



*Local Government Association*

# Working with the Incoming Government

Environment Board

26 May 2010

promoting better local government

# New Coalition Government: Context and Priorities

- Coalition Conservative/Liberal Government. 5 Lib Dem Secretaries of State including Chris Huhne at DECC
- Agreement that deficit reduction is priority
- £6billion of immediate cuts announced on Monday 24<sup>th</sup> May.
- Promise this will be the “greenest government ever”.
- Queen’s Speech on 25<sup>th</sup> May laid out the legislative agenda.
- Emergency budget on 22<sup>nd</sup> June after the books have been audited.

- LGA Group last week made “a comprehensive and open offer from local government” to the new coalition which includes;
  - **Specific measures** to make efficiency savings and cut waste quickly;
  - **Radical decentralisation** for a more effective and affordable state;
  - A **pledge of comprehensive support** to councils to ensure success.
- Written to DECC, Defra and CLG Secretaries of Letters to Ministers are following.

# Environment and Housing: Main live issues

- Air quality
- Low carbon economy (including home energy and renewables)
- Corporate and area carbon management
- **Waste**
- Climate adaptation and Flooding
- **Housing finance**
- Best Commission on new-build
- The deal for tenants
- Carbon Reduction Commitment
- **Planning**

# Housing Finance: Conservative & Lib Dem positions

## **Conservative commitments**

- No specific reference to housing finance reform in manifesto documents. David Cameron said during campaign they would look at responses to previous Government's final proposals
- Grant Shapps seeking early meeting to discuss housing finance reform.

## **Liberal Democrat commitments**

- Review local government finance completely as part of planned tax changes, including reviewing the unfair Housing Revenue Account system and the mainstreaming of central grants.
- Have in the past worked closely with the LGA's housing campaign and supported our ambitions to reform the housing finance system – including tabling Parliamentary Questions and Early Day Motions.

## **Coalition document commitment**

- Phase out ring fencing of grants to local government and review the unfair Housing Revenue Account

# Housing Finance: suggested LGA position

- New Government will want to form its own view but issues have been explored very thoroughly and we should move swiftly to decisions
- Proceeding to self-financing in 2011-12 would generate receipt of up to £3.5bn for central government and enable 15,000 homes to be built over next 5 years without a penny of central government money R1
- If it proceeds, it will be important to ensure all councils have capability to make the most of financial independence
- NB also Grant Shapps' keen interest in mobility and choice for tenants

## Slide 6

---

**R1**

The money to Government is up to £3.6bn - not £3.5 as noted here.

RuthL, 23/05/10

# Planning: Conservative and Lib Dem positions

## **Conservative commitments**

- Abolish Infrastructure Planning Commission.
- Abolish regional planning targets, put in place financial incentives for councils to promote housing development
- Developer tariff
- Give local people greater control of the planning system incl scaling back Inspectorate

## **Liberal Democrat commitments**

- Abolish Infrastructure Planning Commission.
- Return decision-making, including housing targets, to local people.

## **Coalition document commitments**

- Abolish Infrastructure Planning Commission
- Devolution to councils incl end of RSSs
- A consolidated national planning framework



# Planning: suggested LGA position



Local Government Association

- Support devolution of local planning decisions to councils
- Important issues to work on:
  - Maintaining council involvement in new national decision-making regime
  - Ensuring national planning framework is very different from current 2000 pages of national policy
  - Incentives for development and developer contributions
  - Enabling co-operation between councils eg across housing market areas
  - Developmental support for councils to operate effectively in devolved regime

# Waste: Conservative and Lib Dem position



## **Conservative Commitments**

- “Responsibility Deal” on waste – a voluntary arrangement among producers to cut back on the production of waste and improve its disposal
- Councils to be encouraged to pay people to recycle. Landfill tax rates will not be dropped until 2020 “to encourage alternative forms of waste disposal”.

## **Lib Dem Commitments**

- Set targets for zero waste aiming to end the use of landfill and improve resource efficiency

## **Coalition Commitments**

- Work towards a “zero waste” economy, encourage councils to pay people to recycle, emphasis on anaerobic digestion and work to reduce littering

# Waste: suggested LGA position

- cost to local authorities of £3.5bn a year.
- ‘universal’ council service; high media profile
- Relationship between the previous government and the sector damaged by renegeing on commitment to return proceeds of **landfill tax** back to councils in general grant
- Need to communicate to the new Defra team that councils face an unsustainable ‘crunch’ between the costs of increasing recycling and energy from waste and landfill tax if they don’t
- Government, councils and the private sector need to work together as proposed by Archie Norman and Nick Herbert to work out a solution
- Short term wins; Defra can address the legal loophole surrounding the disposal of schedule 2 waste; and abandon previous Government’s proposals to ban certain materials from landfill which are impractical and hugely costly

## European Commission work programme:

- Simplification of waste legislation in 2012: potential burdens and/or targets
- Commission seem to be resisting further legislation on bio-waste but other member states and Parliament interested
- Climate change targets and energy infrastructure plans: potential additional responsibilities and mandatory requirements

**Slide 11**

---

**R2**

Social housing - carbon reduction target and the DECC money to energy companies to help housing reach this target. Worth mentioning.

RuthL, 23/05/10

# Performance and improvement



*Local Government Association*

- Making the most of devolution and strengthened role: housing finance, planning, energy efficiency, flooding
- Efficiency and savings
- Technology and know-how
- Less resources for promoting good performance: sector bodies vs quangos