

14 December 2018

Environment, Economy, Housing & Transport Board Update Paper December 2018

Purpose of report

For information.

Summary

An update of the policy work that has been carried out over the summer for the Environment, Economy, Housing & Transport Board. As discussed in the recent Lead Members meeting, there is an update on Grenfell and building safety.

Recommendation

That members note the contents of the report.

Action

Officers to take forward any member comments for future policy work.

Contact officer: Eamon Lally
Position: Principal Policy Adviser
Phone no: 02076643132
Email: Eamon.Lally@local.gov.uk

14 December 2018

Environment, Economy, Housing & Transport Board Update Paper December 2018

Building safety

Grenfell Update

1. Since the Board's last update on building safety, the government has made a range of announcements related to the national building safety programme. This paper updates the Board on the government's announcements and associated LGA work related to fire safety in high-rise buildings.

2. Response to the final report of the independent review of building regulations and fire safety (The Hackitt Review)
 - 2.1. In MHCLG's response to publication of the final report from the independent review of building regulations and fire safety, the department indicated it would be consulting on banning the use of combustible materials on the external walls of high-rise residential buildings. Following this consultation, the Secretary of State for Housing, Communities and Local Government announced on 1 October that the government would be banning the use of combustible materials on the external walls of high-rise residential buildings. Details of the ban were published on 28 November as amendments to the building regulations, and the ban will take effect from 21 December 2018.

 - 2.2. In addition to the consultation on banning the use of combustible materials, MHCLG published a revised version of the guidance on how to meet the fire safety requirements of the building regulations – Approved Document B – on 19 July. The consultation on this guidance closed in October, and the government intends to follow this with a wider technical review of the building regulations in Autumn.

 - 2.3. The LGA has continued to engage with MHCLG officials as they develop the government's response to the recommendations in Dame Judith Hackitt's final report. The focus of this work has been on developing proposals on how the new Joint Competent Authority (JCA) recommended in the Hackitt Review could function, and has involved discussions with the NFCC, Local Authority Building Control, and latterly the Health and Safety Executive, as well as MHCLG. There is an on-going dialogue with MHCLG about how these key regulators and the LGA can work together and with the future JCA.

 - 2.4. MHCLG intends to publish a full plan for its implementation of the recommendations in Dame Judith's report in Autumn 2018.

14 December 2018

Other building safety issues

Progress in remediation work

3. Progress continues to be made in carrying out remediation to the council and housing association-owned blocks with combinations of aluminium composite material (ACM) cladding and insulation that have been found not to meet the building regulation standards.
4. The statistics published by MHCLG on the 6 December show that remediation has started on 116, or just over three-quarters, of the 160 social housing blocks. Work has finished on 34 of these buildings, and in the case of the council blocks the cladding has already been removed from a significant majority, with the work underway to remove it from the remaining buildings.

Private high-rise buildings

Data collection

5. While those social housing high-rise blocks with ACM cladding systems were identified last year, councils' work to identify private high-rise residential buildings with ACM cladding has taken a number of months. This is because they have had to gather information on over 6,000 buildings. The deadline for gathering this information was the end of May, and the results were first published in the data released by MHCLG at the end of June 2018.
6. Updated data published by MHCLG in December showed there are 272 private high-rise buildings with ACM cladding. So far remediation work has begun on 18 of the private high-rise buildings with ACM cladding, and has been completed on 29 of them.

Secretary of State's announcements

7. With remediation work currently underway on only a small number of these private high-rise buildings, the Secretary of State for Housing, Communities and Local Government set out how the government would drive swifter progress by building owners in removing unsafe cladding in a statement at the end of June, followed by another statement at the end of November. The packages of measures in the June statement included:
 - 7.1. The establishment of a new taskforce to oversee the remediation programme on these private high-rise residential buildings, chaired by ministers and including the LGA, the NFCC, London Councils and local authorities with large numbers of these blocks as well as industry representatives.
 - 7.2. The convening of a joint inspection team by the LGA and the NFCC to help councils ensure building owners start remediation work on those private high-rise residential buildings with ACM cladding, and where necessary are supported to take

14 December 2018

enforcement action. £1 million will be made available to support enforcement action by councils.

- 7.3. The development of further statutory guidance by MHCLG to make it easier for councils to use their powers under the Housing Health and Safety Rating System (HHSRS) in relation to fire safety hazards posed by ACM cladding systems.
 - 7.4. Inviting industry representatives to develop their own solutions that progress the removal of unsafe cladding while protecting leaseholders from the costs. At the same time MHCLG said they would consider a range of other options if the industry does not provide solutions.
8. The November announcement updated on the above, and included the following additional measures of interest:
- 8.1. A new programme of soil testing in and around the Grenfell site, to take place alongside existing air quality monitoring which has been in place since the fire.
 - 8.2. A commitment to provide financial support for local authorities to take enforcement action against building owners who refuse to remediate unsafe ACM cladding. Support will be limited to compensation for works undertaken in default, and will be provided on the basis that local authorities seek to recover costs from private sector building owners.

Private sector remediation taskforce

9. The private sector remediation taskforce meeting has met twice since the last Board meeting. It has received updates on progress with the remediation of the private high-rise residential buildings with ACM, and heard from councils in London and the North West about the issues they have faced with ensuring building owners take action to remove ACM cladding systems.

Joint Inspection Team

10. The plans for the Joint Inspection Team discussed at the private sector remediation taskforce drew heavily on the proposal for such a team developed by London Councils and the LGA at the start of the year. Our preparatory work identified the skills and experience such a team would need, and the processes it will need to work through under the Housing Act and the HHSRS. We also suggested to MHCLG officials that the work of such a team would be assisted by changes to the HHSRS statutory guidance in relation to the fire safety hazards posed by ACM cladding.
11. The Joint Inspection Team will be run by the LGA, but paid for by MHCLG, and will report to the Private Sector Remediation Taskforce, chaired by the Minister for Housing.

14 December 2018

We have concluded discussions with MHCLG about the size of the team and costs, and intend to swiftly commence recruitment to the team. However, recruitment has not been able to proceed as swiftly as had originally been hoped, due to issues related to the professional indemnity of the team.

12. Once these issues are resolved, we will be contacting local authority chief executives to highlight the existence of the team and ask whether any of their environmental health officers could be seconded into the team.

Statutory guidance on powers under the Housing Health and Safety Rating System

13. The LGA, London Councils and the National Fire Chiefs Council (NFCC) worked closely with MHCLG on the drafting of this guidance. This involved seeking the views of environmental health officers and their testing of the new approach to ensure it is as robust as possible. The Housing Act requires any HHSRS guidance to be considered by Parliament before it can be used; the guidance was laid before Parliament on 28 November, and will be under consideration for a period of 40 days. It will be available for use by councils early in 2019.

Budget Highlights for EEHT

Housing Revenue Account, Housing Infrastructure Fund, strategic housing deals

14. The Housing Revenue Account (HRA) cap has been abolished from 29 October 2018 in England. (Page 62, paragraph 4.56)
15. The Housing Infrastructure Fund will increase by £500 million to a total £5.5 billion. (Page 62, paragraph 4.56)
16. The government will make £10 million capacity funding available to support ambitious housing deals with authorities in areas of high housing demand to deliver above their Local Housing Need. (Page 63, paragraph 4.60)

Accelerating housing delivery

17. Alongside the Budget, Sir Oliver Letwin has [published](#) his independent review. The Government will respond to the review in full in February 2019. (Page 62, paragraph 4.57)

Land value uplift

18. The Government is simplifying the process for setting a higher zonal Community Infrastructure Levy in areas of high land value uplift, and removing all restrictions on Section 106 pooling towards a single piece of infrastructure.

14 December 2018

19. The Government will also introduce a Strategic Infrastructure Tariff for Combined Authorities and joint planning committees with strategic planning powers. (Page 63, paragraph 4.59)

Planning

20. The Government has launched a consultation on new permitted development rights to allow upwards extensions above commercial premises and residential properties, including blocks of flats, and to allow commercial buildings to be demolished and replaced with homes. (Page 63, paragraph 4.58)

21. The Government will provide £8.5 million of resource support so that up to 500 parishes can allocate or permission land for homes sold at a discount (Page 64, paragraph 4.63)

Environment Plastic packaging

22. The government will reform the Packaging Producer Responsibility System, which will aim to increase producer responsibility for the costs of their packaging waste, including plastic. (Page 28, paragraph 3.56)

Economy: Highstreets

23. As part of Our Plan for the High Street and alongside changes to business rates, the government will launch a new Future High Streets Fund to invest £675 million in England to support local areas to develop and fund plans to make their high streets and town centres fit for the future. It will include £55 million for heritage-based regeneration. (Page 67, paragraph 4.76). The Government will consult on creating a more flexible and responsive 'change of use' regime with new Permitted Development Rights. It will also trial a register of empty shops with selected local authorities. (Page 67, paragraph 4.77)

24. The government is cutting Business Rates by one-third for retail properties with a rateable value below £51,000 for 2 years from April 2019. Local authorities will be fully compensated. (Page 46, paragraph 3.33- 3.37)

Transport

25. National Roads Fund – The government is hypothecating English Vehicle Excise Duty to roads spending, announcing that the National Roads Fund will be £28.8 billion between 2020-25. £25.3 billion will be the maximum allocated to Highways England. £3.5bn will be made available to councils for important local routes. See draft Roads Investment Strategy 2 [here](#) (Page 55, paragraph 4.8-4.9)

26. The government will allocate £420 million to local authorities in 2018-19 to tackle potholes, repair damaged roads. The government will also make £150 million of NPIF funding available to local authorities for small improvement projects. (Page 55, paragraph 4.10)

14 December 2018

27. Transforming Cities Fund extension – As part of the NPIF, the government is extending the Transforming Cities Fund by a year to 2022-23. This will provide an extra £240 million to the six metro mayors for significant transport investment. A further £440 million will be made available to the city regions shortlisted for competitive funding. (Page 55, paragraph 4.11)
28. Transforming Cities Fund: Future Mobility Zones – To support the Industrial Strategy Future of Mobility Grand Challenge, £90 million from the NPIF will be allocated to the Transforming Cities Fund to create Future Mobility Zones. (Page 55, paragraph 4.12)

Spending review

29. A Spending Review is a semi-regular exercise by the Treasury which delivers funding settlements, or department expenditure limits, to all Government departments for a set number of years. This includes a department expenditure limit for local government which is included as a sub-heading within the MHCLG expenditure limit. This does not necessarily include all funding for local government as it will exclude some funding that is routed through other departments.
30. The 2019 Spending Review will set funding totals starting from 2020/21. It is not clear at this stage how many years it will cover.
31. We don't have a date for the Spending review but it could be as late as Autumn 2019.
32. In preparation the LGA is undertaking the following work.
- 32.1. Work to project the funding gap to 2025
 - 32.2. Building an evidence base of increased local government efficiency, as well as evidence of good investment
 - 32.3. A range of engagement work and media messaging in the lead up to the development of our SR submission and subsequent to its publication.

Fly Tipping

33. For the 2017/18 year, local authorities in England dealt with just under 1 million (998,000) fly-tipping incidents, a slight decrease of 1 per cent from the 1,011,000 reported in 2016/17, following annual increases since 2013/14. There were 494,000 enforcement actions carried out in England in 2017/18, a 4 per cent increase (of 18,000 actions) since 2016/17. The number of fixed penalty notices issued has increased, up 20 per cent to 69,000 from 2016/17 and up 91 per cent on 2015/16.
34. This is the second most common enforcement action (after investigations), and accounted for 14 per cent of all enforcement actions in 2017/18. This year Defra have

14 December 2018

only published data on the cost of clearing large fly-tipping incidents (equivalent to a tipper lorry load). This was £12.2 million compared with £9.9 million in 2016/17. Defra have not published a figure on the total cost this year due to concerns over the quality of the data. For more information [here](#).