

The multiple environmental impact of the government's housebuilding agenda in Cornwall

Summary points

Environmental impacts

Increased flooding: In Cornwall, 1 in 6 properties is at risk of flooding. New housing developments inevitably increase the amount of impermeable hard surfacing (such as roads, driveways, and roofs). Flooding threats faced by new housing built between 2022-2024 is broken down by parliamentary constituency ([see table below](#)). These houses may find that no insurance company will issue household insurance in the future.

Sewage pollution: Cornwall's sewerage network is already operating beyond its limits. More new homes means added pressure on the public sewerage system.

Biodiversity loss and habitat destruction: to speed up the delivery of new homes, the government is rolling back environmental protections, in particular, the mandatory Biodiversity Net Gain (BNG) rules. Cornwall is already experiencing an unfolding ecological crisis which directly affects the productive future of its rural and maritime economy

Increased carbon footprint: While there is no specific carbon footprint estimate for Cornwall, the proposed 1.5 million homes by the end of this parliament is projected to consume England's entire cumulative carbon budget for a 1.5°C temperature rise by 2050

Increased water scarcity: population growth accommodated by new housing developments will impose unsustainable demand on groundwater aquifers increasing the region's vulnerability to severe summer droughts

Key factors driving the government's housebuilding agenda

A misdiagnosis of the housing problem. There are 23,000 households on Cornwall's housing register even as over one in ten dwellings in Cornwall remain empty. Adding to the existing housing stock may only increase the number of empty dwellings while failing to address the housing crisis. Critically, the government's approach ignores the fact that in today's housing market, housing is treated as *an investment product*, not a place to live. Demand is fueled by too much money chasing too few houses, not too many people.

The housing market is global not local and private equity in Cornwall plays an increasing role. Private equity companies are treated as a much needed source of investment income to build affordable housing. This could backfire in the future given the highly damaging track record of private equity investment.

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Context: the threat of ecosystem collapse

On 20 January this year, the government published a report on global biodiversity loss and ecosystem collapse. The report, written by the Joint Intelligence Committee¹, was the first of its kind to position global biodiversity loss as a national security threat to our future, not simply an 'environmental' issue peripheral to mainstream policy priorities. The report warns that the degradation of six critical regions, including the Amazon and the Himalayas, could trigger cascading risks such as mass migration, geopolitical conflict, and severe food insecurity. Using a formal intelligence framework to weigh uncertainty, the text highlights that the UK is particularly vulnerable due to its reliance on international trade for food and fertiliser. Ultimately, the document serves as a strategic call to action, arguing that protecting and restoring nature is a fundamental requirement for a safe and secure society.

Separately, the independent National Emergency Briefing², along with the latest World Economic Forum Global Risks report³, come to the same conclusions: we face an existential threat of monumental proportions and we are nowhere near ready to face this.

The publication of this report marks an increasing 'policy incoherence' between the government's growth agenda with a national housebuilding programme as its centrepiece, and its avowed aim to decarbonise and protect nature. Policy incoherence is further compounded by polarised politics, bankrupt leadership and toxic party political tribalism. There is no leadership to speak of, nor any vision. **Our political leaders are like squabbling children at a beach party kicking each other's sandcastles down while out to sea a tsunami approaches.**

While the government report is wide-ranging, this briefing focuses just on the government's housebuilding agenda as it affects Cornwall. A separate but related proposal sketches out a way forward in the form of [Adaptive Resilient Kernow \(ARK\)](#) combined with a Climate Charter.

The damaging impact of large scale housing development in Cornwall

The government's fixation on growth at any cost makes it blind to the environmental harm that such growth will have. For Cornwall, mandatory targets imposed by Westminster have increased from 2,707 homes per year to 4,453 upwards⁴, a 67 percent jump. It carries a dangerously high environmental price tag, exacerbating the region's existing vulnerabilities across flood risk, water pollution, biodiversity, carbon emissions, and water scarcity. Each of these is looked at in turn.

¹ The JIC brings together the heads of MI5, MI6, Defence Intelligence and GCHQ. You can [read the report here](#)

² [National Emergency Briefing](#)

³ [Global Risks Report 2026](#). WEF

⁴ [Developing a new Cornwall Plan](#), Cornwall Council

1) Increased flooding and surface water run-off

In Cornwall, 1 in 6 properties is at risk of flooding. This will increase to one in four properties by 2050. Cornwall is highly susceptible to flooding due to its long Atlantic coastline, and steep river valleys. Flooding is particularly bad when tidal surges combine with intense rainfall, and surface water runoff. This makes homeownership riskier and more costly, as flood-prone properties could become harder to insure – a requirement for mortgages⁵. Properties at risk of flooding, whether low, medium or high (see box callout below), are as follows

- 5,000 properties vulnerable to tidal flooding,
- 12,000 to river flooding, and
- 29,000 to surface water flooding⁶.

Towns in Cornwall susceptible to flooding: key hotspots include steep terrain areas like Camborne, Redruth, Truro, Penzance, St Austell, and Helston, where fast-flowing runoff creates significant risks for communities, infrastructure, and properties. Surface water often compounds with tidal flooding in low-lying coastal towns like Looe, which is considered one of the most frequently flooded towns in the UK.

Historic underinvestment and worsening storms.

Despite recent investment announcements, flood risk in England is rising due to historic underinvestment and worsening storms. While the Government has committed around £790 million per year for structural flood defences, this total falls short of the £1 billion per year the Environment Agency says is needed to avoid worsening risk and well below the £1.5 billion recommended by the former National Infrastructure Commission to keep pace with climate impacts.⁷

Flood risk for ‘new build’ housing in Cornwall for years 2022 to 2024.

New housing developments inevitably increase the amount of impermeable hard surfacing (such as roads, driveways, and roofs). Research conducted by Aviva insurance company on new build housing focuses on ‘medium’ and ‘high risk’ areas of flooding only (whether from rivers, sea or surface water flooding) and it looks at new homes built between the years 2022 to 2024.

For new builds, taking the year 2024 alone, figures for both existing and projected risk levels for 2050 based on a ‘medium’ to ‘high risk’ category⁸ (but not ‘low risk’) for each parliamentary constituency are as follows :

⁵ [Flooding the Market: The Climate Mortgage Trap](#) Report by Public First 25-Mar-2026

⁶ See [Flood Risk Assessment in Cornwall](#). Report by Urban Water

⁷ [Flood Resilience in England](#). House of Commons Environment Audit Committee 2024-6

⁸ [Aviva spreadsheet](#) with filtered results for Cornwall constituencies

Parliamentary Constituency	Current Risk (Medium/High) (Percentage and Count/Total)	Projected Risk by 2050 (Percentage)
South East Cornwall	19.6% (22 out of 112 new homes)	21.4%
St Austell and Newquay	9.3% (19 of 205 new homes)	12.2%
Camborne and Redruth	8.6% (23 of 267 new homes)	16.9%
St Ives	5.5% (20 of 367 new homes)	5.7%
Truro and Falmouth	4.9% (8 of 163 new homes)	9.8%
North Cornwall	3.7% (13 of 350 new homes)	6.0%

To stress, the above table is for 'medium' and 'high risk', they do not include 'low risk'.

Flood risk for new builds - low, medium and high: If we include 'low' risk along with 'medium' and 'high' - in other words all risk - and look at all years 2022 to 2024, then 17% of new builds in Cornwall are subject to some threat of flooding. By the year 2050, this rises to 20%.⁹

A 'low risk' category can be confusing for prospective buyers as the callout box below explains.

Environment Agency flood risk assessment levels ¹⁰	
High risk	There is a 1 in 30 chance or greater that an area or property will experience flooding within a given year
Medium risk	There is a chance of between 1 in 30 and 1 in 100 that an area or property will experience flooding each year
Low risk	Less than 1 in 100 chance of flooding in any one year
Notes: 1) The "1 in 100" figure isn't as small as it sounds: A 1% annual probability sounds trivial, but over time it compounds significantly. A property with a 1-in-100 annual flood risk has roughly a 26% chance of flooding at least once over a 30-year mortgage period. That's not a remote, negligible risk — it's closer to a	

⁹ See Aviva website on [proportion of new homes built in flood areas](#)

¹⁰ [Flood risk assessment](#) by Urban Water

Environment Agency flood risk assessment levels¹⁰

1-in-4 chance over the life of a typical home loan. By that measure, "low risk" starts to feel like quite a misleading label. Likewise A 1-in-30 annual probability — the threshold for *high* risk — means roughly a **64% chance of flooding at least once over a 30-year mortgage**.

- 2) Flood risk assessment levels are different to the Environment Agency Flood Zone categories. The latter are primarily a planning and development control instrument. They tell local authorities, developers and architects where new development is appropriate, where it requires further justification, and where it should be avoided altogether. They are broad, static, map-based designations. Flood risk assessment levels are a property level tool.

Properties built after 2009 may have difficulty getting insurance. This is because they are excluded from the 'Flood Re reinsurance scheme'¹¹. This government-backed scheme was designed to ensure affordable and accessible flood insurance for high-risk properties; without it, residents in these newer developments may find their homes entirely uninsurable in the future.¹²

Deteriorating quality of new builds

Vulnerability to flooding is being compounded by the deteriorating quality of new builds. According to the Home Builders Federation National New Homes Customer Satisfaction Survey published in March 2025, a staggering 93.7% of new build buyers reported problems such as snags and defects to their builder since moving in, and over a quarter (26.2%) reported more than 15 snags.¹³ The pressure on the industry to build 300,000 homes per year across England and Cornwall can only add to concerns that building quality will deteriorate further.

2) Sewage pollution and health risks

Cornwall's sewerage network is already operating beyond its limits; Cornwall recorded 194 water pollution incidents in 2023, the highest of any local authority in England.¹⁴ This 'achievement' was repeated again in 2024 when South West Water recorded the highest total duration of sewage spills in England during, with 56,173 spills lasting a total of 544,439 hours. While the number of incidents fell slightly from 2023, the duration increased, placing South West Water as the worst-performing company for pollution incidents per 10,000km of sewer.¹⁵

More new homes means added pressure on the public sewerage system because they increase the number of users. The additional wastewater from new housing will further overwhelm combined sewer and drainage systems during heavy rainfall, leading to more

¹¹ [Flood Re Scheme](#), Association of British Insurers

¹² See [USwitch website](#)

¹³ [New build problems and how to fix them](#). Home Owners Alliance

¹⁴ [Cornwall & the Isles of Scilly - DASSH](#), April 11, 2026

¹⁵ [South West Water EPA report](#). Environmental Agency

untreated sewage being discharged into Cornish rivers and seas¹⁶. This "blackwater" carries heavy metals, microplastics, and pathogens, and has been directly linked to the spread of antimicrobial-resistant bacteria among sea users, such as Cornish surfers.¹⁷

The loophole in current planning laws. Under current planning laws, developers have the automatic right to connect new homes directly to the public sewerage system, regardless of whether the local infrastructure actually has the capacity to cope. While Cornwall Council guidelines strongly encourage housing developers to adopt Sustainable Urban Drainage Systems (SuDS) such as permeable paving, green roofs, ponds and rain gardens, there is no mandatory obligation on them to do so¹⁸.

Parish councils in Cornwall have voiced their concerns about the impact of new housing developments. In places like St Mewan (Trewoon), regular emergency pumping and sewage incidents have been cited as evidence that the infrastructure is operating beyond capacity, prompting objections to new housebuilding until adequate upgrades are funded and implemented. A foretaste of the scale of problems that large scale housebuilding might inflict across Cornwall is exemplified by St Mewan Parish Council, which represents Polgooth and Trewoon in Cornwall.

Example: St Mewan Parish

St Mewan Parish Council, has warned that local sewage infrastructure is operating beyond capacity, leading to persistent flooding issues. Yet this has not stopped a proposed development of 20 bungalows being submitted to Cornwall Council Planning department.

Lower Tregongeeves, Polgooth, suffers from chronic sewage flooding 2–3 times per year, with recent incidents in December 2025 requiring South West Water to implement emergency tanker intervention to manage sewage levels and prevent overflow into the river at Lower Tregongeeves. Despite the intervention the balancing tanks were unable to cope with increased flows from upstream, resulting in sewage discharging and flooding. This raises significant concerns that “the existing infrastructure is already operating beyond its intended capacity”.¹⁹

It is highly unlikely that South West Water can resolve these issues permanently given that this is a company that has demonstrably failed to invest in sewage infrastructure leading to consistent, high levels of pollution in the South West of England

What happens at St Mewan could be multiplied right across Cornwall with devastating effects to local wildlife, river and coastal health and the tourism industry.

¹⁶ [Cornwall and Isles of Scilly Nature Recovery Strategy](#) Cornwall Council

¹⁷ [Fal and Helford Marine Protected Area](#) Cornwall Council

¹⁸ SuDS: Implementation of Schedule 3 seemingly mothballed in favour of planning policy approach. [New Civil Engineer](#)

¹⁹ [St Mewan Parish Council minutes of meeting 14-Jan-2026](#). St Mewan Parish Council

3) Biodiversity loss and habitat destruction

The current situation

Cornwall is currently facing a severe ecological emergency where approximately half of all assessed species have experienced significant declines over the last 30 years, and many are threatened with regional extinction. As Cornwall Wildlife Trust states:

"In line with the rest of the UK, nature is in decline in Cornwall. Over the last 30 years, nearly half of terrestrial mammals and three fifths of butterflies are found in fewer places. Almost half of breeding birds have declined. Whilst a few species have prospered, it is clear that an ecological emergency is unfolding."²⁰

Far from being abstract environmental concerns, healthy soils, clean water, and thriving insect populations are the foundational, "invisible infrastructure" that underpins Cornwall's physical survival, public health, and rural economy.

Soil degradation and compaction: around three quarters of Cornwall's land is managed for agriculture yet biodiversity loss directly threatens this food supply chain in several ways: soils are living ecosystems yet 80% of agricultural soils in Cornwall exhibit structural degradation which restricts crop root growth directly undermining long-term crop yields and food security.²¹

The Collapse of Pollinators: Cornwall produces 5% of its commercial fruit and vegetables and the horticulture sector relies heavily on natural pollination. Yet, Cornwall has lost over 46% of its bee population since 1950, and the Isles of Scilly has suffered the complete local extinction of the iconic Scilly Bee. This severe loss of pollinating insects directly threatens crop yields and undermines the economic viability of Cornish growers.

The Marine and Fisheries Crisis: Coastal communities in Cornwall depend on healthy marine biodiversity to provide high-value seafood, with major landing values in ports like Newlyn (£37.6 million), Padstow (£2.9 million), and Mevagissey (£2 million). But biodiversity loss in marine environments—such as the destruction of benthic "Cornish coral reefs" (maerl beds) and seagrass meadows—removes the essential nursery and breeding grounds that sustain fish and shellfish stocks

Impact of housebuilding programme

The government is rolling back environmental regulations To speed up the delivery of these 1.5 million homes, the government has actively begun rolling back environmental protections, in particular, the mandatory Biodiversity Net Gain (BNG) rules²².

Despite initial election promises to ensure that new towns and housebuilding would have "nature at their heart," the government announced major exemptions to BNG rules in December 2025. The changes include:

²⁰ [State of Nature Report](#). Published 2020 by Cornwall Wildlife Trust

²¹ [Written evidence to Parliament](#). Cornwall Council

²² [Government rolls back nature protections to boost housing](#) BBC news 16-Dec-2025

- **Exempting smaller sites:** Developments under 2,000 square metres are now excluded from BNG rules
- **Expanding brownfield exemptions:** The government is consulting on expanding BNG exemptions to brownfield sites up to 25,000 square metres
- **Easing off-site delivery:** Measures are being introduced to make it quicker and cheaper for medium-sized developments to deliver off-site nature improvements.

Off-site nature improvements are ecological enhancements made on land outside a development's boundary to compensate for unavoidable biodiversity losses on-site. Experts and conservationists fear that without rigorous enforcement, these systems can allow developers to "cash to trash" local environments

The government's attitude towards protecting nature was exemplified by the Chancellor, who stated that environmental requirements were being reduced so developers can *"focus on getting things built, and stop worrying about bats and newts"*²³

4) Carbon footprint of new builds:

While there is no specific carbon footprint estimate for Cornwall, the proposed 1.5 million homes by the end of this parliament is projected to consume England's entire cumulative carbon budget for a 1.5°C temperature rise by 2050²⁴

A major driver of these emissions is *embodied carbon*, which refers to the carbon emitted during the manufacturing of conventional building materials—such as brick, concrete, and glass wool insulation—as well as the energy consumed and waste generated during the construction process itself. This means that however 'energy efficient' these new builds are, their construction will already have inflicted a devastating carbon price tag.

[See Annex 1 UK vs Cornwall Carbon footprint](#)

5)Exacerbating water scarcity

While Cornwall is often associated with wet weather, climate projections indicate Cornwall faces water scarcity and drought due to changing climate patterns and local geography.

When we add in population growth accommodated by new housing developments, the rising demand on Cornwall's rivers and groundwater aquifers is unsustainable, increasing the region's vulnerability to severe summer droughts.

Negative Water Balance: Climate modelling for Cornwall shows that while annual precipitation may increase, it will be more than offset by higher evaporation rates driven by

²³ [Labour's list of broken promises mounts](#) Cornwall Wildlife Trust

²⁴ [Homes for Everyone](#). Report by Community Planning Alliance

rising temperatures. This will lead to reduced soil water storage and lower available water yields²⁵

Summer Droughts and Low Flows: Climate change is predicted to drastically reduce seasonal low flows in rivers, which will exacerbate existing abstraction and development pressures on local wildlife and water resources. This will severely impact Cornwall's agricultural sector and public water supplies.²⁶

Reliance on Degraded Moorland: The upland landscapes of Bodmin Moor and West Penwith contain some of Cornwall's most vital, yet severely degraded, ecosystems - peatlands. Cornwall relies heavily on upland areas like Bodmin Moor, which acts as a primary water collector. Colliford Lake, Sibbyback Lake and Crowdy reservoirs store more than 33,000 megalitres of water and providing drinking water to much of Cornwall and Plymouth²⁷. Healthy peatlands act as giant sponges that hold water and release it slowly during dry spells, but because Cornwall's peatlands have been historically degraded by mining and drainage, they have lost much of their natural capacity to mitigate droughts.

Factors driving the government's housebuilding agenda:

Misdiagnosis of the housing problem

No-one is denying that Cornwall has a housing crisis. It is driven by high demand, low wages, and a shortage of affordable homes, with over 23,000 households on the housing register²⁸. But the approach taken by the government is to see this as a straightforward supply-demand equation: build more houses to meet demand and more people will get on the housing ladder.

This is a 'category error' for it ignores the fact that housing is now an '*investment product*' not a place to live in. Unlike most economic commodities where rising prices reduce demand, rising house prices actually fuel further demand for housing as a lucrative financial asset that increases in value over time²⁹. This creates a powerful "housing-finance feedback cycle" where expectations of future capital gains attract more speculative investment, which in turn inflates house prices even further relative to wages.³⁰

It also ignores the fact that we already have more than one in ten properties in Cornwall that remain empty. Nationally, there are 1.4 million more dwellings than

²⁵ [Cornwall Climate Change Risk Assessment](#) Cornwall Council

²⁶ [Cornwall Catchment Partnership](#). Cornwall Council

²⁷ [Improving water quality - Moors for the Future Partnership](#), Natural England April 11, 2026,

²⁸ [Affordable Housing in Cornwall](#). Casestudy by LGA

²⁹ [The demand for housing as an investment](#). IIP policy report October 2024

³⁰ See BBC article 2-April-2025 [Demand for second homes has 'fallen off a cliff'](#)

households, roughly the same figure for the number of homes the government seeks to build.³¹

Too much money chasing too few houses

Bank-created money plays a foundational role in the housing market

At the heart of the ‘financialisation of housing’ is commercial banks’ ability to *electronically create new money* with very little regulation. They are licensed to do so by the state which also exercises similar money creating powers via the Bank of England. By pumping massive amounts of debt-based money into a housing market with an inherently limited supply of land, banks directly inflate house prices. As the Bank of England points out, when a commercial bank issues a loan—such as a mortgage for a home purchase—it does not lend out pre-existing funds from someone else’s savings account. Instead, the bank creates new money by simply crediting the borrower’s bank account with a new bank deposit. It is keyboard strokes into a computer screen. Here is what the Bank of England says:

“If you borrow £100 from the bank, and it credits your account with the amount, ‘new money’ has been created. It didn’t exist until it was credited to your account ... This also means as you pay off the loan, the electronic money your bank created is ‘deleted’ – it no longer exists. You haven’t got richer or poorer. You might have less money in your bank account but your debts have gone down too. *So essentially, banks create money, not wealth.*”³²

And in a separate article by the Bank of England rejects mainstream economic claims:

“The reality of how money is created today differs from the description found in some economics textbooks: rather than banks receiving deposits when households save and then lending them out, bank lending creates deposits. In normal times, the central bank does not fix the amount of money in circulation, nor is Central Bank money ‘multiplied up’ into more loans and deposits.”³³

Under the current monetary system, bank lending is the primary way that new money enters the economy, with commercial banks responsible for creating approximately 97% of all money in the form of loans³⁴. Moreover, banks have increasingly directed this newly created money toward funding mortgages for existing properties rather than investing in the productive economy.

³¹ [Office of National Statistics](#)

³² [How is Money created?](#) Explainer by the Bank of England 1-10-2019

³³ [Money Creation in the Modern Economy](#). Pg 14 Quarterly Bulletin 2014 Q1 by Bank of England

³⁴ [How is bank lending shaping the UK economy?](#). 4-Dec-2024 Positive Money