

# CCN

COUNTY COUNCILS NETWORK

# Housing in Counties

*Delivering homes for all,  
in the right places*

CCN   
ANALYSIS

<b>Executive Summary</b>	<b>3</b>
<b>Introduction</b>	<b>12</b>
<b>Part 1: Changing Tenures &amp; Demand</b>	<b>14</b>
• Households	15
• Housing Supply	16
• Home ownership	18
• Private Renting	19
• Affordability	20
• Affordable Housing Supply	22
• Shared Ownership	24
• Social Housing	25
• Homelessness	26
• Temporary Accommodation	28
• Housing Waiting Lists	29
<b>Part 2: Policy Implications</b>	<b>32</b>
• Planning reform	33
• Delivering infrastructure	42
• Housing to meet local needs	48
• Tackling homelessness	56
• Improving housing standards	61

# Executive Summary

## Overview

**Counties house over the half the country's population, with their areas spread across 86% of England's landmass. These 37 areas cover a mixture of towns, cities and large rural areas, with a unique set of demographics and socio-economic profiles.**

Through data insights, this publication aims to shine a light on the trends in housing within county areas over the past decade, including changing patterns of tenure, housing delivery, housing affordability and homelessness.

It provides commentary on the implications of these trends, the most recent national policy developments, how they are impacting county areas, and the ways in which our member councils are working with partners, such as district councils and housing developers, to support the provision of a mix of housing to meet local needs.

## Changing tenures & demand

Counties are attractive places to both live and work. The cities, towns and large rural areas that form counties, with good employment and leisure opportunities, make them enticing locations to make a home and raise a family. This is increasingly apparent in the post-pandemic world, with the rise of remote working and changing travel patterns.

But even before the pandemic, our analysis in this report shows that increasing numbers of households and families were choosing to live in counties right across the country.

This has partly been driven by the overall increase in housing supply. The number of homes delivered in county areas over the past decade represents 51% of England's total housing supply.

## Data insights

### Demand & Supply

- Over the course of the last decade the latest census data shows a significant increase in households choosing, or moving, to live in county areas. By 2021 there were 807,193 more households residing in county areas compared to a decade before. The increase of 7.8% is higher than all other local authority types.
- A key driver of the household growth in county areas over the past decade has been the overall increase in housing delivery. CCN member areas have seen 606,081 homes delivered between 2018/19-2022/23 compared to 474,408 between 2013/14 – 2017/18. This is an increase of 131,673 homes delivered, or 27.8%.
- Authorities within CCN member areas have proportionally delivered much more housing compared to other council types, peaking at just under 130,000 in the last year (2022/23). Over the decade analysed, some 1.1 million more homes were delivered in county areas, accounting for 51% of all housing in England.
- Over the last five years, county areas have seen an increase in the delivery of affordable housing compared to the five years before, delivering 151,812 affordable homes between 2018/19 – 2022/23, compared to 109,720 between 2013/14 – 2017/18. This represents a 38% increase.
- County areas outperformed England as whole over the past five years, where affordable housing delivery only increased by 26% over the same period. At the same time, London increased delivery by 23%, with metropolitan boroughs delivering 0.8% less.

## Tenures

- County areas have seen an increase in residents who own their home outright, with a 14.9% increase. With 544,000 more people owning their home outright in counties, this accounts for 62% of the entire increase in England.
- At the same time, the number of households with a mortgage or loan has decreased by 195,000 or 5.5%. Homeownership as a tenure in county areas is down from 69.8% of all tenures to 67.9%.
- Private renting has increased dramatically in county areas, outpacing all increases in other forms of tenures. Some 450,000 more households in county areas are renting privately compared to a decade ago, a 30.6% rise.
- Social rent delivered by councils has decreased by 28,000 (4.4%) in county areas, mirroring trends in other parts of the country.
- In contrast, social rent from a registered provider (RP) has increased 16.8%, with 130,000 more people in this tenure within counties. This increase in RP social rent is significantly higher compared to other local authority types.
- Some 40,000 more households in county areas are in shared ownership compared to a decade ago, a 53.4% rise. This rate of increase is over double the increase in London and non-CCN unitary areas, while metropolitan boroughs have only witnessed a 15.3% increase.

This is perhaps to be expected, given that county areas contain extensive greenfield land that is more easily developed, compared to brownfield land that is more costly.

However, since 2016/17 England has only seen over 200,000 homes built per year, peaking at 242,702 in 2019/20. This is below the target of the 300,000 homes per year pledged by the current government. Therefore, despite undertaking frequent and considerable planning reforms, the number of homes built has consistently not met the government's target.

Inevitably, the shortfall in supply has impacted on affordability across the country - with this continuing to be most acute in county areas. This happened at the same time as changes in welfare and housing policy, and the last decade has also seen increasing external and internal migration within the UK, particularly from inner London and major cities to other parts of the country.

With household growth and rising unaffordability in counties, this has led to a significant change in tenure patterns. Our analysis shows that counties have witnessed a growing housing divide, with more people owning their home outright, less people accessing a mortgage, and a significant increase in renting.

Homeownership as a tenure in county areas is smaller than it was a decade ago. In contrast the expansion of social rent has been marked in county areas, alongside private renting. When the change in the number of people in social rent and private rent are combined, counties see the largest increase in renting of 19%, compared 12.4% in metropolitan boroughs and 13.2% in London. There are over 550,000 more people renting in counties than a decade ago.

The expansion in supply of affordable housing is critical and welcome. However, while county areas have outperformed more urban areas in the delivery of affordable homes, it only represents 25% of total housing supply.

We know this is not enough. Research from the National Housing Federation recommended that 145,000 affordable homes are needed per year to meet demand, meaning a shortfall of around 450,000 affordable homes over the past five years alone.

Housing waiting lists were already rising before the pandemic in county areas and as a result of affordable housing failing to keep pace with demand continue to do so. Moreover, homelessness, and in particular the use of temporary accommodation, has risen steeply in county areas as the support measures introduced during the pandemic have ceased and the cost-of-living has dramatically driven up further the unaffordability of housing and all of life's essentials.

## Policy Implications

Alongside detailed commentary on the implications of these housing trends, Part 2 of this report provides a wide ranging set of recommendations that both the current and any future government should consider to improve access to quality housing in county areas.

It is clear that there are deep rooted systemic issues within the housing system across the country that warrants the need for **a long-term plan for housing**. This should include increasing housing delivery across all tenures, reducing homelessness and reliance on temporary accommodation, improving standards across the rental sector and ensuring that our housing stock is fit for the future and as sustainable as it can be.

**The recommendations within this report should form the start of this long term plan for housing, with a wider commitment from government to knit these together with a plan and narrative that receives cross-sector support and buy in.**

## Affordability

- The average county house price is currently £309,746, compared to £223,345 in February 2016, a rise on average across county areas of £86,401.
- County properties are now 11.1 times average annual earnings, which is an increase on 2016 when properties were 10.5 times annual earnings.
- When compared to the national house price to wage ratio of 9.4, county areas are much more unaffordable, and significantly more unaffordable than metropolitan boroughs, where average house prices are 7.5 times annual salaries – up from 6.4 in 2016.
- Some 27 of CCN's 37 county and CCN unitary authorities now have a house price to wage ratio of at least ten times annual salaries, up from 14 councils in 2016.

## Homelessness Pressures

- Homelessness has increased above pre-pandemic levels. Comparing Q4 2020/21 to Q4 2022/23, 4,467 more were assessed as homeless in county areas. This represents an 18% increase in county and CCN unitary areas, above the increase witnessed in metropolitan boroughs (15.7%), slightly below London (18.2%) and non-CCN unitary authorities.
- The number of households in temporary accommodation rose by 6,087 from 11,705 in 2018/19 to 17,792 in 2022/23. County areas have seen the second biggest percentage increase, with a rise of 52%.
- Between 2018/19 and 2022/23, county areas have seen a rise of 40,023 on housing waiting lists, rising from 384,377 to 424,400. Outside of London, this 10.4% increase is the largest increase amongst different types of local authorities.

## Planning Reform

The planning system is in a state of flux and has been for several years now. There has been constant tinkering of the system, perhaps with the right motives in mind. But this has led to uncertainty, the pausing of local plan production and increasing frequency of speculative development which leads to a rise in appeals and increasing distrust with the system from developers and communities alike. Based on the issues outlined in this report, CCN members would like to see:

- **The next Government should provide stability in the planning system through an extensive programme of engagement with the sector.**

The planning system is currently causing uncertainty and national policy lacks the direction that councils need to effectively plan through their local plans. There is a sense that planning reform is done to councils rather than with them, leading to frustration and consultation fatigue.

The government should undergo an extensive engagement exercise with the wider sector to establish a planning system that works on the base of experience, and to an agreed set of principles. Whilst review of its effectiveness will be important, it should not constantly be changed through small incremental changes.

- **Government should provide adequate protections to existing local plans whilst planning authorities are preparing new local plans.**

The revised NPPF published in December 2023 will allow planning authorities to prepare a four year land supply, rather than a five year land supply, where there is an emerging local plan that fulfils certain criteria. It is hoped that these changes will provide some protection against speculative development, but these arrangements will only apply for two years.

This should be monitored with stronger protections introduced if these are not deemed to be strong enough, and should become a permanent protection to avoid speculative development whilst new plans are being prepared.

- **Government should work with CCN unitary authorities to agree a timeframe for getting new local plans in place.**

CCN's unitary members cover areas that were once covered by numerous local plans. As such, the size of the area that their plans will need to cover is much larger, meaning there are more challenges and complexities that their plans will need to address. We urge the government to work with larger councils to understand the challenges they face around the development of local plans and put realistic timescales in place for their new plans to be prepared.

- **Government should mandate strategic planning across county areas to unlock growth and ensure that housing and infrastructure are planned together.**

A lack of strategic planning outside of metropolitan areas hampers growth and has resulted in an un-coordinated approach to development in more rural areas. Introducing strategic planning across already recognised county boundaries can be easily achieved and would provide a larger spatial canvas to plan across and lead to better and more thought through outcomes.

- **Planning authorities must be properly resourced.**

To provide timely, responsive and agile planning services, planning authorities must be adequately resourced. Government should work with planning authorities to understand the challenges that are faced and to work towards a new sustainable financial settlement for planning authorities that allows them to carry out their duties.

- **Planning authorities should have more control over the implementation of Permitted Development Rights.**

Permitted development rights can have a big impact on rural villages, causing important shops and services to close. Local planning authorities should have greater autonomy over where Permitted Development Rights apply across their areas.

## Delivering infrastructure

Delivery of high quality infrastructure has never been more important, and it is vital that government, both national and local, work to ensure that it is prioritised alongside housing delivery. Improving the way that infrastructure is planned and funded will lead to better outcomes, and based on this we put forward the following recommendations:

- **The government should not move forward with the proposed Infrastructure Levy and should instead work with authorities to improve the existing system of developer contributions.**

There is debate across the sector about the merits of introducing a new infrastructure levy versus reforming the existing system. To ensure certainty and continuity whilst new local plans are being prepared, the government should work with the sector to reform S106 and CIL, alongside examining the merits of a completely new system.

- **Through the reintroduction of strategic planning, local authorities should be given a new duty to work together to identify strategic infrastructure requirements that would support growth across multiple areas.**

The planning and delivery of infrastructure requires a long-term co-ordinated approach and in county areas the current fragmented system is failing to allow areas to plan truly strategically. Reintroducing strategic planning across county boundaries would provide a mechanism to

do this, bringing together the areas vision and plans for growth with the national objectives from the government and National Infrastructure Commission.

- **Government and councils should explore the benefits of pooling developer contributions, allowing areas to deliver strategic projects more quickly.**

There are a small number of examples across the country of authorities working together to agree infrastructure priorities, and pooling the developer contributions they receive to fund large strategic infrastructure that benefits a wider area.

This requires some recognition that, in the short to medium term, contributions that an authority receives may be directed towards another area, but that this is fulfilling a long-term strategic objective that may encourage development which will in turn bring in contributions that can be spent within their own area.

Government should explore and encourage similar models to be established across the country, particularly in two-tier areas.

- **The National Infrastructure Commission should establish a board of rural commissioners examining the needs of rural areas and putting forward recommendations as part of the National Infrastructure Assessment.**

The NIC plays an important role setting out the national requirements for infrastructure that will help to support growth and deliver the government's agenda of economic growth and tackling climate change. However, it has a predominantly urban focus which does not always consider the specific challenges facing rural areas. Establishing a board of rural commissioners would help to tackle this and could set out recommendations specific to rural areas.

## Housing to meet local needs

The housing crisis is diverse and plays out in different ways across the country. As this report shows, county areas need a variety of housing to meet the needs of their communities and to offer choice. Both national and local governments could do more to promote a wider variety of tenures to be delivered on sites and to allow them to have more control over the housing delivered in their areas. Our recommendations include:

- **National planning policy should promote the delivery of a mix of tenures, particularly on large sites.**

The Letwin Review demonstrates how large sites can provide a range of tenures which would increase build out rates and provide affordable housing and private sale housing. The government should encourage this through the National Planning Policy Framework.

- **Government should continue to provide funding through the Affordable Homes Programme to support a wide range of genuinely affordable housing, but this should focus on homes for social rent where there is a high need.**

The Affordable Homes programme provides vital funding to deliver affordable housing, and this complements the affordable housing delivered through Section 106 via the planning system.

However, there has been an emphasis on homes for low-cost home ownership which may not meet local need everywhere. Government should work with councils to identify how grant funding should best be spent in their areas.

- **Introduce a new planning use class (C2R) to encourage the development of retirement communities.**

The need for more specialist accommodation to meet the needs of

older people has never been more acute, and the planning system can play a role to encourage the development of more retirement communities which would help to ease pressure on social care services, the NHS and free up general needs housing.

A new use class would allow planning authorities to make provisions for these type of developments in their local plans and would provide confidence in the market for them to be delivered.

- **Require existing short-term lets to apply for planning permission for a change of use, and implement a licensing scheme for all holiday lets.**

Second homes and holiday lets add further pressure to the housing market in areas across the country. Councils need more controls to limit the amount of this type of housing to provide relief to the general needs market and prioritise housing for the local population. The government should extend recently announced requirements for new homes to apply for planning permission to become a holiday to existing short let accommodation. A licensing scheme should also be explored to give councils as much control as possible.

- **Government should commit to undertake a review of the Right to Buy.**

Research has shown that the Right to Buy has led to a loss of social housing, and prevented local authorities from building via the Housing Revenue Account. A review should therefore be undertaken in the context of a need to drastically increase the number of homes available for social rent.

- **Allow councils to charge for services provided to owners of Homes in Multiple Occupation that are occupied entirely by students.**

HMO's occupied by students receive services from local authorities, such as waste collection, street cleaning and leisure services. Allowing councils to charge business rates against these properties would allow them to recoup the costs associated with this service provision.



## Tackling homelessness

Tackling homelessness is a major challenge facing both this and future governments, with our housing market currently letting many people down. Key to this is a lack of truly affordable housing, but also a system that is not adequately equipped to support those at risk of homelessness, despite the best efforts of councils. We therefore recommend:

- **Government should work across the sector to drive the supply of genuinely affordable housing, including a new programme of socially rented homes.**

The delivery of genuinely affordable housing will be the most effective way to prevent homelessness. As the National Housing Federation has estimated, we need to deliver 90,000 homes for social rent per year to meet demand. We therefore need a social house building revolution, with an affordable homes programme and planning system that actively plans to meet this target.

- **Following the announcement in the 2023 Autumn Statement that Local Housing Allowance rates will be raised to the 30th percentile of market rates, this should be kept under review to ensure that it is easing the pressure of housing costs.**

It is welcome that the Chancellor announced an increase in LHA rates at the 2023 Autumn Statement; however this is likely to be a temporary measure with rent increases likely to outstrip LHA rates once again. The government should keep rates under review and look to introduce a policy that permanently links LHA rates to rents to provide tenants with increased security.

- **Reset housing benefit subsidy rates to 90% of current market rates, in addition to increasing Homeless Prevention Grant funding to support temporary accommodation pressures.**

The cost of providing temporary accommodation has increased for authorities to unsustainable levels, particularly when more and more people are stuck in the system because of a lack of suitable long-term accommodation. To help alleviate these pressures, the subsidy rates for temporary accommodation should be reset to 90% of current market rates. The Homeless Prevention Grant should also reflect the current situation and be increased to further support the prevention work of authorities, particularly in the context of the cost-of-living crisis.

## Improving standards

There is clearly much to be done to improve the quality of accommodation and provide renters with adequate protections given the number of people who rely on the private rented sector for accommodation. The quality and standard of existing housing is as important as developing new accommodation, and we make the following recommendations to help improve the current situation:

- **Government should progress the Renters Reform Bill as quickly as possible.**

The sector has broadly welcomed the Renters Reform Bill but has criticised its progression through Parliament. Government should expedite the Bill so that Section 121 'no fault' evictions are scrapped making the private rented sector more stable for tenants.

- **The government should deliver on its commitment to introduce a statutory decent home standard to apply in the private rented sector (PRS).**

The quality of homes in the PRS can vary greatly and tenants have little power to request improvements and seek repairs. A decent home standard for the PRS would drive higher standards and improve living conditions for many tenants.

- **Government should work with the sector on a new strategy to reduce and prevent overcrowding.**

Data shows that overcrowding has become more prevalent across the country, forcing people to live in unsuitable conditions leading to mental and physical health issues. The sector has widely reported that the existing legislative framework is not fit for purpose, and any future government should commit to working with the sector to update the legislation to reduce and prevent overcrowding.

- **Mandate that homes delivered through Permitted Development Rights should contribute to local infrastructure through the developer contributions system.**

All new homes should be supported by and contribute towards local infrastructure. When implementing the new Infrastructure Levy, or reforming the existing system of developer contributions, government should ensure that homes delivered through permitted development rights are also required to contribute.

- **Government should commit a core funding stream to local government to assist them in meeting their net zero goals.**

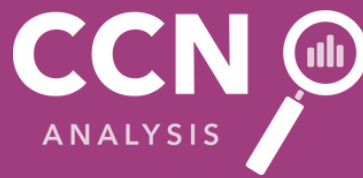
Local government needs certainty through funding to allow them to build supply chains and push forward ambitious projects that help them to deliver net zero. This includes projects that help to support homeowners to retrofit their own homes, and in partnership with housing associations to retrofit social housing.

- **The National Planning Policy Framework should be amended to allow councils to set more ambitious environmental standards for new housing.**

Councils are ambitious to tackle climate change and meet net zero targets, but national planning policy is preventing them from setting ambitious environmental standards for new developments, including housing. National policy should be amended to allow authorities to set policies in their local plans that exceed national standards.



# Housing in Counties



**Housing supply is**



**606k**

between 2018/19–2022/23. An increase of 131,673 of homes delivered in five years, +27.8%.



**Affordability is**



**11.1x**

times average earnings, an increase on 2016 when properties were 10.5 average earnings.



**Private renting is**



**450k**

more households are renting privately compared to a decade ago, a 30.6% rise.



**Homeownership is**



**195k**

less households with a mortgage. Homeownership as a tenure is down from 69.8% to 67.9%.



**Affordable housing supply is**



**152k**

between 2018/19–2022/23. An increase of 42,092 of homes delivered in five years, +38%.



**Social renting via a registered provider is**



**130k**

more households are renting from an registered provider compared to a decade ago, a 16.8% rise.



**Housing waiting lists are**



**40k**

more households on housing waiting lists in 2022/23 compared to 2018/19, a 10.3% rise.

**Access to high quality, affordable housing should be a fundamental human right. However, it is widely acknowledged that the country remains in the grips of an acute housing crisis.**

This crisis isn't limited to a single type of housing nor easily fixed and areas often face a multitude of challenges, including:

- Ongoing planning reforms causing uncertainty about the number and types of homes that should be built.
- A shortfall of funding to provide supporting infrastructure to new development.
- Increasingly unaffordable housing – both in the rental and sales market causing instability and uncertainty for residents across the housing market.
- A cost-of-living crisis which exacerbates housing costs and affordability challenges.
- A shortage of social housing meaning more and more people are presenting as homeless and being housed in often unsuitable temporary accommodation for long periods.
- Homes that need to be retrofitted to reduce carbon emissions and help tackle climate change.

These challenges play out differently across the country, and CCN members are working alongside the wider housing and development sector to innovate and address these challenges creatively. This demonstrates that overcoming these challenges requires a place-based approach to be taken, allowing areas to pull the levers and set policies that will be most beneficial to them.

**The areas represented by the CCN are no exception to this.**



Counties house over the half the country's population, with their areas spread across 86% of England's landmass. These areas combine a mixture of towns, cities and large rural areas, with a unique set of demographics and socio-economic profiles.

Moreover, unlike other groupings of councils, CCN represents both two-tier county council areas and those serviced by a unitary authority, with different statutory responsibilities for services.

In 21 two-tier areas,\* district councils act as the housing and planning authorities, with these responsibilities held by our unitary councils in 17 areas CCN represent.

In addition to being the planning authority responsible for permitting new homes, district and unitary authorities are directly responsible for housing services such as managing housing waiting lists, allocating social housing, and are the authorities responsible for preventing homelessness and providing support services.

However, CCN's county council members also have an inherent interest in housing within their areas, both as the major infrastructure providers within two-tier areas, but also as the body responsible for strategic public services across their areas.

As social care authorities, the right type of housing with access to the right support will help people live in their homes for longer. With the right care facilities, councils can work with the NHS to discharge people from hospital sooner, freeing up bed space for those who need it.

As education and highway authorities, the make-up of new housing across a county will have an impact on the number of school places county councils need to plan for, the maintenance and provision of highways infrastructure, and the way that public and home to school transport is delivered.

### **This publication aims to shine a light on the trends in housing within county areas over the past decade.**

To demonstrate this, section one of this report analyses the changing patterns of tenure, housing delivery statistics, housing affordability and homelessness data, providing a decade long view of the trends in housing delivery, affordability and tenure in county areas and across other parts of the country.

Section two provides commentary on the implications of these trends across five chapters:

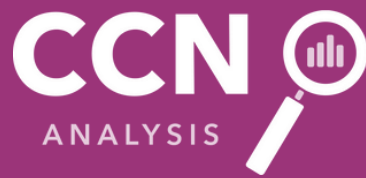
- Planning reform
- Delivering infrastructure
- Housing to meet local needs
- Tackling homelessness
- Improving housing standards

Across each of the chapters, we outline the most recent national policy developments, how they are impacting county areas, and provide insights on the ways our member councils are working with partners, such as district councils and housing developers, to support the provision of a mixed economy of housing to meet local needs.

Each chapter concludes with a set of recommendations that both the current and any future government should consider to improve the delivery of, and access to, quality housing in county areas.

In putting forward our analysis, commentary and recommendations, it is important to note that this is not a critique on the performance of housing authorities – whether unitary or district councils – in delivering their statutory duties. This report aims to highlight some of the trends occurring across our member areas, regardless of responsibility, and sets out some recommendations based on the data and current practice that will benefit all council types across CCN member areas.

*\*For the purposes of the data analysis in this report, Leicestershire County Council – which is currently outside CCN membership – is included within the 'County & CCN unitary' category.*



# Part one: Changing tenures and demand



**The latest census data shows that over the past decade there has been a significant increase in households choosing, or moving, to live in county areas.**

Table 1 shows that by 2021 some 807,193 more households resided in county areas compared to a decade before.

The increase of 7.8% is higher than all other local authority types. County and CCN unitary areas account for 59% of total growth in England, higher than their population share (46%).

Unlike all other types of councils, the rate of household growth (7.8%) in counties outstrips general population growth (6.7%) over the period.

Regionally, counties in the South West have seen the strongest growth in households, followed by the East Midlands, East of England and the South East.

However, it is noticeable that every single county region has higher household growth than all other types of local authority in England.

**Table 1 – No. Household, LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	10,308	11,115	807	<b>7.8</b>
Metropolitan Boroughs	4,789	4,990	200	<b>4.2</b>
London Boroughs	3,266	3,424	158	<b>4.8</b>
Unitary (Non-CCN)	3,670	3,907	207	<b>5.6</b>
<b>County Regions*</b>				
East of England	2,074	2,246	172	<b>8.3</b>
East Midlands	1,529	1,663	134	<b>8.7</b>
North East	362	382	19	<b>5.3</b>
North West	878	929	51	<b>5.8</b>
South East	2,644	2,842	198	<b>7.5</b>
South West	1,388	1,517	129	<b>9.3</b>
West Midlands	1,034	1,111	77	<b>7.4</b>
Yorkshire & Humber	400	426	27	<b>6.7</b>

\*Only county and CCN unitary authorities are included in the regional analysis

**Graph 1 – Total Household & Population Growth (%), LA Type, ONS Census 2011 & 2021**



## A key driver of household growth in county areas over the past decade has been the overall increase in housing delivery.

Over the last five years, supply has increased across the country. This is not to be unexpected given the widely reported housing crisis, and the government's focus on delivery, including an ambition to deliver 300,000 new homes per year.

When looking at the spread of housing growth across the country, councils within CCN member areas have seen 606,081 homes delivered between 2018/19-2022/23 compared to 474,408 between 2013/14 – 2017/18. This is an increase of 131,673 number of homes delivered, representing a 27.8% increase.

The number of homes delivered in metropolitan boroughs over the last five years represents an increase of 28.8%, albeit with a smaller quantum of development compared to county areas.

Graph 2 - Net additional dwellings, LA type, annual 2013/14 to 2022/23, DLUHC

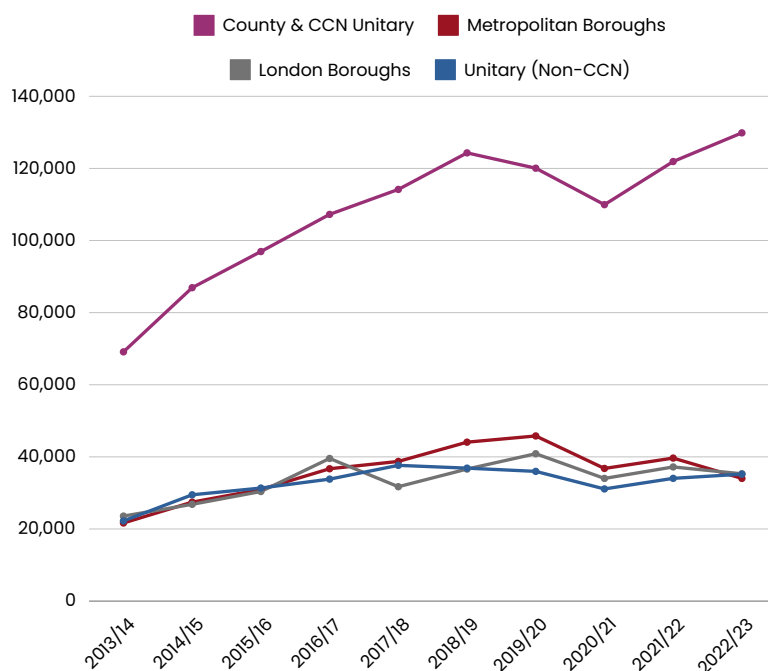


Table 2 - Net additional dwellings, LA type, 2013/14-2017/18 and 2018/19-2022/23, DLUHC

Council Type/County Region	2013/14-2017/18	2018/19-2022/23	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	474,408	606,081	<b>131,673</b>	<b>27.8</b>
Metropolitan Boroughs	155,519	200,357	<b>44,838</b>	<b>28.8</b>
London Boroughs	152,093	184,020	<b>31,927</b>	<b>21.0</b>
Unitary (Non-CCN)	154,549	173,199	<b>18,650</b>	<b>12.1</b>
<b>County Region</b>				
East of England	92,602	122,294	<b>29,692</b>	<b>32.1</b>
East Midlands	71,107	92,188	<b>21,081</b>	<b>29.6</b>
North East	12,020	15,651	<b>3,631</b>	<b>30.2</b>
North West	34,336	47,478	<b>13,142</b>	<b>38.3</b>
South East	123,022	157,284	<b>34,262</b>	<b>27.9</b>
South West	77,273	83,618	<b>6,345</b>	<b>8.2</b>
West Midlands	47,758	64,042	<b>16,284</b>	<b>34.1</b>
Yorkshire & Humber	16,290	23,526	<b>7,236</b>	<b>44.4</b>



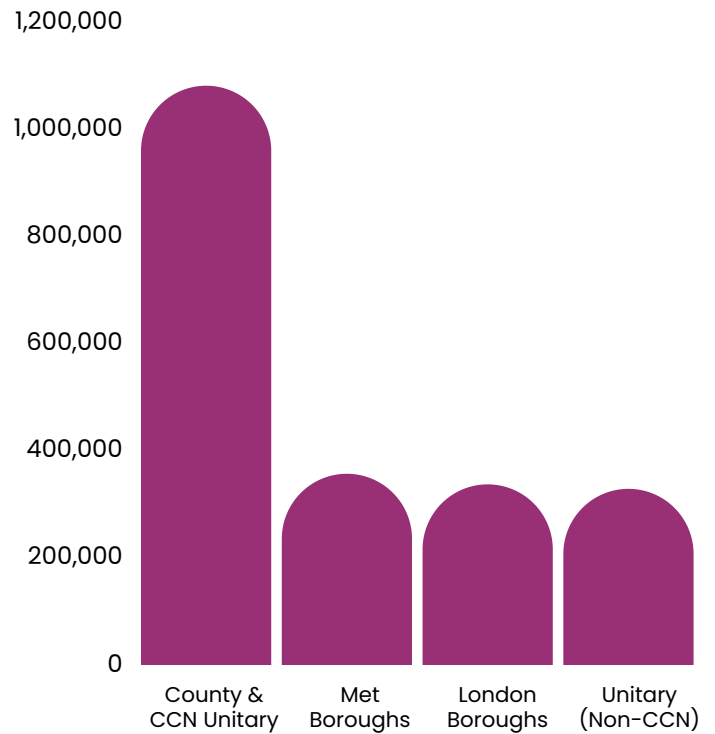
There has been a strong focus from government on building on previously developed (brownfield) land which may provide an explanation behind the sharp increase across these areas. Meanwhile across the same time period, London saw a 21% increase in delivery.

Across county regions, the biggest percentage increase in the number of homes delivered was in the Yorkshire and the Humber, followed by the West Midlands. The South West has seen the lowest growth.

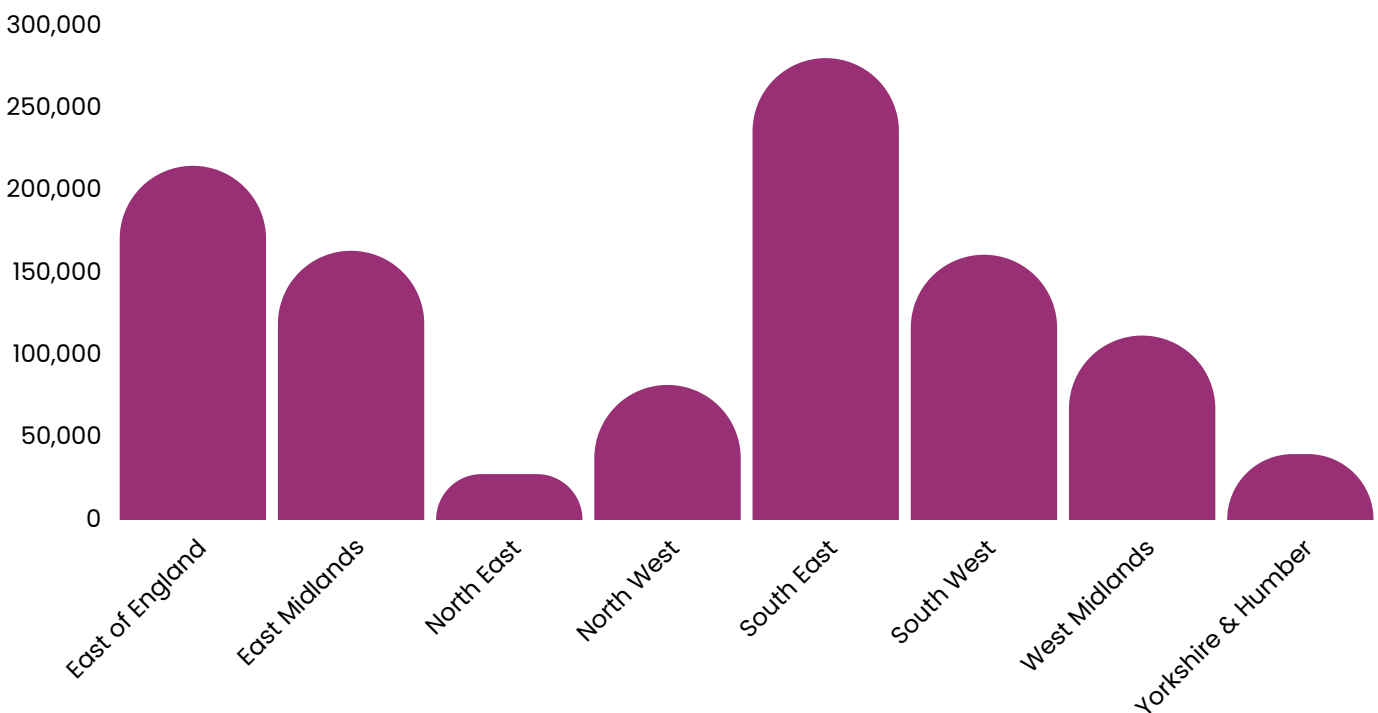
However, while experiencing lower overall growth in percentage terms, it is important to note that over the decade analysed counties in the South East accounted for over a quarter (280,306) of all homes delivered across county and CCN unitary areas.

Overall, however, authorities within CCN member areas have proportionally delivered much more housing compared to other council types, peaking at just under 130,000 in the last year (2022/23). Over the decade analysed, some 1.1 million more homes were delivered in county areas, accounting for 51% of all housing in England.

**Graph 3- Net additional dwellings, LA type, 2013/14 to 2022/23, DLUHC**



**Graph 4 - Net additional dwellings, County Regions, 2013/14 to 2022/23, DLUHC**



## The increase in household formation and supply across tenures in county areas has been accompanied by changes in tenure patterns, starting with home ownership.

Table 3 shows that county areas have seen an increase in residents who own their home outright (i.e. have either paid off their mortgage or purchased their home outright), with a 14.9% rise.

Although this is a trend that has been observed across the country, it is highest in county areas. With 544,000 more people owning their home outright in counties, this accounts for 62% of the entire increase in England. Overall, the share of those owning their house outright in counties as a percentage of all tenures has increased by 2.5% to 38.1%.

Regionally, counties in the North East have seen the largest growth in those owning their property outright, followed by the East Midlands, South West, Yorkshire & Number and West Midlands. However, while the East of England and South East have witnessed smaller growth, combined they represent 44% of all outright ownership in counties.

At the same time, Table 4 shows the number of households with a mortgage or loan has decreased by 195,000 or 5.5%. Overall, the share in counties of those owning their home through a mortgage or loan as a percentage of all tenures has decreased 4.4% to 29.8%.

Mirroring the increase in outright ownership, counties in the North East have seen the biggest decline, followed by Yorkshire & the Humber and the West Midlands.

Overall, homeownership as a tenure in county areas is smaller than it was a decade ago. In 2011 total homeownership represented 69.8% of all tenures. Fast forward a decade, and this now stands at 67.9%.

**Table 3 – No. Households who own outright, LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	3,647	4,192	544	<b>14.9</b>
Metropolitan Boroughs	1,354	1,527	173	<b>12.7</b>
London Boroughs	690	710	20	<b>2.9</b>
Unitary (Non-CCN)	1,054	1,196	142	<b>13.5</b>
<b>County Regions</b>				
East of England	700	803	102	<b>14.6</b>
East Midlands	532	622	90	<b>17.0</b>
North East	116	138	22	<b>19.2</b>
North West	324	365	41	<b>12.8</b>
South East	914	1,032	118	<b>12.9</b>
South West	532	618	86	<b>16.2</b>
West Midlands	375	434	59	<b>15.7</b>
Yorkshire & Humber	155	179	25	<b>15.9</b>

**Table 4 – No. Households own with mortgage or loan, LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	3,551	3,356	-195	-5.5
Metropolitan Boroughs	1,551	1,407	-144	-9.3
London Boroughs	886	838	-48	-5.4
Unitary (Non-CCN)	1,241	1,143	-99	-8.0
<b>County Regions</b>				
East of England	717	686	-31	-4.4
East Midlands	551	522	-30	-5.4
North East	123	105	-18	-14.8
North West	304	278	-26	-8.5
South East	935	904	-31	-3.3
South West	433	410	-23	-5.4
West Midlands	356	333	-23	-6.5
Yorkshire & Humber	132	120	-12	-8.9

**Alongside the decline in home ownership over the past decade, private renting has increased dramatically in county areas, outpacing all increases in other forms of tenures.**

Table 5 shows that some 450,000 more households in county areas are renting privately compared to a decade ago, a 30.6% rise. While this increase is below metropolitan boroughs, it is above both London boroughs and non-CCN unitary authorities. County areas now account for 40% of all private renting in England, up from 39% a decade ago.

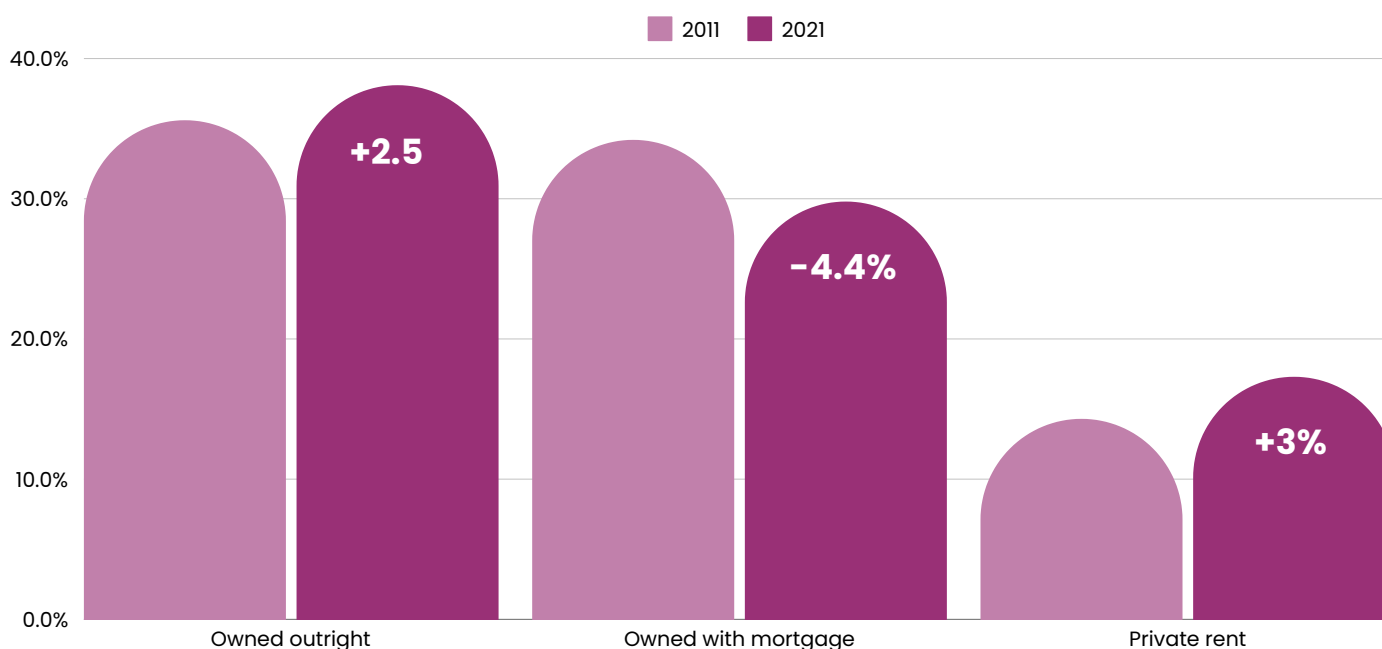
While counties in the North East have again witnessed the strongest growth in in percentage terms, followed by the East Midlands, East of England and West Midlands, counties in the South East account for over a quarter of the entire growth in private renting as a tenure in counties.

Private renting as a share of all tenures in county areas has increased 3% over the past decade. In 2011 private renting represented 14.3% of all tenures, with this now standing at 17.3%.

**Table 5 - No. Households rented from private (all), LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	1,470	1,920	450	<b>30.6</b>
Metropolitan Boroughs	740	976	236	<b>31.9</b>
London Boroughs	819	1,026	206	<b>25.2</b>
Unitary (Non-CCN)	687	873	187	<b>27.2</b>
<b>County Regions</b>				
East of England	290	388	98	<b>33.8</b>
East Midlands	206	282	76	<b>36.9</b>
North East	47	64	18	<b>38.2</b>
North West	123	161	37	<b>30.3</b>
South East	392	498	106	<b>26.9</b>
South West	215	275	60	<b>27.7</b>
West Midlands	134	175	41	<b>30.7</b>
Yorkshire & Humber	63	77	14	<b>22.6</b>

**Graph 5 - County & CCN Unitary, Housing Tenure, % share, ONS Census 2011 & 2021**



**A significant reason that lay behind this trend in declining homeownership and increasing private renting is the growing unaffordability of housing in county areas right across the country.**

CCN analysis in Table 6 shows that the average county house price is currently £309,746, compared to £223,345 in February 2016, a rise on average across county areas of £86,401.

When this rise is set against average earnings, it is clear that the housing crisis plays out most noticeably for residents as an affordability crisis.

Whilst the average wage in CCN member council areas has increased from a median yearly wage of £21,427 in 2016 to £28,028 in 2023 the sheer scale of property price rises has meant that higher wages have not equated to homes becoming more affordable, in price terms.

**Graph 6 - Average house price change, 2016 and 2023, CCN analysis**



**Table 6 - Average house price and affordability ratio, Feb 2016 and Nov 2023, CCN analysis**

Council Type/County Region	Average House Price Feb 2016	Affordability Ratio 2016	Average House Price Nov 2023	Affordability Ratio 2023
<b>LA Type</b>				
County & CCN Unitary	£223,345	10.4	<b>£309,746</b>	<b>11.1</b>
Metropolitan Boroughs	£138,875	6.4	<b>£208,417</b>	<b>7.5</b>
London Boroughs	£511,027	18.8	<b>£558,263</b>	<b>16.5</b>
Unitary (Non-CCN)	£199,995	8.8	<b>£272,584</b>	<b>9.4</b>
<b>County Region</b>				
East of England	£262,534	11.9	<b>£355,116</b>	<b>12.2</b>
East Midlands	£177,857	8.5	<b>£259,080</b>	<b>9.6</b>
North East	£121,643	6.2	<b>£165,119</b>	<b>6.4</b>
North West	£158,576	7.1	<b>£220,229</b>	<b>7.6</b>
South East	£302,437	12.6	<b>£418,365</b>	<b>13.9</b>
South West	£232,264	11.5	<b>£331,867</b>	<b>12.4</b>
West Midlands	£201,190	10.0	<b>£290,703</b>	<b>10.8</b>
Yorkshire & Humber	£180,832	9.0	<b>£250,374</b>	<b>9.4</b>

As Graph 7 shows, while average earnings in counties have increased at 31.4% over the period, average house prices have increased 38.7%. While metropolitan areas have seen lower earnings growth (29%) and higher house price growth (50%), affordability challenges were already far more acute in county areas.

County properties are now 11.1 times average annual earnings, which is an increase on 2016 when properties were 10.5 times annual earnings.

County areas are much more unaffordable, and significantly more unaffordable than metropolitan boroughs, where average house prices are 7.5 times annual salaries – up from 6.4 in 2016.

Perhaps unsurprisingly, there is a geographical divide on affordability across county areas.

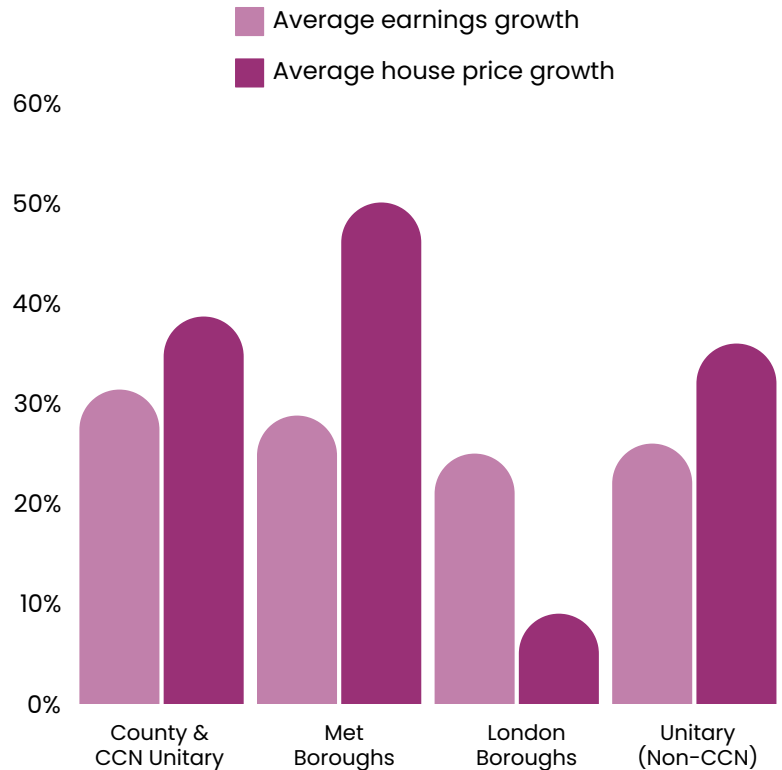
Counties in the South East have a significantly higher affordability ratio of 13.9 compared to the county average, alongside the East of England (12.2) and South West (12.4).

In contrast counties in the West Midlands, East Midlands, Yorkshire & Humber are all below the county average, but still significantly above metropolitan areas, with CCN members in the North West and North East having affordability ratios closer to this grouping of councils.

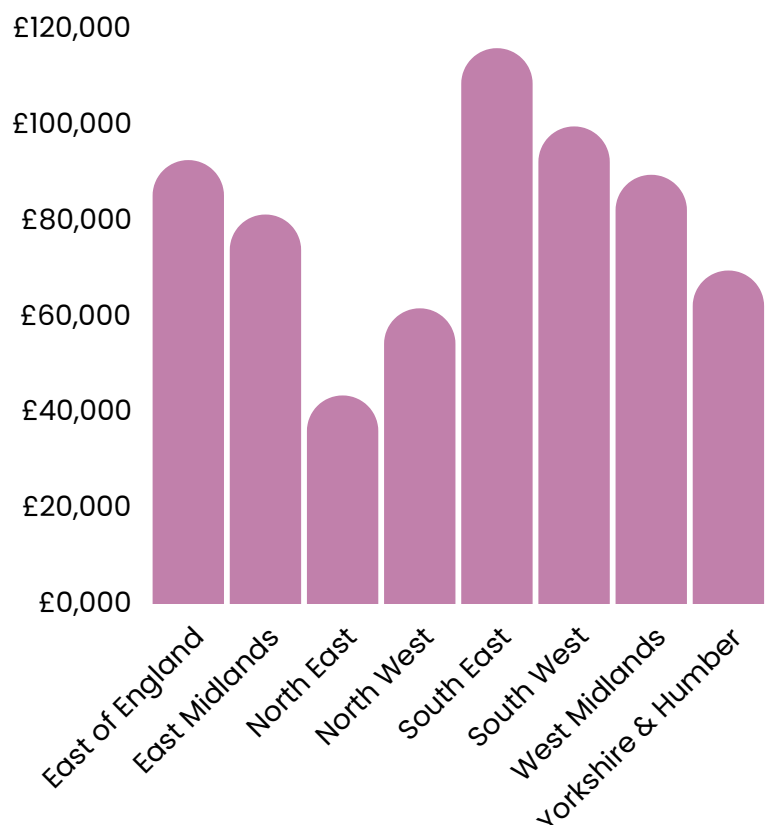
However, despite these geographical differences, in almost every county the ratio between income and house prices has widened since 2016 and homes are becoming increasingly unaffordable for residents on average salary, presenting challenges for councils across the country.

Some 27 of CCN's 37 county and CCN unitary authorities now have a house price to wage ratio of at least ten times annual salaries, up from 14 councils in 2016.

**Graph 7 – Percentage growth in average earnings and house prices, 2016 to 2023, CCN analysis**



**Graph 8 – Average house price change, county regions, 2016 and 2023, CCN analysis**



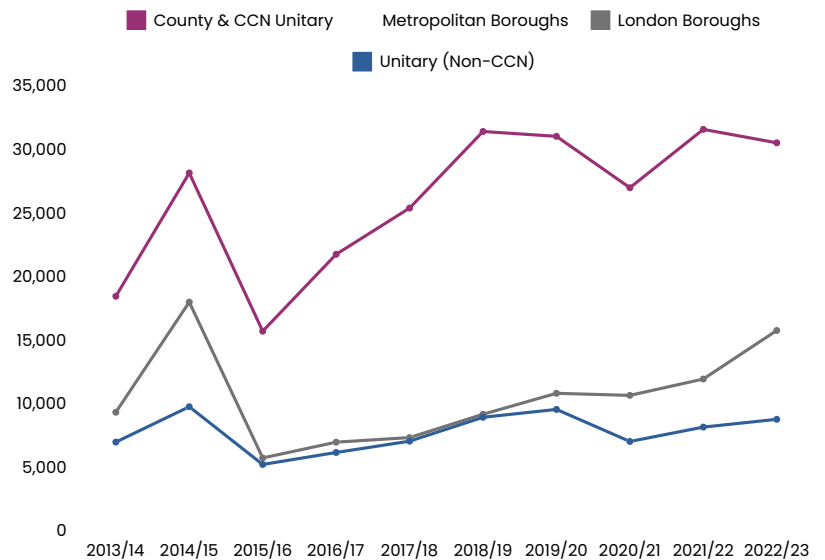
## As affordability has worsened in county areas, the supply of affordable housing has become increasingly important.

Table 7 shows the breakdown of affordable housing delivery across England, broken down by council type and county region. This incorporates social housing, affordable and intermediate rent, and shared ownership.

Over the last five years, county areas have seen an increase in the delivery of affordable housing compared to the five years before, delivering 151,812 affordable homes between 2018/19 – 2022/23, compared to 109,720 between 2013/14 – 2017/18. This represents a 38% increase.

County areas outperformed England as whole over the past five years, where affordable housing delivery only increased by 26% over the same period. At the same time, London increased delivery by 23%, with metropolitan boroughs delivering 0.8% less.

**Graph 9 – Additional affordable homes, LA type, annual 2013/14 to 2022/23, DLUHC**



**Table 7 – Additional affordable homes, LA type, 2013/14–2017/18 and 2018/19–2022/23, DLUHC**

Council Type/County Region	2013/14–2017/18	2018/19–2022/23	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	109,720	151,812	<b>42,092</b>	<b>38.4</b>
Metropolitan Boroughs	38,104	37,814	<b>-290</b>	<b>-0.8</b>
London Boroughs	47,638	58,618	<b>10,980</b>	<b>23.0</b>
Unitary (Non-CCN)	35,456	42,721	<b>7,265</b>	<b>20.5</b>
<b>County Region</b>				
East of England	14,925	24,714	9,789	<b>65.6</b>
East Midlands	14,958	19,500	4,542	<b>30.4</b>
North East	3,218	3,852	634	<b>19.7</b>
North West	8,738	10,634	1,896	<b>21.7</b>
South East	32,734	46,850	14,116	<b>43.1</b>
South West	18,833	21,142	2,309	<b>12.3</b>
West Midlands	13,184	18,740	5,556	<b>42.1</b>
Yorkshire & Humber	3,250	6,380	3,250	<b>103.8</b>

In terms of the distribution of affordable housing delivery across county regions, Yorkshire and Humber saw the biggest percentage increase on the delivery of affordable housing by far, delivering an increase of 103.8%, or an additional 3,250 units.

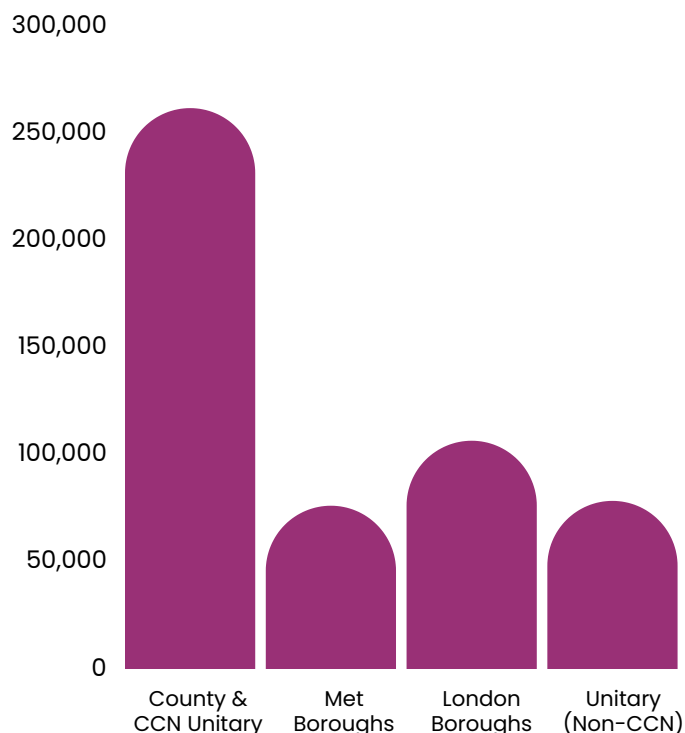
However, it is the East of England and South East which stand out in the number of affordable homes delivered, with 65.6% and 43.1% increases. Over the decade analysed counties in the South East (79,584) and East of England (39,639) accounted almost half (46%) of all additional affordable homes delivered across county and CCN unitary areas.

Areas which delivered less of an increase included the South West - mirroring lower overall rates delivery outlined above - and the North East.

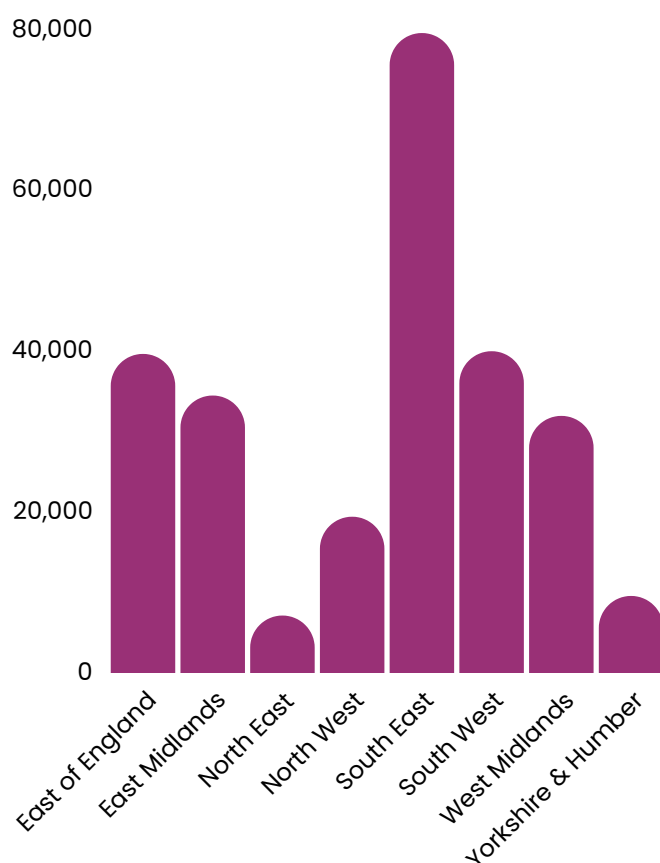
Overall, however, authorities within CCN member areas have proportionally delivered much more affordable housing compared to other council types, peaking at 31,468 in 2018/19. Over the decade analysed, some 261,532 more affordable homes were delivered in county areas, accounting for 50% of all new affordable housing in England over the period.

Despite the increase in delivery, the number of affordable homes delivered in county areas only represents 25% of the total housing delivered, compared to just under 24% of delivery across England.

**Graph 10 - Additional affordable homes, LA type, 2013/14 to 2022/23, DLUHC**



**Graph 11 - Additional affordable homes, County Regions, 2013/14 to 2022/23, DLUHC**



**As the rate of affordable housing has increased, coupled with affordability challenges, shared ownership as a tenure has risen in county areas over the past decade.**

Table 8 shows some 40,000 more households in county areas are in shared ownership compared to a decade ago, a 53.4% rise. This rate of increase is over double the increase in London and non-CCN unitary areas, while metropolitan boroughs have only witnessed a 15.3% increase.

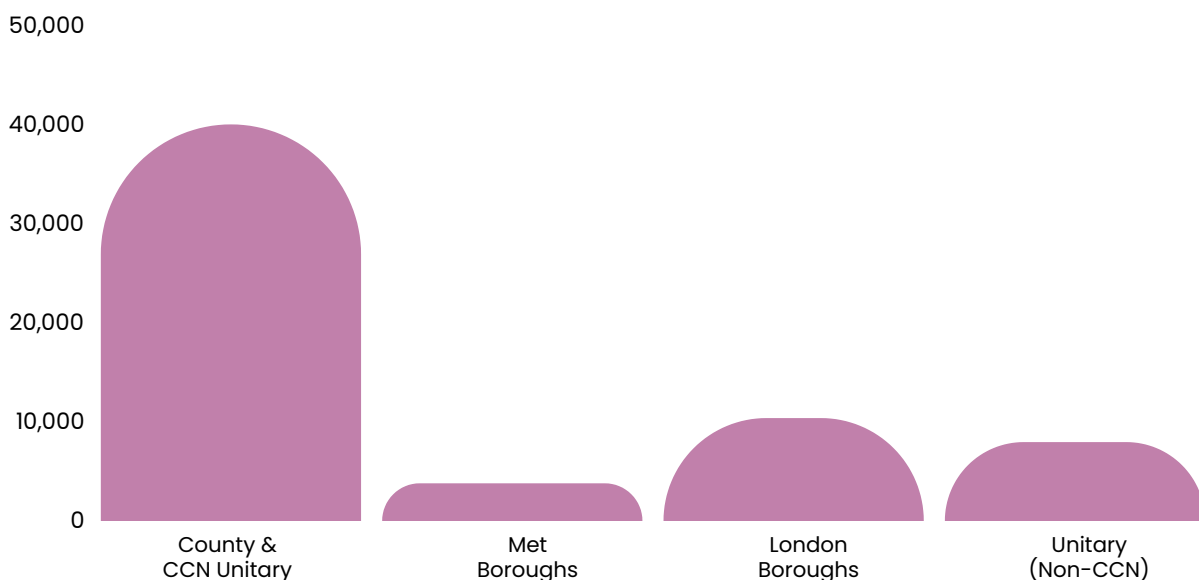
Some 65% of the entire increase in households in shared ownership in England is within county and CCN unitary areas. As a result, county areas now account for 49% of all households in shared ownership in England, up from 43% a decade ago.

While counties in the South West have witnessed the strongest growth in percentage terms, followed by Yorkshire & the Humber and the West Midlands, counties in the South East and East of England combined account for 50% of the total increase in households within shared ownership amongst counties.

**Table 8 – No. Households in shared ownership, LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	75	115	40	53.4
Metropolitan Boroughs	25	29	4	15.3
London Boroughs	42	52	10	24.7
Unitary (Non-CCN)	32	40	8	24.9
<b>County Regions</b>				
East of England	16	22	7	43.2
East Midlands	10	15	5	50.8
North East	1.00	1.49	0.50	49.6
North West	4	7	2	57.3
South East	25	37	13	50.7
South West	10	18	7	68.5
West Midlands	7	11	4	60.7
Yorkshire & Humber	1.79	3.06	1.27	70.9

**Graph 12 – Change in household in shared ownership, LA Type, ONS Census 2011 & 2021**





## Alongside the rise in shared ownership, the increased growth of households and supply of affordable housing has seen social rent as a tenure increase at a significant rate in counties.

Table 9 shows that over the past decade, social rent via councils has decreased 28,000 (4.4%) in county areas, mirroring trends in other parts of the country. This reduction is lower than all other types of councils, with counties in the North East and North West experiencing significantly higher rates of decline compared to the county average.

In contrast, Table 10 shows that social rent from a registered provider (RP) has increased 16.8%, with 130,000 more people in this tenure within counties.

This increase in RP social rent is significantly higher compared to other local authority types, with counties accounting for 55% of the total increase in England.

While counties in the North East have seen the strongest growth in RP in percentage terms, followed by the East Midlands, South West and Yorkshire & Humber, counties in the South East and East of England combined account for 42% of the total increase in RP amongst counties.

However, it is noticeable that every single county region has higher growth in RP than all other types of local authorities.

**Table 9 – No. Households rented from council, LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	653	624	-29	<b>-4.4</b>
Metropolitan Boroughs	641	583	-58	<b>-9.0</b>
London Boroughs	440	414	-26	<b>-5.9</b>
Unitary (Non-CCN)	347	325	-22	<b>-6.4</b>
<b>County Regions</b>				
East of England	160	157	-3	<b>-1.9</b>
East Midlands	132	124	-8	<b>-5.7</b>
North East	43	36	-8	<b>-17.9</b>
North West	36	33	-3	<b>-8.2</b>
South East	133	129	-4	<b>-2.8</b>
South West	67	65	-2	<b>-2.9</b>
West Midlands	61	58	-3	<b>-4.4</b>
Yorkshire & Humber	21	22	1	<b>4.2</b>

**Table 10 – No. Households rented from RP, LA Type & County Regions, ONS Census 2011 & 2021 (000s)**

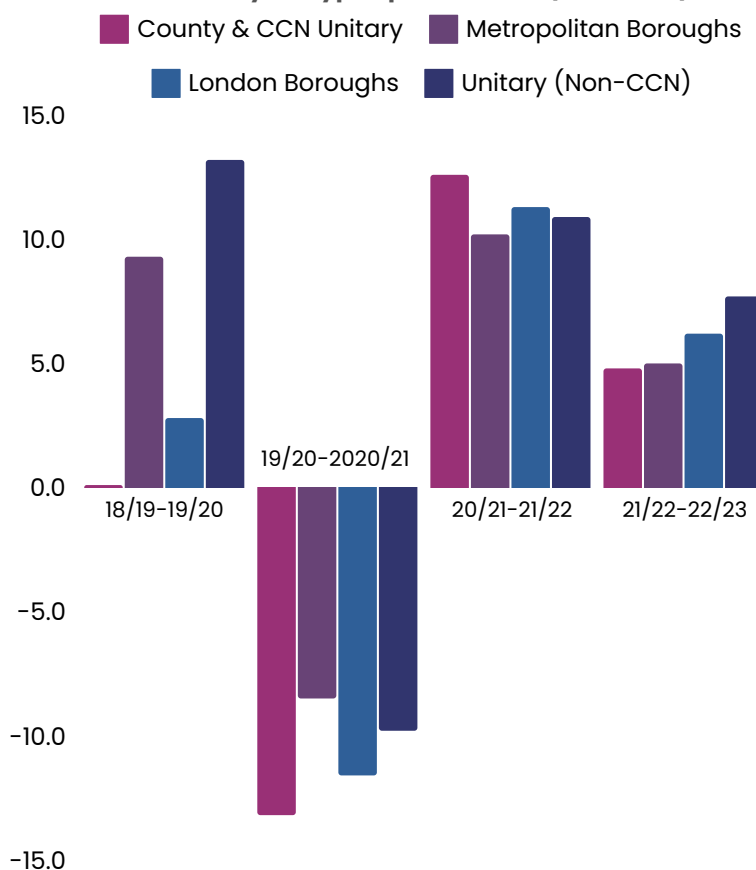
Council Type/County Region	2011	2021	No. -/+	% -/+
<b>LA Type</b>				
County & CCN Unitary	770	900	130	<b>16.8</b>
Metropolitan Boroughs	413	458	45	<b>10.9</b>
London Boroughs	346	377	31	<b>8.9</b>
Unitary (Non-CCN)	294	326	31	<b>10.6</b>
<b>County Regions</b>				
East of England	164	189	25	<b>15.1</b>
East Midlands	78	96	18	<b>23.0</b>
North East	27	37	10	<b>36.0</b>
North West	74	84	10	<b>13.5</b>
South East	211	240	30	<b>14.0</b>
South West	108	131	22	<b>20.5</b>
West Midlands	87	98	11	<b>12.9</b>
Yorkshire & Humber	21	25	4	<b>20.2</b>

**Despite the increase in housing delivery and affordable housing over the past decade, homelessness continues to rise across the country, including in county areas.**

Comparisons of data over the past decade is not possible due to the introduction of the Homelessness Reduction Act 2017 and a change in the way data was collected.

Therefore, to give an overview trends over the last five years, quarter four data for households initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty has been analysed. It is important to note that some individual authorities had missing data over the period. Where this occurred, data from the nearest quarter was used to ensure consistency of comparisons. The above also applies to the subsequent analysis on temporary accommodation.

**Graph 13 - % change (annual) households initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty, LA type, quarter 4 2018/19 to 2022/23, DLUHC**



**Table 11 - households initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty, LA type, quarter 4 2018/19 to 2022/23, DLUHC**

Council Type/County Region	2018/19	2019/20	2020/21	2021/22	2022/23
<b>LA Type</b>					
County & CCN Unitary	28,507	28,533	24,754	27,874	29,221
Metropolitan Boroughs	16,696	18,250	16,695	18,401	19,315
London Boroughs	13,354	13,730	12,141	13,514	14,347
Unitary (Non-CCN)	13,835	15,663	14,128	15,672	16,873
<b>County Region</b>					
East of England	6,037	6,073	5,384	5,825	6,032
East Midlands	4,063	3,844	3,368	3,956	4,249
North East	876	939	831	1,135	1,066
North West	2,361	2,514	2,178	2,548	2,421
South East	7,147	7,388	6,198	6,686	7,186
South West	4,656	4,365	4,185	4,482	4,419
West Midlands	2,483	2,608	2,167	2,372	2,886
Yorkshire & Humber	884	802	443	870	962

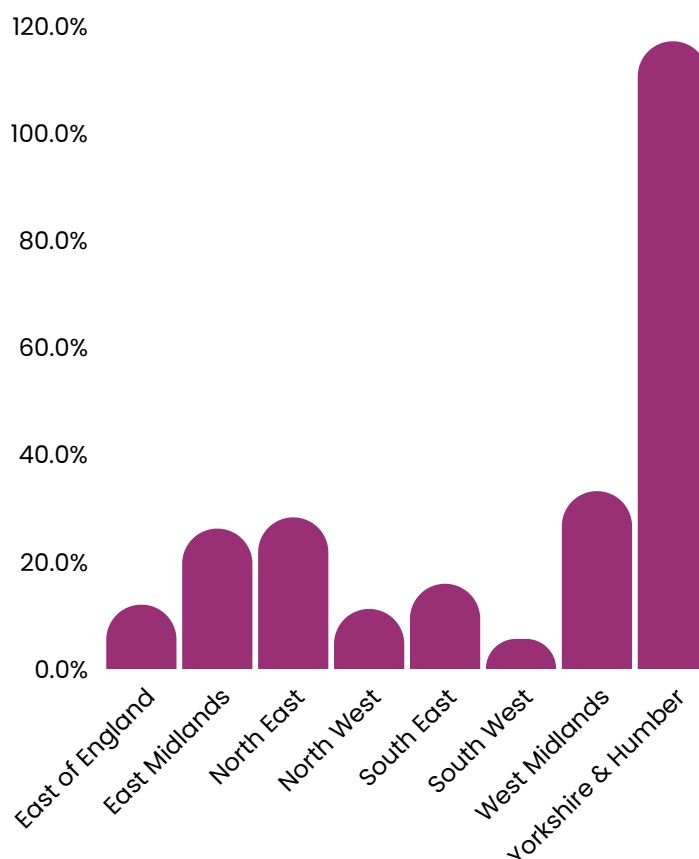
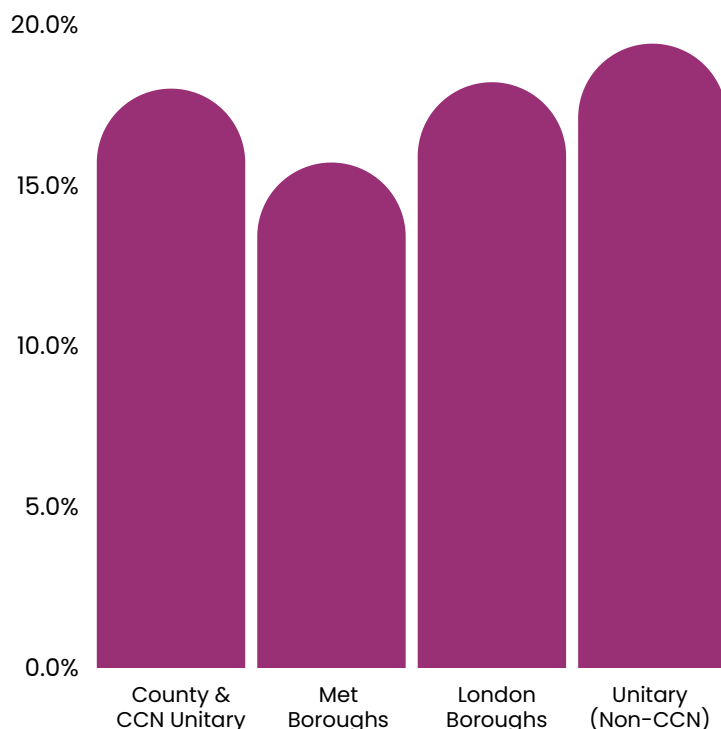
Table 11 shows that overall levels of homelessness were broadly stable in county areas in the lead up the pandemic, with 28,500 in Q4 of 2018/19 and 2019/20 initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty. In Q4 2018/19, counties account for 39% of all households homeless in England during this period.

The pandemic witnessed a decline across all local authorities, particularly counties, which saw a 13.1% decrease year on year, comparing Q4 2019/20 and Q4 2020/21. This was higher than other types of councils, and is largely explained by government policies during the pandemic to limit evictions, particularly within the private rented sector.

However homelessness has since increased above pre-pandemic levels. Comparing Q4 2020/21 to Q4 2022/23, 4,467 more were assessed as homeless in county areas. As Graph 14 shows, this represents an 18% increase in county and CCN unitary areas, above the increase witnessed in metropolitan boroughs (15.7%), slightly below London (18.2%) and non-CCN unitary authorities.

All county regions have experienced similar trends both pre and post pandemic. Looking at Q4 2020/21 to Q4 2022/23, the increase within counties in Yorkshire & Humber are a significant outlier. However, many county regions including the North East, East Midlands, West Midlands saw percentage growth higher than the county average and other types of local authorities.

**Graph 14 & 15 - % change households initially assessed as homeless or threatened with homelessness and owed a statutory homelessness duty, LA type and county regions, quarter 4 2020/21 to 2022/23, DLUHC**



## As homelessness has risen post-pandemic, counties have witnessed a sharp increase in households in temporary accommodation.

Table 12 shows that there has been an increase in households in temporary accommodation across every part of the country. metropolitan boroughs have seen the biggest overall increase in percentage terms with a rise of 71% between 2018/19 and 2022/23.

County areas have seen the second biggest percentage increase over the same time period, with a rise of 52%, with non-CCN unitary councils seeing a rise of 43.5%, and London Boroughs a rise of 6.4%.

However, in numerical terms, county areas have seen the biggest increase overall.

Data shows that the number of households in temporary accommodation rose by 6,087 from 11,705 in 2018/19 to 17,792 in 2022/23.

The number of households in temporary accommodation has been consistently increasing, and has risen in every county region. The South East, South West and East of England have seen the largest rises in numerical terms, which is perhaps unsurprising given the relative levels of affordability across these areas.

Areas that have seen the sharpest increases in percentage terms are the North East, North West and Yorkshire and Humber. Whilst the overall figures are low compared to other regions, it shows that reliance on temporary accommodation is spreading across the country.

**Table 12 - households in temporary accommodation at end of the quarter, LA type, quarter 4 2018/19 to 2022/23, DLUHC**

Council Type/County Region	2018/19	2019/20	2020/21	2021/22	2022/23	No. -/+	%. -/+
<b>LA Type</b>							
County & CCN Unitary	11,705	13,208	14,076	15,804	17,792	<b>6,087</b>	<b>52.0</b>
Metropolitan Boroughs	8,092	9,226	10,321	11,881	13,855	<b>5,763</b>	<b>71.2</b>
London Boroughs	56,841	59,496	60,300	58,067	60,506	<b>3,665</b>	<b>6.4</b>
Unitary (Non-CCN)	8,922	9,654	10,906	11,103	12,807	<b>3,885</b>	<b>43.5</b>
<b>County Region</b>							
East of England	3,753	4,057	4,009	4,160	4,777	<b>1,024</b>	<b>27.3</b>
East Midlands	1,148	1,191	1,079	1,250	1,575	<b>427</b>	<b>37.2</b>
North East	29	34	99	97	110	<b>81</b>	<b>279.3</b>
North West	199	314	376	360	436	<b>237</b>	<b>119.1</b>
South East	4,593	5,233	5,648	6,748	7,319	<b>2,726</b>	<b>59.4</b>
South West	1,109	1,390	1,659	1,882	2,206	<b>1,097</b>	<b>98.9</b>
West Midlands	714	787	962	978	1,019	<b>305</b>	<b>42.7</b>
Yorkshire & Humber	160	202	244	329	350	<b>190</b>	<b>118.8</b>

**A key driver in the use of temporary accommodation is the growth in housing waiting lists, despite the increase in affordable housing delivery over the past decade within counties.**

The Localism Act 2011 allowed councils to apply a local connection test to the criteria for eligibility to be found housing by the local housing authority. This resulted during the first half of the 2010s in a significant overall decline in housing waiting lists nationally, from a high of 1.7 million in 2012/13, to a low of 1.1 million in 2017/18.

Therefore, focusing on the period between 2018/19 and 2022/23, county areas have seen a rise of 40,023 in their collective housing waiting lists, rising from 384,377 in 2018/19 to 424,400 in 2022/23. Outside of London, this 10.4% increase is the largest increase amongst different types of local authorities.

London boroughs have seen a significantly higher increase in total numbers and percentage terms with waiting lists rising by 33%, some 80,276.

The number of households on housing waiting lists has been consistently increasing in every county region outside of the East of England, which saw a significant decrease over the period analysed – perhaps reflecting the rapid expansion of affordable housing in this region outlined above.

As with temporary accommodation, the North East witnessed the highest percentage increase. The South West has seen the largest rise in numerical terms, which is perhaps unsurprising given challenges highlighted in previous analysis on housing supply within this region.

**Table 13 – Total households on housing waiting list at 31 March, LA type, 2018/19 to 2022/23, DLUHC**

Council Type/County Region	2018/19	2019/20	2020/21	2021/22	2022/23	No. -/+	%. -/+
<b>LA Type</b>							
County & CCN Unitary	384,377	375,633	391,867	412,666	424,400	<b>40,023</b>	<b>10.4</b>
Metropolitan Boroughs	342,772	327,452	310,512	314,611	352,268	<b>9,496</b>	<b>2.8</b>
London Boroughs	243,551	250,922	296,322	307,355	323,827	<b>80,276</b>	<b>33.0</b>
Unitary (Non-CCN)	189,133	191,494	184,402	180,025	186,685	<b>-2,448</b>	<b>-1.3</b>
<b>County Region</b>							
East of England	80,435	67,017	72,660	67,603	70,455	<b>-9,980</b>	<b>-12.4</b>
East Midlands	58,034	59,682	60,128	59,865	61,224	<b>3,190</b>	<b>5.5</b>
North East	16,640	18,899	18,912	20,699	23,265	<b>6,625</b>	<b>39.8</b>
North West	37,141	41,032	42,225	44,642	46,725	<b>9,584</b>	<b>25.8</b>
South East	76,723	74,385	81,280	84,608	85,914	<b>9,191</b>	<b>12.0</b>
South West	60,894	62,445	67,288	73,868	76,806	<b>15,912</b>	<b>26.1</b>
West Midlands	41,829	39,057	35,989	45,764	46,116	<b>4,287</b>	<b>10.2</b>
Yorkshire & Humber	12,681	13,116	13,385	15,617	13,895	<b>1,214</b>	<b>9.6</b>

**Counties are attractive places to both live and work. The cities, towns and large rural areas that form counties, with good employment and leisure opportunities, make them enticing locations to make a home and raise a family. This is increasingly apparent in the post-pandemic world, with the rise of remote working and changing travel patterns.**

But even before the pandemic, our analysis shows that increasing numbers of households and families were choosing to live in counties right across the country. This has partly been driven by the overall increase in housing supply. The number of homes delivered in county areas over the past decade represents 51% of England's total housing supply. This is perhaps to be expected, given that county areas contain extensive greenfield land that is more easily developed, compared to Brownfield land that is more costly.

However, since 2016/17 England has only seen over 200,000 homes built per year, peaking at 242,702 in 2019/20. In the 2019 Conservative party manifesto, they pledged to deliver 300,000 homes per year by the mid-2020's, with an ambition to build at least a million more homes of all tenures over the next parliament. Therefore, despite undertaking considerable planning reforms, the number of homes built has consistently not met the government's stated target.

Inevitably, the shortfall in supply has impacted on affordability across the country - with this continuing to be most acute in county areas. This happened at the same time as changes in welfare and housing policy over the last decade, as well as an increase in internal migration within the UK, particularly from inner London and major cities to other parts of the country.

County areas have also seen higher numbers of migrants from other countries settle in their areas which adds further pressure.

With household growth and rising unaffordability in counties, this has led to a significant change in tenure patterns. Our analysis shows that counties have witnessed a growing housing divide, with more people owning their home outright, less people accessing a mortgage, and a significant increase in renting.

Overall, homeownership as a tenure in county areas is smaller than it was a decade ago. In contrast, the expansion of social rent has been marked in county areas, alongside private renting. When the change in the number of people in social rent (RP & council) and private rent are combined in Graph 16 below, counties see the largest increase in 'renting' over the period of 19%, compared 12.4% in metropolitan boroughs and 13.2% in London. There are over 550,000 more people renting in counties than a decade ago.

The expansion in supply of affordable housing is critical and welcome. However, while county areas have outperformed more urban areas in the delivery of affordable homes, it only represents 25% of total housing supply.

We know this is not enough. Research from the National Housing Federation recommended that 145,000 affordable homes are needed per year to meet demand, meaning a shortfall of around 450,000 affordable homes over the past five years alone.

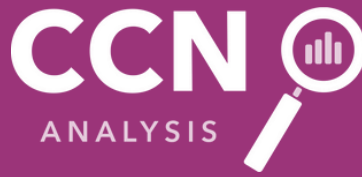
As a result of affordable housing failing to keep pace with demand, housing waiting lists were already rising before the pandemic in county areas and continue to do so. Moreover, homelessness, and in particular the use of temporary accommodation, has risen steeply in county areas as the support measures introduced during the pandemic have ceased and the cost-of-living has dramatically driven up further the unaffordability of housing and all of life's essentials. There has never been more of a need for a long-term plan to tackle the housing crisis that the country faces.

**Graph 16 – Increase in No. Households in private, RSL and council rent, LA Type, ONS Census 2011 & 2021**



**Graph 17 – Increase in No. Households in private, RSL and council rent, County Regions, ONS Census 2011 & 2021**





# Part Two:

# Policy Implications

This section explores the policy implications of housing trends in counties in more detail. Across each of the chapters, we outline the most recent national policy developments, how they are impacting county areas, and provide insights on the ways our member councils are working with partners to support the provision of a mixed economy of housing to meet local needs. Each chapter concludes with a set of recommendations that both the current and any future government should consider to improve access to quality housing in county areas.

However, alongside these recommendations, it is clear that there are deep rooted systemic issues within the housing system across the country that warrants the need for **a long-term plan for housing**. This should include increasing housing delivery across all tenures, reducing homelessness and reliance on temporary accommodation, improving standards across the rental sector and ensuring that our housing stock is fit for the future and as sustainable as it can be.

**The recommendations within this report should form the start of this long term plan for housing, with a wider commitment from government to knit these together with a plan and narrative that receives cross-sector support and buy in.**



## **Planning reform continues to be at the forefront of the government's domestic policy agenda and is likely to continue to be as we look forward to the next general election.**

It has increasingly been the subject of great political debate both nationally and locally, particularly the issue of planning for housing – including whether top-down targets for housing growth are appropriate, to the best locations for housing and whether urban areas should deliver an uplift of housing to relieve more rural locations.

### **Direction of planning reform**

Box 1 provides a brief history of planning reform since the 2010s, which latterly has been focussed on enabling the delivery of 300,000 homes per year as pledged in the 2019 Conservative Party manifesto.<sup>1</sup>

The Levelling-Up and Regeneration Act (LURA) – first introduced into Parliament in May 2022, gave the most insight into the direction of planning policy following the publication of the Government's White Paper which was published in August 2020.

The Act introduces new national development management policies, and a reduction in the scope of local plans to be limited to 'locally specific matters'. It also continues to cement high quality design, with design codes covering a planning authority becoming mandatory.

A raft of additional measures in the Act will also help planning authorities to have more control over their high streets and new compulsory purchase measures will give power to local authorities who wish to pursue large scale regeneration schemes.

The Act also confirmed that the Government are intending to go ahead with a new infrastructure levy and confirmed that the Duty to Cooperate – which had long been criticised by planners and developers alike – would be abolished and replaced by an 'alignment test'.

This test is intended to 'secure appropriate engagement between authorities where strategic planning considerations cut across boundaries'.<sup>2</sup>

In July 2023, the Secretary of State Michael Gove used a speech to set out further direction of travel for housebuilding in England, confirming that the government would meet its target of building 1 million homes in this Parliament.<sup>3</sup>

In the speech, it was also announced that the government would focus on prioritising building in inner-city areas where demand is highest and growth is being constrained, rather than 'concreting over the countryside'. This includes delivering a new urban quarter in Cambridgeshire where the focus will be on high quality design and green spaces alongside cutting-edge laboratories to cement the city's reputation as a hub for innovation and talent.

Much of the commentary surrounding the announcement welcomed the focus on building new homes but highlighted that little was said about genuinely affordable housing such as social and affordable rent. While, as our analysis shows, there has been an uplift in the supply of housing over the past five years, greater delivery of both market and affordable housing in county areas will be vital if the country is to meet the growing demand for housing.

In February 2024, the Prime Minister announced additional changes to the planning system. The changes included further incentivising the development of brownfield land in London and the biggest urban areas to protect green belt land and to reduce pressure on more rural areas.

This was spurred on by a review of the London Plan which concluded that 'The combined effect of the multiplicity of policies in the London Plan now works to frustrate rather than facilitate the delivery of new homes'. It is intended to do this by making the presumption in favour to build on brownfield land stronger, and therefore making it more difficult for local planning authorities to refuse development on this type of land.

# Box 1 – Planning Reform in 2010s

Planning reform has been at the centre of successive government agendas for much of the last decade, with the key change being the introduction of the National Planning Policy Framework (NPPF) in 2012. This marked the beginning of the localism agenda and a step away from regional spatial planning with planning authorities required to prepare a Core Strategy that was in general conformity with the regional plan led.

Instead, regional bodies with plan making powers were abolished, and each planning authority had no overarching spatial strategy on which to prepare new Local Plans. Powers for neighbourhood plans also came into existence, allowing communities to have a greater role in the planning system.

Through the NPPF, planning authorities were required to plan to meet their 'objectively assessed housing need', and a new legal tool – the Duty to Cooperate – was introduced that required local authorities to work together, particularly when one authority could not meet their housing need within their own boundaries.

In these instances, planning authorities were legally required to show Planning Inspectors that they had at least engaged with neighbouring authorities to overcome issues, even if a solution could not be agreed. It is widely acknowledged that this duty has failed to deliver good planning outcomes and has instead been a significant contributor to the slow delivery of housing, particularly in areas of high demand.

Fast forward eight years and numerous revisions to the NPPF, and the Planning for the Future White Paper was published. This was a flagship policy paper published in 2020 that set out a new vision for the planning system. This included the introduction of a 'zonal' planning system, which would extend existing 'planning permission in principle' to cover major developments.

The paper received in excess of 40,000 responses, and caused great debate about the future of the planning system. Two and half years has lapsed since the White Paper was published, and while some of the proposals it contained continued in the LURA, the core tenants of zoning planning and standard method for calculating housing need were abandoned.

Throughout this period, an important point of context is the turnover of ministers as successive governments have set out on their journey of planning reform. The Housing Minister position is notorious for having a high turnover, and the most recent period is no exception. Between March 2020 to the present, there have been seven housing ministers, five of which have overseen the progression of the LURA through parliament.



In the announcement the Prime Minister also recognised that ‘there is little point trying to force large new estates on our countryside and green belt when that is where public resistance to development is strongest and where the GP surgeries, schools and roads don’t exist to support new communities’. Whilst it is right to prioritise delivering new homes in urban areas that are supported by infrastructure, this report demonstrates that there is a housing challenge across the country, including in county areas, which can only be fixed by building more homes in the right places.

Any long-term plan for housing must look across the breadth of the country, including our county and rural areas if we are to spread growth and prosperity and enhance productivity. As we discuss later in the report, an infrastructure first approach will be vital across the country, but especially in county areas who have seen less infrastructure investment compared to urban areas. Delivering infrastructure upfront will be vital to secure support for development by existing residents which is currently a key challenge.

However, the scale of the challenge, and the barriers that are needed to be overcome, should not be underestimated. There are numerous factors at play linked to supply and demand, the market and the way that housing is planned for and approved. And, as we discuss further on, the delivery of infrastructure is also extremely challenging.

The planning system is one of the key tools that planning authorities have to enable the delivery of housing.

### A plan-led system

England operates a plan-led system, meaning that local plans play an important role, setting out the amount of housing that is needed within an area, as well as a breakdown of the number and types of affordable housing that need to be delivered.

However, Lichfield’s have recently estimated that by the end of 2025, over 75% of local planning authorities will not have an up-to-date plan.<sup>4</sup> This runs the risk of increased speculative development which may be in less sustainable locations, and not meet the needs of the local community.

It is unsurprising that this is the case, given that there has been so much tinkering to the system, with many authorities are choosing to halt plan production until clearer direction is given.

Since the LURA was first introduced in Parliament, there has been many debates in the House of Commons, the House of Lords and more widely about housing policy in England.

The merit of and need for nationally imposed housing targets has been central to this debate, with often polarised views. Members of Parliament rallied to override government thinking, causing them to confirm that they would not be taking forward nationally-set housing targets.

There has also been several consultations while the then Bill progressed through Parliament which have covered a variety of areas, from some of the changes that will be required to the NPPF because of the new Act, on planning fees and also on the Infrastructure Levy. It is clear that government is committed to planning reform, but opinions are divided on whether the current route is the right one.

Most recently, in December 2023, Michael Gove unveiled a revised NPPF that has been updated following the Royal Assent of the new Act.<sup>5</sup> The updates include confirmation that housing targets should be used as a starting point for establishing a housing requirement, and provided further clarity on green belt policy. The update also removed the requirement for planning authorities to maintain a five year land supply, where they have an up to date local plan and introduced a new policy which allows authorities who have an emerging plan to instead demonstrate a four year land supply.

This will hopefully remove the ability for developers to submit speculative applications and provide certainty that development will come forward in sustainable locations as identified within the local plan, even whilst they are being prepared, making them much stronger.

However, the requirement to demonstrate a four year land supply will only last for two years. We believe this should be a permanent policy to give protections at all times whilst authorities update their local plans.

It is hoped that the updated NPPF will encourage councils to bring forward more up-to-date local plans, and CCN broadly welcoming the additional clarity that was provided.

Our members acknowledge the importance and value of the plan-led system and want the opportunity to prepare comprehensive plans for their places. However, constant reform of the system means that authorities are increasingly choosing to halt the preparation of new plans whilst they await further direction and certainty from government about national planning policy, relying on existing plans and policies.

Where plans have been submitted for examination, in some areas developers are circumventing these draft plans and manipulating land supply and draft policies to build in locations that undermine the new local plan and in some instances prevent it's adoption.

Where these situations have arisen, this has led to tensions between planning authorities, the Planning Inspectorate and developers, with the Planning Inspectorate often allowing applications that have been refused at appeal.

This undermines the plan-led system and causes issues for authorities who have spent considerable time and resource preparing their new plan and consideration needs to be given to strong temporary arrangements that would help to overcome this.

Increasingly, the Secretary of State has been intervening in the local plan process where councils have decided to pause plans as they await further details of future national policy. This sends a clear signal from government that they are serious about local plan progression, but it is questionable whether a stick versus carrot approach is the right method to take, particularly in a period where the landscape is changing at such a quick pace.

### Permitted development rights

An established policy that is affecting the way areas are developed is permitted development rights (PDR), allowing existing non-residential buildings to be converted to residential use without the need for full planning permission.

Homes delivered through PDR are not subject to the same scrutiny as full planning permission, and therefore avoid providing affordable housing and infrastructure. They may also not meet local housing need.

These rights have been part of the planning system for a number of years; however since 2013 it has been possible to convert offices, shops and agricultural buildings to homes without the need for planning permission.

This is having a particular impact in rural areas with new homes created through PDR without supporting infrastructure. It can also mean losing the only village shop if a shop unit is converted, causing people to travel further and causing issues for those who are less mobile. CCN believe that planning authorities should have more control over where PDR can apply, and where it should be disallowed on their local knowledge.

## Strategic planning

One key area where CCN members would like to see further development is in the reintroduction of strategic planning, particularly those of CCN's members in two-tier areas where, as outlined in the introduction, responsibilities with a direct impact on place-making sit at both the lower and upper tier, with the upper tier having very little power to influence the statutory plan-making system.

This is something that has been missing from county and rural areas since the abolition of structure plans in 2004 and regional spatial strategies in 2010, yet urban areas have seen powers afforded to them to plan strategically through devolution deals.

With housing, and development more generally, often such a contentious issue in county areas, we believe the reintroduction of a strong strategic planning model which provides a canvas for housing, employment and infrastructure would help to alleviate community concerns, particularly around the opinion that local infrastructure is going to be overrun.

One of the reasons that strategic planning hasn't come forward in county areas is largely down to the politics of reintroducing an additional layer, and the assumption that this may take away the sovereignty of planning services from district and borough councils.

CCN has always made the case for local plan and decision making to remain at the district council level, but to introduce a model of collaborative strategic planning that would provide a larger spatial canvass to plan across and join together housing development with the necessary infrastructure. As we go on to explain in the next chapter, we also believe it could bring benefits to the planning and provision of infrastructure.

Reintroducing strategic planning will require strong political will, a clear legislative framework and a navigable set of parameters which details what a strategic plan can and can't cover. CCN has undertaken numerous studies setting out how this could be achieved (see Box 2), with clear governance structures and accountability. CCN would urge future governments to consider introducing strategic planning at a county geography, given the existing boundaries and political leadership already in place to drive it forward.

## Preparation of local plans

For our unitary authority members, they are technically more able to plan strategically as they hold responsibility for all services that local government provides, and they bring together numerous former district councils all of whom had their own local plan. This means that the scale of a local plan for a unitary authority is much larger.

However, the way development is brought forward is often at the behest of landowners and developers with this often dictating sites allocated within the plan rather than the plan actively allocating the best sites for the right development.

Despite being much larger, unitary authorities are held to the same timescales as every other local planning authority, even though their plan will have proportionately more evidence. There should be recognition from government that these plans will take longer to prepare, and they should be given additional time to prepare their plans.

Consideration should also be given as to how these larger plans might need to differ, being both strategic and local plans, with strategic level policies. At the moment, the planning system is predicated on detailed plans, which there is certainly a need for, but unitary authorities should also have the freedom for their plans to cover strategic policies.

## Box 2 – CCN Proposals for Strategic Planning

CCN has worked on numerous proposals that would see the reintroduction of strategic planning in county areas across England. Below we set out the various initiatives that CCN has advocated for over the last six years.

### ***Joint Statements of Common Ground***

Statements of Common Ground (SCG) were introduced in the 2018 NPPF and require all Local Planning Authorities to produce, maintain and update a SCG that sets out areas of collaboration on strategic cross-boundary issues with neighbouring authorities and other relevant stakeholders.

Given their scale and strategic responsibilities, CCN argued that county councils should not be viewed as stakeholders but rather as an integral part of the preparation and ongoing monitoring of SCG.

### ***Strategic Planning Advisory Bodies***

CCN worked with strategic planning expert Catriona Riddell and its member councils to design a new model for strategic planning when the Government undertook its radical rethink of the planning system in the Planning for the Future White Paper. This model builds upon the partnerships that many authorities are already engaged in through their Growth Boards and would create a robust governance structure for strategic planning activity. This would be achieved by the following:

- Placing a new duty on all local authorities to support sustainable development.
- Introducing 'Strategic Planning Advisory Bodies' made up of all local authorities and stakeholders.
- Preparation of an Integrated Strategic Framework to test the most appropriate spatial strategies for growth.
- A ten year rolling strategic delivery plan that sets out what interventions are needed to implement the framework, along with the required infrastructure.

The network believe this model would allow areas to come together and agree a vision for growth along with broad principles for investment and priorities for growth.

### ***Joint Spatial Development Strategies***

The LURA introduces new Joint Spatial Development Strategies (JSDS) that can be prepared by two or more local planning authorities and cover cross-boundary issues. As the then Bill progressed through Parliament, CCN undertook extensive advocacy to amend the draft legislation to include a clause that would see county councils in two areas an integral part of the preparation of JSDS.

Despite securing cross-party support for an amendment and having positive engagement with the Housing Minister at the time, the amendment was unsuccessful. CCN believed that this would have been a straightforward amendment that would have seen a soft reintroduction of strategic planning that would help to demonstrate the benefits that it could bring.





## Planning resources & workforce

Finally, the topic of planning authority resourcing has also been increasingly commanding attention recently. It is well documented that planning authorities face resourcing issues, with increasing costs and fewer staff. This issue is compounded by more burdens being placed on planning authorities whilst authorities have no choice to cut budgets to allow them to continue providing statutory services.

The Institute for Fiscal Studies calculated that local authority net spending per person on planning dropped by 59% between 2009/10 and 2020/21 which was the highest of any service.<sup>6</sup>

CCN has welcomed recent consultations on increasing planning fees, and subsequent announcement that many of the proposals to increase planning fees will be introduced, but we believe the increases in fees is not a panacea and will only go so far in plugging the gap in resources.

In order to secure a strong planning service, consideration needs to be given to the future funding of planning departments. It is vitally important that the planning service – both development management and policy – is seen as a core local authority function that is properly resourced.

There is also an issue with attracting and retaining talent within local planning authorities, as well as a skills gap for strategic planners. Work needs to be undertaken with the whole sector to improve training and ensure there are career progression opportunities to attract talent and improve staff retention. Without a strong, fully funded planning service it is hard to envisage how many planning authorities will get on the front foot and deliver the truly plan-led system that the government wants to deliver.

**The planning system is in a state of flux and has been for several years now. There has been constant tinkering of the system, perhaps with the right motives in mind but this has led to increasing uncertainty. This uncertainty has caused local plan production to be paused, leading to increased speculative development. This in turn has led to a rise in planning by appeal and increasing distrust with the system from developers and communities alike. Based on the issues outlined in the chapter, CCN members would like to see:**

## **1 The next government should provide stability in the planning system through an extensive programme of engagement with the sector.**

As we outline, the planning system is currently causing uncertainty and national policy lacks the direction that councils need to effectively plan through their local plans. There is a sense that planning reform is done to councils rather than with them, leading to frustration and consultation fatigue.

The government should undergo an extensive engagement exercise with the wider sector to establish a planning system that works on the base of experience, and to an agreed set of principles. Whilst review of its effectiveness will be important, it should not constantly be changed through small incremental changes.

## **2 Government should provide adequate protections to existing local plans whilst planning authorities are preparing new local plans.**

The revised NPPF published in December 2023 will allow planning authorities to prepare a four year land supply, rather than a five year land supply, where there is an emerging local plan that fulfils certain criteria. It is hoped that these changes will provide some protection against speculative development, but these arrangements will only apply for two years. This should be monitored with stronger protections introduced if these are not deemed to be strong enough, and should become a permanent protection to avoid speculative development whilst new plans are being prepared.

## **3 Government should work with CCN member unitary authorities to agree a timeframe for getting new local plans in place.**

CCN's unitary members cover areas that were once covered by numerous local plans. As such, the size of the area that their plans will need to cover is much larger, meaning there are more challenges and complexities that their plans will need to address. We urge the government to work with larger councils to understand the challenges they face around the development of local plans and put realistic timescales in place for their new plans to be prepared.



## **Government should mandate strategic planning across county areas to unlock growth and ensure that housing and infrastructure are planned together.**

A lack of strategic planning outside of metropolitan areas hampers growth and has resulted in an un-coordinated approach to development in more rural areas. Introducing strategic planning across already recognised county boundaries can be easily achieved and would provide a larger spatial canvas to plan across and lead to better and more thought through outcomes. This could be particularly beneficial for the planning of new towns as proposed by the Labour Party. It could also have the added benefit of allowing authorities to pool and share resources.

## **Planning authorities must be properly resourced.**

To provide timely, responsive and agile planning services, planning authorities must be adequately resourced. Government should work with planning authorities to understand the challenges that are faced and to work towards a new sustainable financial settlement for planning authorities that allows them to carry out their duties.

## **Planning authorities should have more control over the implementation of Permitted Development Rights.**

Permitted development rights can have a big impact on rural villages, causing important shops and services to close. Local planning authorities should have greater autonomy over where Permitted Development Rights apply across their areas.



**Infrastructure is vital to make places work for residents. From roads and railways to schools and health facilities to green spaces and utilities, infrastructure enables communities to thrive and is as equally important as the housing that it is delivered alongside.**

However, England faces many challenges around infrastructure, not least needing to provide new infrastructure whilst also maintaining and upgrading aging infrastructure. As housing pressures have increased across the country, so too has pressure on infrastructure.

For too long, the delivery of infrastructure has failed to keep pace with housing development. Many of our members are concerned that the planning system is failing to deliver the infrastructure necessary to keep pace with demand; particularly when this report shows that housebuilding in county areas accounts for the delivery of 51% of new housing in England over the last decade, and that county areas have seen a significant increase in households – a trend which is likely to continue in the coming years.

Infrastructure is also critical to supporting economic growth, acting as a catalyst for public and private investment and facilitating the movement of goods, people and information. However, the lack of infrastructure delivery is holding back local growth and productivity in county areas.

As acknowledged in our recent report with EY,<sup>7</sup> there are a diverse range of sectors represented within CCN areas, with much potential for job creation and economic growth. The provision of infrastructure will therefore help to support economic growth, attracting more businesses to county areas.

## Infrastructure requirements

The National Infrastructure Commission was established in 2015 and is the executive agency responsible for providing advice to the UK Government on infrastructure challenges facing the UK. The commission provides analysis and advice to the Government to ensure the UK meets its long-term infrastructure needs. The main element of this is the undertaking of a National Infrastructure Assessment each Parliament. This makes recommendations to the Government, and then holds them to account on the implementation of those recommendations.

The most recent assessment was published in October 2023 and has recommendations that are built around three main challenges for the country's infrastructure – decarbonising energy and achieve net zero emissions; supporting economic growth across all regions and improving climate resilience and the environment. The assessment estimates that, to meet the country's infrastructure requirements to 2040, public sector investment will need to be maintained at £30bn per year, along with private sector investment increasing to £40 – 50bn per year.<sup>8</sup>

To attract investment, the commission cites that government will need to get better at making good decisions quickly. This will be achieved by changing the major projects planning system to ensure assets get built on time, government showing strategic leadership by sticking with policies through to the end and increasing competition and good design to get the best value and outcomes for future investment.

Councils also play an important role in the planning and delivery of site specific local and strategic infrastructure, with planning authorities holding the ring for local plans and developer contributions. Developer contributions – currently made up of Section 106 and the Community Infrastructure Levy (CIL) – provide income from the uplift of land value due to planning permission being granted.

Whilst these mechanisms will never deliver all of the infrastructure that is necessary to support growth, they do play an important role in the system.

At present, Section 106, which is bespoke and negotiated on a site-by-site basis, is used for site specific infrastructure, including affordable housing. CIL, which was introduced in 2011, is a non-negotiable, tariff-based system that is aimed at bringing in income for strategic infrastructure projects. As part of the CIL regulations, local planning authorities are required to prepare Regulation 123 lists which set out the strategic infrastructure that is required to meet and support the growth aspirations of there area, giving an indication of how CIL funding will be used.

Our unitary members authorities have the benefit of being single tier authorities and will be able to plan strategically across their areas making Regulation 123 lists effective. In two-tier areas, this is more challenging as district councils plan across smaller areas and interaction with the county council as these documents are progressed can vary.

Cross-boundary working on infrastructure matters is therefore more vital than ever, linking back to our previous chapter discussing strategic planning. We believe there needs to be a mechanism that allows for better cross-boundary working, particularly in two-tier areas so that matters of strategic importance can be discussed and burdens shared. This will also allow the benefits of strategic infrastructure to be felt more widely, having a greater impact and providing better outcomes against investment.

## Financing

It goes without saying that the way that infrastructure is financed is a key issue to the barrier to its delivery. The majority of our members face ever growing funding gaps sometimes projected to be in the multi-billion-pound region, with CIL bringing in less than half of the required income.

Indeed, in a survey of CCN members 73% of respondents said that the funding gap in their areas was severe, with a further 27% saying it was moderate. In the same survey, 69% of respondents said that they were either not very or not at all confident that development that is built in their area would contribute appropriately to infrastructure and affordable housing.

Funding from developer contributions system also varies greatly, with lower sums raised particularly in the north and midlands and in areas with lower levels of housing growth. This creates challenges around levelling-up and spreading growth across the country, with these areas less able to invest in infrastructure to spearhead development and attract growth.

The multiple types of contributions operate differently and can often work against each other. From work undertaken by CCN, this has shown that Section 106 brings in the most money, whereas CIL takes time to build up to provide enough funding to deploy strategically and at scale. There are reports that some councils are sitting on large sums of money that they are yet to spend on infrastructure provision because of the time it takes to build up the money that is needed.

There are also issue with the existing system in two-tier areas, where county councils who are responsible for a range of infrastructure do not have a formal role in the developer contributions system. This means that they have little-to-no involvement in rate setting and are not guaranteed to receive any funding via CIL. This leaves them in a precarious position and having to use their own, already limited, resources to plug the gap to fund infrastructure projects.

There are some areas that have established innovative practices such as pooling developer contributions which allows them to build up funding faster, facilitates the delivery of cross-border projects, and supports the delivery of larger and more complex projects that individual councils would struggle to deliver alone.

To help schemes along, the government has stepped in to provide targeted investment through funding schemes like the Housing Infrastructure Fund. This is a fund with two elements – one to help increase a site's viability, and the other to provide funding for upfront infrastructure to allow sites to come forward.

Our members have welcomed the fund, but it has not been without its issues particularly in the current economic climate, where project costs are increasing due to rising inflation. In some instances, the cost of the project has meant that the funding awarded to authorities does not cover the cost of the infrastructure which has led to conversations about authorities returning the funds if they can no longer spend it within the agreed timeframe. More flexible, longer-term funding is required to support projects rather than funds which are time sensitive.

### **Infrastructure levy**

As part of the ongoing planning reforms, the government is intending to change the way that infrastructure is funded by introducing a new Infrastructure Levy that will largely replace S106 and CIL.

This levy seeks to streamline and simplify the existing system by replacing it with a single, supposedly more straight forward mechanism. Along with a new requirement for planning authorities to produce 'Infrastructure Funding Statements' that set out how infrastructure will be delivered, it is intended to provide more transparency to communities about the type of infrastructure that will be delivered using

the fund – as well as providing more certainty to developers.

Despite being supportive of its overall aims, much of the development sector has raised concerns about the proposed levy, believing that it wouldn't solve many of the existing issues with the current system. It would also lead to increased competition between funding for infrastructure and affordable housing.

Whilst no one would dispute the desperate need for more affordable housing, homes must be accompanied by appropriate infrastructure and the increased tension this would create would not be helpful. CCN also believes it would exacerbate challenges in two-tier areas.

That is why CCN joined a coalition of organisations and co-signed a letter calling on the government to not move forward with the proposed levy.<sup>9</sup>

The Conservative government seems committed to implementing the levy, despite cross-sector concern. However, the Labour Party has stated that it would not take the Levy forward if it came into power. Instead, we would like to see government work with the sector to reform the existing contributions system to make it as effective as it can be.

### **An infrastructure-first approach**

There have been multiple studies that have been undertaken looking at how the system can work more effectively. This includes the CIL review published in 2017, the recommendations of which were largely welcomed by the sector but were never implemented.<sup>10</sup>

Although developer contributions, namely Section 106 and the Community Infrastructure Levy, are a core part of the financing of infrastructure projects, they make up a relatively small part of the funding mix for sub-national infrastructure.

A report undertaken by CCN with Pragmatix Advisory found that developer contributions never exceeded sixteen percent of English local government expenditure over the last six years.<sup>11</sup> Building confidence for the private sector to invest alongside the public sector is therefore crucial to scale up delivery.

With all political parties committed to increasing housing delivery, it will be vitally important to ensure that infrastructure delivery is increased and keeps pace with housing.

We know that often a key reason for local backlash to housing development is because of a fear from communities that existing services and roads will face unsustainable pressure. Communities are often concerned that they are not going to be able to access health appointments, that roads will be congested, and they will not be able to access school places for their children.

An infrastructure first approach has been advocated by the government to try and overcome some of this, believing that if the public can see infrastructure being delivered, they will be more accepting of development. At present, because of the funding structures in place, this is very difficult to deliver.

There is clearly a need for a strong and co-ordinated approach to both housing and economic growth and the delivery of infrastructure. This should straddle boundaries, bridge the gap between national and local, and plan ambitiously for the infrastructure of the future.

In our work with Pragmatix Advisory, we called for local authorities, developers infrastructure providers and local communities to work together in partnerships to develop a fully costed strategic vision for their area, mapping out housing growth and infrastructure needs. This would form the basis of charging developer contributions and would have the benefit of speeding up the planning process, cutting down the delays and changes to plans which add unnecessary costs to developments.

Also vitally important when planning for growth is the availability and capacity of appropriate utilities including energy and water. Stronger strategic planning could help to unlock and direct development to appropriate locations based on availability and capacity of utilities, and to identify over the long term the additional capacity that will be required. This will aid collaboration with utility companies who can understand what needs to be provided and by when to support the growth plans of an area.

**Delivery of high quality infrastructure has never been more important, and it is vital that government, both national and local work, to ensure that it is prioritised alongside housing delivery. Improving the way that infrastructure is planned and funded will lead to better outcomes, and based on this we put forward the following recommendations:**

## **7 The Government should not move forward with the proposed Infrastructure Levy and should instead work with authorities to improve the existing system of developer contributions.**

As we have outlined, there is debate across the sector about the merits of introducing a new infrastructure levy versus reforming the existing system. To ensure certainty and continuity whilst new local plans are being prepared, the government should work with the sector to reform S106 and CIL, alongside examining the merits of a completely new system.

## **8 Through the reintroduction of strategic planning, local authorities should be given a new duty to work together to identify strategic infrastructure requirements that would support growth across multiple areas.**

The planning and delivery of infrastructure requires a long-term co-ordinated approach and in county areas the current fragmented system is failing to allow areas to plan truly strategically. Reintroducing strategic planning across county boundaries would provide a mechanism to do this, bringing together the areas vision and plans for growth with the national objectives from the Government and National Infrastructure Commission.

## **9 Government and councils should explore the benefits of pooling developer contributions, allowing areas to deliver strategic projects more quickly.**

There are a small number of examples across the country of authorities working together to agree infrastructure priorities, and pooling the developer contributions they receive to fund large strategic infrastructure that benefits a wider area.

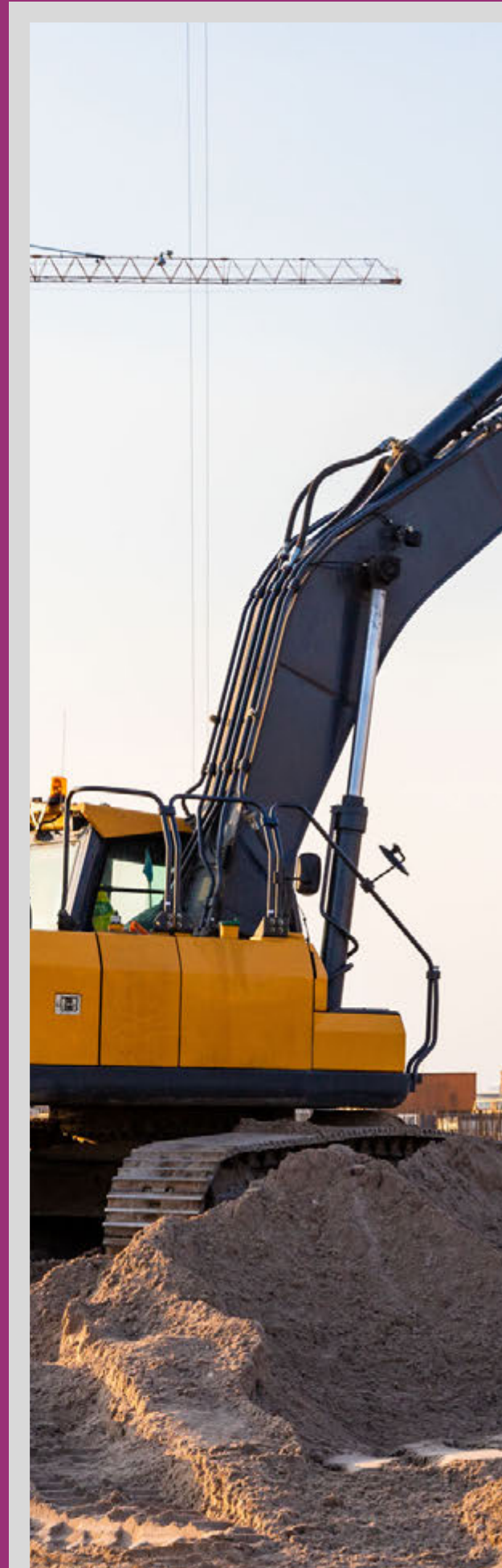
This requires some recognition that, in the short to medium term, contributions that an authority receives may be directed towards another area, but that this is fulfilling a long-term strategic objective that may encourage development which will in turn bring in contributions that can be spent within their own area.

Government should explore and encourage similar models to be established across the country, particularly in two-tier areas.

## 10

**The National Infrastructure Commission should establish a board of rural commissioners examining the needs of rural areas and putting forward recommendations as part of the National Infrastructure Assessment.**

The National Infrastructure Commission plays an important role setting out the national requirements for infrastructure that will help to support growth and deliver the government's agenda of economic growth and tackling climate change. However, it has a predominantly urban focus which does not always consider the specific challenges facing rural areas. Establishing a board of rural commissioners would help to tackle this and could set out recommendations specific to rural areas.



## **The housing challenge in county areas has never been so acute, and CCN areas face a multitude of issues, depending on a variety of circumstances.**

In the home counties, pressure from London contributes to increased housing demand whilst in areas such as Cornwall and Cumbria second home ownership and holiday lets are causing real problems in the local housing market.

We have discussed in previous chapters the need for the planning system and infrastructure delivery to provide certainty to communities, councils and developers with a plan-led system that delivers the type of housing that is most needed in a local area, supported by the right high-quality infrastructure.

The system must be capable of delivering a wide range of housing types and tenures, suited to a full range of incomes and that meet the health, care and social needs of residents to reduce the pressure on public services. Authorities must also have the right tools to allow them to have more control over second home ownership and holiday lets to allow them to prioritise local residents.

A lack of new housing supply across the country is also driving up house prices and forcing local people to move away, which in turn has consequences for local growth and productivity. There is also an aging population who require more specialist housing that can meet their care needs whilst allowing people to live independently.

This chapter explores these issues in more detail, and how county areas need housing to meet all local needs.

## **Combating unaffordability**

As a result of increasing unaffordability, data in this report shows that CCN areas have seen the biggest increase in residents who own their home outright, but a decrease in the number of people owning their home with a mortgage, or through shared ownership.

Instead, the number of people renting properties either through social rent or private rent has significantly increased, again more in county areas than any other local authority type.

These trends suggest more people are being priced out of home ownership, either because the right type of homes are not being built, house prices are becoming increasingly unaffordable, and lower wages and the cost-of-living crisis means people have difficulty accessing mortgages.

There are multiple views on how to combat increasing unaffordability. Some commentators believe that significantly increasing market housing will bring down prices and make housing more affordable, while others believe that the model of housebuilding favoured by developers of 'drip-feeding' homes on to the market means that this is unlikely to happen.

Increasing pathways into home ownership has been a priority for successive governments.

A variety of demand-side policies have been introduced over the years aimed at encouraging people into home ownership. This has included Help to Buy, which offers first time buyers an equity loan from government towards purchasing a newly built home and First Homes, which would be sold at 20% discounts. Many commentators believe that, whilst these products do assist some in gaining their first steps on the housing ladder, they can also have the effect of increasing demand and therefore ultimately pushing up prices, which defeats the object of the problem they are trying to solve.



Shared ownership, which allows buyers to purchase a proportion of a property and pay rent on the unpurchased equity is becoming more popular as a product and has increased in county areas, as our analysis has shown.

However, shared ownership is often misunderstood and has several shortcomings that mean buyers can be dissuaded from buying these properties particularly in relation to resales. The government is in the process of reforming the shared ownership model to make it more attractive and to reduce the minimum share that people can buy to help more people get on the property ladder.

### **Increasing supply across tenures**

To begin to tackle the housing crisis, increasing the supply of housing across all tenures will be necessary. This will allow people to access housing at different price points reflecting incomes and providing choice in the market, responding to local need.

The continued delivery of genuinely affordable housing will also be important to house those on the lowest incomes. The Government acknowledges that the delivery housing that meets local need is important, but has placed increasing importance on the delivery of low cost homeownership such as First Homes and has gone as far as setting out a minimum requirement that local authorities should deliver on sites.

However, these homes may not always meet local need and it is important that planning authorities are given the freedom to plan for the types of affordable housing that best meets local need in their areas. The affordable housing policies from a small selection of Local Plans prepared by CCN members show that homes for social rent are a key priority for delivery, with affordable rent and affordable home ownership coming second and third.

Whilst policies remain flexible to respond to the market, it is clear that the need for truly affordable rented housing is a top priority for many areas. The Government should therefore give autonomy to planning authorities to set their own thresholds and types of affordable housing that are most needed in their areas.

The Right to Buy has also had a significant impact on the supply of social rented homes, with the homes sold through this mechanism never being replaced on a like for like basis. This has contributed to the huge shortfall of this type of housing we see today.

Right to Buy is still an active policy and has been extended voluntarily to housing association social rented homes in recent years. Whilst the principle of giving tenants of these homes the right to own their own home is widely supported, this should not be at the expense of losing more socially rented homes that are not replaced.

### **Fast-tracking build-out**

With over one million planning permissions to be built out,<sup>12</sup> one of the longstanding arguments is that build out of new housing is not fast enough.

To try and tackle this, in 2018 the then government commissioned Sir Oliver Letwin to undertake a review into build out with recommendations on how to close the significant gap between the number of housing completions and the amount of land allocated or permissioned on large sites in areas of high housing demand.<sup>13</sup>

The report concluded that the homogeneity of the types and tenures of the homes on offer on large sites, and the limits on the rate at which the market will absorb such homogenous products, are the fundamental drivers of the slow rate of build out. As part of the recommendations Sir Oliver Letwin recommended that the government adopt a new set of planning rules specifically designed to apply to all future large sites (initially those over 1,500 units) in areas of high housing demand, requiring those

developing such sites to provide a diversity of offerings, in line with diversification principles in a new planning policy document.

He also suggested that the government should provide incentives to diversify existing sites of over 1,500 units in areas of high housing demand, by making any future government funding for house builders or potential purchasers on such sites conditional upon the builder accepting a Section 106 agreement which conforms with planning policy.

These recommendations are particularly prescient in the context of the Labour Party having announced a programme of new towns, should they be elected to government at the next General Election.

In research published in February 2020 planning consultancy Lichfield's found that schemes with more affordable housing (higher than 30%) build out at around twice the rate as schemes with lower levels of affordable housing.<sup>14</sup> Any government should factor this into national planning policy and encourage higher levels of affordable housing where it is viable.

### **Housing for older people**

As we focus on both general needs housing that is affordable along with products that allow the younger generation to become homeowners, it will also be important to consider demographic shifts across the country.

The ONS projects that one in four people in the UK will be aged 65 years and over by 2050, an increase from approximately one in five in 2019.<sup>15</sup> This will have an impact on the types of homes that need to be delivered that provide an attractive offer for older to live in later life.



CCN would like to thank the **Elderly Accommodation Counsel (EAC)** for providing this data for publication in this report. EAC is a charity that offers information and advice nationwide about accommodation and care options for older people. To support this service, it undertakes research into all forms of specialist accommodation and associated care & support services. Click [here](#) for more details on EAC and their data collection.

CCN's research has shown that its member council areas contain 55% of the country's over-65s (against around 47% of the overall population), and 57% of the overall number of care beds.<sup>16</sup>

This research also showed that county and rural local authorities spend substantially more than other types of local authorities on institutional forms of care (nursing and residential) and far less on supported accommodation. It also shows that the costs for these councils of providing home care over larger geographies is on average 10% higher than in other types of LA, and as much as 18% higher than in metropolitan areas.

The challenge of an increasingly ageing population also plays out for housing, with older people often staying in unsuitable housing that either means

their health and care needs cannot be met, or delays discharge from hospital while looking for suitable alternative accommodation or care packages.

New data obtained for this report from the Elderly Accommodation Counsel in Table 14 shows that CCN member councils contain 51% of the share of total specialist housing in England, and have over 340,000 extra care units. The rate of specialist housing per 1,000 over 65s is similar across different types of councils; however it is higher in counties. All county regions also have a higher rate per 1,000 compared to metropolitan areas.

Despite containing relatively more supported accommodation, more needs to be done in counties and across the country to meet the demand of this growing market.

**Table 14 - Total specialist housing, all units, Elderly Accommodation Counsel, Q3 2023**

Council Type/County Region	Total Schemes	Total Units	% of all Units	Units per 100,000 +65
<b>LA Type</b>				
County & CCN Unitary	11,728	341,402	51%	16.8
Metropolitan Boroughs	4,512	140,603	21%	14.6
London Boroughs	2,011	66,672	10%	15.8
Unitary (Non-CCN)	3,775	121,412	18%	13.5
<b>County Regions</b>				
East of England	2,050	63,840	19%	17.3
East Midlands	1,643	46,707	14%	17.6
North East	514	10,566	3%	18.4
North West	958	26,922	8%	17.5
South East	2,878	91,317	27%	15.7
South West	2,001	52,502	15%	16.5
West Midlands	1,164	34,710	10%	17.0
Yorkshire & Humber	520	14,838	4%	17.6

Many CCN member councils are working in partnership with district councils as planning authorities in two-tier areas to plan for more retirement community-style homes. These can help to free up general housing as older people downsize and move to more suitable property where their care and support needs can be met more readily. Developers of retirement communities also want to play a role by developing homes for older people that offer a hybrid between retirement housing for independent living and traditional care homes.

Retirement communities, which have started to emerge in recent years, recognise that people age in different and incremental ways. Their homes provide the opportunity for independent living, but also provide care and facilities that can be flexible to a person's needs. However, due to a lack of general understanding of what their product is, they can sometimes face difficulties with the planning system.

It has been recommended in a previous report that CCN undertook with the Association of Retirement Community Operators (ARCO) that a new planning use class could be introduced to allow planning authorities to plan for this type of home more easily and provide confidence in the retirement community development sector.<sup>17</sup>

Delivering more retirement communities is in the best interests of everyone. It will help to meet demand for this type of accommodation, and ease pressure on social care services and the NHS, with ARCO estimating that it would deliver £5.6bn aggregate savings and improved efficiency in delivery. ARCO also estimates that by providing retirement communities for 250,000 people by 2030, this will release 562,500 bedrooms in general needs housing.

Much like shared ownership, there are often concerns around escalating service charges and management fees associated with these schemes. As more of these schemes come forward, it will be important to monitor service charges so that they remain affordable and fair.

## Second homes

Second home ownership and holiday lets are also becoming a significant challenge in certain areas of the country, particularly across coastal and rural areas.

The English Housing Survey collects information from households with second properties. The latest data shows that in 2021-22, there were 809,000 second homes owned by households in England, with 482,000 (60%) located in the UK.<sup>18</sup> Of those that own a second home, 26% live in the South East, and a further 23% live in London.

The survey also shows that the most common reason for having a second home was for use as a holiday home, with 45% of people stating this. Some 35% of respondents said that their second home was a long-term investment, with many people now renting properties through websites such as AirBnB.

Second home ownership can cause pressure on local service provision, particularly in relation to waste collection and disposal, in addition to reducing the number of homes available through the private rented sector – which in turn pushes up prices. This has been exacerbated by the Covid-19 pandemic with an increase in the number of people either purchasing second homes for leisure purposes, or to rent out for holiday properties.

It is acknowledged that the visitor economy does bring some benefits, such as boosting the local economy, and utilising housing stock which may be underused. But authorities must have the right powers and tools to manage its growth. This would enable them to have better control over the number of second and holiday homes, so that housing markets can be better protected for residents, and councils can understand where second homes may be being used as businesses.

The LURA includes provisions that allow the introduction of a new discretionary council tax premium on second homes of up to 100%. Many areas with high levels of second high ownership, such as Cornwall, will be considering implementing this additional council tax and will be monitoring the impact that it will have.

In February 2024, the government announced that it would introduce new measures to try and control the number of short-term holiday lets by creating a new planning use class for new homes that are not used as a sole or main home.<sup>19</sup>

In addition, a mandatory national register will be set up to provide local authorities with information on short term lets in their area to enable them to monitor their use, and their impact. Under the new regime, existing short-term lets will 'automatically be reclassified into the new use class and will not require a planning application', and will therefore be allowed to continue.

These reforms are likely to be introduced this summer and while they are a step in the right direction, they will do very little to control the impact of second home ownership in areas where this is already a significant challenge.

In these areas, there are often multiple constraints which prevents new housing from being delivered and the proposed approach will do little to alleviate the existing pressures. We therefore would urge the government to rethink this approach, requiring all existing short-term lets to also apply for planning permission which could be done once a new national register has been established, allowing the impact to be assessed.

The government has said that homeowners will still be able to let out their own homes for up to 90 nights a year without planning permission. We join other bodies in calling for councils to be given the power to require all owners of holiday lets to join a licensing scheme. This would help to monitor and control all types of lets and protect homes for the local population.

### Houses in Multiple Occupancy

Finally, CCN member areas are home to significant student populations in their cities and urban areas, all of whom need to be housed in high quality accommodation. Increasingly there are reports of homes being converted to houses in multiple occupation (HMO) and, when occupied entirely by students, these are exempt from paying council tax.

However, they are in effect 'businesses', and councils still need to provide services to them such as waste collection. One of CCN member authorities estimates that they are losing between £8 - £12 million per year providing these services to HMOs. Government should explore how councils could be given powers to charge the owners of these properties for providing services to these homes, without this having an impact on the cost to the tenants. This could include a new class of council tax.

**The housing crisis is diverse and plays out in different ways across the country. As this chapter has shown, county areas need a variety of housing to meet the needs of their communities and to offer choice. Both national and local governments could do more to promote a wider variety of tenures to be delivered on sites and to allow them to have more control over the housing delivered in their areas. Our recommendations for this chapter include:**

## **11 National planning policy should promote the delivery of a mix of tenures, particularly on large sites.**

The Letwin Review demonstrates how large sites can provide a range of tenures which would increase build out rates and provide affordable housing and private sale housing. The government should encourage this through national policy in the National Planning Policy Framework.

## **12 Government should continue to provide funding through the Affordable Homes Programme to support a wide range of genuinely affordable housing, but this should focus on homes for social rent where there is a high need.**

The Affordable Homes programme provides vital funding to deliver affordable housing, and this complements the affordable housing delivered through Section 106 via the planning system. However, there has been an emphasis on homes for low-cost home ownership which may not meet local need everywhere. Government should work with councils to identify how grant funding should best be spent in their areas.

## **13 Introduce a new planning use class (C2R) to encourage the development of retirement communities.**

The need for more specialist accommodation to meet the needs of older people has never been more acute, and the planning system can play a role to encourage the development of more retirement communities which would help to ease pressure on social care services, the NHS and free up general needs housing. A new use class would allow planning authorities to make provisions for these type of developments in their local plans and would provide confidence in the market for them to be delivered.

14

**Require existing short-term lets to apply for planning permission for a change of use, and implement a licensing scheme for all holiday lets.**

Second homes and holiday lets add further pressure to the housing market in areas across the country. Councils need more controls to limit the amount of this type of housing to provide relief to the general needs market and prioritise housing for the local population. The government should extend recently announced requirements for new homes to apply for planning permission to become a holiday to existing short let accommodation. A licensing scheme should also be explored to give councils as much control as possible.

15

**Government should commit to undertaking a review of the Right to Buy**

Research has shown that the Right to Buy has led to a loss of social housing, and prevented local authorities from building via the Housing Revenue Account. A review should therefore be undertaken in the context of the need to drastically increase the number of homes available for social rent.

16

**Allow councils to charge for services provided to owners of Homes in Multiple Occupation that are occupied entirely by students.**

HMO's occupied by students receive services from local authorities, such as waste collection, street cleaning and leisure services. Allowing councils to charge these properties would allow them to recoup the costs associated with this service provision.



**Homelessness is often viewed as predominantly an issue for cities and urban areas, and whilst it may be more prevalent in these places, this report shows that it is also a growing challenge within county areas. It presents in a variety of ways – the most visible form of which is through rough sleeping, and again this may not be as evident in rural areas.**

However, this is a small part of the picture, with tens of thousands in temporary accommodation, or on waiting lists for temporary accommodation.

‘Hidden homelessness’ is also a major challenge, with people dealing with their situations without assistance from local authorities or charities, and instead staying with family or friends. These are buried from statistics, meaning that homeless figures are lower than they actually are.

Homelessness remains a policy issue for government, who continue to work to reduce and eradicate it all together. Since 2018, local authorities have had statutory prevention and relief duties placed on them through the 2017 Homelessness Reduction Act.

This requires the relevant councils – namely housing authorities – to prevent homelessness for all eligible applicants who are threatened with homelessness, and to relieve homelessness for all eligible applicants who become homeless.<sup>20</sup>

## A rising tide of homelessness

Homelessness really came into focus across the country during the Covid-19 pandemic, and presented itself as an opportunity to reset and rethink the way we tackle and prevent homelessness in the future.

In March 2020, with increasing infection levels sweeping the country the Government asked all councils to move all those, and all at risk of, sleeping rough, into temporary accommodation in a scheme that was known as ‘Everyone In’.

The scheme, which required extensive collaboration between the government, local authorities and partners, was considered a success and has shown what can be achieved with the right political will and decisive action. However, charities such as Shelter have warned that whilst a number of people were reported to have moved into settled accommodation, this does not mean that people won’t return to the streets. They argued that further work must be done to establish where people are now, and to ensure that they received the support required to rehabilitate them and reduce the chances of them becoming homeless again.

Indeed, the data shows in our report shows that homelessness in county areas has increased above pre-pandemic levels, with 4,467 more applicants classed as homeless, representing an 18% increase. Whilst the overall quantum of people who are homeless is lower in county areas compared to other authority types, it is worrying that there are more people accepted as homeless after the pandemic, particularly when this number is likely to be lower than the actual figure when taking hidden homelessness into account.

## The drivers of homelessness

The drivers of homelessness can be varied. There are structural reasons, such as a short supply of affordable housing, and reliance on the private rented sector.

With a lack of genuinely affordable housing available, people have no choice but to turn to private rented housing which is becoming increasingly more expensive, and is often not a secure tenure.



As this report has shown, county areas have seen a dramatic increase in the number of people privately renting their homes from a landlord, with some 450,000 more households renting in county areas compared to a decade ago. With rent levels set according to market rates, and with rented properties being in high demand, rents have also been increasing. ONS data shows that annual private rental prices paid by tenants in England rose by 6.1% in the 12 months to January 2024.<sup>21</sup>

As the report shows, housing is becoming increasingly unaffordable in county areas too, with average house prices now 11.1 times average earnings. For those residents on lower incomes, the affordability gap has been compounded by the the cost-of-living crisis, including rising energy, utility bills and food costs. This is pushing more people to become at risk of homelessness as day-to-day costs start outstripping income.

This again disproportionately affects those on lower incomes, and forces people to use foodbanks and reduce their energy costs which can have a big effect on health and wellbeing, particularly during the winter months. People on lower incomes are therefore currently faced with a perfect storm of rising house prices and mortgages, an increasingly temperamental labour market and escalating living costs.

There are also other social and funding pressures which are contributing to the rise in homelessness in county areas and across the country.

CCN members and their residents have welcomed migrants and refugees via the various routes promoted by the government, including schemes such as Homes for Ukraine.

However, once these schemes come to an end, authorities often have no choice but to accept them as homeless and accommodate families in temporary accommodation whilst awaiting more suitable long-term accommodation. This adds additional pressure on the system.

Moreover, county councils in two-tier areas have also often provided financial support to district councils to fund homelessness prevention schemes.

However, due to the significant financial difficulties that upper-tier councils are facing owing to the unprecedented and increasing demand on services as well as the rise in inflation, many authorities are having to make the unfortunate decision of withdrawing this support to allow them to fulfil their statutory duties. Whilst this is regrettable, they have no choice if they are to carry on meeting their legal duties in areas such as social care, and only strengthens the call for increased Homelessness Prevention Grant to support councils.

Over the last few years numerous support packages were announced by the government, particularly targeted at low-income households to ease their financial pressures and as a result, reduce the potential to become homeless. This included payments of varying amounts to eligible recipients, along with an Energy Price Guarantee that capped the unit cost of energy for households and the Household Support Fund.

Whilst this support was welcomed, the cost-of-living crisis is likely to continue impacting households until the economy is stabilised and prices start to fall, while the Household Support Fund was only extended for a further six months at the Budget in March.

## Temporary accommodation

For those people that are owed a relief duty by their local authority, the first step is usually to be housed in temporary accommodation whilst the authority assesses the applicant's situation, and works out if there is a long-term duty to house them. As this report shows, as homelessness has risen so too has the number of people in temporary accommodation in county areas, with approximately 6,000 more people in temporary accommodation in 2022/23 compared to 2018/19.

Forms of temporary accommodation vary depending on local circumstances and availability, but can include complete houses and flats, rooms within HMOs, and in some instances rooms in Bed and Breakfasts or hotels because demand is outstripping the amount of available temporary accommodation.

The length of time people stay in temporary accommodation can vary, with some people remaining within it for several years whilst waiting for long term accommodation to become available. This accommodation can often be unsuitable for the people who live in it, as the council has no choice but to house people and families in any available unit that they have. Given the fact that a lot of the properties are outside of the local authorities' control, the quality of the accommodation can vary, and this has been widely reported over recent years.

The costs of temporary accommodation for local authorities is growing, despite some of it being covered by a subsidy that is paid through housing benefit. This subsidy was capped at 90% of market rates in 2011, and this cap has remained at 2011 rates despite the considerable increase in market rents.

In October 2023 the LGA released new analysis that shows that the number of households living in temporary accommodation has risen by 89% over the past decade to 104,000 by the end of March 2023. This is the highest figure since records began in 1998, costing councils at least £1.74 billion in 2022/23.<sup>22</sup>

Some local authorities are able to tackle this issue head on by purchasing property to use as temporary accommodation, an initiative which could be rolled out more widely with financial support from government.

However, we would also urge the government to reset subsidy rates to 90% of existing market rates to avert the financial pressures that many authorities are now facing.

Many of the issues surrounding temporary accommodation could be resolved by<sup>23</sup> building more homes for social rent, which are in hugely short supply. The National Housing Federation has estimated that there is a need for an additional 90,000 social rented homes per year to meet demand. There would be financial benefits to delivering more<sup>24</sup> social rented homes, with the Chartered Institute of Housing estimating that every family that is moved from temporary accommodation into social rented accommodation would save around £7,760 per year.

## Local housing allowance

As a result of a lack of both temporary accommodation and suitable long-term affordable accommodation, local authorities often have no choice but to place those accepted as homeless into the private rented sector to discharge their homelessness duties, even though it is highly likely that the Local Housing Allowance (LHA) will not cover rents.

This is the benefit that is used by local authorities to calculate how much housing benefit an eligible person or family can receive to help them cover rent in the private rented sector. The LHA initially covered median rents but was changed in 2011 to the 30th percentile of market rates within a Broad Rental Market Area (BRMA). LHA's for different sizes of properties also became subject to national caps.

Current LHA rates have been frozen from April 2016. This was initially for four years but in October 2022, the Government announced that the freeze would continue into 2023/24. At the same time, rental prices paid by private tenants in England rose by 6.1% over the 12 months to January 2024 according to the Index of Private Housing Rental Prices. The amount received by claimants now will therefore be far less than the 30th percentile.

In the 2023 Autumn Statement, the Chancellor announced that LHA rates will be raised to the 30th percentile of local market rents from 2024. This is a welcome move, as it is widely reported that the rates currently paid through the LHA do not adequately cover private rents, and given the reliance on the private rented market, rental properties are unaffordable to benefit claimants. With tenants using other welfare receipts to make up the shortfall in rent, they are left trying to make ends meet increasing the risk of becoming homeless and pushing people into poverty.

However, some institutions have warned that the government has missed an opportunity to introduce a sensible uprating policy by permanently linking rates to rents as rates will be frozen in future years. It is hoped that the increase in LHA rates will provide some relief to households and ease pressure on temporary accommodation from people unable to afford private renting, but it is clearly a temporary solution when rents are growing at unprecedented levels.



**Tackling homelessness is major challenge facing both this and future governments. With a range of factors at play – the increasing value of housing, increasing private rents and uncertainty over future LHA rates despite recent announcements amidst a cost-of-living crisis – it is sadly not surprising that there has been an increase in homeless across county areas. Our housing market is currently letting many people down. Key to this is a lack of truly affordable housing, but also a system that is not adequately equipped to support those at risk of homelessness, despite the best efforts of councils. We therefore recommend:**

**17**

**Government should work across the sector to drive the supply of genuinely affordable housing, including a new programme of socially rented homes.**

The delivery of genuinely affordable housing will be the most effective way to prevent homelessness. As the National Housing Federation has estimated, we need to deliver 90,000 homes for social rent per year to meet demand. We therefore need a social house building revolution, with an affordable homes programme and planning system that actively plans to meet this target.

**18**

**Following the announcement in the 2023 Autumn Statement that Local Housing Allowance rates will be raised to the 30th percentile of market rates, this should be kept under review to ensure that it is easing the pressure of housing costs.**

It is welcome that the Chancellor announced an increase in LHA rates at the 2023 Autumn Statement, however this is likely to be a temporary measure with rent increases likely to outstrip LHA rates once again. The government should keep rates under review and look to introduce a policy that permanently links LHA rates to rents to provide tenants with increased security.

**19**

**Reset housing benefit subsidy rates to 90% of current market rates, in addition to increasing Homeless Prevention Grant funding to support temporary accommodation pressures.**

The cost of providing temporary accommodation has increased for authorities to unsustainable levels, particularly when more and more people are stuck in the system because of a lack of suitable long-term accommodation. To help alleviate these pressures, the subsidy rates for temporary accommodation should be reset to 90% of current market rates. The Homeless Prevention Grant should also reflect the current situation and be increased to further support the prevention work of authorities, particularly in the context of the cost-of-living crisis.

**The quality of housing in England has become increasingly in the spotlight over recent years. Poor quality affordable and private rented housing, damp and mouldy accommodation, overcrowding and homes that are poorly insulated are frequently featured in the news.**

The quality of housing has far-reaching implications for public health and wellbeing, and good quality housing is a fundamental pillar for social mobility, providing opportunities to access secure employment and reduce poverty.

## Renting reform

As we have set out, renting in the private sector has become much more common in county areas as house prices mean that people are driven away from home ownership into the private rented sector (PRS). However, far too often there are stories of homes being substandard, families forced to move out at short notice – all while rents are increasing.

Assured shorthold tenancies (ASTs) were introduced in the Housing Act 1988 and became the default tenancy in the PRS in 1997. These tenancies offer no long-term security for tenants and allows landlords to repossess their properties without having to establish fault on the part of the tenant. It has also meant that tenants have been left feeling unable to enforce their rights in relation to repairs and to challenge unreasonable rent increases.

To try and improve this situation, the government has brought forward the Renters Reform Bill, which aims to drive up standards in the PRS. Measures in the Bill include scrapping section 121 'no fault' evictions and replacing them with monthly periodic assured tenancies with no end date.

A process will also be introduced for implementing annual rent increases, and a new ombudsman would be established for the sector.

The proposals have been broadly welcomed by tenant organisations who believe that they will go some way to strengthen tenants' rights, but there are concerns that that progress of the Bill is slow and tenants are still facing no-fault evictions at a time when rents are increasing. It is clear that there is a long way to go to make PRS equitable for landlords and tenants, and measures outlined to date will not drive quality and improve the standard of PRS stock.

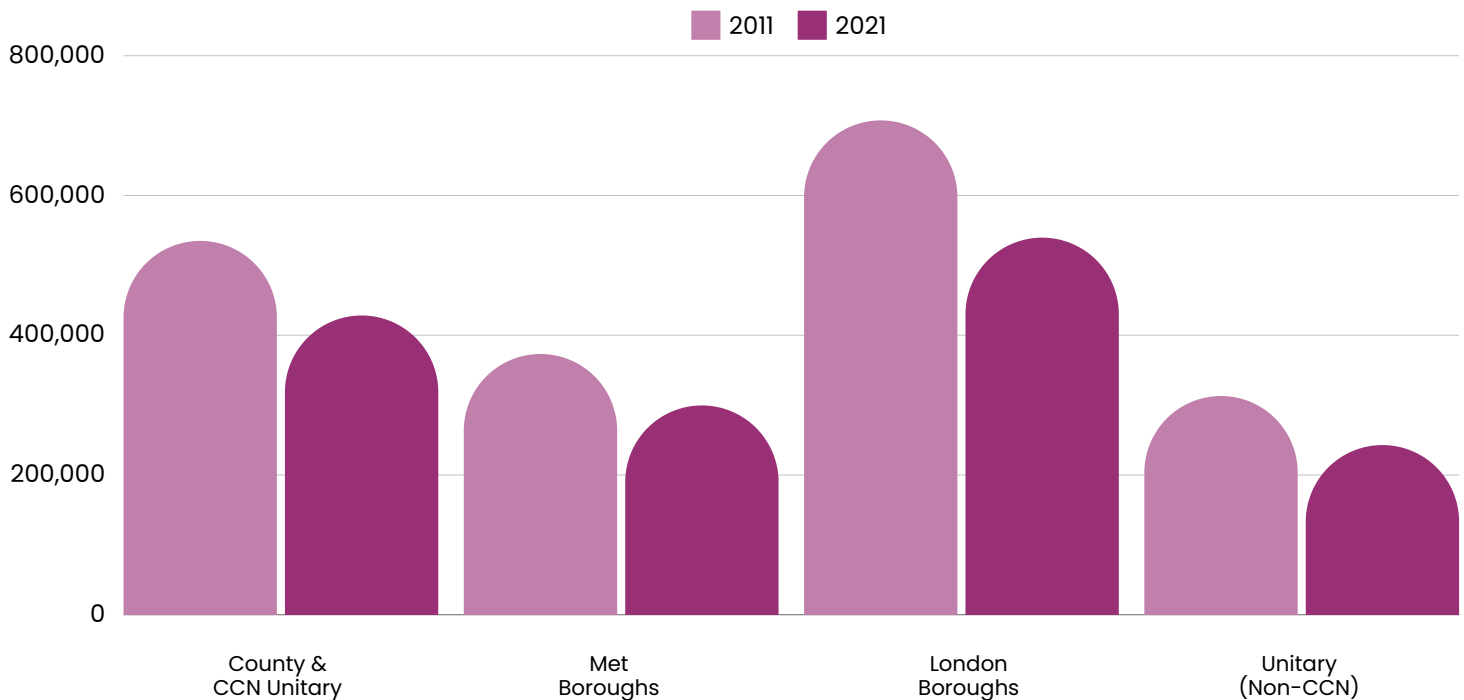
The government has previously said it would legislate for a statutory decent home standard to apply in the PRS, and to make it illegal for landlords and agents to have blanket bans on renting to tenants in receipt of benefits or with children. The same decent homes standards should apply to all rented housing, including homes managed by housing associations.

## Overcrowding

The undersupply of homes both generally and in terms of affordable housing supply is a root cause of the housing crisis. This is having consequences on the number of people living under one roof, with overcrowding in households increasing across the country when comparing levels in 2011 to 2021 as shown in graph 18. Overcrowding is defined by households who have fewer bedrooms than the housing standard, as determined by the Housing Act 1985.

Whilst this issue is higher in urban areas, it is also increasing in county areas, and the 2021 census showed that the issue was more common amongst social renters (9% of households) and private renters (7%) than owner-occupiers (2%).<sup>26</sup>

**Graph 18 – Overcrowded households (1 or more rooms too few), 2011 and 2021, ONS Census**



Overcrowding can have serious impacts on daily life for residents, affecting mental and physical health. Earlier this year the National Housing Federation published a report looking into overcrowding in England, which included analysis from a survey of overcrowded households.<sup>27</sup> This showed that in four of ten (41%) of overcrowded homes, children are sharing a bedroom with an adult, and in one in four overcrowded homes, children are having to share a bed with someone else.

The report also found that over half of respondents (52%) have had to sleep somewhere other than their bedroom, including a living room, bathroom, corridor or kitchen. Successive governments have attempted to introduce new legislation and policies to attempt to tackle overcrowding, but it is widely believed the existing legislation is not fit for purpose, and that more could be done.

Overcrowding is also acute in temporary accommodation as authorities struggle for appropriate accommodation to house families at risk of homelessness.

### Permitted development

Recently, there have been stories of homes developed through permitted development rights (PDR) being used as temporary accommodation when councils have no choice but to use them. As these homes were not subject to minimum space standards, they are often small and cramped and not suitable for families. In one instance, it was reported that flats created in one development were around 40% smaller than the average Travelodge room.<sup>28</sup>

It is estimated that around 100,000 dwellings have been created through PDR, and research has found that many of these homes lack adequate fire safety, ventilation and natural light. In addition, PDR can undermine the plan-led system, and reduce public involvement in the system. Whilst permitted development may have a role to play in some areas, this does not apply everywhere, and particularly in rural areas where shops and local facilities that are turned into homes leave communities without supporting services.

CCN believe councils should have much stronger provisions to block PDR where it is felt that it would have an adverse impact on the service provision for communities. PDR is also not currently subject to developer contributions, meaning many PDR developments are not linked to essential infrastructure such as transport, schools and health facilities.

### Energy efficiency & retrofitting

Linked to poor housing standards is the energy efficiency of our housing stock. Housing is a key contributor to emissions with around 17% of the UK's Co2 emissions coming from heating our homes.<sup>29</sup> However, with around 80% of homes likely to be standing in 2050 already built, a focus on new homes is not enough and we must look to improve existing housing stock as well as building new homes to higher standards.

We know that many of our members have embarked on programmes providing financial support to homeowners, housing associations and private landlords to retrofit their homes, making them more energy efficient. This can cost around £20,000 per property but has multiple benefits of reducing carbon emissions and reducing household costs which should be welcomed at a time when the cost of living is causing families real hardship.

At a time when local councils are under increasing financial pressure, it is vital that funding for retrofitting homes continues. We therefore urge the government to provide all councils with adequate and stable core funding to take forward climate action across their own services, including multi-year place-based funding allocations to lead decarbonisation across their areas and support to secure greater private investment into local climate action.

Whilst it is right that existing homes should be undergoing retrofit now, more could be done to ensure that the homes we build today are fit for purpose and do not need to be retrofitted in years to come. To support that the national planning system needs to be strengthened to allow councils to mandate higher building standards from developers, benefitting both the environment and the occupiers from day one.

Earlier in 2023, the final report of the net zero review, Mission Zero, led by Chris Skidmore MP was published.<sup>30</sup> The report identified the planning system as a major barrier to action on cutting emissions and included a number of recommendations.

These included reforming the National Planning Policy Framework to align with the 2050 net zero target, introducing a test for all developments to be net zero compliant, and giving greater clarity on when local areas can exceed national standards. Any future government should fully consider implementing these recommendations as soon as possible so that we can achieve net zero by 2050.



**There is clearly much to be done to improve the quality of accommodation and provide renters with adequate protections given the number of people who rely on the private rented sector for accommodation. The quality and standard of existing housing is as important as developing new accommodation, and we make the following recommendations to help improve the current situation:**

**20**

**Government should progress the Renters Reform Bill as quickly as possible.**

The sector has broadly welcomed the Renters Reform Bill but has criticised its progression through Parliament. Government should expedite the Bill so that Section 121 'no fault' evictions are scrapped making the private rented sector more stable for tenants.

**21**

**The government should deliver on its commitment to introduce a statutory decent home standard to apply in the private rented sector.**

The quality of homes in the PRS can vary greatly and tenants have little power to request improvements and seek repairs. A decent home standard for the PRS would drive higher standards and improve living conditions for many tenants.

**22**

**Government should work with the sector on a new strategy to reduce and prevent overcrowding.**

Data shows that overcrowding has become more prevalent across the country, forcing people to live in unsuitable conditions leading to mental and physical health issues. The sector has widely reported that the existing legislative framework is not fit for purpose, and any future Government should commit to working with the sector to update the legislation to reduce and prevent overcrowding.

**23**

**Mandate that homes delivered through Permitted Development Rights should contribute to local infrastructure through the developer contributions system.**

All new homes should be supported by and contribute towards local infrastructure. When implementing the new Infrastructure Levy, or reforming the existing system of developer contributions, government should ensure that homes delivered through permitted development rights are also required to contribute.



24

**Government should commit a core funding stream to local government to assist them in meeting their net zero goals.**

Local government needs certainty through funding to allow them to build supply chains and push forward ambitious projects that help them to deliver net zero. This includes projects that help to support homeowners to retrofit their own homes, and in partnership with housing associations to retrofit social housing.

25

**The National Planning Policy Framework should be amended to allow local authorities to set more ambitious environmental standards for new housing through their local plans.**

Councils are ambitious to tackle climate change and meet net zero targets, but national planning policy is preventing them from setting ambitious environmental standards for new developments, including housing. National policy should be amended to allow authorities to set policies in their local plans that exceed national standards.



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# CCN

THE VOICE OF COUNTIES

CCN is the voice of England's counties. Representing the local authorities in county areas, the network is a cross-party organisation which develops policy, commissions research, and presents evidence-based solutions to issues on behalf of the largest grouping of councils in England.

In total, the 20 county councils and 17 unitary councils that make up the CCN represent 26 million residents, account for 39% of England's GVA, and deliver high-quality services that matter the most to local communities.

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