

Environment, Economy, Housing and Transport Board

Agenda

Wednesday, 19 July 2017
2.15 pm

Room D&E, Ground Floor, Layden House,
76-86 Turnmill Street, London, EC1M 5LG

To: Members of the Environment, Economy, Housing and Transport Board
cc: Named officers for briefing purposes

Guidance notes for members and visitors Layden House, 76-86 Turnmill Street, London, EC1M 5LG

Please read these notes for your own safety and that of all visitors, staff and tenants.

Welcome!

Layden House is located directly opposite the Turnmill Street entrance to Farringdon station, which is served by the Circle, Hammersmith & City, and Metropolitan lines as well as the Thameslink national rail route.

Security

Layden House has a swipe card access system meaning that a swipe enabled security passes will be required to access the lifts and floors 1-5.

Most LGA governance structure meetings will take place on the **ground floor** of Layden House which is open access and therefore does not require a swipe enabled security pass. **Access** to the rest of the building (floors 1-5) is via swipe enabled security passes.

When you visit Layden House, **please show your Local Government House security pass to reception** and they will provide you with a temporary pass which will allow you access to floors 1-5 if required. **Please don't forget to sign out at reception and return your security pass when you depart.**

If you do not have a LGH Security Pass, please email [member services](#) with your name and a recent photo and a pass will be made for you. You can pick this up from the Layden House reception desk on your next visit.

Fire instructions

In the event of the fire alarm sounding, vacate the building immediately via the nearest fire exit onto Turnmill Street and take the next turning on your left – Benjamin Street to St John's Gardens.
DO NOT USE THE LIFTS.
DO NOT STOP TO COLLECT PERSONAL BELONGINGS.
DO NOT RE-ENTER BUILDING UNTIL AUTHORISED TO DO SO.

Soft Seating Area

There is a small soft seating area on Floor 2 which will also operate as an 'Open Council' area for visiting members and officers from member councils. Please note however that unlike Open Council, this area does not have tea and coffee facilities, nor access to computers.

Toilets

There are accessible toilets on the Ground Floor, 2nd and 4th floors.

Accessibility

If you have special access needs, please let the meeting contact know in advance and we will do our best to make suitable arrangements to meet your requirements.

Parking is available at the rear of the building for Blue Badge holders, accessed via the Turks Head Yard, North underpass. Disabled WCs are situated on the ground and 4th floors. An induction loop system is available in the 5th floor conference venue. For further information please contact the Facilities Management Helpdesk on 020 7664 3015.

Guest WiFi in Layden House

WiFi is available in Layden House for visitors. It can be accessed by enabling “Wireless Network Connection” on your computer and connecting to LGA-Free-WiFi. You will then need to register, either by completing a form or through your Facebook or Twitter account (if you have one). You only need to register the first time you log on.

Further help

Please speak either to staff at the main reception on the ground floor, if you require any further help or information. You can find the LGA website at www.local.gov.uk

Why have the LGA’s Headquarters moved?

The LGA has temporarily relocated from Local Government House (LGH) in Smith Square to Layden House in Farringdon, effective from Monday 31 October 2016. This is to allow extensive refurbishment work to be carried out to LGH.

The refurbishment works will see the ground floor conference centre and all meeting rooms fully refurbished. Floors 1, 2 and 3 will be upgraded and released for commercial letting to enable the LGA to maximise the income from this building as part of its drive for financial sustainability. A new and larger Open Council will be located on the seventh floor. The refurbishment is expected to last for twelve months and we expect to be back in LGH by October 2017.

We appreciate your understanding and flexibility during this time.

Environment, Economy, Housing & Transport Board
19 July 2017

There will be a meeting of the Environment, Economy, Housing & Transport Board at **2.15 pm on Wednesday, 19 July 2017** Room D&E, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG.

A sandwich lunch will be available from **1.45pm**.

Attendance Sheet:

Please ensure that you sign the attendance register, which will be available in the meeting room. It is the only record of your presence at the meeting.

Political Group meetings:

The group meetings will take place in advance of the meeting. Please contact your political group as outlined below for further details.

Apologies:

Please notify your political group office (see contact telephone numbers below) if you are unable to attend this meeting.

Conservative:	Group Office: 020 7664 3223	email: lgaconservatives@local.gov.uk
Labour:	Group Office: 020 7664 3334	email: Labour.GroupLGA@local.gov.uk
Independent:	Group Office: 020 7664 3224	email: independent.grouplga@local.gov.uk
Liberal Democrat:	Group Office: 020 7664 3235	email: libdem@local.gov.uk

Location:

A map showing the location of Layden House is printed on the back cover.

LGA Contact:

Alexander Saul
0207 664 3232 / alexander.saul@local.gov.uk

Carers' Allowance

As part of the LGA Members' Allowances Scheme a Carer's Allowance of up to £7.50 per hour is available to cover the cost of dependants (i.e. children, elderly people or people with disabilities) incurred as a result of attending this meeting.

Environment, Economy, Housing & Transport Board – Membership 2016/2017

Councillor	Authority
Conservative (7)	
Cllr Martin Tett (Chairman)	Buckinghamshire County Council
Cllr Jason Ablewhite	Huntingdonshire District Council
Cllr Simon Cooke	Bradford Metropolitan District Council
Cllr Steve Count	Cambridgeshire County Council
Cllr Stephen Parnaby OBE	East Riding of Yorkshire Council
Cllr Catherine Rankin	Tunbridge Wells Borough Council
Cllr David Westley	West Lancashire Borough Council
Substitutes	
Cllr Mark Mills-Bishop	Broxbourne Borough Council
Cllr Stephen Parker	Hart District Council
Cllr John Rest	North Norfolk District Council
Labour (7)	
Cllr Judith Blake CBE (Vice-Chair)	Leeds City Council
Cllr Tony Newman	Croydon Council
Cllr Ed Turner	Oxford City Council
Cllr Alyson Barnes	Rossendale Borough Council
Cllr Gillian Campbell	Blackpool Council
Cllr Simon Greaves	Bassetlaw District Council
Mayor Marvin Rees	Bristol City Council
Substitutes	
Cllr Jon Clempner	Harlow District Council
Independent (2)	
Cllr Julian German (Deputy Chair)	Cornwall Council
Cllr Hugh Evans OBE	Denbighshire County Council
Substitutes	
Cllr Andrew Cooper	Kirklees Metropolitan Council
Cllr Mike Haines	Teignbridge District Council
Cllr Graham Whitham	Sutton London Borough Council
Cllr Anne Hawkesworth	Bradford Metropolitan District Council
Cllr Rachel Eburne	Mid Suffolk District Council
Cllr Martin Fodor	Bristol City Council
Liberal Democrat (2)	
Cllr Keith House (Deputy Chair)	Eastleigh Borough Council
Cllr Adele Morris	Southwark Council
Substitutes	
Cllr Simon Galton	Harborough District Council

LGA Environment, Economy, Housing & Transport Board Attendance 2016-2017

Councillors	15/11/16	05/01/17	17/03/17	
Conservative Group				
Martin Tett	Yes	Yes	No	
Jason Ablewhite	Yes	Yes	Yes	
Simon Cooke	Yes	Yes	Yes	
Steve Count	No	Yes	Yes	
Stephen Parnaby OBE	Yes	Yes	No	
Catherine Rankin	Yes	Yes	Yes	
David Westley	Yes	No	Yes	
Labour Group				
Judith Blake	Yes	Yes	Yes	
Tony Newman	Yes	Yes	Yes	
Ed Turner	Yes	Yes	Yes	
Alyson Barnes	Yes	Yes	No	
Gillian Campbell	No	Yes	Yes	
Simon Greaves	Yes	No	No	
Mayor Marvin Rees	No	No	Yes	
Independent				
Julian German	Yes	Yes	Yes	
Hugh Evans OBE	No	No	No	
Lib Dem Group				
Keith House	Yes	Yes	No	
Adele Morris	Yes	Yes	Yes	
Substitutes/Observers				
Stephen Parker	Yes	Yes		
Rachel Eburne	Yes		Yes	
Jon Clempner	Yes		Yes	

Agenda

Environment, Economy, Housing & Transport Board

Wednesday 19 July 2017

2.15 pm

Room D&E, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG

Item	Page
1. Declarations of Interest	
2. Post EU Exit - Waste and Recycling Policy	1 - 24
3. End of Year Report	25 - 30
4. Grenfell Tower	31 - 36
5. Transport and Growth Update	37 - 40
6. Minutes of the previous meeting	41 - 45

Date of Next Meeting:

The current meeting cycle comes to an end on 31 July. The Political Group Offices will confirm their appointments to the Resources Board in early August, with the 2017/18 political cycle starting on 1 September.

Dates for future Board meeting in 2017/18 will be confirmed as soon as the Board membership is in place.



Environment, Economy,
Housing and Transport Board

19 July 2017

Post EU Exit – Waste and Recycling Policy

Purpose

For discussion and direction.

Summary

Great Britain's exit from the EU provides a unique opportunity for the LGA to work with councils, government and the wider sector to set the agenda for waste and recycling policy in the future. Members are asked to consider the challenges facing councils around providing effective waste and recycling services. The Board session will be providing Members with the opportunity to question industry experts about the challenges and opportunities for the waste and recycling sector.

Recommendation

That the Environment, Economy, Housing and Transport Board provide a steer on our EU Exit lobbying position should be for waste and recycling.

Action

Officers to take action as directed by the Board.

Contact officer: Sonika Sidhu
Position: Senior Adviser
Phone no: 0207 664 3076
Email: Sonika.Sidhu@local.gov.uk

Post EU Exit – Waste and Recycling Policy

Background

1. The UK's exit from the EU will have a significant impact at local authority level, creating challenges that will need to be addressed, but also opportunities to do things differently. The LGA has identified priorities which it will be focussing on in order to develop a new partnership with the European Union¹. These include:
 - 1.1. **Double devolution:** Working closely with the local government associations of Scotland, Wales and Northern Ireland to develop the detail of 'double devolution' to ensure that powers repatriated from the EU do not stop at Whitehall, Stormont, Cardiff Bay and Holyrood.
 - 1.2. **Local regeneration funding:** Ensuring central and local government work together to develop a locally driven UK replacement for EU 'regional aid'.
 - 1.3. **Trade:** Councils have a long track record of building successful European and international relationships that have secured trade and investment, boosted jobs and infrastructure and helped attract visitors up and down the country. Local government therefore has an important role to play in this area.
2. On the 30 March 2017 the Government published the Great Repeal Bill white paper. This outlined how EU legislation will be transposed into UK law over the next two years. The Repeal Bill will repeal the 1972 European Communities Act, which took Britain into the EU and meant that European law took precedence over laws passed in the British parliament. It will also end the jurisdiction of the European Court of Justice. All existing EU legislation will be copied across into domestic UK law to ensure a smooth transition on the day after Brexit. The bill will have to pass through both Houses of Parliament. The plan is for it to be passed ahead of the UK's exit from the EU but to become law only when it actually leaves, i.e. March 2019.
3. United Kingdom environmental law concerns the protection of the environment in the UK. Environmental law is increasingly a European and an international issue, due to the cross border issues of air pollution, water pollution, and climate change. The UK's membership of the EU has been a crucial factor in the shaping of its environmental policy since it joined the then EEC in 1973. The general view from councils is that EU membership has been positive for the UK environment and has set a challenging pace for change.
4. The LGA will be prioritising waste and recycling in its discussions as this is a service which should be led by local determination. Current indications suggest that DEFRA will be focussing more on issues around agriculture and fishing and so will seek to maintain the status quo around waste and recycling. This provides a unique opportunity for us as a sector to consider whether we want to change any of the current regulation around waste and recycling. We could potentially present some new ideas to government which could help to influence the policy area prior to EU laws being transposed.

¹ [LGA briefing – The UK's exit from and new partnership with the EU: Feb 2017](#)

Current Position

5. Since 2000, local government has made significant progress in recycling municipal waste. Between 2004-2014 as a nation we have improved our municipal waste recycling and composting by 15 per cent taking us up to eighth place out of 34 European countries.² The pursuit of existing EU waste targets since 2000 has required a doubling of spend by English authorities to £3.28 billion. This makes collection and disposal of waste and recycling the third highest cost service for English local authorities.
6. The current household recycling rate in England is 43.5 per cent and has been broadly flat for three years. 73 per cent of UK packaging waste is either recycled or recovered and 26 per cent of waste ends up in landfill. The European Commission's current proposals suggest a number of challenging waste and recycling targets for the future:
 - 6.1. A common EU target for recycling 65 per cent of municipal waste by 2030.
 - 6.2. A common EU target for recycling 75 per cent of packaging waste by 2030.
 - 6.3. A binding landfill target to reduce landfill to maximum of 10 per cent of all waste by 2030.
7. Achieving the targets on municipal waste and landfill will represent an enormous challenge for councils. Our estimates show that current spending on waste by English authorities would need to increase significantly to include additional collection services (in particular organic waste) just to meet the existing 50 per cent target. Increased levels of ambition in recycling performance will become progressively more expensive to achieve above the existing target level. Failure to reach the targets could lead to EU infraction fines.

Lobbying Position

8. The LGA has supported councils as they have worked towards achieving these targets. Our lobbying work has focussed on highlighting the need for additional funding in order to meet the ambitious targets set by the EU. We have suggested resourcing these services via redistribution of landfill taxes and also stressed the need for greater producer responsibility to be part of the Government's approach.
9. It is generally accepted by local government that the steer from Europe on waste and recycling targets has been helpful as it has driven up performance across most of Europe. However, it is clear that as a nation we may fail to meet the 2020 target. Whether this would mean councils facing infraction charges will depend on the terms of the EU exit deal and any related transition period. As we are now set to exit the EU Members should consider reviewing our approach to waste and recycling policy so that the LGA can lead on shaping the future direction.

² [EEA Waste Recycling report – December 2016](#)

Issues

10. There are some key principles which will underpin our future approach to waste and recycling:
- 10.1. The principle of subsidiarity should apply. Councils want greater local flexibility in how waste is managed according to local choices and priorities.
 - 10.2. Councils seek reforms that will achieve changes in production and consumption patterns so as to consider waste as a potential resource and to promote the market in secondary materials.
 - 10.3. Councils will want to ensure that the 'polluter pays' principle remains in place post EU Exit.
11. In order for Members to be able to effectively shape future lobbying policy we have identified four key questions which will help to determine direction of travel:
- 11.1. Has recycling reached a natural plateau, given our level of investment as a country or is there a scenario where recycling rates increase if so, what?
 - 11.2. Are there models of service delivery that might represent a future more efficient approach to waste and recycling?
 - 11.3. What are the medium to long term risks for waste and recycling services?
 - 11.4. What is the post EU Exit aspiration for this service area and what should be the balance between a national policy and local flexibility.
12. To help inform Members, LGA officers held a sounding board session on Wednesday 21 June with senior local government waste and recycling experts. **Appendix A** is the briefing provided to the group which gave a helpful basis for discussion. It became clear that there were some key messages coming back from local authorities were:
- 12.1. Has recycling reached a natural plateau?**
- 12.1.1. Councillors are facing many budget pressures and it is right that they should have flexibility on where to prioritise spending.
 - 12.1.2. Budget pressures are impacting on waste services and the imperative to invest to continue to reach higher recycling targets.
 - 12.1.3. It is possible that household recycling will remain on a plateau or even fall below current levels.
 - 12.1.4. Realistically many urban areas will not reach a 50 per cent recycling target.
 - 12.1.5. **Wide agreement that waste minimisation should be the main measure of performance not household recycling.** Residual waste is the most expensive part of the service councils provide and there are clear environmental benefits to reducing waste.
 - 12.1.6. The economics of household recycling are getting more difficult as collection costs rise and markets for recycled materials are unstable (e.g. plastics). Investing in more household recycling does not provide the best return on investment.
 - 12.1.7. The household recycling target will become harder to reach due to changes outside council control, e.g. the weight of packaging is reducing and urban populations are growing.

12.2. Are there examples of models of service delivery which might represent a future more efficient approach?

- 12.2.1. Councils have for some time been looking at combining/merging waste and recycling services with other councils. The level at which they want to do this varies.
- 12.2.2. Merseyside is asking for the ability to combine collection and disposal as part of a regional deal, and to create a single waste authority.
- 12.2.3. The GLA is looking at standardisation across London, but it will not be easy because of the density of flats.
- 12.2.4. South West London councils have an inter-borough agreement which is expected to make savings. This includes ERF, street cleaning and parks.
- 12.2.5. Councils may need incentives to combine services for example combined bodies having the power to charge.

12.3. Medium to long term risks for waste and recycling services?

- 12.3.1. We need a waste strategy for England that is part of a wider resource strategy. Councils need to understand the bigger picture of what government is trying to achieve in terms of resource management then they can shape their waste strategies accordingly.
- 12.3.2. It is difficult to plan future investment, and it is not clear whether the UK can continue to rely on a system that exports a lot of waste material to Europe. Councils are also picking up concerns from the waste industry about the lack of certainty about future income.
- 12.3.3. The future of tariffs and trade barriers has significant implications for the cost of waste disposal. In the short term this could add significant cost to export of RDF. However, the UK may wish to consider whether exporting RDF is the best option. It is a valuable source of fuel and there could be strong economic/resilience arguments to develop more capacity in the UK.
- 12.3.4. Waste policy is a matter for devolved administrations and the future could see more divergence across the UK with Wales, Scotland and North Ireland pursuing their own waste targets and strategies. England also needs a coherent waste strategy.
- 12.3.5. It will be important to see waste and recycling as part of a UK growth and resources strategy.

12.4. What is the post EU Exit aspiration for this service area and what should be the balance between a national policy and local flexibility?

12.4.1. Councils would find a target on waste minimisation helpful, particularly if framed as part of a wider strategy on resource management. In return they would want freedom to charge and discretion to use waste enforcement powers.

12.4.2. Kilos of residual waste per household (or head) per week would be a more meaningful target for councils. This would encourage minimisation of packaging, and it would be sustainable for the wider waste industry.

12.4.3. The definition of the proposed new EU target is better than the current one because it includes reuse as well as recycling. The 75 per cent residual waste part of the target could be a helpful focus, if the UK mirrors higher EU targets for recycling once it leaves the EU, but the higher recycling target would require councils to capture a lot more material than they currently do.

12.4.4. There is still a role for national regulation of waste and targets. Councils need freedom to set local collection systems and make local decisions about spending and priorities.

The Board Session

13. In order for Members to have a complete picture about the future of waste and recycling we have invited four external speakers to present to the Board.

14. Jacob Hayler, ESA –Environmental Services Association

14.1. ESA represents companies spanning the full range of waste management and related environmental service providers. This includes collection, treatment, disposal, re-use, recycling and recovery of waste. Members include BIFFA, Veolia and Viridor.

15. Ray Georgeson, Resource Association

15.1. The Resource Association is a professional advocacy body for the reprocessing and recycling industries. Members include Bryson Recycling and DS Smith Recycling.

16. Alice Ellison, British Retail Consortium

16.1. The BRC is the trade association for all UK retailers including the likes of ASDA, Sainsbury's, Boots and Marks & Spencer's.

17. Andrew Pau, Strategic Manager - Waste and Transport, Oxfordshire County Council

18. The aim of the session is that Members will use the speakers to help them answer the four key questions. This will then ultimately lead to Members being in a position where

they can direct future waste and recycling lobbying policy and in particular provide clear direction for the LGA's EU Exit work which will hopefully enable us to set the agenda in the months to come.

Appendices

19. The briefing provided to the Waste and Recycling Sounding Board is attached at **Appendix A.**

Implications for Wales ³

20. Once Members have provided a steer around the LGA's lobbying position officers will contact the Welsh LGA and discuss the potential for joint lobbying on this issue.

Next steps

21. Members are asked to provide a steer on our EU Exit lobbying position should be for waste and recycling.

³ *The WLGA pays a membership fee to the LGA on behalf of all Welsh councils and we lobby for them on "non-devolved" issues - e.g. DWP work. The WLGA provides "top-slice" for workforce support, but none for "improvement".*

Local Government Association briefing

Date:	Wednesday 21 st June 2017
Type of meeting:	Waste and Recycling Sounding Board
Purpose:	The aim of the session is to discuss 4 big questions around waste and recycling. The feedback from this session will then go on to help us shape the direction of the discussion at the LGA's EEHT board meeting on 19 th July.
Attendees:	
Lead officer:	Sonika Sidhu, Senior Policy Advisor, 0207 664 3076 sonika.sidhu@local.gov.uk
Briefing officer:	Gareth Greatrex, Policy Officer, 0207 664 3381 gareth.greatrex@local.gov.uk

Objectives

1. This will be the first meeting of the Waste and Recycling sounding board. The board will consist of senior council officers to provide feedback on key waste and recycling issues. We will use this first meeting to help us shape our thinking around Brexit and how we progress this portfolio area in the future.
2. The session will be held as a facilitated, whole group discussion with all feedback to be scribed. The session will begin with an introduction into the policy area and the position the LGA's lobbying has taken over the last few years. Following this, the discussion will focus on 4 key areas:
 - What do you see as the medium to long term risks for waste and recycling services?
 - What is the post Brexit aspiration for this service area and what should be the balance between a national policy and local flexibility?
 - Has recycling reached a natural plateau, given our level of investment as a country or do you envisage recycling rates increasing and if so how? What incentives will be required to achieve this increase?
 - Are there examples of models of service delivery, including partnerships, outsourcing etc. that might represent a future more efficient approach?

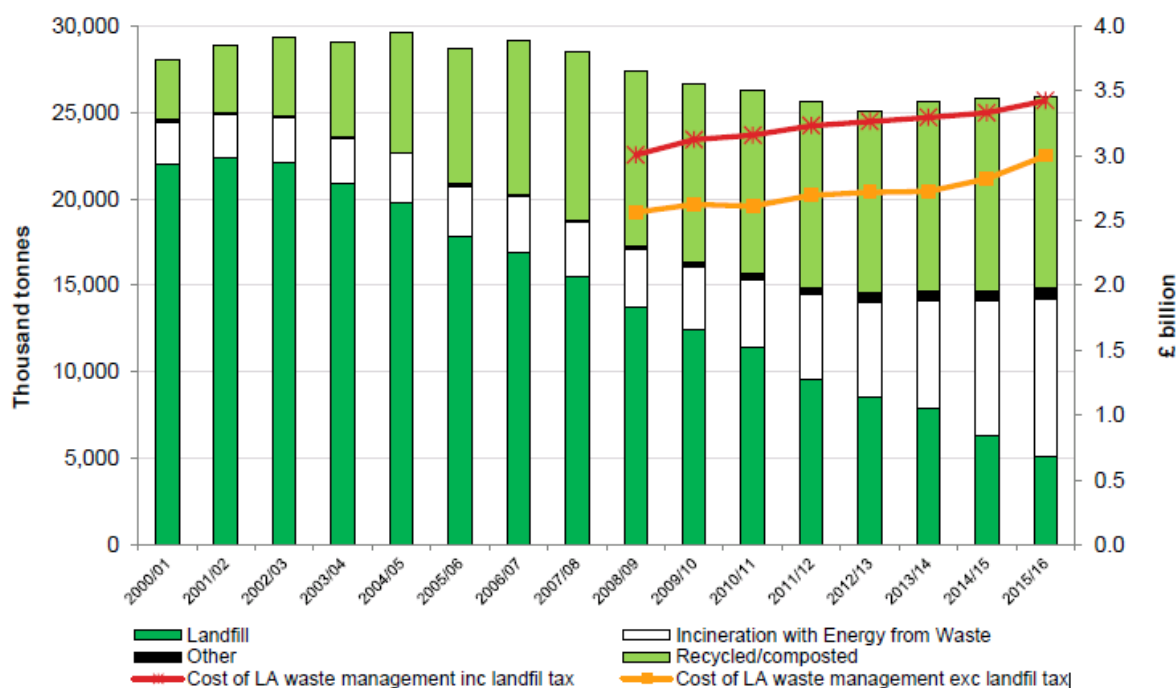
Introduction

3. Since 1997 councils in England have collected approximately 323 million tonnes of waste and recycled nearly 100 million tonnes; recycling rates have increased from 8.2 per cent in 1997/98 to 43.9 percent in 2015/16.¹ These services are among the most recognised for council's making them a key doorstep issue for households. Accordingly, English local authorities as key delivery agents for municipal waste collection, reuse, recycling and disposal services assign these services a high priority.

¹ Department for Environment, 2017. Food & Rural Affairs, Local authority collected waste: annual results tables.

4. Compounding this success, the UK is firmly on course to exceed its EU landfill targets as a result of the extensive efforts of local authorities. This has seen a radical reduction in landfill per household by 78% since 2002/3; moreover more than 30% of waste is now sent to energy from waste facilities.
5. However, the annual rate of 'waste from households' recycling for 2015 was 43.9 per cent in 2015. This is a decrease of 0.9 percentage points, from 44.8 per cent in 2014. Recycling rates have largely plateaued over the last few years, with this the first time the waste from households recycling rate has been lower than 44 per cent since 2011. Figure one below clearly shows these trends of stagnated recycling rates coupled with rising costs, and increases in waste incineration for energy production.

Figure one: Local Authority collected waste management, England, 2000/01 – 2015/16



Source: Defra's 2017 digest of waste and recycling statistics

6. Europe currently loses around 600 million tonnes of materials contained in waste each year, which could potentially be recycled or re-used. Only around 40% of the waste produced by EU households is recycled, with recycling rates as high as 80% in some areas, and lower than 5% in others. The European Commission's most recent circular economy proposals suggest a number of challenging waste and recycling targets in the pipeline:
 - A common EU target for recycling 65% of municipal waste by 2030
 - A common EU target for recycling 75% of packaging waste by 2030
 - A binding landfill target to reduce landfill to maximum of 10% of all waste by 2030
7. Clearly these are challenging targets, especially when considering the UK is struggling to meet the existing 50% 2020 recycling target. The EU has played a significant role in shaping the environmental legislation which impacts on councils at a local level. Post Brexit, the government will review EU-origin law through the Great Repeal Bill, and there will be an opportunity to shape future targets policy detail. However, this is a policy area where it is generally recognised that intervention from the EU has set a pace of achievement for the UK which has helped us keep up with

European neighbours, so it is necessary to consider what elements of the EU framework should be kept as well as formulating new criteria.

8. With these challenges and opportunities in mind, the LGA is currently commissioning a paper on Waste and recycling in the context of recasting the legal framework of waste policy: what a post Brexit system might look like. While the work is at an early stage it will broadly follow these key messages:
 - The principle of subsidiarity should apply. Councils want greater local flexibility in how waste is managed according to local choices and priorities.
 - Councils seek reforms that will achieve changes in production and consumption patterns so as to consider waste as a potential resource and to promote the market in secondary materials.
 - Councils will want to ensure that the 'polluter pays' principle remains in place post Brexit.
9. The LGA is working with local authorities to focus on actions and opportunities to help meet the existing recycling target. To help achieve this we have presented a range of proposals to the UK government which can be found across four previous publications - Wealth from Waste, Routes to Reuse, EU Circular Economy position paper, Meeting EU recycling targets.² This paper gives a broad overview of some of the key issues in the waste policy discussion in order to stimulate debate.

What do you see as the medium to long term risks for waste and recycling services?

Regional recycling disparities

10. The national recycling rate hides significant variation in performance by different areas which shows a strong correlation between high levels of urban density and low recycling rates. For example the overall recycling rate in London is 34%, and 35% for the eight English Core Cities,³ both approximately ten percentage points below the national average. Without a more balanced performance level government will use this to strengthen their case for an imposed framework of consistency.

Employment

11. The waste sector as a whole employs more than 140,000 people. A more proficient circular economy would offer increased employment potential with estimates suggesting that it could help create more than 200,000 additional jobs in the UK by 2030.⁴ Of course, the reverse is true of a diminishing sector which could be catalysed by a lack of ambition in target setting and/ or a lack of investment.

EU target definitions

12. Currently many hundreds of thousands of tonnes of recycled material are not counted towards targets due to historic means of calculation. For example, a large proportion of street sweepings and other waste organic material collected by councils is recycled as part of land restoration projects. In addition, the ash by-product that forms at the bottom of residual waste incinerators is also

² The following LGA reports are illustrative: Wealth from Waste report (2013); Routes to Reuse report (2014); EU Circular Economy position paper (2015); Meeting EU recycling targets (2015). Available at: <https://www.local.gov.uk/topics/environment-and-waste>

³ Birmingham, Bristol, Leeds, Liverpool Manchester, Newcastle, Nottingham, Sheffield.

⁴ WRAP and Green Alliance study: Employment and the Circular Economy – Job creation in a more resource efficient Britain. Available at: <http://www.wrap.org.uk/content/employment-and-circular-economy>

routinely recycled to produce aggregate for the building industry but is not counted. If this material was appropriately verified and counted as recycling, as is the case in some other EU member states,⁵ it could contribute up to an additional 7 percentage points by 2020.⁶

13. Across the EU, there are some substantial differences in the definition and measurement of waste flows. For example, France tends to treat outputs from a Mechanical Biological Treatment process as compost, even though this approach is prohibited in most other European states. Waste exports and backfilling are considered as recycling in some countries and not others. Germany reports a 0% landfill rate, despite the fact that significant amounts of incinerator residues are landfilled (since it deems that these are already counted as 'energy recovery'). Some Member States define municipal waste as Local Authority collected household waste, whereas others include a much greater proportion of commercial waste.⁷ These ambiguities can distort incentives.

Plateauing recycling rates

14. Around 10 million tonnes of food and drink is wasted in the food chain annually. This is equivalent to around one quarter of the 41 million tonnes of food bought. Around 60% of this is avoidable. The total food waste had a value of over £17 billion in 2015 and is associated with around 20 million tonnes of greenhouse gas (GHG) emissions. This is a big issue for central government but with no new money on offer it is difficult to see how local authorities can impact this issue.
15. Local authorities and their contractors continue to carry out communications campaigns in their areas with targeted messages which have been successful to date in increasing resident recycling. However, one of the consequences of reduced local authority budgets has been a squeeze on the number of dedicated officers and resources for recycling communication activity. This is likely a key contributor to plateauing English recycling rates.

Spiralling costs

16. Achieving the targets on municipal waste and landfill will represent an enormous challenge for councils. The collection and disposal of waste and recycling is now the third highest cost service for English local authorities with budgets doubling since 2000 to £3.8 billion.⁸ Considering this alongside the plateauing of recycling rates means the UK is not yet on track to meet the EU's 50% recycling target by 2020. To do so will require further changes and a significant increase in investment at a time of reducing or at best stagnant central and local government budgets.
17. Reflecting on what the top European performers do, it is not clear that adopting any one single action would quickly help us to improve our recycling rates. A very simplistic piece of analysis the LGA has done suggests that whatever action councils decide to take there will be a significant cost attached to achieving the level of progress required. To achieve a 1% increase in

⁵ For example Sweden, France and Germany have provision to allow certain uses of incinerator bottom ash to be counted as recycling.

⁶ Based on an Environmental Services Association estimate of 3 million tonnes of incinerator bottom ash by 2020 and an assumption that overall waste levels remain at approximately the same level as 2013/14

⁷ Policy Exchange, 2017. Going round in circles. Available at: <https://policyexchange.org.uk/publication/going-round-in-circles/>

⁸ Total for waste and recycling collection and disposal 2013/14.

recycling rates could cost around £12m which would amount to around £240m to go from 45% to 65%.⁹

Demand for recycled materials

18. Intervention designed to create a circular economy should balance supply with demand side measures to help create a self-sustaining market for secondary materials. The current EU Packaging Directive targets require the recycling of particular materials, but make no requirements for the use of recycled material in product manufacture. This gap means, as is currently seen across the EU, that secondary material re-processors have to compete in a volatile market that is often undermined by lower cost virgin materials.
19. UK plastics re-processors for example, have been experiencing severe difficulties as a result of the recent oil price slump which has made virgin plastic cheaper than the recycled product. This could lead to the closure of important UK plastic reprocessing facilities removing capacity and diminishing the business case for plastic collection. This is likely to increase overseas export running counter to the EU proximity principle.

Mismatch with UK context

20. There are also practical limitations on what can be realistically achieved. English local authorities have committed many hundreds of millions of pounds on waste treatment infrastructure to radically reduce landfill by 2020. This treatment capacity will process a volume of waste that will make meeting a suggested 65% recycling target unachievable by 2030. Unless Member States' committed investments are taken into account in target setting there is a risk that these expensive and long-term facilities are made redundant leaving public authorities with large liabilities.
21. The targets proposed by the European Commission under the Circular Economy package represent a difficult choice from the UK's perspective. They would impose an additional cost on UK businesses of £1.9 billion (in the period 2015-35). It is unclear whether these costs would be met by waste management firms or local authorities.¹⁰ The Commission's own analysis shows that these targets fail to meet the optimal policy choice for the UK.
22. Exports of refuse derived fuel for energy from waste facilities elsewhere in the European Union have increased dramatically in recent years as it becomes a more favoured management route for waste. Further, the UK exports more scrap material than it imports. In 2015 the UK exported 14 million tonnes of scrap materials, worth over £3.5 billion. In 2014 there was a 0.6 million tonnes increase of all scrap materials exported, but a decrease in the monetary value of these exports (of £586 million). This scenario could be exacerbated with any fall in the value of the pound or EU import tariffs resulting from Brexit negotiations.

What is the post Brexit aspiration for this service area and what should be the balance between a national policy and local flexibility?

23. The vast majority of EU legislation that effects the UK, such as waste and recycling legislation, will be transposed into UK law following Brexit in what has become

⁹ This figure is based on comparing change in expenditure over 2010-11 – 2014/15 with change in recycling rate. There are a range of technical considerations which it has not been possible to factor in and may affect the figures.

¹⁰ Policy Exchange, 2017. Going round in circles. Available at: <https://policyexchange.org.uk/publication/going-round-in-circles/>

known as the 'Great Repeal Bill'. This means that while the policies and targets defined by the Waste Framework Directive, and other EU waste directives, are currently enshrined in UK law, there is the opportunity to alter and amend these legislations once the UK leaves the EU. The suggestion then is that short-term, the UK will adhere to the current EU targets, but med-term, there is an opportunity to implement our own national framework which better suits the current infrastructure, needs and aspirations of the waste and recycling sector in England.

24. The timetable is also unclear: to what extent will the EU Circular Economy Package impact on the UK following Brexit? The government has indicated an EU exit target of 2019. Meanwhile the EU circular economy is expected to be finalised in 2018, only after this point would the Directive normally be transposed into UK law. With this in mind, Defra have indicated that they will continue to work with the EU on the circular economy, but it is unclear what this means in reality.
25. With the risks identified in the above section, including some shortcomings of the Circular Economy Proposals, it is worth exploring in this session what an alternative UK based framework might include.

Post Brexit framework:

26. There are many elements of the current framework which are and have been beneficial to UK waste and recycling policy. These include: Duty of care regulations, diversion from landfill, continued focus on improving recycling rates, extended enforcement powers, TEEP regulations, and local determination of waste management contracts. In addition to these we would recommend seeking to change legislation on the following key areas:
27. *Secondary materials market.* The government needs to work more closely with local government to drive demand for the secondary materials market. Through introducing product and material specific requirements to use recycled content in product manufacture the financial viability of recycling collection could be enhanced. The National Industrial Symbiosis Programme which ended in 2013 could be built on as it enjoyed some success.¹¹
28. *The polluter pays principal:*
- *'As part of the broader sector-based approach set out in the Industry Strategy green paper, Government and industry should work to improve resource productivity and reduce waste.'*¹² The current system of weak voluntary agreements shifts the onus onto tax payers.
 - The LGA position is that waste and recycling collection services are a local decision for councils. Councils have already made significant investment in waste and recycling services and the responsibility for increasing recycling rates must sit with all stakeholders, not just council tax payers.
 - The LGA has taken the position that producers of waste should take greater responsibility for the cost of collecting and disposing it. We have gone as far as asking for a minimum 50% producer contribution by 2025 and a full cost contribution to waste collection and disposal by 2030.
 - Design out waste by setting out expectations on product design for greater waste prevention, reuse and recycling through an overarching suite of product specific targets delivered through a broadened Eco-design Directive.
29. *Recycling & reuse:*

¹¹ NISP. Available at: <http://www.nispsnetwork.com/media-centre/case-studies/40-denso-has-its-cake-and-h-eats-it>

¹² Policy Exchange, 2017. Going round in circles. Available at: <https://policyexchange.org.uk/publication/going-round-in-circles/>

- *'Shift the emphasis of waste policy towards waste prevention and reuse. This needs to happen at all levels including Central Government and Local Government.'*¹³
- Local government should promote reuse opportunities within their regions. For example, goods and materials at Household Waste Recycling Centres (HWRCs) can be promoted for resale or for distribution to local charities. This shows potential to reduce their waste and recycling spend.¹⁴ See **appendix two** for illustrative examples of this.

30. *Resetting and redesigning recycling targets:*

- Brexit provides an opportunity to set targets that reflect the UK situation including the heavy investment in waste processing for energy plants, and a stagnant funding scenario.
- The concerns raised over what is included/excluded in waste targets, whether tonnage is the right measure, and how prevention of waste is measured. We should also press for holistic targets rather than ones just aimed at local authorities. Local Authorities have a part to play, but household waste represents just 11% of the overall waste sector.

31. *Shared learning*

- Defra are keen to pursue a goal of moving councils to a consistent set of waste and recycling services. Fortifying Defra's position is the fact that at local authority level, recycling rates vary widely ranging from 15% to 67%. Local government should strive to share learning and pull together to bring underperforming areas up to speed, thus weakening the case for a centrally imposed system and strengthening the case for a locally led regime.
- Wrap has developed a voluntary framework focussed on delivering greater consistency on the materials collected by councils for recycling and the type of containers used. They are promoting the idea that all councils should adopt one of three standard collection systems. They believe this would drive up recycling rates and could save money in the longer term by increasing revenue from the sale of recycled materials.¹⁵
- Local Authorities should use proactive behaviour change marketing to improve waste and recycling among their constituents. See a summary of a 2015 3R report into the attitudes and behaviour of consumers in recycling for an illustrative summary of behaviours which could be targeted (**appendix one**).

32. *Energy generation:*

- *'Government should prioritise energy from waste towards high efficiency technologies (producing 'green gas' or Combined Heat and Power). These technologies offer far higher levels of efficiency than electricity-only incineration facilities, and could play an important role in decarbonising heating and transport. Existing subsidy support schemes need to be amended to reflect this shift of focus.'*¹⁶
- Community incentive schemes should be explored for communities which host energy from waste facilities.

¹³ Policy Exchange, 2017. Going round in circles. Available at:

<https://policyexchange.org.uk/publication/going-round-in-circles/>

¹⁴ Policy Exchange, 2017. Going round in circles. Available at:

<https://policyexchange.org.uk/publication/going-round-in-circles/>

¹⁵ Wrap. A framework for greater consistency in household recycling in England. Available at:

http://static.wrap.org.uk/consistency/Read_more_about_the_framework.pdf

¹⁶ Policy Exchange, 2017. Going round in circles. Available at:

<https://policyexchange.org.uk/publication/going-round-in-circles/>

- Government should tighten the definition of 'Refuse Derived Fuel', such that operators are required to extract all economically-recoverable materials prior to export of materials for energy recovery abroad.¹⁷

Has recycling reached a natural plateau, given our level of investment as a country or do you envisage recycling rates increasing and if so how? What incentives will be required to achieve this increase?

33. When looking at our European neighbours we can see that the UK's performance at recycling and managing waste has significantly improved since 2001. In 2001 we were rated 16 out of 32 European countries by the European Environment Agency (EEA). By 2010 we had moved up to 9th place demonstrating the fastest increase in recycling rates across Europe along with Ireland. Throughout this period Austria, Germany and Belgium have been the top performers.

Despite this success, recycling rates are plateauing, and there is little in the way of investment to spur innovation. That said, there are inspirations that can be drawn from other models and ideas; a brief overview of some of these follow:

34. *Pay as you throw* (PAYT). The 2012 Localism Act removed councils' powers to charge residents for the weight of their rubbish. A PAYT switches waste from a fixed charge to a metered service like other utilities, saving money for those who recycle more and throw away less. Examples from across Europe have shown PAYT schemes cutting household waste by 10% as they provide a direct economic incentive to recycle more and to generate less waste. Two further factors enhance the case for PAYT:
- a) *Economic Sustainability* - PAYT is an effective tool for communities struggling to cope with soaring waste expenses. Well-designed programs generate the revenues communities need to cover these costs, including the costs of recycling and composting. Residents also have the opportunity to take control of their bills.
 - b) *Equity* - this point is a double edged sword. On the one hand, a variable-rate program may be said to inhabit a space of inherent fairness. When the cost of managing waste is covered in taxes, residents who recycle and prevent waste, subsidize their neighbors' wastefulness. Conversely, there may be an argument for disproportionately penalizing the poor, whose waste collections may currently be subsidized by wealthier residents through local taxes.
35. *Plastic bags*. England's 5p plastic bag charge, introduced in 2015 has cut bag usage by 85%. The charge has also led to donations of more than £29m from retailers towards good causes including charities and community groups. Because of this wide success, the scheme could be expanded by reviewing and eliminating many of the exemptions e.g. currently only retailers with 250 or more full-time equivalent employees are effected, while smaller retailers and paper bags are not included. There are also exemptions for goods such as raw meat and fish, prescription medicines, seeds, flowers, and live fish.
36. *The Furniture Reuse Network* reused 2.7m items of furniture and electrical equipment, preventing over 100,000 tonnes of waste and saving low income families around £350m. Local authority reuse targets on household furniture and electrical items would not only prevent waste, but would also make a considerable difference

¹⁷ Policy Exchange, 2017. Going round in circles. Available at: <https://policyexchange.org.uk/publication/going-round-in-circles/>

to the lives of many people able to access this resource.¹⁸ (see appendix two for case study examples).

37. *Water fountains*: a network of public water fountains in prominent locations would provide a waste-free alternative to on the go plastic bottles and drink containers. This isn't a new idea, both Rome and Sydney (among others) have invested in networks. Water companies could sponsor fountains, and a bonus public health advantage would be a reduction on the purchasing of sugary drinks.
38. *Food waste*. Over half of meal leavers eating out linked leaving food to various aspects of portion sizes. Two fifths (41 per cent) of meal leavers stated that one of the reasons why they had left food was because the portion size was too big and 11 per cent stated that they ordered/served themselves too much. These facts merit some thought into how to change the behaviours of both suppliers and consumers with regard to waste food.

The Food Waste Bill 2015/16¹⁹ has failed to make it through parliament. The Bill would require government to make provision for a scheme of incentives to implement and encourage observance of the food waste reduction hierarchy; to encourage individuals, businesses and public bodies to reduce the amount of food they waste; to require large supermarkets, manufacturers and distributors to reduce their food waste by no less than 30 per cent by 2025; to enter into formal agreements with food redistribution organisations; to require large supermarkets and food manufacturers to disclose levels of food waste in their supply chain. Given the prevalence of food wastage in England, there is a strong case to push for the Bills reintroduction.

39. *Payment by results (PbR)* is a way of delivering services where all or part of the payment is contingent on achieving specified outcomes. This outcomes focussed approach is attractive to policymakers as it shifts responsibility for determining which inputs or outputs will lead to the achievement of outcomes onto providers. The National Audit Office states the following advantages to this type of framework:²⁰
- Innovation: proponents argue that, by specifying 'what' needs to be achieved rather than 'how', PbR gives greater freedom to providers, which encourages innovation.
 - Cost-effectiveness: all or some of the payment to providers is contingent on the outcomes they achieve, which reduces the amount of public money spent on ineffective activity.
 - Risk transfer: PbR arrangements transfer financial risk to providers, who put in upfront financial investment to deliver services with no or limited guaranteed reward if they fail to achieve outcomes.
 - Accountability: PbR schemes can clarify accountabilities as they make it clear that delivery of specified outcomes is the responsibility of providers.
 - User responsiveness: PbR arrangements can increase responsiveness to service users' needs, especially if they involve more innovative service delivery

¹⁸ Chris Sherrington and Peter Jones, 2014. Pay as you throw away? Five ways to cut off waste at the source [The Guardian]. Available at:

<https://www.theguardian.com/lifeandstyle/2014/may/21/pay-as-you-throw-away-five-ways-to-cut-off-waste-at-the-source>

¹⁹UK Parliament, *Food Waste (reduction) Bill* [online]. Available at:

<http://services.parliament.uk/bills/2015-16/foodwastereduction.html>

²⁰ The National Audit Office, 2015. Payment by results: analytical framework for decision-makers. Available at: <https://www.nao.org.uk/wp-content/uploads/2015/06/Payment-by-results-analytical-framework-for-decision-makers.pdf>

or specialist, local-level organisations with a good understanding of users' needs.

There are however, a number of criticisms that can be levelled at a PbR framework. For example, what makes a good result or outcome? And who should set that results framework? If we agree with local democratic accountability, choice and the need for plurality of decision makers to drive quality in public services, such an approach may run against the grain of what local government would consider best practice. How, for example, do results frameworks impact on service users? The most often cited impact is the cherry-picking of the easiest ways to meet targets which may not necessarily be the best operation for the community. Any system design of PbR must consider how to mitigate against this.

40. *Consistency.* Communities are different, residents have different life-styles, working patterns, are different ages, and have different expectations. Not only this but physically, houses, flats, streets, are all different, as are council budgets and local priorities. Coupled with this there is a large body of evidence which suggests that localist approaches actually spur innovation and lead to better outcomes. Despite these realities government is clear that it wishes councils to move to a more consistent waste policy. While we would not welcome such a centrally administered framework, there are potential advantages to the sector pulling together and working more closely. For example, according to a 2015 government report, procuring waste management equipment in isolation has cost councils an additional £70 million a year. The report suggests that simply through better procurement and more standardized processes huge savings can be made. The report suggested potential savings of up to 10% on refuse trucks and more than a third (35%) on bins could be achieved through clearer specification and procuring in larger volumes with other councils.²¹
41. *Energy produced* from bio energy has risen from 3.4% of total energy production in 2005 to 9.2% in 2015. Energy from waste has almost doubled over this period as can be seen in figure one above. WRAP's figures show the UK now has 60 sites which turn waste material into energy, ranging in size from as small as 0.6 MWe upto 250 MWe. As a key success area for the UK, this could be built on in a post Brexit framework.
42. *Working with businesses and the community.* There is scope to consider an approach councils work more directly with producers and try to understand their needs whilst communicating our own requirements. We may want to consider what the long-term impact on local waste services would be if producers were to play a greater role in funding collection and disposal. EU waste proposals include the adoption of extended producer responsibility although details are not yet clear. Moreover, active work and education within the community has been proven to yield positive results. **Appendix three** illustrates part of a case study in Slovenia. Through a process of community engagement ranging from engaging business to education programmes in nurseries, this regions has seen recycling rates rise from landfilling everything to recycling over 74% in 20 years.

Are there examples of models of service delivery, including partnerships, outsourcing etc. that might represent a future more efficient approach?

²¹ DCLG, 2015, Household waste collection: procurement savings opportunities [policy paper]. Available at: <https://www.gov.uk/government/publications/household-waste-collection-procurement-savings-opportunities>

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43. Local government currently uses a range of models to deliver waste and recycling services. The 1980's saw services being delivered in house. The 1990's saw a growing trend for tendering. We are now in a mixed market. Some authorities have taken back control of their services from private contractors, others have joined up with their neighbouring authorities to achieve economies of scale and others are still using a combination of these and traditional contracts.
44. The major trend of the last ten years has been to reverse the externalisation of waste services largely through the creation of 'arms length' or 'Teckal' companies.²² There have been two broad types; the service delivery company whose main work is for the council itself (or a group of councils) and the commercial trading company, which is able to trade more easily with outside organisation. In the latter model all work has to go out to tender. The benefit of an arm's length arrangement is that the council can decide how arm's length it wants to be providing the opportunity for greater flexibility.
45. Ubico, which began trading in 2012, is an example of one arm's length service owned by a clutch of LAs in the Gloucestershire area – Cotswold, West Oxfordshire, Forest of Dean and Stroud District Councils, Cheltenham and Tewkesbury Borough Councils, and Gloucestershire County Council. However, the services they provide in each area vary. Ubico operates Gloucestershire County Council's household recycling centres, whereas in Forest of Dean it only runs grounds maintenance services. This model has delivered efficiency savings and greater flexibility without any contractual cost. This means Ubico doesn't run a one-size-fits-all model. Its services are bespoke to each council. There are now a few of these firms operating around England including Dorset Waste Partnership, Ansa up in Cheshire East and Bristol Waste company, the latter of which took over most of Bristol city's waste and recycling services after the local authority agreed a mutual termination of its contract with Kier in 2014.
46. Newcastle-Under-Lyme has taken its dry recycling and food services in-house on a traditional direct service organisation (DSO) contract. They are now running their own transfer station, baling and sorting the materials themselves. This has enabled them to make a £500 000 saving and improve the quality of their recycled materials. Sevenoaks Council have kept bin collection in house whilst becoming a financially self-sufficient council
47. However, LARAC Chair Andrew Bird has suggested that whilst these models may be beneficial for individual local authorities, at a macro level it could have a detrimental effect. "Whether there is a focus on recycling in England depends on whether it is financially beneficial to put resources into it and that will depend on individual circumstances. But you look at what the devolved governments are doing, where they have got very clear policy objectives and they know where they are going, whereas in England we increasingly have a fragmented system that will not help the private sector in terms of providing facilities and infrastructure in a more joined up way."
48. *Models elsewhere:*
- Germany – Neustadt an der Weinstrasse has a 70% recycling rate. Residents are only charged for waste which needs to be incinerated. All recycling is free. A separate fee for waste is charged and is not embedded in any local tax. Residents are therefore financially incentivised to recycle more²³.

²² Will Simpson, The Loop Magazine, Summer 2017

²³ The Guardian, 18th March 2011 – A small town in Germany where recycling pays

Vienna - The financing of the collection and treatment of all municipal waste is based on the residual waste fraction in order to create an incentive for separate waste collection. Thus property owners are charged a quarterly waste management fee calculated from the volume of the residual waste containers installed on their properties and the frequency of bin emptying.

Switzerland - Glass and paper are just some of the things the average Swiss refuses to simply throw away. There are bottle banks at every supermarket, with separate slots for clear, green and brown glass. Every town has a free paper collection once a month, and that does not mean just old newspapers; most people recycle everything made of cardboard or paper, from cereal packets to old telephone bills. Then there is green waste. If you have a garden, all the trimmings can be put out on the street (neatly bundled of course) every two weeks, and they will be collected. Aluminium and tin can be taken to local depots, batteries handed over at the supermarket, and old oil or other chemicals deposited at special sites. Plastic PET bottles are the most common drinks containers in Switzerland, and 80% of them are recycled - far higher than the European average of 20 to 40%.

There is a strong financial incentive. Recycling is free, but in most parts of Switzerland throwing away rubbish costs money - each rubbish bag has to have a sticker on it, and each sticker costs at least one euro (60 pence). So the less you throw out, the less you pay. No sticker? Then the rubbish will be left outside your house to rot.

Appendices

Appendix one - Behaviour change

A 2015 report by 3R on attitudes and knowledge in recycling among households is illustrative in how behaviour change could be targeted:²⁴

- Capture: Just under half (46%) of UK households say that on the last disposal occasion they disposed of at least one material in the general rubbish bin that their council collects as part of the kerbside recycling collection.
- Quality: 47% of households are putting at least one material in their recycling that is not intended to be collected locally for recycling. Drinks cartons/tetra-pak and plastic pots, tubs and trays are the two materials most frequently put out for recycling kerbside despite the council not collecting them.
- Looking at both dimensions of capture and quality, similar to 2014, around a quarter of households are 'completely effective recyclers', in that they neither place non-targeted materials in their recycling collection, nor dispose of any items in the general rubbish that could be put in the kerbside recycling. Conversely, approximately three-quarters of households could improve their recycling effectiveness in one or both of these respects.
- Those who are confident about what can and can't be recycled are much more likely to say they have received information about the kerbside collection in the past year. 56% of those who say they are 'very confident' say they received information compared to just 23% who are '50:50' and 17% of those who are 'not very' or 'not at all confident'.
- There is a significant decrease in the proportion of respondents reporting that they received information in the past year. Just over half (55%) said that they received information on the kerbside collection in 2014, compared to 42% this year.
- Similarly, there is no consensus about whether householders are required to wash, rinse or clean out materials prior to recycling. Actual or perceived cleaning requirements also cause a large minority (41%) of households to not recycle certain materials, suggesting that councils communicating minimum requirements may encourage greater capture.
- Age has a significant bearing on self-reported recycling across materials. Rates of recycling paper, card, cans/tins, aerosols and foil all increase in line with age.

Appendix two: Examples of Reuse activities

Two examples of reuse enterprises reported:²⁵

Hull Reuse Shop: FCC Environment invested £400,000 in a "reuse shop" in East Riding of Yorkshire in 2015, which takes bulky items (from furniture to power tools) from across the Hull area. FCC Environment opened a reuse facility in Suffolk in 2016 with the Benjamin Foundation, and have more reuse shops in Ipswich and Cannock in Staffordshire. At all sites, items are tested and inspected before being presented for resale, with the proceeds donated to good causes.

Newbury Community Resource Centre: This social enterprise provides low cost furniture and other goods to support low income and vulnerable households (particularly

²⁴ Wrap review paper (2015). 3Rs recycling knowledge, attitudes and reported behaviour survey 2015. Available at:

<http://www.wrap.org.uk/sites/files/wrap/3Rs%20Recycling%20Highlights%202015%20FINAL%20OR%20PUBLICATION.pdf>

²⁵ Policy Exchange – Going round in circles, March 2017. Available at:

<https://policyexchange.org.uk/publication/going-round-in-circles/>

the elderly and those on benefits). The centre diverts approximately 650 tonnes of waste per year from disposal, and helps around 23,000 individuals and households. The scheme is delivered as part of a 25 year waste services contract for West Berkshire Council, although the scheme is largely self-financing and the council provided only limited initial funding. This project is part of the wider Furniture Reuse Network, a group of approved reuse centres in the UK which is rapidly expanding and offers training and best-practice information for its members.

Appendix three

Vrhnika – Slovenia Trailblazers²⁶

KPV [public waste management body] has based its activities around a coordinated awareness raising campaign, starting with Vrhnika's youngest citizens – school children. They considered this the starting point for any change in citizen behaviour and attitudes. Schools were provided with bins and discounted waste collection fees for sorting their waste at source. Given the savings this system represents, all schools and nurseries in Vrhnika now operate a source-separation of waste system. KPV has held waste-themed events in schools, such as a waste fashion show, organised tours of the collection centre and held drives to collect specific types of waste in schools. The company also provides educational lectures aimed at 5 different age groups, from nursery school age to university students. These lectures are attended by 1500 children and young people from around Slovenia a year, which, for a country with a population of just 2 million is an impressive figure. In 2006, KPV co-financed a course for primary schools, which included specific training for teachers and special educational materials. The course took a multidisciplinary approach to teaching a range of environmental issues, including waste, thereby harnessing the pedagogical skills of teachers to reach children and their parents. Building on this success, KPV moved to work with businesses. It developed special business contracts for waste management, including consultations on how to achieve savings through separation-at-source. Businesses responded positively - some even asked KPV to help them manage their waste flows and organise on-site separate collection. KPV noted a significant decrease in quantities of paper, cardboard and plastic in the residual waste stream. From there, KPV went on to work with businesses outside the municipality with an ISO standard requiring separate waste collection.

KPV also made efforts to change the public's perception of waste as something dirty, smelly and not useful. It painted trucks white with flower motifs, cleaned bins regularly and created an attractive entrance to the KPV collection centre, with a park featuring lawns and flowerbeds. The nearby landfill site was rehabilitated. In fact, the area was so successfully renovated that when a TV camera crew visited to film a story about the centre, they got lost while looking for a dirty site with rubbish. Instead they found nothing but pleasant parkland and a pond with ducks swimming! The camera crew's perception of waste changed for the better that day. The waste management company has also worked on more traditional ways of reaching out to the public, with the aim of presenting waste as a resource. The collection trucks themselves are printed with short promotional messages encouraging citizens to sort waste, KPV prints a magazine focusing on waste issues, as well as holding lectures and running thematic campaigns. Information about waste collection is broadcast on the radio, sent through the post with waste collection bills, published in local newspapers and on advertising hoardings. Communication is adapted to specific demographic groups and their particular characteristics.

The awareness-raising campaigns in Vrhnika have been successful in encouraging residents to think and talk about waste issues and the results achieved in the municipality. The positive atmosphere this awareness has created has driven the

²⁶ Zero Waste Europe, 2014, Vrhnika – Slovenia Trailblazers. Available at: <http://www.no-burn.org/the-story-of-vrhnika-slovenian-trailblazers-in-zero-waste/>

municipality's good results and is having a real multiplier effect beyond the district, as Vrhnika residents share their positive experiences with friends and colleagues from other areas.



**Environment, Economy,
Housing and Transport Board**

19 July 2017

End of Year Board Report

Purpose of report

For information and discussion.

Summary

This report provides an overview of the issues and work the Board has overseen during last year. It sets out key achievements in relation to the priorities for the EEHT Board in 2016/2017, and looks forward to next year's priorities.

Recommendations

That the Environment, Economy, Housing and Transport Board are invited to:

- (a) Consider and comment on the Board's activity in 2016/2017
- (b) Consider the process for developing the 2017/18 programme of work

Action

Officers to action as appropriate.

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End of Year Board Report

Background

1. The Environment, Economy, Housing and Transport Board provides strategic oversight of the LGA's policy, regulatory and improvement activity in relation to the economy and environment, including transport, economic development and business support, housing, planning, waste and climate change, in line with the LGA priorities and any specific regulatory and LGA European lobbying priorities as they relate to this activity.
2. The Board set out the following priorities for 2016/17:
 - 2.1. Housing
 - 2.2. Responding to the outcome of the EU referendum (Brexit)
 - 2.3. Waste and recycling policy
 - 2.4. Transport including (infrastructure investment)
 - 2.5. Economic development (including the industrial strategy and infrastructure investment)
 - 2.6. Flooding (Including Infrastructure Investment)
3. The Board wanted to achieve tangible outcomes and these are set out under the key priority themes.

Achievements

Ministerial meetings

4. On Tuesday 4 October, Cllr Tett met with the Bob Blackman Mp to discuss the LGA's concerns over the Homelessness Reduction Act. Their conversation included the following reservations about the draft Bill:
 - 4.1 56 day accommodation duty for those with nowhere safe to stay regardless of whether or not they have priority need - There is an insufficient supply of suitable accommodation to discharge this duty, and attempts to do so rely on sourcing expensive temporary accommodation which risks detracting from prevention work.
 - 4.2 The requirement to recognise an expired section 21 notice as proof of homelessness. This requirement will limit the time available to local authorities to engage in preventative work to avoid evictions.
 - 4.3 The duty to help to secure accommodation in 12 month tenancies for people who are homeless regardless of whether or not they have priority need - There are insufficient 12 month tenancies available to successfully discharge this duty for all applicants.
 - 4.4 Follow this the proposals were dropped from the final Act. The LGA was instrumental in ensuring the final version of the Homelessness Reduction Act was



**Environment, Economy,
Housing and Transport Board**

19 July 2017

practical; working with Bob Blackman MP who introduced the Private Members Bill, the Government who supported the Bill, and with councils.

5. On Tuesday 25 October Cllr Tett met with Lord Gardiner to discuss common priorities between the LGA and the Department for Environment, Food and Rural Affairs. Cllr Tett and the Minister discussed concerns around connectivity, especially regarding the last 5% of people who don't have access to broadband. Cllr Tett raised the possibility of looking at planning law so that broadband services are automatically included in any new build planning applications, as well as using both cellular and fixed line services to deliver an overall increase in coverage. Concerning litter, Cllr Tett stressed the budgetary pressures around litter and both sides agreed to try and work more closely on this issue. This meeting also included animal welfare, where both parties were keen to ensure that reforms to the animal licensing system reflects council priorities.
6. On Wednesday 2 November Cllr Tett met with the Minister for Housing and Planning to discuss matters of mutual concern to both the Department for Communities and Local Government and the LGA. These included the importance of resourcing planning departments, supporting local authorities to build homes outside their Housing Revenue Accounts, diversifying the types of developers engaged in construction, kick-starting development of those sites which have already received planning permission, the provision of public land for housebuilding, as well as the importance of delivering housing for a range of different needs locally. Both Cllr Tett and the Minister agreed to continue working on priority areas.
7. On Tuesday 21 February Cllr Tett met with the Rt Hon Therese Coffey MP, Parliamentary Under Secretary of State for the Environment and Rural Life Opportunities following our previous meeting in November. The meeting was focussed on discussion of urban recycling rates and how they can be improved. Many thanks to all the Board members who provided feedback in preparation for the meeting.

Housing

8. The LGA was successful in influencing elements of the Housing and Planning Act that have most concerns for local government through policy and lobbying work with the Departments, with Parliament and the media. Major successes include the Government's decision to abandon implementing the High Income Social Tenants policy (known as 'Pay to Stay'), to, at the very least, delay any plans to implement the forced sale of higher value assets, and to significantly reduce requirements for starter homes on new developments. We are continuing to push for clarity of direction on the forced sale and starter home policies.
9. The LGA's housing commission has helped place the sector at the forefront of the debate in resolving the countries housing crisis. It engaged over 100 different partners across the housing, planning and health sectors, held a number of successful events, and launched a preliminary and final report that was well received by partners and gained significant press attention. The final report was developed alongside sustained engagement with the

Government and in advance of the Government's own Housing White Paper (see below), which had adopted ideas put forward by the LGA.

10. The Government's Housing White Paper acknowledged that the housing market is broken and adopted a number of arguments pushed by the LGA.(see Housing Commission) It also pledged to further explore issues raised by the LGA, such as providing more older people's housing, and exploring options for land value capture to fund infrastructure. However there are some risks for councils in the white paper and it could have been more ambitious, and the LGA will continue to work with the Government on next steps.
11. The LGA has completed a project and launched a report looking at the different ways that councils can enable housing growth. This includes practice in establishing a housing company, supporting community land trusts, and entering into a joint venture with housing associations and private developers. The LGA is close to completing a project capturing council innovation in providing temporary accommodation (TA) innovations in reducing the demand for TA, in sourcing new TA, or in finding alternatives to TA. The LGA is also close to completing a project looking at how councils can meet the housing need of an ageing population, in ways that integrate housing with health and care.

Environment

12. The Board has worked on responses to the Government's consultations on it's clean air plan and the proposals to introduce Clean Air Zones. We have convened a series of seminars with officers from affected areas as well as engaging directly with DEFRA making the case that local government can only help the Government deliver on its clean air responsibilities if we are adequately resourced and are given the necessary powers to tackle the problem.
13. We have focused on working with councils to understand what our future approach should be to waste and recycling as we prepare to exit from Europe.
14. A successful involvement in the commercial waste judicial review has meant the LGA has protected the sector from potential loss of income of around £77 million per year.
15. An additional £700 million of funding was made available for flooding in the 2016 budget. The LGA has been working closely with the government to ensure that this is focussed on localised flooding projects.

Transport & Growth

16. The Bus Services Act 2017 received Royal Assent on 27 April 2017. The LGA has called for more flexibility for local authorities to intervene in local bus markets to deliver better results for passengers. We therefore supported the Bill in its passage through Parliament and are glad that the Government has provided a framework for making it a reality As part of our work on the act we hosted a buses conference for officers and members in

February. The conference explored ways in which councils could help increase bus patronage as well as discussing new powers available through the Act.

17. At the Government's Autumn Statement the Chancellor announced £1.3 billion for improvements to Britain's roads and to tackle congestion. The LGA welcomed the Government's acknowledgement of our repeated calls for more investment in local road networks.
18. The Government announced, as part of their litter strategy, that they will bring forward proposals to allow local authorities to fine the registered keeper of a vehicle when someone in the vehicle commits a littering offence. This is a change that the LGA has called for for some time and we welcome the Government's position.
19. The LGA were successful in getting the Government to review and withdraw its proposals for improving roadworks, in particular tackling unattended roadworks at weekends. The Board has renewed our calls for the full roll out of lane rental powers which have proved effective in London and Kent.
20. The board continues to support changes to how freight movements are managed. We have re-iterated our call for full implementation of the Traffic Management Act 2004 Part 6 to allow councils to enforce weight limits and HGV bans in areas where they are not appropriate. We have also called for the Government to make it compulsory for HGVs to use commercial sat navs.
21. Following joint study visits to Southampton and Milton Keynes councils, the LGA and British Property Federation launched a report on [local development, growth and regeneration through successful public/private collaboration](#) at an event attended by leaders from local government, the development and investment industries and central government.
22. The EEHT Board led on developing the [LGA's response](#) to the Government's green paper on the Industrial Strategy. The response highlighted the importance of local leaders across the country being able to access appropriate levers of growth, such as on skills and employment, infrastructure and housing in order to raise productivity, achieve inclusive growth and match the economic performance of their global competitors.

Unlocking Growth in Partnership

23. Melanie Leech, Chief Executive of the British Property Federation, and Cllr Martin Tett jointly launched a good practice guide on unlocking commercial growth through long-term public/private collaboration. The report highlights best practice of councils and developers and identifies key asks of central government to help attract investment into local areas and achieve better growth.



**Environment, Economy,
Housing and Transport Board**

19 July 2017

Programme of work and priorities 2017/18

24. A draft work programme for 2017/18 will be presented at the Board's October meeting. In proposing the programme a number of factors will need to be taken into account including:

24.1. Make the case for councils to have the powers and funding to deliver more homes that meet needs and are affordable to communities, to build prosperous places well supported by services and infrastructure, and to reduce homelessness.

24.2. Growth and future national and local policy on transport and infrastructure, including emerging legislation in relation to Connected and Autonomous Vehicles and the Government's response to the Air Quality Plan consultation.

24.3. To fully understand the impact of exiting the EU on environmental policy, including waste and recycling, and to help shape the new policy framework.

24.4. To work with our members and government to ensure that policy infrastructure funding on flood defences meet the needs of communities.

Next steps

25. Members are asked to consider:

25.1. The Board's activity in 2016/2017; and

25.2. The process for developing the 2017/2018 programme of work.

26. Officers will work with Lead members over the summer in bringing forward a programme of work for 2017/18.

Financial Implications

27. All work programmes are met from existing budgets and resources.



**Environment, Economy,
Housing and Transport Board**

19 July 2017

Grenfell Tower

Purpose

For discussion.

Summary

This paper provides information on the work that central and local government have been doing following the tragic Grenfell Tower Fire to ensure that buildings are safe.

Recommendations

That the Environment, Economy, Housing and Transport (EEHT) Board is asked to:

1. Consider and comment on the actions that have been taken nationally and locally to identify and address fire safety issues in buildings over 18 metres following the Grenfell Tower Fire.
2. Consider the role of the EEHT Board in lobbying for an urgent review of the Building Regulations' guidance.
3. Consider how best to use a meeting and potential working group drawn from the Fire Services Management Committee, Safer Stronger Communities Board, EEHT and the National Fire Chiefs Council.

Action

Officers to proceed as directed.

Contact officer: Eamon Lally
Position: Principal Policy Adviser
Phone no: 020 7664 3132
Email: eamon.lally@local.gov.uk

Grenfell Tower

Background

1. In the early hours of the morning of 14 June a fire broke out at Grenfell Tower in the Royal Borough of Kensington and Chelsea. Although firefighters from London Fire Brigade (LFB) were at the tower block within minutes of the alarm being sounded, the fire rapidly spread throughout the tower block. At the time of writing there are around 80 people presumed dead.

Investigations and Inquiries

2. The cause of the fire and the reason it spread so quickly through the tower block are now the subject of an investigation by LFB and a criminal investigation by the Metropolitan Police. Media reports have focused on the possibility that the external cladding applied to the building caused the fire to spread so rapidly, but there is currently no definitive explanation and will not be until LFB concludes its investigation, which could take a number of weeks given the scale of the damage to the building.
3. On 15 June the Prime Minister announced that there would be a Public Inquiry into the Grenfell Tower Fire. The Inquiry will be chaired by Sir Martin Moore-Bick. A short consultation on the terms of reference for the Inquiry has been launched. However, in general it is expected that the Grenfell Tower Inquiry will examine the circumstances leading up to and surrounding the fire at Grenfell Tower, its spread to the whole of the building, and its effect on residents, including: the design, construction and modification of the building; the role of relevant public authorities and contractors; the adequacy and enforcement of relevant regulations; the arrangements in place locally for handling emergencies; and the handling of concerns previously expressed by local residents.

Implications for other buildings with a floor over 18 metres

4. Given public concerns about the safety of other tower blocks, councils have been reviewing fire safety assessments, relevant documentation relating to any refurbishments work, taking the advice of their fire and rescue services, and contacting residents to reassure them.
5. The Department of Communities and Local Government (DCLG) has also surveyed councils to identify the number of tower blocks that may be at risk, while the LGA has written to council leaders and chief executives about the steps being taken by the sector to reassure residents and themselves that a similar fire could not occur in their own tower blocks.
6. The possible involvement of cladding in the spread of the fire at Grenfell Tower has led to a series of actions to test the cladding on other buildings with a floor over 18 metres. On the 18 June DCLG wrote to all stock holding councils and registered social landlords outlining the arrangements it has put in place to enable aluminium composite material (ACM) cladding on buildings with a floor over 18 metres to be tested and its type identified. Of those tested to date all have been found to be of type ACM polyethylene

(PE) and ACM fire retardant polyethylene (FR). Using this information councils have been engaging with their local fire and rescue service to review fire safety in relevant blocks and to seek advice on the requirement for additional fire safety measures.

7. Following representation from the Local Government Association and others and the advice of the Independent Expert Panel on Safety, established by DCLG, further testing will now be conducted to help landlords to ensure the safety of their buildings. These large scale tests aim to establish how different types of Aluminium Composite Material (ACM) panels in combination with different types of insulation behave in a fire.

Housing and planning implications

8. The immediate housing priority has been to ensure that Grenfell Tower residents and other local residents that have lost their home as a result of the fire receive the support they need and are suitably rehoused. This work has been led by the Grenfell Tower Response Team.
9. The evacuation by Camden Council of the residents in four blocks of flats on the Chalcot Estate on the advice of the London Fire Brigade has presented short term, but none the less significant, challenges for residents and the council in obtaining suitable temporary accommodation.
10. The medium term implications remain unclear and will depend on the outcomes of the investigations, the Public Inquiry and further testing of cladding systems. However, in general terms the terrible events at Grenfell Tower have put safety and the quality and maintenance of housing at the top of the agenda. Councils facing remedial work and any tighter requirements will need financial support from Government.
11. At the same time councils must continue to push for reforms that would enable them to contribute to ensuring there is good quality and safe housing to rent and own in their areas. The Housing White Paper, published prior to the recent election evidenced the housing crisis. Councils can play an important role in increasing supply, but to do so they require the Government to: remove of the housing borrowing cap; allow councils to keep 100 per cent of the receipts from Right to Buy sales; reverse the one per cent reduction in social rent and provide rent certainty going forward.
12. The LGA has been concerned for some time about the implications of permitted development rights allowing offices to be converted to residential units without the need for planning permission. From a housing supply perspective the concern has been an increase in housing that did not meet identified housing need and a reduction in the provision of affordable housing. However following the Grenfell Tower Fire, it will be important to understand how fire safety standards are enforced in this system and how councils and the fire and rescue service can gather information on the change in use of a building.

Building regulations and guidance

13. The Public Inquiry will need to determine the implications of the Grenfell Tower Fire for the building regulations and guidance. However, we know from the 2009 Lakanal House fire Inquest, which reported in 2013, that the Coroner considered that Approved

Document B “is a most difficult document to use”. The Coroner recommended that it be reviewed to ensure that it “provides clear guidance in relation to Regulation B4 of the Building Regulations, with particular regard to the spread of fire over the external envelope of the building”.¹ The response by Rt Hon Eric Pickles the then Secretary of State for Communities and Local Government stated that a review would be complete by 2016/17.² However, to date new guidance has not been published. The Building Regulations’ guidance must now be reviewed urgently.

Additional fire safety measures including fire suppression systems

14. As stated, councils have been working with local fire and rescue services to assess the need for additional fire safety measures in tall blocks. A number of councils have already taken the decision to enhance fire safety measures including:
- 14.1. **Croydon:** work will start this October on installing fire sprinklers for every resident in the council’s 25 tallest tower blocks. The sprinklers will go into individual flats or communal areas. Sprinklers will also be installed for residents of a sheltered accommodation block in Addiscombe. Councillor Alison Butler, deputy leader and cabinet member for homes, regeneration and planning said that “from setting up our fire safety board to installing sprinklers in 25 tower blocks by next spring, this council is doing all it can to limit future fire risk in Croydon by responding robustly to the Grenfell Tower tragedy.”
- 14.2. **Brent:** £10 million pounds has been allocated for a range of fire safety improvements, such as sprinklers, smoke detectors and fire alarms, is set to be rolled out in high-rise tower blocks. Muhammed Butt, leader of Brent Council “Grenfell changed everything. When it comes to fire safety, ‘good enough’ is no longer good enough.”
- 14.3. **Nottingham:** as an added fire measure sprinkler systems are to be installed in the corridor and communal areas of 13 Nottingham City Council-owned tower blocks. Portfolio Holder for Planning, Housing and Heritage, Cllr Jane Urquhart, said: “I have written to Theresa May to explain that as part of an immediate review of our 13 high rise blocks, we will be installing sprinklers and improved intercom systems, and seeking financial support from the Government for this”.
15. The list above is representative rather than exhaustive. However it gives an indication of the scale of the response and the need to ensure that there are sufficient resources available to meet future expectations from residents.

LGA Work

16. The LGA has been working to support councils and fire and rescue authorities in the wake of the fire to ensure that our member councils are equipped with the information they need to act swiftly, including seconding staff in to DCLG to provide direct support to councils as part of the national team dealing with the aftermath of the tragedy.

¹ <https://www.lambeth.gov.uk/sites/default/files/ec-letter-to-DCLG-pursuant-to-rule43-28March2013.pdf>

² <https://www.lambeth.gov.uk/sites/default/files/ec-letter-from-rt-hon-eric-pickles-mp-20May2013.pdf>

17. The LGA has provided regular communications with Chief Executives, Chief Fire Officers and council leaders and created a Frequently Asked Questions page on our website (based on questions from councils) with links to relevant guidance, DCLG information and factual information about what we know so far. This is being regularly updated and can be found on the LGA's website: www.local.gov.uk/grenfell-tower-frequently-asked-questions-local-authorities
18. The LGA has also been active in the media, including press releases and Lord Porter, the LGA's Chairman, appearing on a number of media channels. LGA media releases have already generated 66 media stories.

Lobbying priorities

19. In summary, the LGA has identified three key and urgent lobbying priorities for our work going forward. These are that:
- 19.1. National action now needs to focus on what needs to happen to make buildings safe, and move away from testing one tiny part of the system. This should cover all landlords not just the handful of councils with relevant stock and those with Registered Social Landlords (RSL) with Aluminum Composite Material (ACM) cladding in their area. Any future work needs to be well coordinated and prioritise those buildings at highest risk.
 - 19.2. Building regulations must be reviewed urgently to make sure they are much clearer on what can and cannot be used on the outside of buildings, covering whole systems not just the external panels. That review should be independently led and involve local government closely, as well as those involved in practical application of the regulations to make sure they are clear and can be properly implemented.
 - 19.3. Government needs to agree to find the necessary resources for any required changes, both for remedial work and for any new tighter requirements.
20. As further findings emerge from the investigation at Grenfell Tower, the LGA will consider how these can be best taken forward.

Implications for Wales

21. The issues set out in this document are being addressed by the devolved administration and local authorities in Wales.

Next steps

22. Members are asked to:

- 22.1. Consider and comment on the actions that have been taken nationally and locally to identify and address fire safety issues in buildings over 18 metres following the Grenfell Tower Fire.
- 22.2. Consider the role of the EEHT board in lobbying for an urgent review of the Building Regulations' guidance.
- 22.3. At a meeting of the Fire Service Management Committee it was proposed that a meeting between the FSMC, the Safer and Stronger Communities Board, the Environment, Economy, Housing and Transport Board and the National Fire Chiefs Council should take place to consider a range of issues including looking at fire suppression methods including sprinklers. Arrangements for this meeting are in progress. Members are asked to consider how best to use this meeting and a potential working group drawn from the Fire Services Management Committee, Safer Stronger Communities Board, EEHT and the National Fire Chiefs Council.



**Environment, Economy,
Housing and Transport Board**

19 July 2017

Transport and Growth Update

Purpose

For information.

Summary

For information and to update EEHT Board members on three recent policy and LGA developments:

1. The Government's Transport Investment Strategy and the Major Roads Network
2. Town Centre Regeneration
3. Economic Growth landscape

Recommendations

That the Environment, Economy, Housing and Transport Board:

1. Notes the update; and
2. Provides further direction to LGA officers as appropriate.

Action

Officers to progress as directed by the Board.

Contact officer: Kamal Panchal
Position: Senior Adviser
Phone no: 020 7664 3174
Email: Kamal.panchal@local.gov.uk

Transport and Growth Update

Background

1. Members will recall from the June 2016 EEHT Board meeting a presentation by David Quarmby and Phil Carey from the Rees Jeffreys Road Fund on their study on 'Major Roads for the Future' in England. Their core proposal focused on the need for a comprehensive decision-making framework, and a consistent and coordinated regime for the strategic planning, funding and governance of England's major roads. They identified a further 3,600 miles of the more 'strategic' local authority roads which when added to the Strategic Roads Network constitute an integrated network of national and regional roads capable of supporting our regional economies across the country. This is the 8,000 mile Major Road Network (MRN). The LGA welcomed the report.
2. On 5 July 2017 the Government published its [Transport Investment Strategy](#) (TIS) - setting out the Department for Transport's priorities and approach for future transport investment decisions. In this, and most significantly for councils, the Government accepts the case made by the Rees Jeffreys Road Fund and has made a commitment to consult on a new 'major road network'. This would see a share of the annual National Road Fund, funded by Vehicle Excise Duty (VED), given to local authorities to improve or replace the most important A-roads under their management. It also outlines plans for a new 'rebalancing' measure, which will judge how investment programmes contribute to a more balanced economy.
3. At the moment, the LGA does not know when the DfT will consult. However, this is a positive move by the Government as it is an acceptance of the LGA's argument that there needed to be a much better balance in funding for the strategic and local roads network, recognising the interdependencies between the local and strategic road network.
4. Jesse Norman MP, the new Parliamentary Under Secretary of State for Roads, Local Transport and Devolution, mentioned the MRN in his keynote address at this year's LGA Annual Conference, which was chaired by the Chair of the EEHT Board. There is now the opportunity to ensure that there is a workable, locally relevant and non-bureaucratic structure for deciding how the MRN will be managed and how investment decisions and allocations will be made. The Chairman of the EEHT Board and the Minister have agreed to meet in the near future to discuss the TIS and other priorities.

Town Centre Regeneration

5. The Memorandum of Understanding (MoU) 2017-2018 between the DCLG and LGA sets out an agreement between the two parties of a comprehensive and effective package of support to be delivered by the LGA in return for grant funding. One of the areas of agreement relates to town centre regeneration and the requirement to work with DCLG deliver and support a forum whereby councils can come together to discuss common issues in relation to town centre regeneration, including sharing good practice and overcoming barriers.
6. As a very early piece of output from this joint work, representatives from Derby, Warrington and North East Lincolnshire Councils gave a presentation from their

respective areas on what they are doing to regenerate their town centres at the Innovation Zone at this year's LGA Annual Conference. The session was run twice and proved to be very popular.

7. LGA officers will continue to discuss and develop the support package with DCLG over the summer. Members will recall the joint work on the between the British Property Federation and the LGA on unlocking growth through public/ private partnerships. It is intended that the town centre work will build on the joint BPF/ LGA work and will provide a forum for sharing the lessons learned.

Economic Growth landscape

8. In April 2017 the LGA set out its response to the Government's Industrial Strategy Green Paper, 'Britain's Industrial Strategy'. The LGA response focused on those areas where the strategy is likely to have a big impact on local areas:

- 8.1. Upgrading infrastructure
- 8.2. Developing skills
- 8.3. Driving growth across the whole country.

9. Since then, a snap general election took place in June following which the Conservative Party, led by Theresa May, formed a minority government, based on the Conservative manifesto, with the expectation that it will be able to draw on the support of the Democratic Unionist Party (DUP) on a confidence and supply basis.
10. The Conservative Party manifesto made a number of references to a 'modern industrial strategy', including commitments on increasing innovation and productivity, a new Future Britain Fund, skills investment, energy and energy costs and investment in transport and other economic infrastructure. In relation to the role of local areas, the manifesto made commitments on the role of local institutions, the status of Local Enterprise Partnerships (LEPs), future growth funding and Mayors:
 - 10.1. **The role of local institutions:** the Government intends to support local growth through combined authorities, mayoralities and local enterprise partnerships. Each partnership and combined authority will be responsible for co-ordinating their own local industrial strategy in alignment with the national industrial strategy.
 - 10.2. **Growth funding:** Wherever possible the Government will deliver growth funding through these organisations. The structural fund money that comes back to the UK following Brexit will be used to create a United Kingdom Shared Prosperity Fund, specifically designed to reduce inequalities between communities across the four nations and will support the industrial strategy. The Government will consult widely on the design of the fund, including with the devolved administrations, local authorities, businesses and public bodies.
 - 10.3. **Local Enterprise Partnership:** The manifesto stated that a Conservative Government will give local enterprise partnerships greater weight by backing them in law.

10.4. **Mayors:** For combined authorities based on city-regions the Government intend to continue to support the adoption of elected mayors, but they will not support them for rural counties.

11. A rebalanced economy will remain a central theme to the new government and the industrial strategy will be one of the key vehicles for achieving this. The LGA will continue to ask for a recognition of the importance of greater local investment decisions and the value of both metropolitan and non-metropolitan areas to growth; together with a radical overhaul and devolution of the skills and employment system.

Implications for Wales ¹

12. **Major Roads Network:** Transport is a largely devolved matter in the UK. The Major Roads network proposal relates to the English networks. However, the economies of England and Wales are closely integrated and 50% of the people of Wales live within 25 miles of the English border and Wales' major arteries the M4, A55, the A5 are cross-border routes. Consequently, cross-border connectivity may have some bearing on deliberations in creating the MRN.

13. **Town Centre Regeneration:** There are no implications for Wales.

14. **Economic Landscape:** There are no implications for Wales as local growth policy is mainly a devolved matter.

Next steps

15. That the Board:

15.1. Notes the update; and

15.2. Provides further direction to LGA officers as appropriate.

¹ The WLGA pays a membership fee to the LGA on behalf of all Welsh councils and we lobby for them on "non-devolved" issues - e.g. DWP work. The WLGA provides "top-slice" for workforce support, but none for "improvement".

Note of last Environment, Economy, Housing & Transport Board meeting

Title: Environment, Economy, Housing & Transport Board
Date: Friday 17 March 2017
Venue: Room A&B, Ground Floor, Layden House, 76-86 Turnmill Street, London, EC1M 5LG

Attendance

An attendance list is attached as **Appendix A** to this note.

Item Decisions and actions

1 Declarations of Interest

The Vice-Chair of the Board, Cllr Judith Blake, took the Chair and received apologies.

There were no declarations of interest made.

2 Housing White Paper

Nick Porter, Senior Adviser on Housing and Planning, introduced the report on the Housing White Paper 'Fixing our broken housing market' and the LGA's Briefing on the publication. He asked the Board for their views on the Housing White Paper to steer further lobbying on announcements in the White Paper and next steps that should be taken. Further to this he explained that the Housing White Paper included some encouraging proposals that reflect recommendations in the LGA Housing Commission report. He also informed the Board there were gaps in the Housing White Paper the LGA would like to see addressed in greater depth; such as in planning policy, enabling housing growth, building more affordable housing, homelessness and welfare reform.

In the discussion that followed Members raised the following;

- The White Paper puts more accountability on councils but few powers, further empowering local authorities to secure the delivery should be a priority.
- Members welcomed proposals to ensure certainty and to simplify the planning system by introducing a standardised formula for assessing need, but were concerned that these reflect local need.
- That there needs to be a clearer definition on what is genuinely Affordable Housing, and a greater emphasis on allowing councils to meet it.
- Going forward a much greater focus on the private rented sector would be required.
- Concerns were expressed regarding the quality of private rented sector in some city centres where some privately rented properties are now cheaper than social housing.

- That local authorities being empowered further to bring together a strategy that enables the building to meet local housing demand should be included in the Housing White Paper.
- Members expressed a view that broadband should be referenced as a requirement for adequate housing going forwards.
- That there should be a greater mention as to the long term stability of housing.
- Members expressed a view that central government should have more direct communication with local authorities regarding the future of the housing market in their areas.
- Members raised the concern of the impact of unaffordable housing and welfare reforms on homelessness, and councils having tools to respond to this.
- It is important to find ways of influencing land values to help fund infrastructure and affordable housing.
- Members want to seek clarification from Government that it supports Local Housing Companies.

Decision

The members **discussed** the response to the Housing White Paper and next steps to be taken.

Action

Officers to;

- 1) The views of the EEHT Board to be included in the response to the Government on the Housing White Paper 'Fixing our broken housing market'.
- 2) Circulate a draft response to the consultation on the Housing White Paper to lead members for comments.

3 Update on Other Board Business

Eamon Lally, Principle Policy Adviser, introduced the report which included updates on a number of areas related to the Board's work.

Cllr Blake informed the Board that she had written to the Northern Energy Task force regarding their research project.

Sonika Sidhu, Senior Adviser, informed the Board that Cllr Tett's meeting with the Rt Hon Dr Thérèse Coffey MP had been very productive. She explained that the Minister was very open to listening to the views of local government and that further dialogue with Cllr Tett had been suggested.

In the following update regarding the Buses Bill members were given assurance that the views of the EEHT Board would be discussed further as the Bill progresses.

Decision

The board **noted** the update.

Action

Officers to include an update on the Buses Bill in future Board updates.

4 Confidential - Industrial Strategy Report

Kamal Panchal, Senior Adviser, introduced the report on the recently published Green Paper 'Britain's industrial strategy'. He explained that the Government is inviting responses to the Green Paper, and that a draft response was set out as an appendix to the report. He informed the Board that the LGA had to respond by 17 April. Further to this he brought members attention to the '10 pillars' of the Industrial Strategy which summarise the constituent parts of the strategy.

Kamal asked for members views on the draft response and whether there any areas members had identified where our response could be strengthened.

In the discussion that followed members raised the following points:

- Members expressed a view that little of the Industrial Strategy was new.
- Concerns were raised that investment towards research and development was disproportionately focused towards London, Cambridge and Oxford and the role of Central Government was a missing pillar
- That the Industrial Strategy should include some clear propositions on how the scientific sector will be supported going forward post-Brexit.
- Regarding devolution members expressed the view the Green Paper could be more ambitious.
- Members expressed a view that Trade Unions should be at the heart of an Industrial Strategy.
- That the Industrial Strategy needs to be more ambitious in terms of giving local areas tax and regulatory freedoms, going beyond devolution of Business Rates
- .
- That a National Investment Strategy should have been included as a part of the Green Paper.
- Members expressed a view that productivity, and its relationship to skills and health, should be explored in greater depth in the Industrial Strategy.
- That reference needs to be made to the importance of inclusive growth.

Decision

The Members of the Environment, Economy, Housing and Transport Board;

1. **Discussed** the LGA's draft response to the Industrial Strategy; and
2. **Identified** areas the draft response could be strengthened.

Action

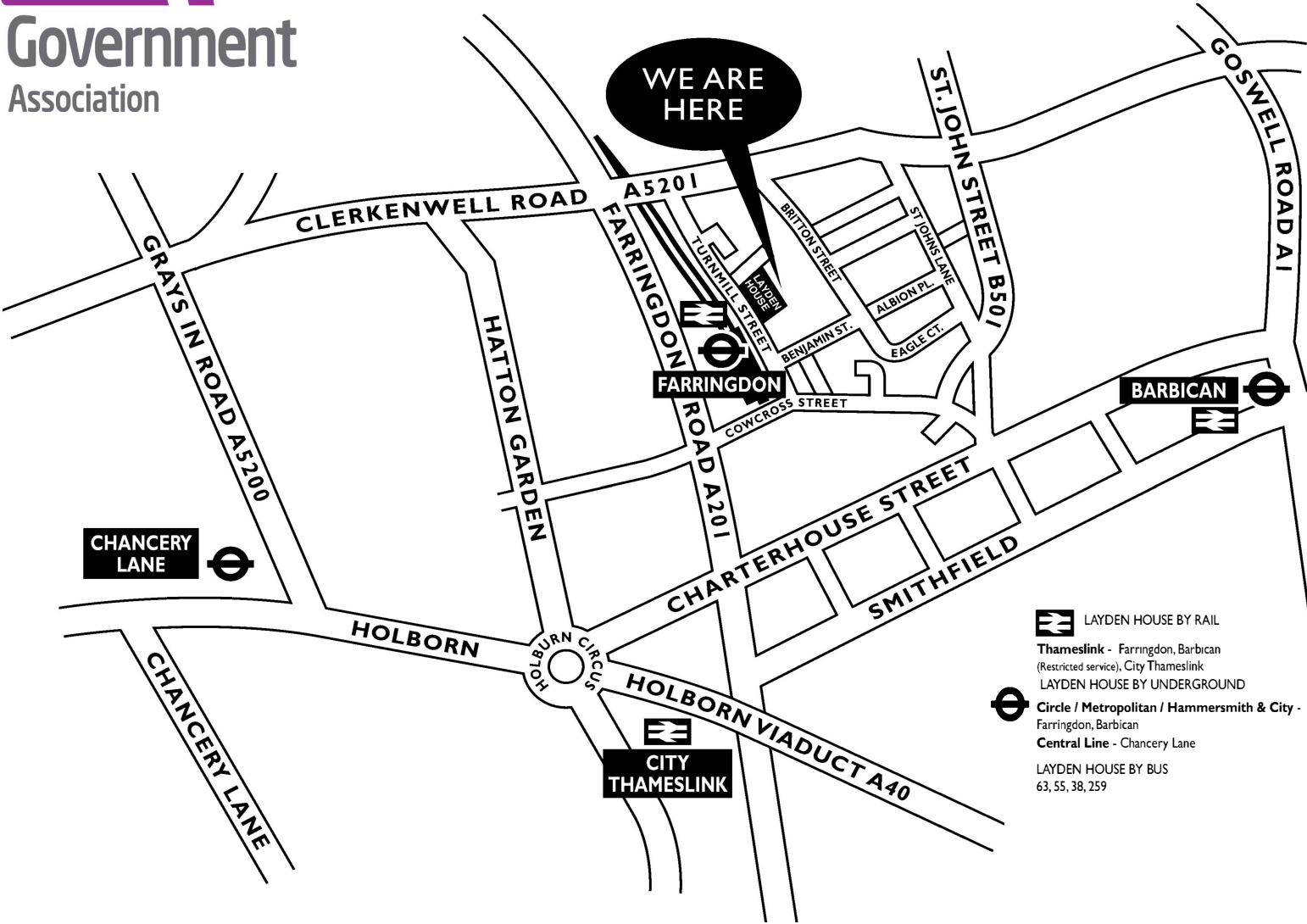
The views of the EEHT Board to be reflected in the response to the Government on 'Britain's industrial strategy' Green Paper.

5 Minutes of the previous meeting

The Board **agreed** the minutes of the previous meeting held on 5 January 2017.

Appendix A -Attendance

Position/Role	Councillor	Authority
Vice-Chairman in the Chair	Cllr Judith Blake	Leeds City Council
Deputy-chairman	Cllr Julian German	Cornwall Council
Members	Cllr Jason Ablewhite Cllr Simon Cooke Cllr Steve Count Cllr Catherine Rankin Cllr David Westley Cllr Tony Newman Cllr Ed Turner Cllr Gillian Campbell Cllr Simon Greaves Mayor Marvin Rees Cllr Adele Morris	Huntingdonshire District Council Bradford Metropolitan District Council Cambridgeshire County Council Tunbridge Wells Borough Council West Lancashire Borough Council Croydon Council Oxford City Council Blackpool Council Bassetlaw District Council Bristol City Council Southwark Council
Apologies	Cllr Martin Tett Cllr Stephen Parnaby OBE Cllr Alyson Barnes Cllr Hugh Evans OBE Cllr Keith House	Buckinghamshire County Council East Riding of Yorkshire Council Rossendale Borough Council Denbighshire County Council Eastleigh Borough Council
In Attendance	Claire Hawkes	Buckinghamshire County Council



-  LAYDEN HOUSE BY RAIL
- Thameslink** - Farringdon, Barbican (Restricted service), City Thameslink
- LAYDEN HOUSE BY UNDERGROUND**
-  **Circle / Metropolitan / Hammersmith & City** - Farringdon, Barbican
- Central Line** - Chancery Lane
- LAYDEN HOUSE BY BUS**
63, 55, 38, 259

Layden House

76-86 Turnmill Street,
 London
 EC1M 5LG

Tel: 020 7664 3000 Fax: 020 7664 3030

**The Local Government Association will be based at Layden House whilst refurbishment takes place at their offices in Smith Square.*

Public Transport

Layden House is served well by public transport. The nearest mainline station is **Farringdon** (Circle, Hammersmith & City and Metropolitan Lines. It also has Overground lines)

Bus routes - Farringdon Station

- 63 - Kings Cross - Crystal Palace Parade (**Stop A/B**)
- 55 - Oxford Circus -High Road Leyton (**Stop E/K**)
- 243 - Redvers Road - Waterloo Bridge (**Stop E/K**)

Cycling Facilities

The nearest Santander Cycle Hire racks are on Theobold's Road.
 For more information please go to www.tfl.gov.uk

Car Parks

- Smithfield Car Park - EC1A 9DY
- NCP Car Park London Saffron Hill - EC1N 8XA