

## Consultation Response

#countiesmatter

### **CCN Consultation Response: Planning for the right homes in the right places**

#### **Executive Summary**

##### ***Housing Needs Assessment***

- The new Indicative Assessment of Housing Need numbers vary significantly between different Local Planning Authorities and counties. When comparing new proposed Indicative Assessment of Housing Need against Current Assessment of Housing Need, CCN member councils face an increase across the country of over 5000 homes.
- However, in comparison to Adopted Plan Numbers, this represents a growth of over 9,300 homes - and indeed this rises to 38,000 if including areas who have yet to publish a local plan. This is owing to a pre-existing gap between the current assessed housing need numbers and proposals, and there are not currently proposals as to how this gap might be removed, given existing planning constraints.
- Following engagement with member councils, and concerns outlined below, **we do not agree** with the proposed methodology for assessing local housing need. The use of the ONS projections has raised concerns for several of our member councils. Whilst understanding the use of a simpler measure that is applicable across the country, there is concern that the ONS methodology is based on past population growth trends, which are intrinsically linked to past planning decisions.
- The use of a circular measure leads to councils with high delivery being placed under further pressure, and councils with under delivery are seen as having lower 'need'. While accepting this is somewhat pragmatic, to place delivery where delivery has previously been possible, caution needs to be taken to ensure appropriate additional housing is delivered across the country.
- Consideration should also be given to whether the proposed new numbers, which broadly see large increases in the South East and London, and decreases elsewhere, will cement existing disconnect between the regions, and exacerbate the north-south divide. The proposed methodology's consideration of affordability is reactive, requiring a housing problem to exist before being addressed, and this has particular implications for northern counties.

##### ***Statement of Common Ground (SoCG)***

- The Duty to Cooperate has thus far failed to mitigate the challenge of fragmented responsibilities and believe reform to the SoCG is a key opportunity to address these routine problems that impede growth. CCN welcome the understanding within the consultation that local planning authorities need to 'work together to ensure that infrastructure and public services are planned to meet the needs of the wider area'.
- Following engagement with member councils, **CCN do not agree**, as currently drafted, the SoCG provides a strong enough formal role for county councils. This consultation welcomes views on the role of county councils in two- tier areas over and above their specific areas of planning responsibility. **It is essential that there is a more formal and inclusive role for the county council within joint planning and SoCG in two tier areas.**

- **CCN advocate that the county should be a formal signatory to all matters that relate to its duties within the SoCG.** In two tier areas the county should be a formal signatory not only to infrastructure provision, but also to planning for economic growth, the planning for specific needs, and planning alongside public sector partners to jointly plan on areas such as social care and education.
- **Consideration should be given to a SoCG being made over a county geography, ensuring parity of esteem between county and different district partners, and a countywide approach to essential infrastructure.** CCN would encourage the SoCG to formally set out how other planning matters aside from the delivery of housing might be dealt with, including infrastructure delivery and funding, population/demographic changes and expected business growth.
- Another important benefit of this more inclusive and strategic approach to planning is that housing need can be considered over a **more strategic geography**, allowing balance between urban and rural areas intra-county, with the potential to reduce under bounding, whereby districts are unable to meet their required levels of housing growth within their own boundaries, and particularly where housing need remains unallocated due to the lack of a duty to agree on additional housing numbers. The need to overcome under-bounding and ensuring the right balance between urban and rural development has particular implications for county areas.
- The urban and rural **interconnectedness in county areas lends itself to planning at the strategic county tier, striking a balance between urban growth and rural protection, and allowing for infrastructure to open up further appropriate development.** This analysis underlines the limitations of Housing Market Areas, given the strong interconnectedness of county settlements and links between urban and rural. A strategic county approach would allow for these shifts to be better understood and align housing provision with anticipated economic and community changes.
- Current proposals to allow authorities to determine and justify their own geographical areas risk the county being placed apart from partnership agreements between districts, and also will create fragmentation between neighbouring strategic authorities, whereby agreements between lower tier authorities may impact upon upper tier authorities without their input. Given the varied results created by the informal negotiations at present, **CCN believe consideration of matters that have cross-county boundary impacts should require input from both upper tier authorities.**

#### ***Planning for a mix of housing needs***

- CCN strongly support the requirement to plan for specific groups housing need. The right kind of housing will be fundamental to planning for changing demographics and for ensuring the right supply of housing for those trying to get on the housing ladder. **But we are very concerned that the proposals for such measures rely on the District Planning Authority (DPA) and does not formally require agreement with the upper tier county council.** The challenges of Disabled Facilities Grant sitting between the district and upper tiers have been well documented. Involving the upper tier authority, as well as health partners, will allow for positive planning, and so far as possible, align long term social care plans with housing provision.
- Separate discussions between different DPA's, health providers and the county council will hamper efforts to create joined up plans and provision. This is particularly pertinent given

the recent announcement on upper tier planning for Supported Housing, which CCN members strongly welcome.

### ***Viability and Developer Contributions***

- There are significant infrastructure funding gaps in county areas. Neither the Community Infrastructure Levy (CIL) nor s106 have been able to reach the required levels of infrastructure funding. More concerning is that, following the introduction of CIL and s106 pooling restrictions, neither funding stream has delivered the necessary anticipated levels of vital funding. CCN welcome the government's commitment to reform infrastructure funding and advocate that to support good housing development across the country counties should be given greater fiscal freedoms to fund both localised and strategic schemes.
- We look forward to the announcement of CIL and s106 reforms. A broader package of funding possibilities is crucial to county and county unitary councils. Pooling restrictions on 106 monies have severely limited counties' ability to fund essential infrastructure. **CCN strongly suggest that Section 106 pooling restrictions are removed as a matter of urgency to help alleviate the infrastructure funding crisis**, we also suggest that government explore possibilities for allowing county-wide areas much greater flexibility to decide how infrastructure levies are set their area and the criteria for these.
- CCN are deeply concerned that the CIL Review's proposed strategic infrastructure levy may only be available to metro-mayors. **CCN strongly believe this power must be granted to all upper tier authorities.** This would place more of the infrastructure funding mechanisms at delivery level, require closer interaction and integration between the tiers, and facilitate cross-border awareness both horizontally and vertically.
- In considering funding reforms, the government should reflect on the implications for counties of DPA districts approaches to CIL. The combination of s106 restriction and limited CIL take up have had significant financial implications for counties, who have been left with no way of redressing the balance. It is essential that further consideration is given to the relationship between DPA and upper tier county when negotiating infrastructure contributions.
- The mechanisms available to metropolitan mayoral authorities also give significant planning advantage in terms of future certainty. It allows for significant infrastructure improvements and a continued resource for additional housing development to happen over time and adjust to changing circumstances with the flexibility offered by these funds. Both the magnitude and the long-term surety of these investment funds are again a significant advantage for the big cities. **The Government must ensure that counties are not doubly disenfranchised, with the current planning system creating big gaps in essential infrastructure and powers for raising strategic infrastructure funds being concentrated in city regions.**
- CCN welcome the proposal to update guidance to ensure Local Plans identify infrastructure and affordable housing needed, but **do not believe that this can be undertaken without a formal role for the county council.** A formalised approach to viability should focus on joined up planning and strategy between the two tiers at the earliest stages. It should focus on what is needed, where it is needed and when - and what action and funding is necessary to ensure that plans come forward. Infrastructure, services and particular demographic needs can be considered more comprehensively, with the right professional input and democratic prevue, instead of receiving different levels of interest intra-county or lack of input from the upper tier. Joint planning amongst the lower tier alone will be

insufficient to plan for these aspects without upper tier input: it is essential that the role of the county be formalised and strengthened in strategic planning.

## **Introduction**

1. The County Councils Network (CCN) represents 37 English local authorities that serve counties. CCN's membership includes both upper tier and unitary authorities who together have over 2,600 councillors and serve almost 26 million people (47% of the population) across 86% of England. CCN develops policy, shares best practice and makes representations to government on behalf of this significant proportion of the country outside of the big conurbations.
2. CCN is a member-led organisation which works on an inclusive and all party basis and seeks to make representations to Government which can be supported by all member authorities. This submission has been developed in close consultation with county and county unitary authorities, following a call for evidence from member councils. Evidence from this has been included throughout.
3. CCN welcomes the opportunity to respond to this consultation on behalf of our members. CCN's member authorities include 27 county councils and 10 county unitary councils, who bear differing responsibilities under existing planning regulation. CCN's 27 county councils are local planning authorities in their own right and are responsible for the preparation of local plans for mineral and waste developments, which form part of the overall development plan for the area when taken together with local plans prepared by district councils. Crucially, county councils lead on the provision of infrastructure, flood risk and on economic development that supports housing and other developments in district local plans. CCN's 10 county unitary members are responsible for both development planning and infrastructure delivery. Given the range of responsibilities, CCN would also draw attention to the responses submitted by our individual member authorities.
4. Counties share central government's ambition to build the appropriate quality and quantity of houses needed to support the nation's economic and population growth over the coming years. Not only is this essential to ensuring new generations of families have appropriate housing and the community amenities they need, but also tackling intergenerational unfairness, supporting inclusive economic growth and the competitiveness of our country.
5. Government reforms to date have begun to address some of the concerns over the role of counties in the planning system and the need for reform. The Neighbourhood Planning Act gave provision for the Secretary of State (SoS) to invite a county council to prepare a local plan in areas where the SoS thinks that a district council in the County Council's area is failing or omitting to prepare, revise or adopt a local plan. Moreover, Government have begun to move away from 'incentivise' policies such as the New Homes Bonus (NHB), which CCN have suggested does not incentivise housing growth and support the provision of infrastructure.<sup>1</sup>
6. Furthermore, CCN strongly welcome the inclusion of upper tier counties within the Housing Infrastructure Fund's allocation for Forward Funding. This measure is a clear

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<sup>1</sup> <http://www.publicsectorexecutive.com/Planning-and-Housing/fundamentally-unfair-new-homes-bonus-disparity-must-be-rebalanced--ccn>

recognition of the strategic role that CCN member councils have to play in uprating the delivery of housing. This inclusion provides incentives for local authority tiers to work together to deliver sufficient housing, and further measures to this effect should be explored. We also welcome the recent announcement on planning for Supported Housing at upper-tier level, which should help align district and county plans for particular needs.

7. The recent debate on housing, particularly amongst local government stakeholders, has centred on the local authority role in council house building. CCN support the position of the Local Government Association (LGA) in relation to providing greater funding and borrowing flexibilities for local authorities. CCN welcomed the £2bn for social housing and support further reforms, including lifting the borrowing cap on Housing Revenue Accounts.
8. However, a narrow focus on simply council or housing association stock will only go some way to fixing our broken housing market. Given the scale of housing to be delivered, it is clear that further reforms to the planning system are required, specifically strategic planning on a larger scale than currently exists. This requires the Government to go further than currently proposed in this consultation.
9. CCN's member councils are keen to provide additional housing where required, but it is clear that an effective means of funding suitable infrastructure, and an inclusive role for counties in strategic planning, will be key to achieving this. The objectives to support development set out in the consultation including infrastructure planning over a wider area and particular needs cannot be addressed without a properly designed way of involving the county.
10. As the tier of government responsible for local infrastructure delivery, counties are crucial to delivering increased levels of housing, including ensuring planning for the supply of construction materials through its mineral planning function. However, the mechanisms for achieving appropriate transport infrastructure, education contributions and public health outcomes through the planning system are focused on the district planning authority (DPA). The new focus on providing appropriate housing for elderly people is particularly welcome for upper-tier counties, who provide social care, but again the mechanisms are focused on the DPA. The disjointed system of planning in two-tier areas leaves a gulf between planning and infrastructure, and is of increasing concern for communities.
11. A more formal and inclusive role for county councils in spatial, housing, and infrastructure planning is therefore crucial if our residents are going to receive the communities they deserve.
12. This consultation response will focus on what more can be done to strengthen the role of the county to drive forward appropriate housing and infrastructure and provide evidence and answers in relation to the consultation proposals and questions.

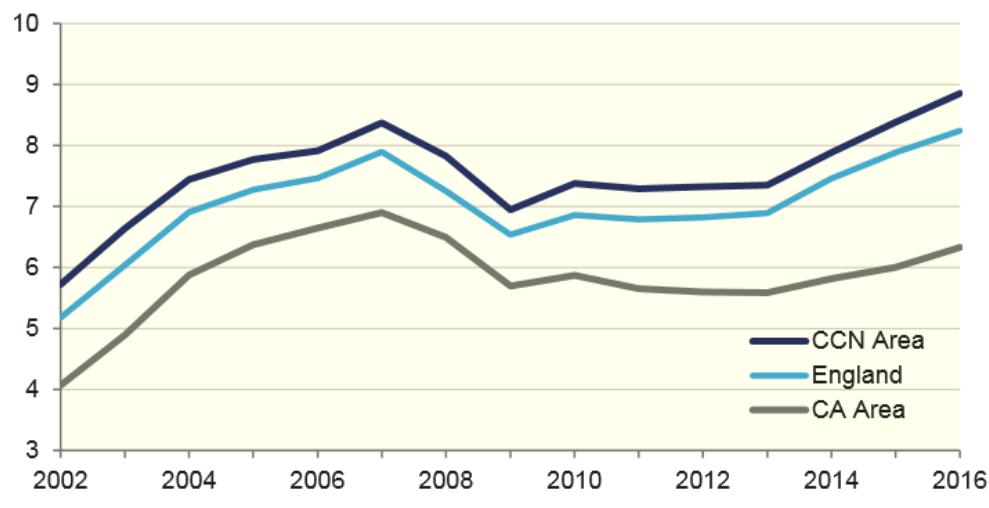
### **Housing - County Context**

13. CCN believe there is a need for additional housing in England and we welcome the focus of DCLG and the wider Government to take measures to address this. While the implications of the consultation proposals for individual areas may vary, it is clear that housing delivery must rise nationally to ensure that home ownership does not become

unachievable. Lower rates of home ownership, high costs of renting, and the increases in the house price to salary ratio are of real concern for county residents.

14. The need for housing supply in county areas is pressing national priority. A recent study by Oxford Economics (OE) for CCN<sup>2</sup> found that average prices in counties to be nine times average wages - rising to twelve times in the South East counties. This is the highest ratio outside of London, and represents a clear challenge to county authorities.

**Fig.38. House prices to annual earnings ratio, 2002-2016**



Source: ONS, Oxford Economics

15. House prices are on average 6% higher than the England average. This is in contrast to the combined authority areas, which in 2016 were on average 32% lower than the average house price in England.<sup>3</sup> This demonstrates that, while this consultation proposes additional powers for combined authorities, it is the parts of the country not covered by these arrangements that face the most acute housing challenges.
16. Oxford Economics forecasts for CCN show that population growth over the next decade in the CCN area is likely to mean additional pressure on house prices. Their forecasts suggest that seven of the 10 areas with the highest house price to earnings ratios in 2016 will feature among the top 10 areas in terms of population growth to 2027. In their report, Oxford Economics warn that unless Government recognise the unique affordability issues in counties it will have direct economic impacts on these areas, which need to be addressed by Government reforms and wider policy initiatives;

*"That may generate particularly acute affordability issues, depending in part on how the supply of housing evolves in these areas. Affordability impacts directly on labour mobility, and on other factors critical to competitiveness. Accordingly, the balance here needs to be got right, and that needs to be reflected in the*

<sup>2</sup> [Understanding County Economies](#)

<sup>3</sup> ibid

*Government's devolution agenda, including its impact on the Industrial Strategy.”<sup>4</sup>*

17. It isn't just housing supply that is leading to acute affordability problems in counties. RTPI found that 'rural communities are also particularly hard-hit by dwindling affordable housing: eight per cent of rural housing is classed as affordable compared to 20 per cent in urban areas.'<sup>5</sup>
18. The lack of rural affordable housing has significant implications for counties. Affordable housing is vital for young people, and as housing becomes more expensive, the more vital it becomes, with the average ages of first time buyers increasing.
19. Of equal importance, Counties now face the challenge of an aging demographic and subsequent increasing elderly dependency ratio. In counties, the dependency ration is 61%, compared to 54% in the combined authorities, and 55% in England.<sup>6</sup>
20. This is intrinsically linked to a lack of suitable housing. The requirement to plan for groups with specific needs is welcome, but it is clear that this requires county input, given the county delivery of education, public health and social care.

### **Local Housing Need**

*Question 1: a) do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?*

*b) How can information on local housing need be made more transparent?*

21. Following engagement with member councils, and concerns outlined below, **we do not agree** with the proposed methodology for assessing local housing need.
22. The new Indicative Assessment of Housing Need numbers vary significantly between different DPAs and counties. When comparing new proposed Indicative Assessment of Housing Need against Current Assessment of Housing Need, CCN member councils face an increase of over 5000 homes across the country.
23. However, in comparison to Adopted Plan Numbers, this represents a growth of over 9,300 homes - and indeed this rises to 38,000 if including areas who have yet to publish a local plan. This is only just behind the increased delivery for London at 39,000, and far higher than the metro-mayoral areas. This significant increase is due to a pre-existing gap between the current assessed housing need numbers and proposals, and there are not currently proposals as to how this gap might be removed, given existing planning constraints.

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<sup>4</sup> ibid

<sup>5</sup> [RTPI: Better Planning for Housing Affordability \(Feb 2017\)](#)

<sup>6</sup> [Understanding County Economies](#)

24. The below tables summarises this by local authority type.

Dwellings per annum	Total indicative housing need (proposed 2016 to 2026)	Current local housing need, (most recent publicly available)	Change in housing need (midpoint dwellings per annum)	Adopted Plan Numbers (latest)	Difference between Housing Need (proposed formula) and proposed Housing Numbers- latest plan
CCN	117,514	112,081	5,433	79,194	38,320
Unitary	35,721	34,430	1,291	27,139	8,582
London	72,407	40,414	31,993	32,513	39,894
Mets	40,294	44,923	-4,629	29,762	10,532

	Indicative housing need (proposed 2016 to 2026) in areas where a local plan has been adopted	Adopted Plan Numbers	Difference
Unitary	29,378	27,139	2,239
London	69,843	32,513	37,330
Mets	22,042	22,843	-801
CCN	88,375	79,049	9,326

25. The use of the ONS projections has raised concerns for several of our member councils.

Whilst understanding the use of a simpler measure that is applicable across the country, there is concern that the ONS methodology is based on very recent past population growth trends, which are intrinsically linked to past planning decisions.

26. The use of a circular measure leads to councils with high delivery being placed under further pressure, and councils with under delivery are seen as having lower 'need'. While accepting this is somewhat pragmatic, to place delivery where delivery has previously been possible, caution needs to be taken to ensure appropriate additional housing is delivered across the country.

27. The circular data may go some way to explaining some of the anomalies within the proposed new numbers. While it is clear that the methodology does broadly reflect the most pressing need and affordability issues, Oxfordshire and Cambridgeshire are two examples which have reduced in assessed need – this does not seem to reflect the body of evidence which suggests under bounding and housing growth constraint.

28. This is of particular concern given the strategic importance of the Cambridge – Milton Keynes – Oxford corridor to our future economic success. The National Infrastructure Commission's key conclusion is "that a lack of sufficient and suitable housing presents a fundamental risk to the success of the area. Without a joined-up plan for housing, jobs, and infrastructure across the corridor, it will be left behind by its international

competitors.<sup>7</sup> CCN believe that these cases set out a need for strategic planning on a county and county partnership basis (see section below).

29. Of significant concern for CCN member councils is the lack of consideration of economic and jobs forecasts within the methodology, which will have significant implications for housing numbers.
30. Pragmatically, consideration should be given by national and local government to how these numbers may influence community expectations of housing delivery. In particular, those areas with housing related devolution deals or the potential for additional investment may need to maintain a higher number of homes whilst this method suggests they will see a decrease. Whilst much has been made of the role of DPAs in making difficult decisions, community objection has very real consequences for both existing and new residents of growing communities.
31. Consideration should also be given to the spread of south-east/London housing and the impact on housing. It is clear that the new proposed formula decreases the assessed need levels in many areas of the country, and significantly increases them in London and the counties surrounding London. DPAs within areas neighbouring London with a projected decrease in housing need may therefore instead see significant increases, and the proposals must be careful not to set expectations against the national need to resolve the housing crisis.
32. Aside from the anticipated pressure above, the counties nearest to London - Hertfordshire, Buckinghamshire, West Sussex, Essex, Hampshire, Central Bedfordshire, Kent and Surrey - face individual increases of between 800-2400 homes a year, as well as being within the commuter belt that will need to support London's overflow housing numbers.
33. Consideration should be given to the potential of joined up infrastructure, strategic transport corridors, and strategic partnerships between counties and London to achieve the necessary housing across the region. CCN is committed to working with the counties surrounding London, London Councils and the Greater London Authority (GLA) to explore how greater strategic planning powers could aid the delivery of new homes in London and the South-East.
34. For those counties with fewer or smaller than anticipated numbers, there is concern regarding future access to government resource and programmes. To date, judging criteria for infrastructure funding, LEP funding and other growth programmes have often set out the delivery of additional housing as a criteria, or local match funding drawn from developer contributions.
35. With reduced housing expectation, there is a risk that these areas will be unable to match high growth areas in competitive funding bids, and may be left behind. There is already significant inequity in infrastructure funding received for counties. London residents receive 4.5x what a county resident receives in infrastructure funding (NIC

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<sup>7</sup> <https://www.nic.org.uk/our-work/growth-corridor/>

pipeline)<sup>8</sup> and the long term investment provided to metro-mayors provides advantage both financially and for long term certainty. This disparity should be considered and mitigated for in future growth programmes.

36. Consideration should also be given to whether the proposed new numbers, which broadly see large increases in the South East and London, and decreases elsewhere, will cement existing disconnect between the regions, and exacerbate the north-south divide. The proposed methodology's consideration of affordability is reactive, requiring a housing problem to exist before being addressed, and this has particular implications for northern counties.
37. Regardless of individual changes to numbers, but particularly to those faced with significantly increased figures, it is deeply frustrating that county councils have no additional access to mechanisms to help deliver additional homes.
38. CCN strongly agree with the objectives stated within the consultation, to consider planning over a broader area, to build in infrastructure planning and payment considerations from an earlier stage, alongside particular needs such as those of older populations – these however cannot be achieved without a stronger, formal, and inclusive role for the county council, which we now provide evidence on.

### **Statement of Common Ground (SoCG)**

*Question 7: a) do you agree with the proposed administrative arrangements for preparing the statement of common ground?*

*Question 8: do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?*

39. Following engagement with member councils, and concerns and evidence outlined below, **CCN do not agree** as we do not feel, as currently drafted, the SoCG provides a strong enough formal role for county councils.
40. CCN welcome the understanding within the consultation that local planning authorities need to 'work together to ensure that infrastructure and public services are planned to meet the needs of the wider area'. County councils, as authorities for infrastructure, transport, social care, economic growth and education, provide the crucial elements to support housing and make development acceptable. As local planning authorities in their own right, County Councils are also responsible for ensuring an adequate provision of materials for the construction supply chain which is essential to get development built through their mineral planning function.
41. The inherent fragmentation in two tier areas, whereby housing and infrastructure are planned at different levels, has had a knock-on effect on infrastructure funding gaps across counties. **The Duty to Cooperate has thus far failed to mitigate the challenge of fragmented responsibilities and we welcome the Statement of**

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<sup>8</sup> [CCN Autumn Budget Submission](#)

**Common Ground to support meeting that legal requirement.** Counties have incredibly varied input into CIL contributions and s106 negotiations which have exacerbated infrastructure funding gaps, and concerns have been raised (see below section on viability) regarding how the essential requirements for county-level infrastructure are being prioritised. The Statement of Common Ground presents a key opportunity to coordinate infrastructure funding between the tiers.

42. Lack of co-operation was also cited by the Communities and Local Government Committee's inquiry, which found a number of local authorities were finding cooperation on the development of Local Plans hard to achieve. CCN agree with these assertions, and **believe that the Statement of Common Ground is a key opportunity to address these routine problems that impede growth.** The most commonly cited problem is that the Duty to Co-operate is not a Duty to Agree, and consideration should be given to how disputes over crucial matters should be handled to come to a final position, and what the impact on other public sector partners might be.
43. In addition, the introduction of Strategic Economic Plans, and other strategic infrastructure and housing mechanisms granted to LEPs have increased the complexity of the planning system. Currently, Strategic Economic Plans are not well aligned with local plans. The county, as the authority responsible for economic growth, skills, infrastructure, social care and health, is best placed to work with their districts across all partnerships, both private and public sector. It is crucial that measures are introduced to bring County and District Councils together to jointly plan for both housing and infrastructure.
44. It is welcome therefore, that in addressing how the draft approach to the SoCG can be improved, this consultation welcomes views on the role of county councils in two-tier areas over and above their specific areas of planning responsibility. **It is essential that there is a more formal and inclusive role for the county council within joint planning and SoCG in two tier areas.**
45. CCN therefore advocate that **the county should be a formal signatory to all matters relating to its duties within the SoCG. In two tier areas the county should be a formal signatory not only to infrastructure provision, but also to planning for economic growth, the planning for specific needs, and planning alongside public sector partners on areas such as social care and education.**
46. CCN has long advocated for a return to strategic planning in county areas. Most recently in our publication *A New Deal for Counties*, which set out proposals for achieving this.<sup>9</sup>
47. CCN are not alone in making the case for an enhanced role for county councils in strategic planning. The think-tank Localis recently argued for an increased role for strategic authorities, noting that 'a number of county councils are adopting strategic housing and planning functions' despite resource constraints. They advocate that strategic authorities should be empowered to intervene in plan making and put forward housing deals, as well as undertake regional and strategic planning.<sup>10</sup>

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<sup>9</sup> [CCN: A New Deal for Counties](#)

<sup>10</sup> <http://www.localis.org.uk/research/disrupting-housing-market/>

48. Equally the Royal Town Planning Institute (RTPI) recently found on housing delivery; "*there has been a significant capacity gap in the planning and allocation of large strategic sites in some parts of the country*", asserting in relation to the south west;
- 'all of the schemes studied which are well advanced were the product of formal statutory strategic planning processes – either structure plans or the South West Regional Spatial Strategy. For some time housing completions have been reliant on this legacy. Urgent steps are now needed to fill the gap left by the removal of formal strategic planning'.<sup>11</sup>*
49. Given the existing county role within infrastructure provision, transport, waste infrastructure, mineral planning and people based services such as social care, public health, CCN strongly advocate that counties are best placed to fulfil this strategic role and overcome these barriers.
50. There is an inherent link to supply and design of housing provision, and the resistance within local communities opposing new development. The role of infrastructure provision, transport, waste infrastructure and people based services such as education, social care, public health to making new developments viable and offsetting the impact on existing communities has not been sufficient in recent reforms. As the RTPI assert;
- "The lack of strategic planning in England also contributes to community resistance to new development. In spite of the fact that housing is a strategic issue that spills across administrative boundaries, city and town leaders have few incentives or tools to build consensus, and infrastructure provision remains largely independent from housing. This leads to local opposition to housebuilding as communities justifiably conclude that additional houses will lead to increased pressure on doctors' surgeries, schools, roads and rail services".<sup>12</sup>*
51. Strategic planning would allow for the upper-tier lead role in dealing with other service providers, such as health services, to be recognised and utilised to address these concerns. Despite the recent focus on the integration imperative for health and social care, the consultative planning process is fragmented, and does not currently require joined-up planning. Currently, health providers and the upper tier authority may contribute separately to the planning process, meaning that the DPA must weigh up between the two. Formalising county input into the planning process will create better harmonisation of relevant policy areas.
52. **Consideration should be given to a SoCG being made over a county geography, ensuring parity of esteem between county and different district partners, and a countywide approach to essential infrastructure where appropriate.** While partnerships across administrative boundaries are important, the most pressing issue is ensuring that for the two-tiers, planning is undertaken for the entirety of their area beyond its formal mineral and waste planning role.

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<sup>11</sup> [RTPI: Delivering Large Scale Housing Development](#)

<sup>12</sup> [RTPI: Better Planning for Housing Affordability \(Feb 2017\)](#)

53. County input is vital due to the requirement to plan over an entire demographic population, with the county providing infrastructure, social care, and education services, and the requirement to ensure sufficient developer contributions. CCN would encourage the **Statement of Common Ground to be formally required to set out how other planning matters aside from the delivery of housing might be dealt with, including infrastructure delivery and funding, population demographic changes and expected business sector growth.** This creates further requirements to work together, moving discussion away from purely housing number disputes.
54. The strategic role of the county can help to enable development at scale, which is surely necessary for addressing the size of the housing crisis. CCN members strongly welcome the inclusion of counties within the Forward Funding category of the Housing Infrastructure Fund, which recognises the strategic role that counties can play in unlocking housing provision.
55. Additional recognition should be given to the significant work undertaken by counties to tackle this agenda, despite having no duty nor resource to do so. Essex County Council is assembling land packages for housing delivery, North Yorkshire have agreed the joint preparation of Infrastructure Delivery Statements for each district and the county council, and Oxfordshire work through the Oxfordshire Growth Board with their districts, preparing an Infrastructure Strategy to underline the delivery of their National Infrastructure Commission (NIC) endorsed plan.
56. Another important benefit of a more inclusive and strategic approach to planning is that housing need can be considered over a **more strategic geography**, allowing balance between urban and rural areas intra-county, with the potential to reduce under bounding, where districts are unable to reach agreement on housing provision.
57. Housing Market Areas may hold value in determining specific local factors, but these areas are disputed and transient, and will flex over time. CCN believe that a strategic view, particularly considering transport corridors and future economic plans, is better suited to delivering the higher levels of housing growth required.
58. A study by Shared Intelligence for CCN has previously shown that one of the biggest challenges facing small unitary or urban authorities is their 'under-bounding' and inability to respond to housing demand. It found that larger councils, covering a larger population and geographical areas, were better enabled to respond to the housing and economic challenges facing local government.<sup>13</sup>
59. **The need to overcome under-bounding and ensuring the right balance between urban and rural development has particular implications for county areas. The potential success of the SoCG will be reliant on the suitability of the geography in which they cover.**
60. Oxford Economics for CCN has found that an important feature of the CCN economy;

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<sup>13</sup> [Shared Intelligence: Learning the Lessons from Reorganisation](#)

*"is that it is not entirely, or even predominantly, rural... On the contrary, according to the EU's typology of NUTS 3 areas, which roughly approximate to county or unitary authorities, there is only one local economy in England which is even predominantly rural—Herefordshire. Everywhere else (and hence the vast majority of the CCN network) is classified as either predominantly urban or as intermediate between the two."<sup>14</sup>*

61. It is useful to understand that while England's counties are rural in appearance, economically, they are not deeply rural. Instead they should be thought of as 'intermediate' economies, with multiple, interconnected rural and urban hubs.
62. This **interconnectedness lends itself to planning at the strategic county tier, striking a balance between urban growth and rural protection, and allowing for infrastructure to open up further appropriate development.** This analysis underlines the limitations of Housing Market Areas, given the strong interconnectedness of county settlements and links between urban and rural. A strategic county approach would allow for these shifts to be better understood and align housing provision with anticipated economic and community changes.
63. Current proposals to allow authorities to determine and justify their own geographical areas risk the county being placed apart from partnership agreements between districts, and also will create fragmentation between neighbouring strategic authorities, whereby agreements between lower tier authorities may impact upon upper tier authorities without their input. Given the varied results created by the informal negotiations at present, **CCN believe consideration of matters that have cross-county boundary impacts should require input from both upper tier authorities.**
64. This interconnectedness is particularly important given the increasing mobility of the population with the highest demand - in London and the surrounding counties. The symbiosis between the capital and the counties cannot be dealt with by patchwork partnerships, and neither can the housing demand of other Core Cities and their neighbouring counties.
65. Strategic partnerships between counties and cities can consider higher levels of infrastructure and housing, to match existing corridors of growth, and travel and commuting trends. Beyond this they can also look at new corridors, areas for growth and transport links, which would not be dealt with otherwise. The link between strategic transport investment and new housing growth should not be underestimated.
66. The NIC has also highlighted the importance of housing to economic growth and productivity. The Oxfordshire-Cambridgeshire corridor report highlights the priority for these areas to consider planning strategically, alongside economic and infrastructure priorities. It is essential that the SoCG ensures an inclusive role for the county that focuses on working and across city regions, creating the bridge between the regional and the local, and building in economic considerations – linking in with LEP, SEP and SNTB agendas.

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<sup>14</sup> [Understanding County Economies](#)

## **Planning for a mix of housing needs**

*Question 10: a) do you have suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?*

67. CCN strongly support the requirement to plan for specific groups housing need. The right kind of housing will be fundamental to planning for changing demographics and for ensuring the right supply of housing for those trying to get on the housing ladder.
68. In the short term, the right housing developments offer mitigation to the demand challenges in social care, in the medium term they will enable people to stay independent for as long as possible, or to move out of hospital at the earliest opportunity, and in the long term, assessing the needs of the elderly in housing will enable us to positively plan for our aging demographic, ensuring people lead fulfilling and healthy lives.
69. The need for specialist housing for older people is greatest in county areas. 55% of those over 65 were county residents in 2017, and the aging population is growing fastest in counties, with a growth in those aged +85 of 150% between 2014-2039<sup>15</sup>.
70. CCN members will also face the highest elderly dependency ratio, with those aged +65 representing 29% of the population, and those +85 representing 6% by 2039.<sup>16</sup> This will increase dependency on health and social care in counties, and appropriate and supportive housing will be essential.
71. CCN strongly agree that these considerations should form an earlier and more defined part of the planning process – **but we are very concerned that the proposals for such measures rely on the DPA and does not formally require agreement with the upper tier county council.** The challenges of Disabled Facilities Grant sitting between the district and upper tiers have been well documented. Involving the upper tier authority, as well as health partners, will allow for positive planning, and so far as possible, align long term social care plans with housing provision.
72. Consideration should also be given to the strengthening of integration between health and social care, and implications for county roles within planning. The reduction of Delayed Transfers of Care, of avoidable entry to hospital and the promotion of elderly independence are all achievable through better housing provision.
73. Separate discussions between different DPA's, health providers and the county council will hamper efforts to create joined up plans and provision. This is particularly pertinent given the recent announcement on upper tier planning for Supported Housing, which CCN members strongly welcome.

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<sup>15</sup> [Subnational Population Projections for Local Authorities in England](#)

<sup>16</sup> ibid

74. Aside from providing housing, consideration needs to be given to measures that will encourage people to make long term plans for their housing provision. Housing for the elderly needs to be an attractive long term option, not only for care and accessibility needs, but also for financial planning in the short and long term. Current uncertainty regarding social care provision is holding many elderly residents in limbo, where they are unwilling to move as they perceive this will safeguard assets for any subsequent beneficiaries.
75. Additionally, consideration should be given to housing for long term disabled adults and children. Given medical advancement and other factors, the number of long term disabled adults within counties is rising, and care should be taken not to group them with elderly residents where this might be inappropriate. Counties are best placed to undertake planning for long term disabled adults and children, given their role in planning and undertaking their care, they are able to do so on an individual and strategic basis, matching wider needs with individual requirements.
76. The role of housing for younger people is also crucial, given the intergenerational inequity of the housing market. In counties, rural communities are also particularly hard-hit by dwindling affordable housing: eight per cent of rural housing is classed as affordable compared to 20 per cent in urban areas.<sup>17</sup> This has specific implications for young first time buyers – though this age is increasing, and has led to increasingly aging populations, as the young seek somewhere affordable to live.

### **Viability and Developer Contributions**

**Question 12:** *do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?*

**Question 13:** *in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?*

**Question 14:** *do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?*

**Question 15:** *how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?*

**Question 16:** *what factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?*

### **S106 and CIL in Counties**

77. There are significant infrastructure funding gaps in county areas. Neither the Community Infrastructure Levy (CIL) nor s106 have been able to reach the required levels of infrastructure funding. More concerning is that, following the introduction of CIL and s106 pooling restrictions, neither funding stream has delivered the anticipated levels of

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<sup>17</sup> [RTPI: Better Planning for Housing Affordability \(Feb 2017\)](#)

vital infrastructure funding. CCN welcome the government's commitment to reform infrastructure funding and advocate that to support good housing development across the country counties should be given greater fiscal freedoms to fund both localised and strategic schemes, delivering infrastructure in a timely manner to support the level of growth required.

78. A broader package of funding possibilities is crucial to county and county unitary councils. Pooling restrictions on 106 monies have severely limited counties' ability to fund essential infrastructure. **CCN strongly suggest that Section 106 pooling restrictions are removed as a matter of urgency to help alleviate the infrastructure funding crisis**, we also suggest that government explore possibilities for allowing county-wide areas much greater flexibility to decide how infrastructure levies are set their area and the criteria for these.
79. The recent CIL review identified significant issues with both income and uptake of the levy, as well as a negative impact on related forms of infrastructure funding. To exacerbate this issue many districts are finding it hard to apply CIL, sometimes due to viability reasons, or owing to there being no local plan in place. This is creating a patchwork application of CIL across county areas, and is a big factor contributing to burgeoning infrastructure funding gaps being faced by county councils.
80. We look forward to the announcement of CIL and s106 reforms. CCN have long campaigned for the **removal of s106 restrictions and using this for strategic sites, alongside the standardisation of CIL and the use of this for non-strategic sites**. We believe that these will be taken up by Government, and see no reason why these reforms should not progress at the earliest possible opportunity. In considering the CIL reform, consideration must be given to parity between city and county, and further information to this effect is provided below.
81. CCN are deeply concerned that the CIL Review's proposed strategic infrastructure levy may only be available to metro-mayors. **CCN strongly believe this power must be granted to all upper tier authorities**. This would place more of the infrastructure funding mechanisms at delivery level, require closer interaction and integration between the tiers, and facilitate cross-border awareness both horizontally and vertically.
82. In considering funding reforms, the government should reflect on the implications for counties of DPA not applying a CIL. The combination of s106 restriction and limited CIL take up have had significant financial implications for counties, who have been left with no way of redressing the balance. In Surrey, the county was forecast to receive circa £16M per year under the CIL regime, yet since CIL was introduced in 2010 they have received £3.5M to date. Members have also raised concerns about the process for assembling a Regulation 123 list in order to apply CIL, which thereby limits what further financial options are open to fund the items listed.
83. It is essential that further consideration is given to the relationship between DPA and upper tier county when negotiating infrastructure contributions. Reform to the Statement of Common Ground (as set out above) could strengthen its ability to join up planning on a county wide basis and reduce negotiation disputes and existing infrastructure gaps.

## **Parity between Cities and Counties**

84. As stated above, we are deeply concerned that the CIL Review's proposed strategic infrastructure levy may only be available to metro-mayors. **CCN strongly believe this power must be granted to all upper tier authorities.** In the new housing need figures set out within this consultation, the majority of city regions see reduced assessed need, and the highest affordability challenges remain in counties. In addition, in multiple areas, the lack of available land for development within city regions has meant additional housing being delivered across the county boundary and a lack of a strategic infrastructure levy could prove a disadvantage.
85. Without strategic infrastructure levies available in counties, this proposal may worsen the existing disparity in infrastructure funding. The infrastructure funds available to metropolitan mayors and through devolution deals have not been extended to county areas. Metro Mayors and city regions have been guaranteed almost £5bn in infrastructure funding via devolution deals over coming decades. Given existing government commitments to metro mayors we are concerned that such resources are limited, and there could be a growing gap between cities and counties.
86. The mechanisms available to metropolitan mayoral authorities also give significant planning advantage in terms of future certainty. It allows for significant infrastructure improvements and a continued resource for additional housing development to happen over time and adjust to changing circumstances with the flexibility offered by these funds. Both the magnitude and the long-term surety of these investment funds are again a significant advantage for the big cities. **The Government must ensure that counties are not doubly disenfranchised, with the current planning system creating big gaps in essential infrastructure and powers for raising strategic infrastructure funds being concentrated in city regions.**
87. Additionally, outside of the Housing Infrastructure Fund, which CCN member's welcome, national infrastructure funding with the potential to unlock development is not geared towards counties. IPPR and separate CCN research has shown that national infrastructure funding is predominantly focused towards London. Outside the planning system, the majority of identifiable central government infrastructure expenditure is focused on London, despite the 70% of the total road being situated in county areas. Considering the distribution of funding in the National Infrastructure and Construction Pipeline, CCN found that while Greater London covers less than 5% of the nation's road network it received over 55% of identifiable funds. This sees London receive almost 4½ times more funding per person than any other part of the country.<sup>18</sup>
88. Government infrastructure planning and investment is not well aligned with the local planning system, and plans over a far further period. Consideration should be given to how best to align significant infrastructure investment with housing growth over the long term, and this must involve both tiers of local government.

### **Partnership Working and Proposed Viability Reform**

89. Current viability assessments and their subsequent contribution agreements can be undertaken solely by DPAs, with county input on essential infrastructure funding and services. This system is not formalised, and is therefore applied with variable success in individual counties. Of particular concern is that counties have limited right of redress should essential needs not be met.

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<sup>18</sup> [CCN Autumn Budget Submission](#)

90. CCN welcome the consideration of transparency around s106 arrangements. Despite the clear role for upper tier authorities in contributing to viability discussions, commercial confidentiality may currently prevent the county from seeing viability or negotiation documents.
91. CCN members have raised concerns about their ability to receive necessary funding through these funding mechanisms. Leicestershire County Council actively monitors instances where s106 for necessary infrastructure have been denied, and have reminded DPA partners of the necessity of receiving adequate funding to support sustainable development. Alongside reforms to contributions as above, **a formal role for the county within contribution negotiations should be considered.**
92. In addition, as above, CCN advocate that the county should have the power to set a strategic CIL. This would place more of the infrastructure funding mechanisms at delivery level, require closer interaction and integration between the tiers, and facilitate cross-border awareness both horizontally and vertically.
93. The amendments suggested through this consultation do not currently go far enough. CCN are concerned that the proposal to consider viability at the DPA plan level without a formal role for the county would embed the current fragmentation within the system. Viability requirements should filter from a strategic approach through joint DC and CC planning for infrastructure and development.
94. County areas are increasingly taking steps towards this joined up approach. Counties are developing their understanding and joining up the various elements across their areas, such as Hertfordshire or Gloucestershire, which have Joint Infrastructure Plans with district partners. These show how the different contribution mechanisms are functioning together, and where the gaps in funding and provision are. These plans enable transparent and joined up communication to communities, with information held in one place and put within the context of challenges and opportunities to find funding.
95. However, without a proactive and strategic approach to planning and infrastructure, these documents can only be accumulations of different decisions taken by different partners in their own context. It is clear that an approach is required which appraises and plans together from a strategic level, which sets the framework and filters through to more specific decisions and judgements.
96. CCN therefore welcome the proposal to update guidance to ensure district Local Plans identify infrastructure and affordable housing needed, but **do not believe that this can be undertaken without a formal role for the county council.** Of particular concern within the consultation is that upper tier counties could be considered infrastructure providers, but CCN strongly advocate that a role to merely 'inform the plan making process' as proposed would be insufficient, given the county role in infrastructure, education, social care and other planning matters.
97. A formalised approach to viability should focus on joined up planning and strategy between the two tiers at the earliest stages. It should focus on what is needed, where it is needed and when - and what action and funding is necessary to ensure that plans come forward. Infrastructure, services and particular demographic needs can be

considered more comprehensively, with the right professional input and democratic prevue, instead of receiving different levels of interest intra-county or lack of input from the upper tier. Joint planning amongst the lower tier alone will be insufficient to plan for these aspects without upper tier input: it is essential that the role of the county be formalised and strengthened in strategic planning.

### **Planning Fees**

***Question 18(a): do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?***

98. As a mineral and waste local planning authority, counties welcome the recommendation to increase planning fees given its planning roles in ensuring the adequate and steady supply of minerals for the benefit of the nation's development needs and economic growth which is part of the essential construction supply chain. CCN also welcomes the ability for development management planning fees to be increased, including for our unitary members, but we believe that these should be fully flexible and set in accordance with local priorities. The county role in planning and infrastructure should be recognised through planning fees - currently counties engage in significant amounts of work on this matter. Consideration must be given to how this burden affects county councils.