5 POINT PLAN FOR COUNTY & UNITARY COUNCILS

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CCN
COUNTY COUNCILS NETWORK

COUNTIES
LEADING RECOVERY
DELIVERING RENEWAL

POINT 4

Delivering housing, infrastructure & net-zero

Our plan for delivering housing, infrastructure and net zero outlines the need for the new government to revisit planning reforms to deliver high quality affordable homes, supported by investment in infrastructure, transport and roads to help drive growth. Underpinning this, we will need a planning system that enables strong cross-boundary joint working, and maximises contributions from developers, alongside a clear focus on delivering net zero that recognises the specific challenges facing rural areas.

HOUSING & PLANNING

A new strategic approach to planning reform

The planning system is a key enabler to delivering high quality housing, growth and infrastructure. While planning reform has remained firmly on the cards for a number of years with a promise to deliver a more efficient system, this has been slow to progress.

The Planning for the Future White Paper and the Levelling-Up and Regeneration Bill have been the main focus in recent years. However, our research has shown that just 20% of CCN members were confident that the proposals put forward in the Planning for the Future White Paper would achieve the aim of creating a simpler, faster and more modern planning system.[1]

There have also been widespread concerns over some of the elements of the planning reforms contained within the Levelling Up and Regeneration Bill, many of which have been shared by CCN members.

Proposals such as centralisation of parts of the planning system through the introduction of National Development Management Policies have given rise to concern that local decision making will be taken away from communities. Moreover, a lack of a proposed replacement for the Duty to Cooperate means that there will be no mechanism to enable planning strategically across boundaries.

With a new administration, and the promise to prioritise growth and supply-side reforms, CCN believe we now have an opportunity to undertake a wholesale review of the reforms and ensure they deliver an effective and efficient planning system that is focused on delivering high quality and sustainable places.

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During the leadership contest the Prime Minister committed to removing top-down housing targets. This was welcome, but is not enough. New housing development must be matched with the necessary infrastructure to ensure new development is sustainable, and importantly, welcomed rather than opposed by local residents. We know that communities are more likely to welcome development in their area if it comes with appropriate infrastructure investment, and as we outline in the next section, the developer contributions system could work better to ensure this happens.

The announcement of a new Planning and Infrastructure Bill by the then Chancellor offers the opportunity to review planning reforms so that the system delivers the Prime Minister's objective of good growth across the country, while maintaining and strengthening local democratic oversight. We therefore believe the best way to achieve this is to remove the planning elements of the Levelling Up and Regeneration Bill, allowing the devolution parts to be taken forward, and paving the way for a fresh debate on how planning reform should be taken forward.

- **Our members believe that a wholesale review of planning reform is needed if we are to deliver high quality places and growth. The planning elements of the Levelling Up and Regeneration Bill should be removed, allowing the devolution aspects to proceed.**
- **We urge the new government to work with the local government sector as it considers future planning reforms so that it delivers high quality homes and places for communities to thrive.**

For a long time CCN has argued that the planning system is too fragmented to deliver the strategic infrastructure that will be necessary to attract and drive growth. Many city regions benefit from an additional layer of planning in the form of cross-boundary strategic planning, allowing plans to be made for large-scale infrastructure that will help to unlock new housing growth, and to ensure that new housing is accompanied by the right social and physical infrastructure for communities.

A similar approach should also be adopted at the county level, requiring districts and boroughs to work with counties on a high-level framework to direct growth that forms the basis of local plans. The Levelling-Up and Regeneration Bill would not enable this to happen. This is a real oversight, and the proposed Planning and Infrastructure Bill offers the opportunity to introduce strategic planning back into the system.

CCN has undertaken a substantial amount of work on how strategic planning could be reintroduced within county areas, which has included a significant amount of stakeholder and sector engagement. Our reports set out in detail a workable model that could easily be implemented across the country, and our members stand ready to pilot and test the approach.[2]

The addition of high-level strategic frameworks would add value to the system and provide an important link between national and local planning policy, with local plans still forming an important part of the plan-led system. They would help to speed up the local plan making process by providing a framework on which plans can be prepared, taking some of the risk out of the process. Some policy areas such as infrastructure, climate change and economic growth are intrinsically linked to the built environment and the way communities live and work, and these would benefit from a more strategic approach to their planning and implementation. In two-tier areas, it would also provide a vehicle to bring together the different statutory responsibilities of councils and ensure the best outcomes.

We also believe a more strategic approach would work well with the Investment Zones that are being taken forward by the government. Whilst these will benefit from planning freedoms to speed up delivery, a strategic plan that takes account of sites such as these would help to ensure they would be connected to and supported by the right infrastructure. This approach would help to build consensus between county and district councils by bringing the two parties together to agree priorities and an overarching vision for investment zones in their areas, meaning they are more likely to be delivered.

- **The government should review strategic planning arrangements and introduce new powers through the Planning and Infrastructure Bill. This would give parity to county areas and would see effective cross-boundary working to deliver strategic infrastructure and unlock growth.**

INFRASTRUCTURE FINANCING

Reforming developer contributions to support housing growth

The delivery of high-quality infrastructure is vital for a number of reasons – to allow communities to have access to excellent services close to home; to have homes, places of leisure and work that are well connected to reliable public transport; to ensure that homes are supported by high quality and sustainable utilities; and, crucially, to improve economic competitiveness, attracting business growth and improving productivity.

However, CCN members remain concerned about the level of infrastructure delivery and funding in their areas. In a CCN survey last year, 96% of CCN members said that they supported new homes in their area if they are in the right places, support local housing need and were accompanied by supporting infrastructure. However, 58% described the pressure on local infrastructure as 'excessive' as a result of housing development, and 73% describe the infrastructure funding gap in their areas as 'severe'.[3]

As infrastructure and transport authorities, CCN members play a hugely important role in the planning and delivery of infrastructure, but county councils in two tier areas have little influence in the prioritisation and use of funding that comes via the planning system. In the present system, there is no statutory duty for county councils to be involved in rate setting, or negotiations for contributions, and this has significant consequences for the delivery of infrastructure in rural areas.

The Planning for the Future White Paper, and subsequent Levelling-Up and Regeneration Bill, paved the way for a new Infrastructure Levy that will replace the Community Infrastructure Levy and elements of Section 106. The Bill introduces enabling legislation for the new Levy, and if this is taken forward in the current Bill or new Planning and Infrastructure Bill, it will be important to engage heavily with the sector as subsequent regulations are prepared.

It has been suggested that it will deliver as much affordable housing as the current system, alongside a dedicated share of funding for parish and town councils. While we welcome the delivery of much needed affordable housing, we are concerned that this will leave very little funding for the delivery of other essential infrastructure unless we increase the amount raised through a strategic tariff, and crucially, ensure upper-tier councils have a dedicated share.

Members are also concerned around the suggestion that the Levy might be paid on occupation of a development, rather than earlier. This approach hugely favours developers and will make the forward funding of infrastructure for sites very challenging. We would urge the new government to reconsider when the levy, or at least a proportion of it, is paid to a local authority – with an amount upfront being vital to support the forward funding of infrastructure.

If the Infrastructure Levy isn't taken forward, there is a case to be made for either reforming the existing system to make it more effective or returning to the drawing board to design a new system from scratch. There would be merits and risks to both approaches, but any approach should be fully co-designed with the local government sector to learn the lessons from the existing system, ensure the best outcomes and maximise the contributions from development for the benefit of existing and new communities.

- **County councils should have a statutory duty in the developer contributions systems, working with district and borough to set rates and negotiate contributions, agree priorities for delivery and monitor the use of funds.**

- **If the Infrastructure Levy is to be taken forward, subsequent regulations should be co-designed with councils, and county councils should be integral to this, including a dedicated share of funding. We also urge the new government to pilot the new levy, and work with county and district councils to learn from the pilots.**

Developer contributions are only a small proportion of funding for infrastructure, and we have welcomed the funding that has come from government to fund infrastructure improvements, whether it be the Housing Infrastructure Fund, Levelling Up Fund or Homes England Funding. Whilst these funds have allowed counties and their partners to deliver for their residents, there is often a significant administrative process that needs to be undertaken in order to access funding, taking valuable officer time.

Within the present system county councils are often required to bid for small sums of money that do not go far enough to fund the infrastructure that is required, leaving them to plug the shortfall with their own resources. Given the financial pressures on county and unitary authorities, they will only be able to go so far in plugging the financial gap for infrastructure in the future. We therefore need to seek a more sustainable and long-term system of funding infrastructure.

- **Any future capital funding for infrastructure projects should be amalgamated into a single pot, and councils should be given the freedom to use this to deliver their strategic infrastructure priorities and infrastructure delivery plans.**

TRANSPORT & ROADS

Investment in sustainable public transport and road maintenance

Transport is critical to supporting positive economic and social outcomes, offering the opportunity to connect people to each other, to leisure and services and to jobs and training. But not everyone can access good quality, frequent, and reasonably priced transport.

This is particularly true in rural counties, where we know there is a greater dependence on private cars, partly associated with older residents and the reduced availability of alternatives, such as public transport and active travel routes between towns and villages. Bus services are less viable due to the longer distances they have to travel, and this leads to reduced access to services and employment, especially for the elderly, less mobile and young people. This lack of social mobility can have significant knock-on impacts making feelings of isolation worse and contributing to mental health difficulties.

CCN welcomed the National Bus Strategy, *Bus Back Better*, which promised enhanced bus services across the country. Additional support is urgently needed in county areas where services are operating at minimum levels following years of funding reductions – with 97 million fewer bus journeys in 2019 across 36 counties compared to a decade earlier.[4] The pandemic has also reduced bus usage and more recently inflationary impacts, such as fuel costs and driver shortages, have lead to further commercial route reductions.

As result of these pressures, bus travel has become less attractive, resulting in increasingly reduced ridership. In response to the bus strategy, many CCN members prepared Bus Service Improvement Plans which outlined innovative ways they wanted to improve their networks and make bus services more reliable. However, only a handful of members received funding leaving those that prepared plans but didn't receive funding, unable to implement them.

Transport networks also rely on a good quality and well-maintained road network, but this is becoming increasingly challenging for CCN members to deliver as budgets from central government are reduced, while inflationary pressures are placing new financial strains on delivering major schemes.

Previous CCN research has shown that 13,000 miles of road have been identified across the 36 county areas as requiring maintenance last year – 9% of the total mileage in those places and five times the amount of England's largest cities, including London.[5]

However, despite the significant backlog of repairs, CCN have warned that the previous government was failing to deliver its commitment contained in the Conservative party manifesto to increase funding for roads maintenance by £2.5bn above previous levels.

Despite capital funding for this year remaining the same as 2021/22, county authorities are still receiving £300m less for roads maintenance this year compared to two years ago, meaning that councils will continue to face difficult choices in prioritising road improvements.[6]

Alongside these existing pressures, county authorities have faced a challenging 2022 as a result of soaring inflation, which has hit a 40-year high. CCN research, compiled with the Society of County Treasurers in June,[7] projected that county councils and unitary councils faced an additional £211m in transport-related capital costs, which if not addressed, could put at risk these vital projects aimed at generating growth and improving local infrastructure capacity.

- **The new government should provide long term funding for bus services for all transport authorities across the country.**

- **The government should use the forthcoming Medium Term Fiscal Plan to outline how it intends to support local government through increased capital funding to support councils in maintaining their capital programmes of road and infrastructure investments in light of inflationary pressures.**

To try and alleviate these inflationary issues, the government has a target of raising economic growth to 2.5% a year. Tapping into the potential of counties must be firmly part of that equation, and CCN has urged the new Secretary of State for Levelling Up, Housing, and Communities to not only maintain the momentum on devolution, but to turbo-charge the process so that more counties across the country can access significant powers and funding to drive economic growth and level-up their communities.

County authorities are the key conduit for place-based growth in their areas, both at countywide and local level. They have an ability to set a vision in transport and infrastructure for their area and then deliver on this by attracting inward investment and using specific interventions to unlock projects. Looking ahead, the nature of the economic challenge facing the country means that counties require as many powers as possible at their disposal to generate growth.

- **As outlined in Point 2 of our Five Point Plan, the government must turbo-charge the devolution process, including the devolution of transport and infrastructure budgets to county and unitary authorities.**

NET ZERO & GREEN GROWTH

Supporting local leadership to reach net zero in county and rural areas

Since coming into office, the government has recommitted to reaching net zero by 2050, appointing Chris Skidmore MP to lead an independent review focussing on how the government can meet this target whilst maximising economic growth and ensuring energy security and affordability for consumers and businesses. This review, and the resulting actions, will need to take in into account the needs of county and rural areas, which face their own distinct challenges when it comes to tackling the climate crisis and reaching net zero.

CCN's member councils have made great strides in investing in greener infrastructure and providing the means to encourage residents to use less emission intensive infrastructure. However, previous research showed that CCN members' areas account for 53% of all emissions in England, yet the climate change funding so far has been concentrated on city areas. It is therefore unsurprising that CCN areas have seen slower emission reductions than city areas in recent years.[8]

There are many varied challenges facing CCN member councils that require strong leadership and financial backing in order to achieve lasting change. For example, people in CCN member authorities, on average, travel further to access employment and basic services, and the time taken to use alternative forms of transport can be up to 77% longer. A large proportion of housing stock is remote, off gas grid, expensive to retrofit, and electricity supplies cannot always be guaranteed, making many of the required changes to reduce emissions uneconomic.

There are also a range of opportunities in county areas that would support accelerated action on climate change, in line with the ambitions set out in Chris Skidmore's review. The scale of CCN member authorities as employers and economic enablers allow them to be a stimulus for significant behaviour change, altering procurement behaviour, stimulating local supply chains, and increasing staff participation in green schemes.

Local government, as the recognised leader of place, is ideally positioned to play a major role in enabling the required societal shift in attitudes and behaviours. Through local networks and partnerships, regulation, service provision, funding and communication, local government possesses the tacit knowledge that is required to influence change. CCN member authorities cover 86% of the landmass in England and are strategically placed to develop exemplar zero carbon schemes.

- **If we are to reach net zero across the country, including in rural areas, the new government must move away from an overly-city focused approach and work with all parts of the country to deliver appropriate place-based solutions; this includes making sure the amount of funding and support given to county areas reflects the size of the challenge they face.**

Although enhanced investment in public transport in county areas is vital in reducing carbon emissions, private transport will also play a critical role. Private vehicles are a key source of carbon emissions, particularly in county areas. Our research has shown carbon emissions due to transport have reduced just 4.7% in CCN member council areas between 2005-2018, compared to 22.9% in London and 16.2% in the Core Cities.[9] To help tackle climate change the move to decarbonise private transport and incentivise communities to transition to electric vehicles will therefore be crucial, ensuring the right infrastructure investment is in place to support the transition.

However, CCN's research has found that there are more publicly available charging points for electric vehicles in London compared to the entirety of England's counties combined. With just 7,781 charging points in total, it means the average distance between chargers is 16 miles. In addition, just 35% of electric vehicles are registered to county areas, despite them being home to half the country's population.[10]

It will be vital to ramp up the delivery of infrastructure to support electric vehicles to encourage their take up and ensure areas have the capacity to cope with an increase in the number of electric vehicles on the roads.

The previous government's Electric Vehicle Infrastructure Strategy, published in March, sets out an ambition for the UK to have 300,000 publicly available chargers by 2030. The strategy, which the new government is likely to adopt, sets out how £1.6bn allocated for electric vehicle charging infrastructure in the Net Zero Strategy could be spent, including £500m to improve the quantity of publicly available and on-street charging points.

Given the divergence between cities and counties on publicly available charging points and the much slower rate of reduction in transport related carbon emissions, it is vital that this funding is prioritised to CCN member councils to level the playing field and enable more county residents to switch to electric vehicles, especially in light of the cost-of-living crisis. Alongside this, it remains to be seen whether £1.6bn for electric vehicle infrastructure in totality is enough to reach that 300,000 target, with CCN calling for this figure to be kept under review.

- **The government must lead efforts to decarbonise public and private transport, targeting the majority of the £1.6bn funding for electric vehicle infrastructure towards county and rural areas.**

Alongside ensuring that the EV roll out is sufficient, CCN member councils must also be enabled to steward the countryside to protect biodiversity, alongside supporting the country's energy needs in the wake of the energy crisis driving the cost-of-living crisis.

The government must seize the opportunities to drive a new green industrial revolution, working with county authorities to embrace opportunities for new industries and skills to deliver more offshore wind, and other renewable sources. However, if the government is to consider ramping up energy generation by fracking or increasing the number of nuclear power plants, this must be with the consent of local populations. Upper tier authorities, through their planning duties, are best placed to work with government to ensure sites are appropriate and communities benefit from any new sites.

- **The government must lead a green industrial revolution, placing equal importance on net zero as growth and capitalise on the opportunities that the drive to net zero brings in reducing our reliance on fossil fuels through renewable energy sources.**

- **The government must maintain its commitment to ensure that local communities have the final say on new sites for Shale Gas Extraction, working with upper-tier councils as planning authorities for new sites.**

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