number of people from cruise ships who visited or went through Falmouth on day trips was 37,000. At present, the market is small (about 1%) but it represents a growing market and can bring significant benefits to the local economy. The average spend per passenger has been shown to vary between £75 (Destination SouthWest 2003) to £197 (Port of Cork 2003). On the basis of having 37,000 passengers in 2004, the contribution could be between £2 and £7.3 million.

Cruise ships are therefore an important growth area for the town. However, the provision of enhanced wharfage at the Docks is crucial to the continuing growth of this sector.

TOURISM ASSETS

Natural Environment

As well as the commercial attractions, access to the natural environment is important to visitors. National trends show the increased focus on destinations which enhance their cultural and environmental heritage.

Falmouth is on the South West Coast Path, a high profile walking route. The Falmouth Visitor Survey (2002) identified that 23% of interviewees highlighted that the opportunity to go walking along the cliffs/coast had been a reason for visiting Falmouth.

The Carrick Roads and the Fal Estuary provide good boating opportunities, with an international reputation. Shelter from the prevailing wind makes the location popular with yachts. There are sightseeing and dive vessels operating from Falmouth.

During the winter, working boats with red sails dredge for oysters. As well as visitor participation in marine activities, the boating activity brings interest to spectators.

Accommodation

Forecasts for the future of tourism indicate that whilst there will be a 30% growth in the number of staying trips between 2001 and 2011, during this time the average length of stay is likely to continue to fall. Growth will be concentrated around short breaks, business trips and visits to friends and relatives, and the number of nights is forecast to grow by 11%.

The local Tourist Board has stated that the provision of hotel beds in Falmouth currently satisfies existing tourist demand. There are a good range of types and quality of bedspaces from B&Bs to a 4-star hotel (one of the few in Cornwall). The hotel market is buoyant with good demand from independent hotel operators for existing hotels.

Demand for accommodation, particularly quality serviced accommodation, is likely to increase with the growth in short breaks. In addition to the existing hotels which should be retained, there may be the opportunity for a 'boutique' style of hotel aimed at the higher income bracket.

VIEW ACROSS CARRICK ROADS TO ST MAWES

TOWN CENTRE HOTEL

In order to attract an operator, a hotel of this type would require a prime location with, at the very least, sea views.

Tourist Attractions

There are a number of visitor attractions in the area that complement the towns' environmental assets. Pendennis Castle is a 10-15 minute walk from the NMMC and is also open all year long and operated by English Heritage. It occupies a large site overlooking Pendennis Point and has a generous car park. The main interest of the site is military history, however, its stunning location and well preserved buildings ensure its wider appeal.

National Maritime Museum Cornwall (NMMC)

The flagship attraction is the National Maritime Museum, Cornwall (NMMC) which opened in 2002, and has provided a significant contribution to the tourism offer of Falmouth and the surrounding area. The contemporary and iconic design of the museum, the Events Square and the surrounding blocks of development with their mix of uses have also introduced a new focus to the eastern part of the town and have helped to generate a new centre of activity.

The NMMC is a fully independent museum and a development of the original Falmouth International Maritime Initiative (FIMI) that was created in 1992. The NMMC is also the result of close collaboration between the National Maritime Museum, Greenwich and the former Cornwall Maritime Museum in Falmouth. It is operated as an independent, unendowed charitable trust, with many local sponsors and benefactors.

As well as being a tourist attraction it serves a number of other purposes including use as an educational facility, conference facility (100 seat lecture theatre), corporate hospitality (waterside café/galleries/learning centre etc.), an exhibition gallery and maritime reference library. It also has a very well stocked shop and a rotating programme of exhibitions. The Events Square in front of the museum is a focus for outdoors events and attractions, particularly during the summer months, and the surrounding retail and residential units and cafés create activity at peak times. There are plans for a two screen cinema at the NMMC which would further improve the leisure offer.

Whilst the peninsula and Pendennis Castle are physically detached from the town centre (and indeed this is part of their attraction) NMMC also feels remote and more can be done to link it with its immediate external environment and with the town centre. A better relationship with the waterfront would help visitors to understand the connection between the museum exhibits and the maritime activity which underpins both Falmouth and Penryn. Greater use of Events Square, and potentially the Grove Place area, would also help establish physical connections with other destinations in the town centre. The importance of this to the town centre retail offer is outlined below.

Events

An important part of Falmouth's tourist offer is as a location for water-based events. Falmouth Harbour and Carrick Roads provide a superb sailing area, sheltered from the prevailing winds and a perfect venue for dinghy and keelboat sailing. There are approximately six major sailing or powerboat events per year of around

EVENTS SQUARE

FIREWORKS TO MARK THE START OF A WORLD CRUISE

100 boats each. These include national and international championships and regattas involving dinghies, larger keel boats, racing yachts and cruisers and powerboats. These regattas are generally run by individual local clubs, of which there are six in the area; Royal Cornwall Yacht Club based at Greenbank in Falmouth, Flushing Sailing Club, Mylor Yacht Club, Restronguet Sailing Club (also at Mylor), St Mawes Yacht Club, and Helford Sailing Club. The Watersports Centre is an amalgamation of a number of smaller clubs, and also runs events and functions.

The largest event of the season is Falmouth Week, (second in size only to Cowes Week on the south coast) is held every August, with Falmouth Classics Week held the week before. The event is co-ordinated by PoFSA, the Port of Falmouth Sailing Association, which represents local clubs.

These regattas are important to the town. During Falmouth Week and Falmouth Classics, whilst most of the boats are local, crews are sourced from throughout the South West and further afield, and require places to stay. National and international regattas demand an even greater number of bedspaces.

THERE IS POTENTIAL TO INCREASE THE NUMBER OF SAILING REGATTAS RUN FROM FALMOUTH

Falmouth has in the past hosted large scale on-off events. Perhaps the most well known of these was the Tall Ships which came to the town in 1998 and anecdotally attracted 500,000 visitors and generated £12 million for the town, but others include the Arc Challenge across the Atlantic, AZAB, (Azores and Back), J-Class Regattas and, in February 2005, the return of Ellen MacArthur from her world record breaking solo circumnavigation of the world.

These events require pontoon and mooring space, space for trailers (which in the case of keel boats need to be stored close to the water, smaller dinghy trailers can be moved elsewhere for the week), race office and good changing and catering facilities. Larger events such as the Tall Ships require additional facilities such as a press room and events space. Currently the TA and Grove Place car parks, Events Square and pontoons at the Maritime Museum and Watersports Centre are key areas for events based in Falmouth, although the organising club can often accommodate all facilities required – for example dinghy regattas run from Restronguet Sailing Club can usually be accommodated at Mylor.

Social programmes are either organised by local clubs or (in the case of Falmouth Week) by a specific events company, and are not confined to Falmouth and Penryn but are often located in Mylor and Flushing for example.

Falmouth is also a location for other events such as the Oyster Festival, the Falmouth Festival of Literature and Arts and hosted a number of event associated with Sea Britain 2005, a national maritime festival co-ordinated by the National Maritime Museum Greenwich and Visit Britain.

In terms of sailing events, there is scope for more regattas in terms of water space, and anecdotally there is not perceived to be an issue with number of bedspaces or the quality, although there is a lack of 4 and 5 star accommodation within the region as a whole. However, Falmouth's pontoons and mooring facilities are stretched to the limit during these weeks and there is a premium on space which may in the future discourage major events from being attracted to the area (for example the Tall Ships).

Extending the sailing season from April to November, and encouraging events during the quieter months would help reduce the stress on facilities during July and August. The relocation of the Marine School to the Docks area, or merging it with the Watersports Centre would dramatically improve the quality of facilities and may encourage more events.

SUMMARY OF KEY ISSUES

The key issues for the local tourism industry are:

- improve the quality and range of accommodation;
- try to reduce the effects of seasonality by extending the season to include events in the spring and early autumn, and, for example, marketing off peak special offers;
- adapting to the changing sector including demand for short breaks and targeting the cruise ship market;
- improve existing offer through enhancements to public realm and links between attractions both physical in terms of access, and commercial through multi-use ticketing.

4.4 RETAIL SECTOR

Falmouth is a sub-regional retail centre providing comparison and convenience shopping and services for the local community and tourists. Penryn was a much more local function, although Commercial Road serves an important bulky goods role for the two towns. The CB Richard Ellis retail study identifies only two main competitors, Truro and the retail warehouses at Pool/Redruth.

PENRYN

The retail market in Penryn has struggled to survive in recent years with many units being converted to residential use. Existing provision comprises mostly local traders and antique shops and is secondary/ tertiary in comparison with Falmouth.

Retail Provision

The Falmouth and Penryn retail study (2004), identified 19 retail units in Penryn 'high street' (West Street, Higher/Lower Market Street and Broad Street), all of which were described as 'small' and none of which were occupied by national (multiple) retailers. Four of the units were occupied by convenience retailers and 15 by comparison retailers. This is almost identical to the picture emerging from the 2001 Town Centre Health Check undertaken by CB Richard Ellis.

Commercial Road is now the key destination within Penryn for comparison goods shopping, and particularly for bulky goods. The 2001 study considered that the floorspace within Commercial Road almost certainly exceeded that within the 'town centre', and the car-borne function of Commercial Road complements the role of the traditional town centre.

Retail Character

The two retail areas, 'high street' and Commercial Road are of fundamentally different character. 'High street' is a tight, historic, urban centre, characterised by small retail units interspersed with housing. Commercial Road is characterised by passing trade and on-street parking, large retail units interspersed with large commercial buildings. As a result of this, and their physical separation, the two areas function independently.

Primary and Secondary Retail Areas

It is not really possible to distinguish between retail areas within such a small centre. The heart of the centre is focused on the Town Hall and Lower Market Street. Higher Market Street probably comprises the main retail pitch in Penryn, and although there is no evidence of lettings, rental values are estimated to be in the order of £15-£25 per sq ft ITZA (In Terms of Zone A, i.e. the prime retail pitch).

Retail Growth

The study concluded that Penryn serves a district/local centre function, which makes it difficult to forecast reliably future growth potential on the basis of expenditure and population growth. The study did advise, however, that there was limited retailer demand and therefore little potential of substantial retail growth.

Demand for Penryn from retailers remains low and we have been unable to identify any registered requirements for the town. To a degree this is

PENRYN 'HIGH STREET'

MARKET STREET, PENRYN

reinforced by the fact that the retail units in Penryn are very small, and it would be physically impossible to accommodate substantial retail growth in the historic core along West Street, Lower Street and Broad Street.

Although there is no existing registered demand, the location of the CUC's campus at Tremough is greatly increasing student numbers and there is the potential for Penryn to provide a convenience shopping facility to cater for the increasing student demand because of the lack of suitable units in the historic core. This may be more viable on Commercial Road, where a bespoke unit, visible and accessible from the road, may be attractive to developers. Existing demand has been illustrated in the recent permissions for retail (including A3) uses as part of the recent residential schemes, for example at Jubilee Wharf and Anchor Quay.

BROAD STREET, PENRYN

FALMOUTH

The retail market in Falmouth is more buoyant than in Penryn, with strong demand from retailers wanting to enter the market. The shopping is characterised by a large number of independent stores which attract visitors and tourists, whilst also providing convenience shopping and services for the local community.

Retail Provision

An Experian Goad Ltd town centre report details that Falmouth has a total of 266 retail outlets totalling 363,800 sq ft of floor space. The 2001 Study (CB Richard Ellis) notes that Falmouth is overshadowed by Truro in retail terms and can be considered to have declined relative to Truro (and possibly even absolutely) due to a lack of recent investment. As a result, the study indicated that the catchment area for both food and non-food shopping was relatively constrained.

Conversely Falmouth retains a high proportion of expenditure of those residents living within the town. The Goad survey shows a total of twelve vacant outlets in Falmouth, totalling approximately 13,500 sq ft. This equates to approximately 4.51% of the total floor space in the town and compares favourably with the national average of 10.26%. This is in line with the CB Richard Ellis findings which noted a continuing improvement in the performance of the town centre and consequent reduction in the number of vacancies.

The Goad town centre report provides an index score which identifies retail use representation within the town in comparison with the national average. An index score of less than 100 represents a below average count for the town centre, and above 100 represents an above average count, and a score of 100 represents an exact match to the Great Britain average. The table above shows the index ratings for each outlet type in the town as at September 2004.

Table 4.1 Range of shops in Falmouth

Type of Outlet	Number of outlets	Index of the type of outlet
Convenience	22	90
Comparison	147	115
Service	82	99
Miscellaneous	3	82
Vacant	12	44

Overall a contrasting picture emerges of a vibrant and distinctive centre with few vacancies, which is nevertheless potentially vulnerable to competition.

Retail Character

The CB Richard Ellis report refers to the 'cosmopolitan feel' of Falmouth. This acknowledges the diversity of uses, the quality of the independent retailers and the lively evening economy. These facilities are underpinned by the tourist economy, and more recently the growth in the student population, as well as the local resident catchment.

Table 4.2 Number of shops in Falmouth

Area	Number of outlets
Under 1,000 sq ft	141
Between 1,000 and 2,499 sq ft	90
Between 2,500 and 4,999 sq ft	27
Between 5,000 and 9,999 sq ft	5
Between 10,000 and 14,999 sq ft	3
15,000+ sq ft	0

The relative strength of the comparison retail offer also reflects the strong tourist role of the town centre. Most towns of the size of Falmouth, serving a local resident population, would be expected to be dominated by convenience and service outlets.

The independent nature of the town centre is supported by the relatively small size of available retail units. Table 4.2 shows the distribution of outlets in the town by floor space. It illustrates that the town is characterised by units of under 2,500 sq ft with most units being less than 1,000 sq ft in size. Whilst this makes it difficult to attract investment from the high street (national) retailers, it does help keep rents affordable for smaller retailers.

QUALITY INDEPENDENT RETAIL

Primary and Secondary Areas

The principal retail district of Falmouth is the semi-pedestrianised section of Market Street and Church Street. The prime retail pitch is situated around Marks & Spencers on Market Street where rental values are currently in the order of £50-£55 per sq ft ITZA.

The CB Richard Ellis report notes that *'the linear nature of the shopping thoroughfare and the spread-out nature of the pedestrian footfall does appear to have a negative effect on rental values'*. The prime pitch tails off towards Church Street and Killigrew Street and becomes more secondary. Rental values around the centre of Church Street are in the order of £55 per sq ft ITZA.

Despite this, previous surveys show that pedestrian flows are reasonably strong along the length of the shopping streets. As a result there are relatively few vacancies, which is surprising for a shopping street of this length. CB Richard Ellis also note evidence that shoppers are accessing the main shopping streets both from The Moor and from Grove Place, thus reinforcing the secondary and independent retailers on Church Street and Arwenack Street. 70% of shoppers arrive from The Moor or Trago Mills, with 18% of those surveyed arriving via Church Street car park.

Demand

Falmouth is currently experiencing strong demand from retailers with 52 registered requirements from national occupiers. Table 4.3 demonstrates the distribution of requirements by floor space.

There is good demand from A3 operators for outlets in Falmouth, including restaurants and cafés. This includes national restaurant operators such as Pizza Express and Ask Restaurants and cafés such as Costa Coffee Company. We also understand that there is strong demand from local occupiers for wine bars and bistros.

Many of the existing pubs in town are local operations, however, JD Wetherspoons has opened in the town and we anticipate this trend will continue with the growth of CUC.

A3 (bars/restaurants/cafés) demand currently outstrips supply of outlets, and most of the existing units are unsuitable for restaurant and pub/bar occupation due to size and configuration. The requirements of bars and restaurants are for units of between 2,500 sq ft and 7,500 sq ft, but 54% of the units within the town are under 1,000 sq ft.

Good size units within The Moor would be attractive to occupiers, however a new waterfront development would attract most demand.

Table 4.3 Demand for retail units

	Size requirement			
	0 - 1,000 sq ft	1,001 - 3,000 sq ft	3,001 - 5,000 sq ft	5,001 - 10,000 sq ft
No. of requirements	24	26	0	2

RETAIL CAPACITY

The CB Richard Ellis study estimated future floorspace capacity in Falmouth based on population and expenditure growth forecasts, and summarised the key issues:

Food Retail

- The existing foodstores are trading below company averages.
- Expenditure capacity to support a large foodstore by 2016 can only occur with an improvement in the town's market share (ie an increase in the attractiveness of the town centre) assuming that the Co-op permission at Ponsharden is implemented.
- The availability of town centre sites is constrained but there is no pressing need for a standalone foodstore.

We have not identified any out-of-town retail requirements for Falmouth or Penryn, although, Tesco have confirmed a requirement for a new store either in town or out of town to replace their existing Metro store. The requirement is for a minimum of a Format 25 store (comprising 36,000 sq ft gross internal area) with an optimum size requirement of a Format 50 store (comprising 80,000 sq ft gross). We understand from our discussions with Tesco that they have historically entered into negotiations with Co-op on the Vosper site located on the edge of town; however, they have been unable to reach agreement in respect of this site. They also confirmed that they have considered the Quarry car park site and could potentially make the site work with a Format 25 store.

Comparison Retail

- The town centre retailers could potentially perform better.
- Expenditure growth could support a further 7,000sqm by 2016.
- A development of this scale would not substantially alter the market share of Falmouth town centre.

Bulky Goods Retail

- Prior to implementation of the B&Q proposals at Kernick Road, Penryn, there was an identified deficiency in the sale of DIY goods, household appliances and furniture.
- The B&Q store in Penryn will increase 'market share' in the town but there is no strong need for further out of town bulky goods retailing.
- Non-food goods within the anticipated development of the Co-op foodstore were expected to meet the need for 'additional comparison goods floorspace in non-central foodstores'.

WEBBER STREET AND TESCO STORE

FALMOUTH'S MAIN SHOPPING STREET

FALMOUTH'S HARBOURSIDE

The Harbourside area of the town centre - the waterfront between Prince of Wales Pier and Trago Mills – has been subject to numerous studies over the last 10 years, although no formal planning applications have been submitted. Nevertheless, given the great desire and interest in delivering improvements to the waterfront, and the widespread benefits that appropriate re-development could bring, the most recent set of schemes merit serious consideration within this report.

Harbourside Objectives

Substantial consultation was undertaken with those responsible for developing the Harbourside concepts, and workshops were held with key interests in the town centre, including the Town Centre Forum.

Considerable consultation was undertaken by the Forum during the early 2000s with the public. Some of the key findings were:

- 85% would like to see the pedestrianisation of the main shopping street;
- 91% would like to see better use being made of the waterfront (with the comments identifying a preference towards a walkway along the waterfront);
- 62% would like an alternative to the Church Street/Gasworks car park, with the majority (68%) preferring to see a development in the Quarry;
- 82% would like to have more festivals in the town, utilising the waterfront, Princess Pavilion, Kimberley Park, The Moor and pedestrianised streets.

Accompanying the questionnaire, many of the respondents also provided written comments. These included suggestions to:

- provide electric vehicles from the town's car parks to the main destinations;
- provide a better range of facilities for young people;
- clean and provide better access to the opes;
- encourage more outside activity (delivering a 'café culture');
- improving access to the waterfront with a board walk;
- orientate the town towards the sea;
- improve the aesthetics of the town by involving the Art College and local galleries.

The Harbourside Development Study was published in 2002 and set out a number of scenarios and development options. The preferred option included:

- the construction of a pedestrian promenade along the waterfront between Prince of Wales Pier and Church Street car park;
- making the harbourside the central shopping area and pedestrian precinct;
- full pedestrianisation of market Street, Church Street and Arwenack Street;
- additional public moorings;
- underground parking spaces.

The preferred option has since been rejected by much of the local community, although some of the elements remain acceptable.

Overall the key objectives of the Harbourside proposals are considered to be:

- enhancing the retail offer of the town centre;
- improving the pedestrian environment on Church Street;
- improving access to the waterfront;
- improving the quality of the waterfront environment.

Harbourside Weaknesses

There are four key concerns regarding the deliverability of the Harbourside scheme and in particular the 2002 preferred option:

- Viability.
- Environmental impact.
- Traffic impact.
- Retail impact.

Viability

The retail statistics above illustrate that demand outstrips supply in the town centre.

Our research has not, however, identified sufficient retailer demand for Falmouth to justify a new retail development of the harbourside proposals, and our study has not identified any firm interest in progressing such a scheme.

There are substantial risks associated with developing the scheme, and a reasonable level of developer profit would therefore be required. Our assessment concluded that the scheme is not viable without substantial public subsidy. We have been given no indication that such a subsidy would be forthcoming.

Environmental Impact

The Environment Agency has expressed strong objections to any significant expansion into the Special Area of Conservation. This is a nationally important designation, and impact on such areas elsewhere has resulted in major schemes being turned down at Inquiry. On the basis of the current scheme, the proposals are unlikely, in regeneration terms, to outweigh the environmental impact of the SAC. We are also concerned at the potential for 'privatisation' of the waterfront, given the scale of residential development proposed.

Traffic Impact

The proposals require significant number of cars to enter the underground parking in the area of the Pier. This could lead to congestion in this important part of the town, to the detriment of visitors and retailers.

Retail Impact

Finally, a scheme of this type is likely to create two competing retail pitches as opposed to complementing and improving the existing provision. This has the potential to undermine the existing retail pitch, dilute the retail provision and create vacancies within the town. The impact would be felt primarily by the independent retailers which characterise the existing main shopping street and would therefore adversely impact on the vibrancy in the retail pitch, which is currently created by the high percentage of occupancy.

BACK OF THE HIGH STREET FROM THE WATER

SUMMARY OF KEY ISSUES

Key issues for the retail sector are:

- Falmouth is an important subregional centre with a strong retail market. Although there is demand from national multiples, units within the town centre are too small for these brands.
- Because of the length of the main shopping street (about 1 kilometre), there is a need for more places to stop and rest. Cafés, restaurants and open space on the waterfront would strengthen the town by providing respite and complementing the existing shopping street rather than competing with it.
- In terms of retail capacity, there is no pressing need for an increase in food retail provision although there is demand from Tesco for a new store. There is some potential for an increase in comparison goods. There is no strong need for bulky goods retail.
- Penryn is a local centre and although current demand is low, there may be opportunities to improve the retail offer with the increase in students and staff in the area.

4.5 HOUSING SECTOR

Residential development land in the Falmouth and Penryn area is in short supply and consequently in high demand, in line with the majority of major settlements in the region.

DEMAND FOR HOUSING

According to the 2001 Census, Falmouth has a total resident population of 20,775 and Penryn a population of 6,227, thereby giving a combined total of approximately 27,000 residents. Falmouth and Penryn therefore comprise almost a third of the total population of Carrick District (87,865).

Comparing the total population of Falmouth and Penryn with that for Cornwall between 1971 and 2001 shows that although the population of Falmouth and Penryn has increased significantly (by 17.6%) over the period, this was a much lower rate than that for Cornwall as a whole (32%).

However there is evidence of a recent increase in the population growth in Falmouth and Penryn compared with the whole of Cornwall. The population increase is largely attributable to in-migration, leading to a higher than average age for the population of Falmouth and Penryn, and Cornwall, compared to the country as a whole.

NEW HOUSING IN PENRYN

TERRACES IN FALMOUTH

Falmouth has, over recent years, attracted people from all parts of the UK including retired couples and individuals, professionals and others migrating to the town for a better quality of life. The town has also attracted strong demand from investors acquiring second homes and holiday lets. The residential market in Falmouth is currently buoyant, particularly for apartments close to the seafront and town centre.

Penryn does not experience the same demand as Falmouth, and is a separate market which predominantly generates local demand. However, the introduction of the Combined University's campus may change this and attract investors to the town providing student lets.

The Carrick District Housing Market Study 2001 confirms high levels of inward migration:

- 29% of all households who have been in their current home for under five years have moved to Carrick from elsewhere in the UK or abroad.
- Over 40% of all households seeking housing in Carrick are from elsewhere in the UK or abroad.

POPULATION GROWTH

Population Projections from 2003 to 2016

The expected level of population growth has been estimated using sub-national population projections from the ONS (Office of National Statistics) derived from GAD (Government Actuary Department) figures based on South West sectoral employment growth and district total population growth estimates (i.e. does not take account of housing allocations). The figures show a growth of 11% for Falmouth and Penryn to 2016. This equates to an additional 2,980 people.

Population Projections to 2028

For the period to 2028 (from 2003) the sub-national population projections (GAD) show a growth rate of 20.6% for Falmouth/Penryn and Carrick in the period to 2028 [1]. This rate compares to a figure of 11.1% for England, 16.4% for the South West region and 21.5% for Cornwall and the Isles of Scilly. On the basis of this projected growth, the population of Falmouth and Penryn is estimated to grow by approximately 5,650 people.

The projected population growth in Falmouth and Penryn far exceeds the corresponding level of growth in employment. By using the BSL forecasts for the South West Region, employment is expected to increase by 5.7% between 2003 that represents an additional 650 jobs.

Population projections	Cumulative amount
Population growth 2003 to 2016 GAD based	2,980
Population growth 2003 to 2016 GAD + 525 for CUC staff (50% of 1049)	3,505
Population growth 2003 to 2016 GAD + CUC staff + 1750 (50% of 3500 Phase I and II students)	5,255
Population growth 2003 to 2016 GAD + CUC staff + Phase I & II students + 1250 (50% of 2500 (6000-3500) final contribution of students)	6,505
Population growth 2003 to 2028 GAD based	5,650
Population growth 2003 to 2028 GAD + 525 for CUC staff (50% of 1049)	6,175
Population growth 2003 to 2028 GAD + CUC staff + 1750 (50% of 3500 Phase I and II students)	7,925
Population growth 2003 to 2028 GAD + CUC staff + Phase I & II students + 1250 for 50% of final contribution of students	9,175
Housing Requirements	**Cumulative amount**
Housing requirement 2003 to 2016 GAD based (2980/2.2)	1,355
Housing requirement 2003 to 2016 GAD + 239 for CUC staff (525/2.2)	1,594
Housing requirement 2003 to 2016 GAD + CUC staff + 795 for Phase I & II students (800 (1750-950 units on campus)/2.2)	2,389
Housing requirement 2003 to 2016 GAD + CUC staff + Phase I & II students + 568 (1250/2.2 for contribution of final student numbers)	2,957
Housing requirement 2003 to 2028 GAD based	2,568
Housing requirement 2003 to 2028 GAD + 239 for CUC staff (525/2.2)	2,807
Housing requirement 2003 to 2028 GAD + CUC staff + 795 for Phase I & II students (800 (1750-950 units on campus)/2.2)	3,602
Housing requirement 2003 to 2028 GAD + CUC staff + Phase I & II students + 568 (1250/2.2 for contribution of final student numbers)	4,170
Structure Plan requirements for Falmouth and Penryn	
Falmouth and Penryn Structure Plan requirement to 2016 (113.3 dwellings pa)	1,700
Falmouth and Penryn Structure Plan requirement to 2028 (assuming the continuation of the SP building target)	3,059

POLICY REQUIREMENTS

Policy Requirements to 2016

In accordance with the Regional Planning Guidance of September 2001 (RPG10), the Cornwall Structure Plan, which was published in 2004, sets a county requirement of 29,500 homes in the period 2001 to 2016. Policy 8 of the plan states how, of this total, 8,500 must be provided in Carrick District. While the plan provides guidance with respect to where these homes should be provided, Policy 18, which deals with Falmouth and Penryn, includes an allocation of 1,700 homes (26% of the District's allocation) (CCC, 2004c).

Policy Requirements post 2016

The South West Regional Assembly, as the formal Regional Planning body, is responsible for reviewing the guidance and housing requirements set out in RPG10. Up-dated guidance will be published in the form of a Regional Spatial Strategy that will cover the period to 2026. The strategy is being informed by a number of sub-regional studies, such as the 'Central Cornwall Towns' that includes Truro, Falmouth, Newquay, St Austell, Camborne / Pool / Redruth.

At this stage, no specific housing requirements have been set for either the region or specific local authorities. The draft RSS (October 2005) estimates an allocation of 2,800 but this is subject to further revision. Cornwall County Council estimates the figure should be 3,500. Consequently, the level of growth to 2,028 can only be calculated, at this stage, on the basis that the annual housing requirement set out in the adopted Structure Plan continues unchanged. As a result, by using a rate of 113.3 dwellings per annum, an assumed Structure Plan target to 2028 equates to 3,059 dwellings.

[1] The projections are to 2028 ce of National Statistics (ONS) derived from Government Actuary Department figures that project mid 2003 figures forward in five year blocks to 2028. The figures were the latest available at the time the work was undertaken. The figures used to compile the population projections relating to migration (in and out migration at regional and national level), natural change (death and birth rates) are only available every five years and therefore cannot be subdivided into individual years.

PROJECTED HOUSEHOLD REQUIREMENTS

Population projections to 2016 are 2,980 and to 2028 are 5,650 and, on the basis of an average population density for the two towns of 2.2 persons, a dwelling requirement of 1,355 units. By using the same average population density of 2.2, the housing requirement in Falmouth and Penryn to 2028 therefore equates to 2,570 homes.

However, this is complicated by student figures, with the CUC expected to at least double over the next five years. Up to the end of Phase 2 CUC will have approximately 3,500 students. Whilst it is difficult to ascertain the exact proportion that will migrate to Falmouth and Penryn, a discount of 50% is suggested as some will commute from elsewhere, and some already live in the area, making a total of 1,750. 950 of these will stay in CUC accommodation, leaving 800 that need to be housed. Using a housing density of 2.2 (average housing density) this equates to 364 dwellings or student beds.

If the campus reaches its 6,000 capacity, then there will be a requirement for an additional 568 dwellings or student beds. However, if a higher proportion of students live off-site and out of the area, (and this trend is emerging from student post code data), the housing requirement will reduce.[1]

In terms of staff, up to the end of Phase 2 CUC will have 1,049 staff.[2] Again it is difficult to ascertain the exact population that will migrate to Falmouth and Penryn and again we have discounted 50%. It is more difficult to calculate the number of dwellings this equates to. Those that do migrate to the area may bring their families with them. However, for consistency we have used a housing density of 2.2. This results in a requirement of 239 dwellings.

Table 4.5 Summary of residual requirements

Housing requirement 2001-2016 (113 per annum)	1,700
Less Completions 2001-2004 (120 per annum)	359
Land with planning permission on sites >10 units	262
Urban Capacity Study sites >10 units (20% discount)	505
Windfall allowance for sites <10 units (15pa)	180
Greenfield sites <10 units with planning permission	13
Local plan allocations on previously developed land	0
Local plan allocations on greenfield sites	80
Residual requirement	**301**

Overall the projected housing requirements based on the above calculations and assumptions are about 3,000 to 2016 and 4,100 to 2028.

HOUSING LAND AVAILABILITY

The Local Plan Monitoring Report on Housing (April 2004) updates the analysis on housing supply by examining the District's progress in meeting the requirements set down by the most recent Structure Plan (as adopted in October 2004) for both the District (6,500 homes) and its composite areas, such as Falmouth and Penryn (1,700 homes).

For each of these areas, the report calculates the residual requirement by subtracting the total number of completions and commitments from the Structure Plan target. Completions and commitments can include those sites with planning permission, those sites with identified potential (identified in the Joint Urban Housing Capacity Study, Baker Associates, 2001), and those sites that have been allocated for housing development in the Local Plan.

A summary of the residual requirement for Falmouth and Penryn is shown in Table 4.5 above. To 2016, this requirement is 301 additional dwellings and provision must be made if the Structure Plan requirements are to be met. Significant numbers of dwellings (1,200) will be required if CUC is to grow to its capacity of 6,000 students and 500 staff. Further capacity has been identified in the town centre sites where housing can contribute to regeneration, and on the urban fringe, with a total of 1,230 dwellings contributed from these sources.

Looking forward to 2028, the population projections indicate that approximately 1,200 additional dwellings would need to be provided.

MARKET ASSESSMENT

There is a limited supply of development opportunities for residential development and as such demand currently outstrips supply.

Our research suggests that there is limited suitable residential accommodation for first time buyers in Falmouth or Penryn as there is shortage of supply of both one bed flats and houses which are more affordable to the first time buyer. Many first time buyers are therefore having to stretch their finances to purchase larger properties or simply cannot afford to buy.

There are limited new housing developments in Falmouth in Penryn, however we are aware of the following comparable evidence in Falmouth (see Table 4.6). Sea View Court, Sea View Road, Falmouth, comprises a new development of 22

(1) Estimated student figures are based on information from CUC April 2005.

(2) Kelly, JG (2004) The Combined Universities in Cornwall Initiative: A case study of economic regeneration in peripheral, rural region of the European Union.

Table 4.6 New housing developments in Falmouth

Address	Description	Price	Area sq m	Area sq ft	Value per sq m	Value per sq ft
Basset Street, Falmouth	3 bed end terrace	£300,000	98	1,057	£3,056	£284
59 Church Way, Falmouth	4 bed detached Outskirts of town	£287,500	111	1,189	£2,602	£242
15 Boscundle Avenue, Falmouth	4 bed detached Popular Goldenbank area	£275,000	94	1,016	£2,913	£270
7 Clifton Terrace, Falmouth	3 bed mid terrace Popular area	£195,000	72	770	£2,727	£253
Flat in Falmouth	2 bed apartment	£165,000	61	653	£2,720	£253
Fish Strand Hill, Falmouth	2 bed apartment	£147,500	48	519	£3,058	£284
Swans Reach, Falmouth	4 bed detached. Modern new build development completed Dec 2003	£379,950	-	-	-	-
Bar Road, Falmouth	3 bed modern new build detached barn conversion	£295,000		-	-	-
Marine Court, Avenue Road, Falmouth	2 bed apartment New development in easy reach of Falmouth Waterfront	£247,500	-	-	-	-
Melville Court, Sea View Road, Falmouth	Two bed apartments Modern development	£240,000 - £300,000	79	850	£3,035 - £3,800	£282 - £353
Devington Court, Cliff Road, Falmouth	1980s two bed apartment in need of updating	£299,950	74	800	£4,037	£375
Penthouse Suite, The Strand, Cliff Road, Falmouth	Two bed penthouse recently constructed	£410,000	111	1,200	£3,681	£342

Figures July 2005

Table 4.7 New housing developments in Penryn

Address	Description	Asking price	Area sq m	Area sq ft	Value per sq m	Value per sq ft
St Gluvias Park, Penryn	4 bedrooms detached Modern development outskirts Penryn	£295,000	137	1,473	£2,153	£200
Lower Market Street, Penryn	3 bed semi-detached	£240,000	92.48	995	£2,595	£241
Town House, Penryn	2 bed terrace Modern development	£225,000	60.90	656	£3,695	£342
Cottage, Penryn	3 bed terrace. Period terrace stone cottage	£220,000	89	953	£2,472	£231
Cottage, Penryn	2 bed terrace. Period terrace recently refurbished	£174,950	64.25	692	£2,723	£253
Harbour Village, Penryn	Ground floor apartments	£161,500	50.56	544	£3,194	£296
Alderwood Parc, Penryn	Ground floor apartments	£120,000	38.32	412	£3,132	£291
Anchor Quay, Penryn	1 bed apartments	£125,000 - £129,000	-	-	-	-
Anchor Quay, Penryn	2 bed apartments	£180,000 - £220,000	-	-	-	-

Figures July 2005

high quality apartments arranged in three blocks/phases. The first block of eight apartments has recently been released and six have been reserved from plan at prices ranging between £245,000 and £375,000. This development is not situated in a seafront location, however the first floor and penthouses above benefit from sea views. Two penthouses extending to 1,053 sq ft have been reserved within the scheme at a price of £375,000, equating to £380 per sqft.

Apartment schemes in Falmouth are currently achieving between £250 and £400 per sq ft dependent upon specification, location and views in respect of the sea front. Apartments with moorings are in strong demand and fetch a premium against comparable apartments without a mooring.

We are aware of the following comparable evidence in Penryn (see Table 4.7).

The Anchor Quay development at the harbour village in Penryn comprises a scheme of 69 one, two and three bed apartments. The scheme is currently exceeding expectations with regard to demand. Of the 69 proposed units, 36 have been reserved off plan.

Reservation prices at Anchor Quay for one, two and three bed apartments equate to an average sales value of £277 per sq ft.

House values in Falmouth and Penryn range between £200 and £300 per sq ft dependent upon size and specification.

HOUSING AFFORDABILITY

Although the shortfall in housing at a price at which people can afford is national problem, the problem has become particularly acute in Cornwall and across Carrick. In terms of the latter, Carrick's latest document on Housing Need and Statistics: 2003 Update, has shown that prices have increased by an average of 53% over the period 2001 to 2003. This rate compares to an increase of 37% over the period 2000 to 2002, and to the rate of 30.57% for England and Wales in the period 2001 to 2003.

On the basis that earnings continue to remain low across the District, a widening affordability gap has developed for those wishing to access the housing market. The 2003 Update builds upon this point by referring to the recent work of the Joseph Rowntree Foundation. Their study looked at the difficulties faced by working households, aged 20-39 years, in accessing home ownership in every area of England at the end of 2002. The findings of the study, which were reported in a document entitled 'Can Work; Can't Buy' showed that, in Carrick, some 76% of households were unable to purchase at lower quartile house prices.

Table 4.8 Affordable housing: supply and demand

Sub area	Estimated affordable housing yield from targeting private sites 2003-2016	Forecast need for additional affordable housing, based on Housing Market Study Assumptions 2003-2016	Yield gap
Truro	830	1,183 (91 x 13 years)	-353
Falmouth/ Penryn	335	2,288 (176 x 13 years)	-1,953
Rural	393	871 (67 x 13 years)	-478
Total	1,391	4,342	-2,951

From Balancing Housing Markets, Carrick DC

Carrick's Housing Market Study also confirms the lack of affordability in Carrick with the study showing that of the households who were likely to move in the next 5 years, 50% felt that they could not afford a house above £80,000. Furthermore, the study also showed that 65% could not afford a house above £100,000, a figure that is significantly lower than the District's current average house price (£166,608).

Supply and Demand

The 2003 Update refers to how, in 2003/04, some 1,400 households were included on the District's housing register (including a total of 998 with a high priority for re-housing). For the periods 2004/05 and 2005/06, the level of demand is projected to 1,551 and 1,589 households respectively.

In terms of supply, the projected number of lettings provided by the local authority, together with Registered Social Landlords (both as new and re-lets), is projected as 208 (2003/04), 245 (2004/05) and 207 (2005/06). In totalling the balance between the supply and demand of OAP, 1 bed, 2 bed and 3+ bed properties, the 2003 Update reports a shortfall of 1018 for the period 2003/04. This is projected to increase to deficits of 1,276 and 1,352 in the periods 2004-05 and 2005/06.

Whilst the figures above illustrate the growing gap between supply and demand on the immediate shortfall of vacancies, the 2003 Update also refers to results of the Council's most recent 'housing needs survey' that is able to offer information on future housing demand by tenure, and provide evidence of the entry thresholds for home ownership. The results of the survey concluded that Carrick had a current housing shortfall of 788 dwellings over the

next year and for the four following years. By analysing the composition of this figure, the study identifies the annual requirements for each tenure as being:

Table 4.9 Carrick housing requirements

General market housing for sale	663
Low cost market housing for sale	105
Subsidised housing for sale (including shared ownership and shared equity)	89
Social rented	138

Housing Need and Statistics Report 2003, Carrick District Council

The Yield Gap

In drawing from the evidence that these two data sets provide, the Council has taken further steps, in the form of revised targets (as explained below), to increase supply. The 'Balancing Housing Markets' Local Development Document refers to a significant shortfall in affordable homes over the remainder of the plan period up to 2016. The shortfall is particularly acute in Falmouth and Penryn.

SUMMARY OF KEY ISSUES

- Housing demand in the area is strong, particularly in Falmouth, with demand from professionals, retired couples and singles and investors
- There is limited suitable accommodation for first time buyers.
- Population growth of 11% is forecast to 2016 with, a higher growth rate of 28% to 2028.
- Policy requirements have been set to 2026, but at this stage no specific requirements have been set post 2016, therefore the level of growth calculated is based on Structure Plan targets ie 113 dwellings per annum to 2028. (3056 dwellings)
- In terms of land supply, there is a requirement to 2016 of land for 301 additional dwellings, and approximately 1200 to 2028.
- Housing affordability is particularly acute in Falmouth and Penryn, and there is a growing gap between supply of lettings provided by the local authority and RSLs, and the demand.